THE UNITED BRANDS COMPANY IN CAMEROON: CHOICES

Barbara J. Heinzen

ABSTRACT

In 1982, the Cameroon export banana trade was nearing collapse. This forced both the Cameroonian government and the United Brands Company to evaluate their involvement with the trade. This paper discusses some of the commercial and political factors taken into account and in so doing tries to provide an example of a case study analysis of the role of multinational companies in the Third World.

INTRODUCTION

Any discussion of multinational companies in the Third World is inevitably confused by the great variety of situations and characters represented by that general title. The conclusion that might be drawn about the extractive industries can be very different from those about the agricultural industries and both will represent problems that are irrelevant to the manufacturing or financial industries. It is also important to recognise that the "corporate characters" of individual companies; the values and ethics that any particular business represents in its day-to-day operations, can be significantly different from one company to another. In the same fashion the political, economic and geographic situations in the host countries can be so diverse that any scholar must be wary of making either comparisons or generalisations about the role assigned to multinationals within them. This great variety is further complicated by the fact that many of us will write about one particular historical period and be tempted to conclude that the behaviour witnessed in that period is going to continue in the interaction of multinationals and host countries in other periods as well.

This great diversity of circumstance, time and caracter is unfortunately not well documented. There is a surprising paucity of widely-published case studies of individual companies in particular countries at different times. This makes it difficult to build up a series of substantiated generalisations about the relationship between multinational companies and Third World hosts. Moreover, what evidence does exist has often been overshadowed by the great volume of theoretical and summary works that generalise on the basis of what is at best episodic information. In addition, it is extremely difficult for even the most fluent of academic writers to stay abreast of current events. As anyone who has worked in this area knows, the reality of the relationship between multinational companies and developing countries is evolving at a much faster rate than the academic world has yet recognised or been able to document. We are hampered by our habits of observation and reflection which force us to move at a much slower pace than those managers of multinational companies and third world governments who are occupied -- not with studying the situations they are in -- but with creating and transforming them.

The consequence of all this is that we are involved in a debate whose parameters are created a-new by each debator and where there is little evidence possessed by all which might be used to settle some of the arguments in circulation. It is, therefore, less a debate on common ground than it is a speaker's corner for the presentation of widely differing experiences and points of view. As a researcher, I have approached this confusion through a case study of the United Brands Company in Cameroon. This was done partly in order to generate some of the evidence needed to evaluate the relationship of multinationals and Third World countries. It was also, however, a way of exploring the complexity, not just of the subject itself, but of any single company/host country history. In this respect, I would like to emphasize the great value of working as a geographer on such a topic. Many companies involved in the developing countries are there because of specific geographic advantages, particularly in the production of primary export commodities, which are uniquely present in these regions. However, the geographer's skill is in being able to blend an examination of those factors of physical geography with the use made of those factors by both the host society and the foreign business. It is in the examination of that blend and its consequences that I believe the fullest understanding of company/host country affairs can be acheived.

It is obviously difficult in a short paper to show how such an analysis might function. However, I would like to demonstrate such an approach through the discussion of the banana trade of Cameroon in 1982. This will begin with a description of the condition of the 1982 business. An examination then follows of the possible responses to that state which might have been made either by the government of Cameroon or by the United Brands Company which has been involved in the trade since the 1930s. In examining the choices faced by each party and exploring in the process some of the history and conditions that have affected those choices, several of the factors influencing the relationship between Cameroon and the United Brands Company can be indentified and weighed.

BACKGROUND

The United Brands Company has been in the Cameroons since at least the 1930s, operating both through its German subsidiary to export bananas from the British Cameroons to Germany

and through its French subsidiary, la Compagnie des Bananes, to handle exports from the French Cameroons to France. After the Second World War, the Compagnie des Bananas continued to work in the French Cameroons, but the banana exports from the British Cameroons were taken over by Elders and Fyffes, United Fruit's British Subsidiary, and sent to the United Kingdom. (see Figure 1). The banana trade was enormously successful throughout the 1950s in both the French and the British Cameroons, but suffered several setbacks in the late 1950s and the early 1960s. The most serious of these was the reunification of the Southern Province of the British Cameroons with the former French Cameroons in a new Federal Republic of Cameroon. This political decision led to the imposition of a tariff barrier against any Cameroonian fruit arriving in Britain and effectively cut off the banana producers of English-speaking Cameroon from their 1950s market. Despite various efforts to keep the trade going, it had lost all economic viability by the mid-1960s. In 1967, Elders and Fyffes pulled out of Anglophone Cameroon, leaving the Compagnie des Bananes in charge of affairs in both English- and French-speaking Cameroon. (See Maps 1-5).

CAMEROON BANANA TRADE -1982

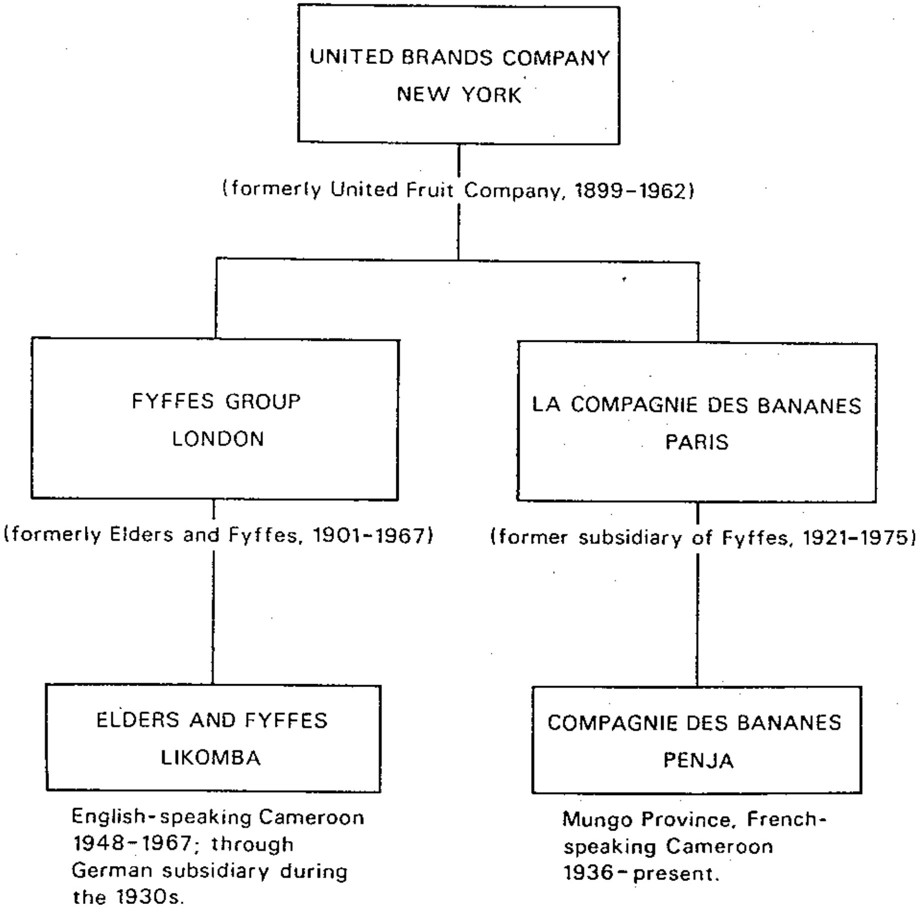
In 1982, there were slightly less than 5500 hectares of land in banana production, most of it located in Mungo in the former French Cameroons. Slightly less than two-thirds of the land had been worked privately, largely by French organisations, and the balance had been in parastatal control.

CAMEROON BANANA LAND, 1982

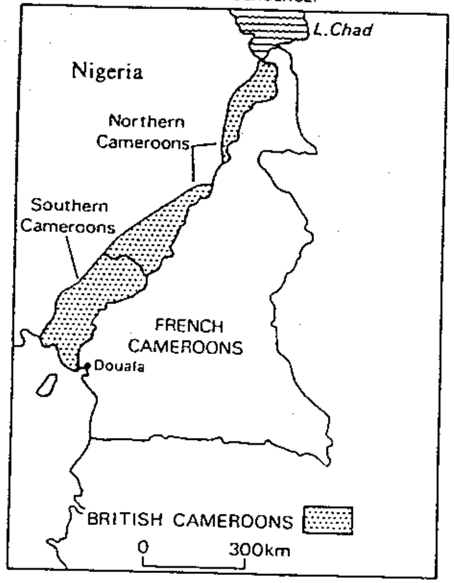
Private	
French plantations	56%
Cameroonian plantations	6%
	62%
Parastatal	
Organisation Camerounaise de la Banane (OCB)	22 %
Cameroon Development Corporation (CDC)	15 %
Institut de Recherche Agronomique (IRA)	.7%
	37.7%

In addition to these two different kinds of producers, private and parstatal, representing about fifteen different individuals and organisations, there were three organisations providing aerial

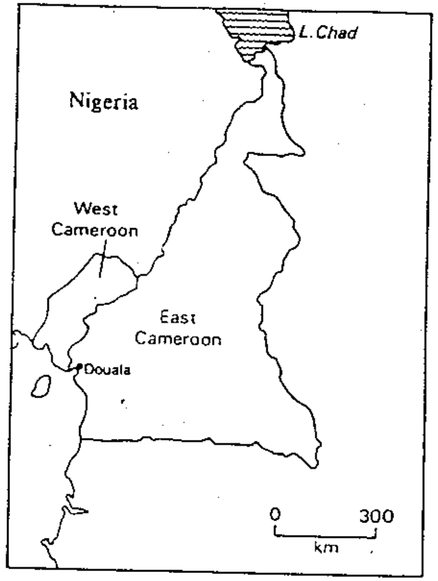
Figure 1. CORPORATE AFFILIATIONS OF UNITED BRANDS SUBSIDIARIES IN CAMEROON.

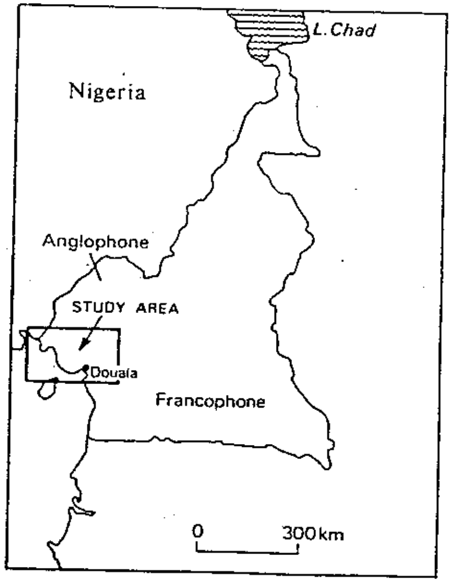


Map 1 THE CAMEROONS UNDER MANDATE. WORLD WAR 1–INDENDENCE.

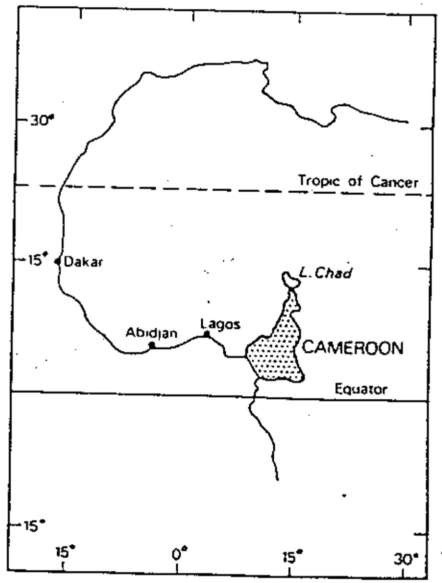


Map 2. FEDERAL REPUBLIC OF CAMEROON 1962–72



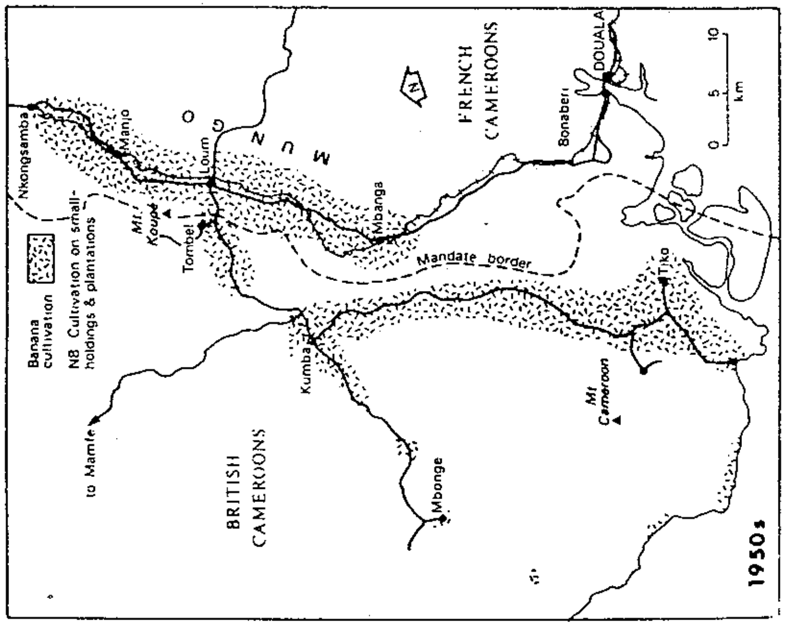


Map 3. UNITED REPUBLIC OF CAMEROON, 1972–PRESENT.

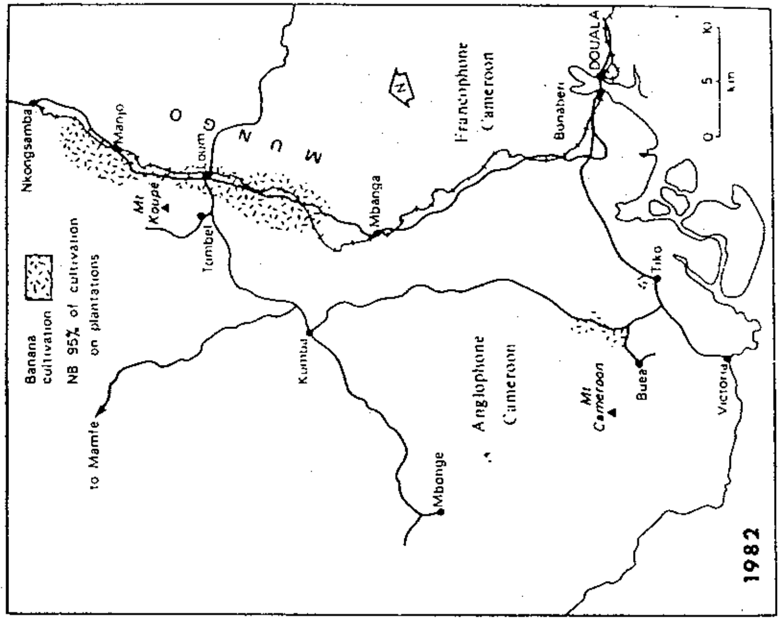


Source: Rubin, N., CAMEROUN AN AFRICAN FEDERATION 1971

Map 4. ESTIMATED EXTENT OF BANANA CULTIVATION IN THE CAMEROONS – 1950s



Map 5. ESTIMATED EXTENT OF BANANA CULTIVATION IN THE CAMEROONS – 1982



crop treatment, two different transport systems (one by train and one by lorry), several different forwarding agents who handled the transition of cargo to the ships, an uncounted number of shipping companies who transported the fruit to Europe, and six sales agents who sold the fruit in France. (See Figure 5) In short, as it was structured in 1982, the Cameroon banana trade was the pluralistic antithesis of a company-owned vertically integrated export agri-business.

Cameroon's estimated banana exports for 1982 were about 50,000 tonnes, an average of less than ten tonnes per hectare, which compares unfavourably, and uneconomically, with production figures from Latin America, which are on average over thirty tonnes per hectare. These exports also compare badly with Cameroonian peak production of the 1950s when about 162,000 tonnes were exported annually from the British and the French Cameroons combined.

Admittedly, 1982 was an exceptionally bad year for the Cameroon banana trade. However, two years earlier, the collapse of the business had been foreseen by a planters' organisation known as the Syndicat de Défense des Intérêts Bananiers. At that time, the Syndicat produced a five-page report pointing out that unless problems with the banana trade were corrected, plantations would close, workers would be laid off and widespread unemployment, rural exodus and "delinquency" would follow. The report also estimated the loss of tax revenue, and listed the related business that would close if the banana trade failed. In giving the reasons for the weakness of the trade, the report cited twenty-five separate complaints directed at nearly every stage of the business from field production to final sale in Europe. Many of the problems were managerial. Others concerned the cost of supplies or services. When taken altogether, the report stressed, these problems had caused a fall in the production, quality and profitability of the Cameroonian banana, and the "discouragement of the planters (large and small)". The report was distributed widely, and after reaching the president of the country, several changes were made to the Organisation Camerounaise de la Banana (OCB), the parastatal office with the greatest overall responsibility for the trade. By early 1982, the OCB director had been replaced, and the government had advanced a large subsidy to be administered by the OCB for the improvement of the industry.

By May of 1982, the subsidy had been used to underwrite the cost of supplies to planters, buy a fleet of new vehicles for the OCB plantations, redecorate the OCB offices in the port city of Douala, and set up a new OCB aerial treatment company for crop spraying. Although the subsidy was welcomed by planters as a sign of government support for the trade, the adminstration of the subsidy was greeted with scepticism and then disapproval, with the heaviest criticism coming from the private French planters and the most muted from the

Cameroonians; Cameroonians, in general, preferred to support the inefficient, but Cameroonian OCB rather than defend an informal private French control of the trade.

As I was finishing fieldwork in May of 1982, there was a widespread sense that the banana export trade of Cameroon had reached a turning point at which the entire trade either had to be modernised or allowed to fade into insignificance, with land gradually being turned over to other uses. This would have amounted to a "decision-by-default" to end the export of bananas from Cameroon, and the slowness of the government to respond to the Syndicat's 1980 report led many planters to fear that the government covertly preferred to see the trade die of its own inefficiency. The delays of the government, however, could also be seen as an indication of the difficulty of making a decision on the future of the Cameroon banana trade and the agricultural areas that depend on it. It is that difficulty which I would now like to explore, and in so doing try to show how political, commercial and agricultural factors constrained the range of choices open to both the host government and the United Brands Company.

CAMEROON GOVERNMENT CONSIDERATIONS

The government's policy concerning the banana-producing region of Cameroon has been shaped, though sometimes only tacitly, by three considerations:

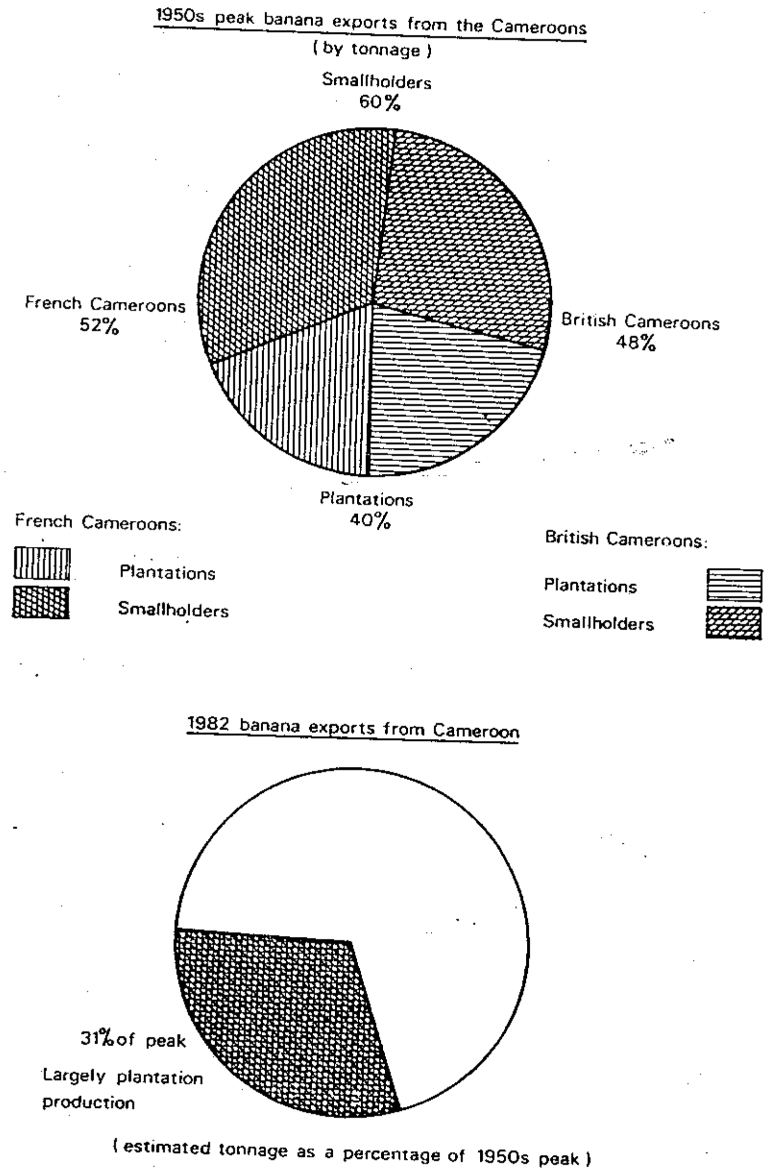
1) Should agricultural production in Mungo be based on plantations, smallholdings or a combination of both?
2) Should export banana production continue?
3) If so, how and by whom should it be managed?

During fieldwork in 1982, most participants in the business were talking about the third question: the management of the banana trade. However, that question only makes sense once the first two questions have been resolved and the implications of them been considered. Furthermore, both questions resurface once the banana industry fails to survive.

Plantations, Smallholdings or Both

We begin, therefore, with the first question: plantations? smallholdings? or both? Here, it it important to recognise that 1982 banana production in the Republic of Cameroon has been based on the remnants of the 1950s production from the former British and the former French Cameroons where both plantations and smallholders were involved. (See Maps 4 and 5) Moreover, during the 1950s, the greatest volume of exports came from smallholders who were organised in cooperative societies that were an influential part of the trade. (See Figure 2). There is, therefore a tradition of successful smallholder participation in the banana business

Figure 2. IMPORTANCE OF PRODUCTION FROM SMALLHOLDERS AND THE BRITISH CAMEROONS DURING THE 1950s.



which has argued in favour of the inclusion of smallholders in any modern-day banana trade from Cameroon.

In 1982, however, there were not more than a handful of smallholders producing export bananas and they were by the standards of the 1950s, fairly large farmers. While, for example, a smallholder in the 1950s trade was typically a Cameroonian farmer working less than seven hectares of land farming bananas as one of several crops in a field, a smallholder in 1982 was anyone, French or Cameroonian, working less than 100 hectares of land dominated by the export banana.

Despite this change in the definition of a smallholder there was, in 1982, still an idealistic feeling that farmers with only a very limited amount of land should be able to participate in the trade. Nor was this such an unreasonable idea when one remembers that most of the population of Cameroon and of the banana-zone were small farmers whose independent livelihood could wel be threatened by any wholesale government policy aimed at establishing plantiations over smallholder operations.

There was an additional reason why smallholder participation was still considered desireable despite a number of commercial pressures which would exclude them and which are discussed below. Banana production in 1982 was largely confined to Mungo in French-speaking Cameroon, where 1200 hectares of banana plantations were managed by the OCB. The OCB plantations were formed in the mid-1960s from a combination of abandoned European plantations and - by far the major contributors -- the land of smallholders who had been involved in the banana trade in the 1950s. The creation of these plantations followed a bitter smallholders' strike in 1959 that led to a *de facto* civil war in the Mungo region which was suppressed in the 1960s, but which gave rise to ten years of brigandage, repression and guerrilla war. When the OCB plantations were formed in response to a need to keep smallholders involved in the trade, it was on the understanding that as the plantations came into production those smallholders who had contributed land would provide the labour and then be able to share in the profits of the estates' earnings. However, by 1982 none of the OCB plantations made a profit, although those people who had given their land to the scheme were generally paid a rent for the use of the land in addition to any wages earned as labourers. The economic failure of the plantations in 1982, thus meant that a viable smallholders' role in the banana trade was still to be established and forced the government to avoid offending smallholders in the region and thereby triggering a return to the unrest of the 1960s.

However, these pressures to consider the small farmer and to placate him were in conflict with the basic economics of banana production and sale in the 1980s. The unrest in Mungo (and to a lesser extent the problems of reunifcation in Anglophone Cameroon) tended to obscure the fundamental economic dilemma of smallholder banana production in the late 1950s and early 1960s. Thus, although many saw the banana as a source of wealth, few small farmers, in 1982, seemed to recognise that their participation in the 1950s was based on three very ephemeral factors: 1) newly cleared and very fertile land, 2) the absence of major banana diseases and 3) a particularly tolerant undersupplied post-war banana market in Europe. As the market in Europe became more selective and competitive in the 1960s, a higher standard of fruit was required of Cameroonian growers. These growers, however, were just beginning to be assaulted by the problems of declining soil fertility and increased diseases associated with widespread banana production, all of which were to require greater investments in production than farmers had ever before needed. These investments coincided with a lower price in Europe and little by little the smallholder was unable to stay in the business. Instead, the move in the banana trade was towards a more industrialised plantation style which was capable of the uniform quality fruit at a fairly low cost. It is, therefore, not surprising that most of the bananas exported from Cameroon, in 1982, came from the plantations in the banana zone of the country.

However, despite the decline of smallholders in the banana trade and the dominance of plantations, it would be hasty to assume that plantations have operated at the expense of smallholders. On the contrary, the history of Mungo in the past fifty years has been the history of plantations, around which most of the present population first gathered, either as workers or smallholders or a mixture of both. The plantations in Mungo were, by 1982, a feature of the landscape which was taken for granted. It was argued by some that without the salaries coming from the plantations, the quality of life and in particular the quality of food eaten in Mungo would decline. While the women were still managing "chop farms" to raise local foods for the family and occasionaly for sale, the men were working on the plantations and using the money to pay for "luxuries" like meat and eggs and clothes. It can be argued, in fact, that the relationship of smallholdings and plantations in Mungo has been as much one of mutual dependence as one of conflict. One could say that the small farms subsidised the plantations by providing food that did not, therefore, have to be paid out of wages which were then kept low. On the other hand, if one considers that the centre of a family's life was in fact the farm, then the plantations earnings enabled a family to prolong the viability of a marginal holding which by itself could not support the family.

In addition to historical and, in the case of bananas, commercial arguments in favour of plantations, one should also consider the government's Fifth Five Year Plan for the Agricultural

Sector published in 1981. Here, continued attention has been given to the priorities of the previous five year plan which stressed the role of export agriculture and of "agro-industrial complexes". These were seen as able to "produce foreign exchange for the acquisition of those items of equipment and consumption that the country cannot produce". More importantly, the report continued support for "The creation and extension of large modern plantations and agro-industrial complexes", some of which could be seen in the Littoral and Southwest Provinces where new oil palm and rubber plantations had been created in and near the 1950s banana zone. Given, therefore, the existence of banana export plantations in Mungo, it was very unlikely that these plantations would be eliminated even if the banana industry collapsed in 1982 or 1983. It was instead more likely that the government would look for an export crop that could make use of the plantation structures developed for the banana trade.

BANANAS OR OTHER CROPS?

This conclusion raises the second question: if after 1982 the plantations in Mungo were likely to continue, should they be used to grow bananas or be put into other crops? The arguments in favour of continuing with bananas were considerable, but so too were the arguments against the crop.

In Favour of Bananas

One of the strongest arguments in favour of the banana crop was that when well managed and producing regularly, the banana produced a year-round income and with it regular foreign exchange earnings. It could also be brought into production within a year. There was, in addition,the force of habit. Bananas had been an important crop in Mungo for fifty years. This meant not only that there were several related companies in boxing and aerial treatment dependent on the bananas, but that there already existed a work force which, although it may not have achieved a high level of efficiency, was conversant with the requirements of the crop. Nor should it be forgotten that the fruit rejected for sale in Europe could still be sold in Cameroon. Although this sector of banana plantation production had not been systematically exploited, it might well be that banana plantations could contribute to food requirements in Cameroon. In 1982, the banana was known as "le riz du Mungo".

In addition, there is the nature of the French market where most Cameroonian bananas were sold in 1982. This market had been protected since the 1930s and since the early 1960s had operated a quota system under which the entire market was divided, giving two-thirds to the Antilles islands of Martinique and Guadaloupe (both being Overseas French Departments functioning as a part of France itself) and one-third to the French-speaking African countries of Ivory Coast, Cameroon and Madagascar. If it happened that franc-zone production was unable to meet the demands of the French market, dollar-zone fruit, usually from Latin America, was allowed in. This occured in 1978 and 1979 when hurricanes decimated the production of the Antilles. At that time, dollarzone fruit was sold in large quantities in France where buyers found they could get fruit of a better quality and lower price from the dollar zone than from the franc zone. This experience was disturbing to French-speaking growers who began to fear that if the Cameroonian planters did not continue to supply the French market, the entry of dollar-zone fruit would undercut the protected position of bananas from theAntilles, the Ivory Coast and Madagascar. There was, therefore, considerable pressure on Cameroon to stay in the market, and a substantial incentive to do so since the French system offered a higher price for bananas than was normally obtained elsewhere.

Against bananas.

There are several inter-related arguments, however, which do not suport the continuation of the banana crop in Mungo, most of which refer, in one way or another, to the quality of fruit required in a highly competitive market. To begin with, it should be realised and accepted that in the development of the banana market as of 1982 anything less than highly structured industrialised agriculture with a high level of capital investment and managerial expertise would probably not be able to meet the requirements of the trade during the 1980s and 1990s. This was particularly true if the French market lost its protective features and franc-zone producers were forced to compete with dollar-zone fruit in a saturated world market. Industrial agriculture also meant, among other things that unless subsidised, the kind of smallholder participation found in the 1950s banana trade was unthinkable in 1982. One should ask, therefore, whether it would not be wiser and more equitable to convert the banana plantations to simpler, processed crops like oil palm or rubber. Such crops can be organised into schemes of nucleus plantation estates surrounded by smallholders producing on contract. Such an arrangement, it can be argued, is much more likely to result in wider spread of the benefits of export cropping than is possible with plantation production alone.

Another argument against the export banana concerns the sheer managerial complexity of timely production, shipping and sales.Here, the single fact which separates the banana from tropical products such as coffee, cocoa, palm oil and rubber is that it is a fragile fresh fruit being sold several thousand miles away, which cannot be stored for any length of time and is susceptible to very little processing. This characteristic of the banana, which it shares with other fresh fruits and vegetables grown for export, makes it a very difficult and expensive crop to manage.

It was, therefore, a legitimate question to pose in 1982 whether there were in Cameroon the managerial resources to meet the requirments of the banana trade. If so, could they be spared for work on this particular plantation crop or were they better employed elsewhere? If not, was Cameroon willing either to a) continue with 1982's inadequate managerial structure and subsidise its losses or b) import the managerial expertise needed to make Cameroon's banana industry competitive in the European market until such time as competent local managers were trained?

It is of some value to review the major issues of the 1959 strike and the civil war that followed. When the strike began in April 1959, it began as a desire among smallholders to retain their viability in the banana export trade. As matters developed, however, first in the events of the civil war and then in the internal politics of the trade, a corollary desire was created to expel the Europeans from their plantations in Mungo and from their positions of authority in the banana industry. Neither objective was entirely met. What is of interest in recealling these events is that many people feared that the collapse of the banana trade in Mungo could force a return to the brigandage and guerilla war which bedevilled the area through the 1960s. And yet clearly, when the industrial demands of the banana trade were looked at closely, they might, in an extreme development, have forced a return to some of the issues of the civil war. Smallholders could no longer be expected to participate in the trade, and most people in Mungo had accepted that fact. But there was still a very evident resentment and mistrust of European influence which derived from their positions as planters and sales agents. Thus, if there was not the managerial capacity in Cameroon to organise a revitalised trade, which there did not seem to be, then a frank return to some form of expatriate management, if only for the time needed to train indigenous personnel, was inevitable. Given the history of Mungo, were these developments which the government was willing to risk?

MANAGING THE BANANA TRADE

Organisation Camerounaise de la Banane (OCB)

Whether the export banana continued or not greatly depended on what management handled the remaking of the banana industry. Of the possibilities to be found in Cameroon, first consideration had to be given to the OCB. However, the question needed to be asked whether the OCB in its 1982 form could handle the rebuilding of the banana industry of Cameroon. Unfortunately, the record of its performance argued that it could not. No one in the OCB had ever received the kind of skilled training that most workers in the banana trade possess. The

employees were, by and large, bureaucrats whose salaries depended on government funding rather than the success or failure of their trade. "The banana", said one member of the OCB board, "has no time for politics". Yet, the OCB was a political creation which made its decision as often on political grounds as on any commercial or agricultural criteria. It was unlikely that unless the OCB could build up a staff of people from the banana industry and in some structural fashion free itself from its dependence on decisions made in the capital, it would ever be able to create a banana trade which was commercially sound and self-sustaining. Nonetheless, it was a point of pride that a Cameroonian organisation existed as the official head of the business and it was a sentiment that had to be respected in any reconstruction of the industry.

Cameroon Development Corporation (CDC)

The agricultural parastatal with the best reputation in Cameroons for efficiency and economic stability was the Cameroon Development Corporation in the former British Cameroons. Although most of the CDC's production was in rubber and oil palms, they had 800 hectares in bananas which were considered to be among the most productive in the entire Cameroon banana trade. The CDC's success in bananas, which was still below market requirements although higher than other producers in Cameroon, was largely attributed to their management. Moreover, in the years following the Second World War, the CDC had most of its cultivated acreage in bananas and had had considerable experience of the trade. It was not unreasonable, therefore, to consider the CDC as a possible management team for a rebuilt Cameroon banana trade.

It was unlikely, however, that the CDC would consent to take the job. In the mid-1950s, the Cameroon Development Corporation made a very conscious decision to stop producing bananas. This was partly due to the problems of Panama disease, but also because of the high cost of running banana plantations efficiently, mostly in managerial terms, but also in terms of routine operating expenses. Since then, the CDC had stayed in the trade only at the request of the government and had shown every willingness to get out. Moreover, within the previous few years, the CDC had taken on heavy commitments to expand existing acreage in rubber and palm oil. With these two commitments, and the debts they raised, it was unlikely that the CDC would have the resources of personnel and finance which would be required in any revived banana trade.

Institut de Recherche Agronomique (IRA)

A third group in Cameroon which might have considered taking on the management of the trade, but which would have been ill-advised to do so, was the Cameroon government's Institut de Recherche Agronomique, an agricultural research organisation heavily supported by technical experts from France. IRA had provided the management for the OCB plantations, but unfortunately, given the bad record of OCB plantation production, one hesitated to expand the responsibilities of the IRA personnel. More importantly, they were by definition an agricultural research organisation and didn't seem to have had professional management experience in putting together not just the agricultural pieces, but also the full coordination of events from field to final sale.

Major Multinational Companies

In May 1982, the manager of the largest private French plantation said that the major multinational banana companies were waiting "like cats at a mouse hole" to see what happened to the Cameroon banana trade. While there is an element of exaggeration in his statement, there is also a certain amount of sense. Certainly, compared with the muddled and diffused management of the trade over the previous ten to twenty years, the idea of a single professional management team was not unwelcome. Moreover, the commercial and agricultural advantages of Cameroon were easy to add up and accounted for the fact that even as the banana industry was fading, there were still companies willing to invest in the business. Significantly, however, most of the investment had come from companies which were principally sales agents. Apart from the United Brands Company, which had historical reasons for being in Cameroon, none of the major multinational banana companies (Standard Fruit, Geest or Del Monte) had shown any interest at all in the country. The major advantage of these larger companies is their experience in coordinating every aspect of the whole chain of activities from field production to final sale.

By contrast, the history of the banana trade in Cameroon, particularly French-speaking Cameroon, had been one in which responsibilities were divided and diffused. It was the pattern which, if followed, would conceivably have been least disruptive to existing interests. Yet it was a managerial pattern which had conspicuously failed in recent years. Arguably, a more efficient and productive industry would be achieved under a single management which could be provided by those companies which have that kind of experience: i.e. the major multinationals involved in the production, export and sale of tropical fruit.

It was not at all clear, however, that the situation in Cameroon could be made attractive to any of the four major companies. Land ownership by expatriates was becoming increasingly problematic, and there was also considerable pressure on companies not just to employ Cameroonians, but also to employ them in correct ethnic proportions. While there were good political reasons, based on the extremely complex ethnic balances in Cameroon, behind such a rule, it was one which made ordinary administration considerably more complicated. Qualified people were already hard to find; qualified people of the required ethnicity were even more difficult to find and hire. There was also the fact that any large multinational company coming into the banana trade of Cameroon would be faced not just with the task of building up an industry, but with the more delicate assignment of building it out of an existing set of interests and commitments. How those were negotiated under a new management would make considerable difference to the profitability and efficiency of the new administration. There was also the question of whether any of these larger companies had access or could get access to the French market. If they did not and would be looking to Cameroon to negotiate that entry, would the Comité Interprofessionel Bananière in Paris be willing to let a new group into an equation which was at best only delicately balanced?

These questions did not make the options open to Cameroon any easier to judge. Most fundamentally, the government had to decide whether or not to continue in the trade. If they did go on, which was not necessarily the best choice, then they had to decide how they could continue, under what kind of management and ownership they could succeed in both commercial and political terms.

United Brand Company Considerations

The relatively long history of the two United Brands subsidiaries in Cameroon forced the company to consider its own position in Cameroon and its likely development. In so doing, the company had to decide whether to stay in the country and if so, on what terms. These questions were made more difficult by the fact that the company's position in 1982 was insignificant when compared to the company subsidiaires in the 1950s. (See Figures 3, 4 and 5). This diminishment had followed several years during which the Compagnie des Bananas had become increasingly passive as a leader and manager of the trade. Some of this passivity was just a prudent response to the growing importance of the OCB and Cameroonian nationalist sentiment. More inexplicably, however, it was a posture that by its very complacency seems to have encouraged the commercial competition of other sales agents, most notably la Compagnie Fruitière which came to Cameroon in 1975. In the process, the banana trade was left with a very diffused managerial structure, several years of declining production, and by 1982, the near-collapse of the trade.

Figure 3. MANAGERIAL STRUCTURE OF BRITISH CAMEROONS BANANA TRADE, 1959

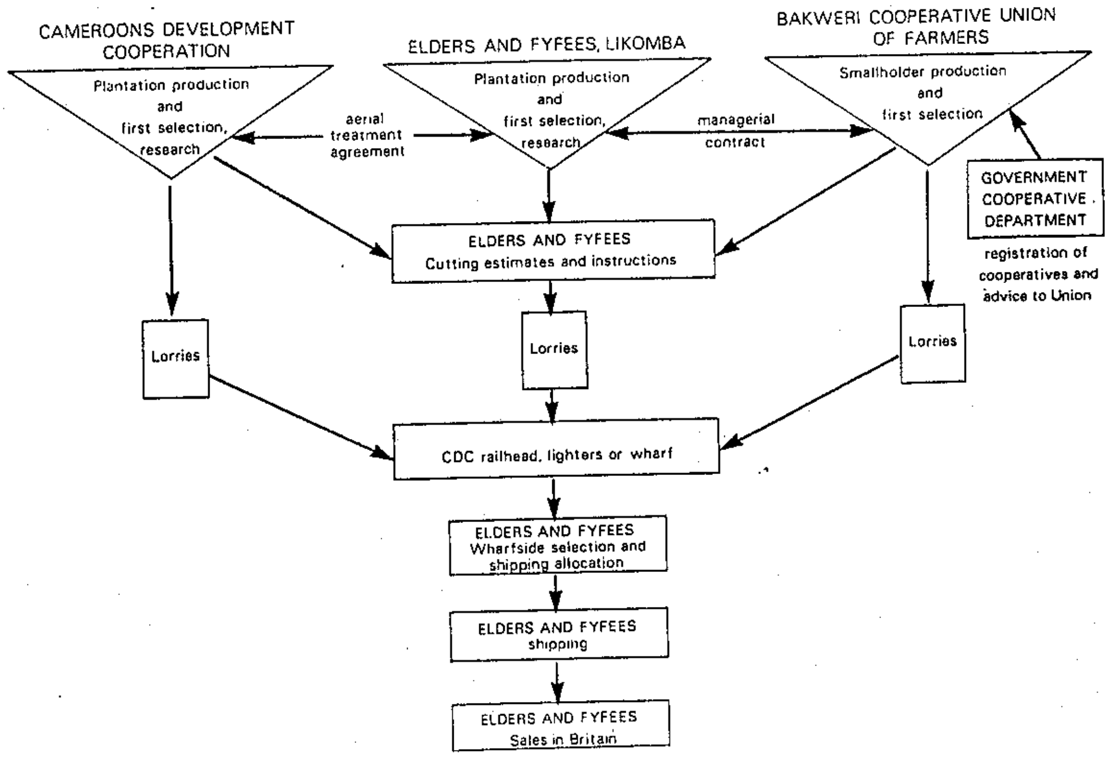


Figure 4. MANAGERIAL STRUCTURE OF MUNGO BANANA TRADE, 1959

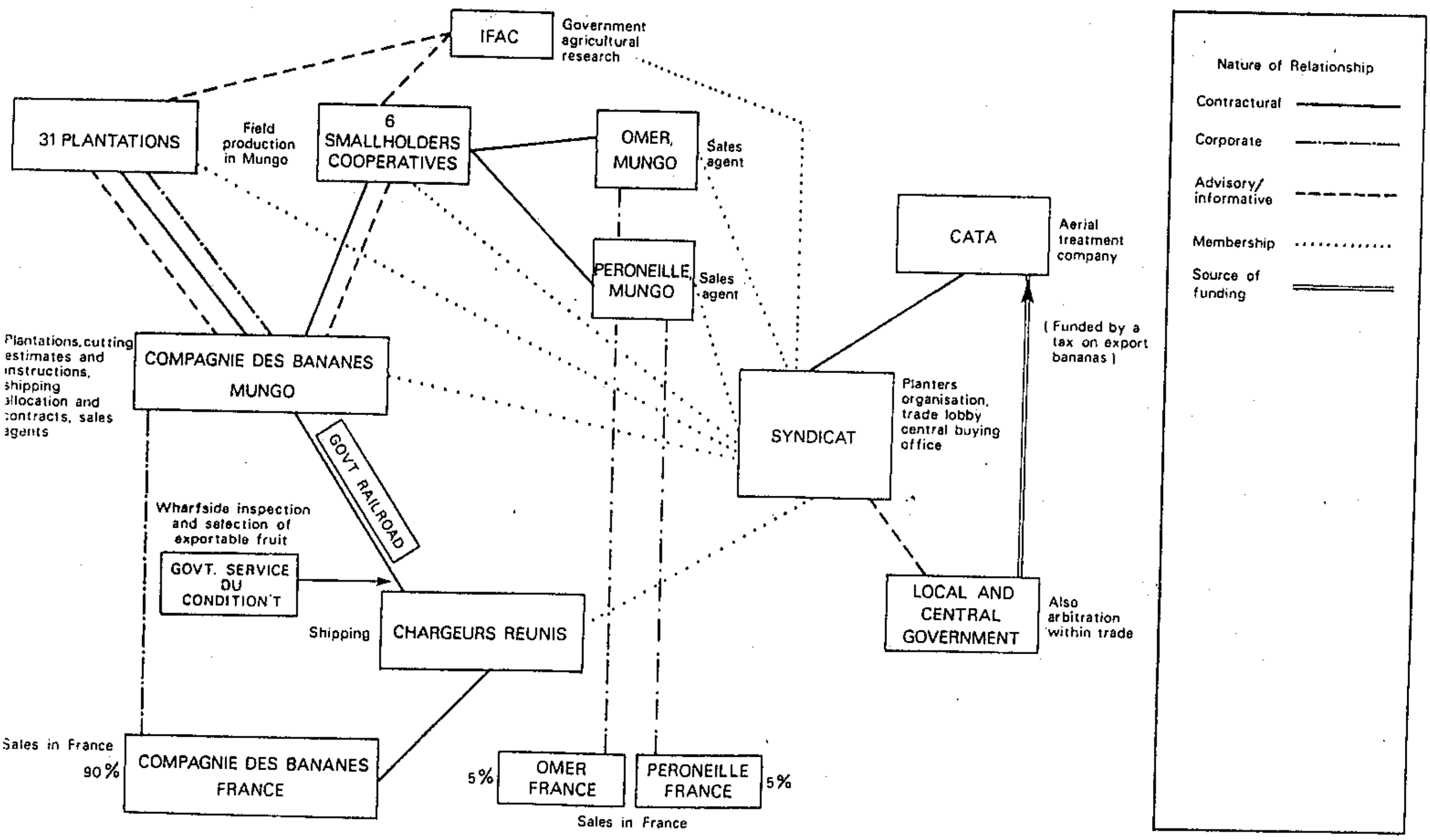
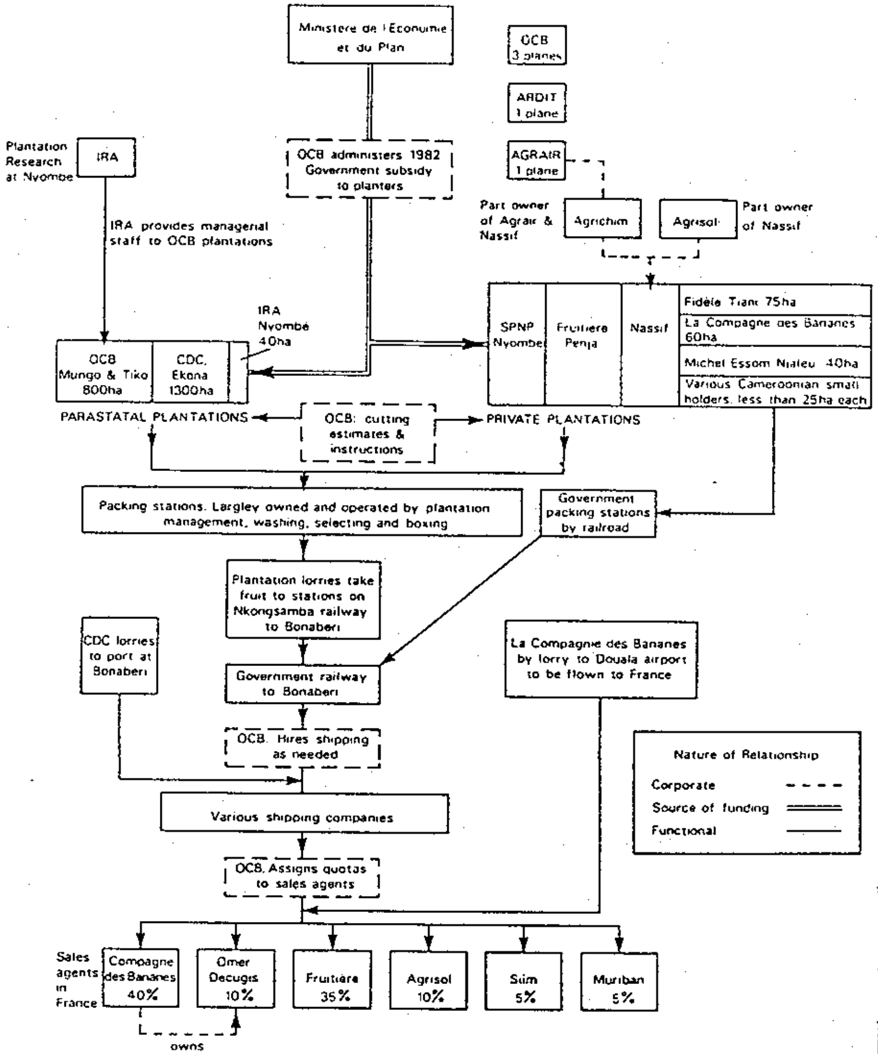


Figure 5. MANAGERIAL STRUCTURE OF THE CAMEROON BANANA TRADE MAY 1982



STAYING OR LEAVING CAMEROON

Given that the loss of the company's authority had coincided with a general weakening of the trade and with it the company's overall profits, it is reasonable to ask why the company had bothered to stay in Cameroon. It had been increasingly powerless to improve the situation and the routine costs of staying where no profits was being made must have been an expense which the company could less and less afford. Surely there would come a point when it has wiser to pull out of the trade than to continue to invest in an industry which was slowly rotting away.

In considering whether the company should have pulled out of Cameroon, one is forced to review again the peculiar structure of the French banana trade. Here the single most important question had been whether the French banana market would continue to operate as a protected market for franc-zone fruit. This question was of particular interest to la Compagnie des Bananes because of its access to dollar-zone fruit through its parent company, United Brands of New York. In recent years, the company's most profitable periods in France resulted from the shortfall of franc-zone bananas due to the hurricanes in the Antilles in 1978-79. At that time, the company was able to bring in the cheaper dollar-zone fruit, sell it at the high French prices set by the quota system and show higher than average profits. Pardoxically, therefore, the complete collapse of Cameroon production and the compensating entry of dollar-zone banans could have had the effect of raising company earnings.

It would be a misinterpretation of affairs, however, to judge the company's choices according to such a simple scenario. Among other factors, it is important to remember that within the structure of the French banana market, the company was not really able to act alone. Like the other participants in the French banana market, the company was subject to the decisions of the Comité Interprofessionel Bananière (CIB) which was dominated by represèntatives of the Antilles and which attempted to regulate and arbitrate the competing interest of the banana business. In that process, one of the principal assumptions of the CIB had been the necessity of protecting the French market from any non-franc-zone produce. This policy has been in effect since the 1930s, was reinforced by the quota system established in the early 1960s, and further strengthened by the Lomé Conventions of the EEC. Despite increasing pressure within the European Community to revise the Common Agricultural Policy, and with it the Lomé accords, there was always considerable doubt whether such pressure would open the French banana market to foreign fruit. Even with the threatened collapse of the Cameroon trade, it was not at all clear that the CIB would reformulate this key protective policy. What seemed more likely was that the Comité would devise new protective mechanisms, or only allow the short-term admission of foreign fruit on the assumption that after a short transition the franc zone could again fulfill the requirements of the entire French market in bananas.

That being the case, the position of la Compagnie des Bananes was considerably more difficult. The company first went to Cameroon when, in the 1930s, the United Fruit Company's produce from Latin America was excluded from France along with all other non-franc bananas. Since then, la Compagnie des Bananes had always been dependent on Cameroon, and even in the early 1980s, much of its business has been with Cameroonian bananas. In the early 1970s, some diversification of the company's earnings took place. That effort, however, was not sustained -- in part, according to a former president of la Compagnie des Bananes, due to a lack of investment available from the New York Office. With only limited diversification in the 1970s, the French company in 1982 depended on bananas for much of its earnings, and of those bananas a high percentage should have come from Cameroon. Thus, unless the company were allowed to import fruit from the dollar zone, la Compagnie des Bananes had to keep open the possibility of developing competitive fruit from Cameroon. As long, therefore, as the need for that option existed, the company was ill-advised to withdraw.

MANAGING THE BANANA TRADE

What is less certain is whether the United Brands Company through la Compagnie des Bananes or even the Fyffes Group in London would have been willing to take on the managerial task of rebuilding the banana trade of Cameroon. It was the only large multinational in the banana trade with experience in Cameroon. If the government of Cameroon decided to keep the banana export crop and decided it would be best served by the management skills of an agricultural multinational, neither of which was certain, United Brands would have been a logical company to approach for discussion. What is less clear, is whether the company would have decided to accept the assignment and work out the terms of an agreement.

There were, as has already been discussed, the uncertainties about whether France would or would not remain a protected market and would or would not begin admitting dollar-zone bananas on a regular basis. More than that, however, there existed a strong prejudice within the New York office against involvement in Africa, a prejudice which, regrettably, the company's experience in Cameroon had done little to dispell. In part, this was only the reaction of an American company whose principal experience had been either in the Americas or in the Philippines. Africa, and the African style of business, had been alien to the parent company's history and instincts. Partly because of this strangeness, the company feared that business in Africa would be unpredictable and uncontrollable. In this sense, the fact that Elders and Fyffes

was forced to pull out of Anglophone Cameroon after reunification only confirmed the worry that doing business in Africa was too unpredictable to be trusted. More recently, the failure of the OCB in particular to make good use of specialised personnel seconded from United Brands and its affiliates to Cameroon, must have left a suspicion in company minds that nothing could be done in Cameroon and that the company was only wasting its time and money in trying to assist the trade. Moreover, since these seconded people were not effectively employed, and did not leave Cameroon with any sense of accomplishment or optimism, it is more than likely that the reports they took back to their head offices were such as only to confirm the fear that affairs in Cameroon could not be trusted. With such a history behind them, therefore, on what grounds could a company like United Brands have been prepared to invest more heavily in Cameroon when their more modest contributions has already been ignored? Would the company not have been wiser to try to expand investments in the Antilles, which are closer to their own interests, than to gamble heavily in Cameroon?

In fact, since finishing the fieldwork and write-up of this research, the company has been working with the government of Cameroon to put the trade on a more professional footing. One of their strongest bargaining points in achieving this has been the agreement of the London company, Fyffes, to sell Cameroonian fruit in the United Kingdom where the tariff of the 1960s has been eliminated since the UK joined the European Community. This Fyffes agreement was arrived at in early 1983 and arranged for the Cameroonian sales in the British market on the condition that certain aspects of production and management were improved. Whether such an approach has been capable of actually improving trhe state of the Cameroon banana trade remains to be seen. What is of interest here is the continued desire of both the company and the host country to negotiate such an agreement at all.

CONCLUSIONS

Several broadly instructive points can be drawn from this case study which migh be useful in undertaking other studies of the same kind. The first is that in making the kinds of choices the Cameroon banana trade of 1982 had to face, participants -- and most especially the Cameroon government -- were confronted with the task of reconciling commercial and political factors. In this it is important to note that the increasingly competitive banana market in Europe was forcing a higher standard of production than Cameroon had yet achieved and had, by the early 1960s virtually eliminated smallholder participation in the trade. Thus, by the early 1980s, banana production in Cameroon was dominated either by parastatal plantation estates or by European plantation estates. This meant in political terms that the government of Cameroon had to reconcile the needs of small farmers in the banana zone with the desireability of a state- or

French-run banana trade as a part of the export economy of Cameroon. An additional political consideration can also be seen in the role Cameroon production played in the French banana market quota system. How much, for example, would Cameroon's withdrawal from the banana trade offend French interests, and thereby damage Cameroon's close relationship with France.

The second point to be made is that the nature of the industry or crop -- in this case bananas -- affected the ability of that industry, and hence of any company and government working with it, to adapt it to the needs of the host country. Bananas, as a fresh fruit, need a high level of management and cannot be processed. This fact meant, in 1982, that the government was faced with the choice of subsidising inexperienced Cameroonian management or employing skilled, but politically resented, expatriate management. The delicacy of the banana crop also meant, as did the competitiveness of the European banana market, that smallholder participation was harder to achieve and maintain on a self-sustaining, economic basis. With a different crop, it could therefore be argued, a better balance of the commercial and political interests might well have been achieved. In oil palms or rubber, for example, there was already considerable Cameroonian management experience and they are both crops which can be grown in nucleus plantation schemes which adapt well to both commercial and smallholder interests.

The third point to note is that in 1982, most of the participants in the trade were waiting to see what kind of policy towards the banana trade would be developed by the Cameroon government. Would the government, for example, continue to favour parastatal management, through the OCB, over private management, through a large multinational or a perhaps a planters' committee? Would the government want to continue in the export banana trade at all, given the inherent difficulties of the crop and its management? Thus, it was the government which was in a position to lay the ground rules for the trade and, in fact, few participants in 1982 were willing to make any serious decisions until those basic parameters had first been defined.

Finally, it is useful to suggest that in studying the relationship of a multinational company and a Third World host, the two parties share their vulnerability to the commercial and political factors affecting the trade. Hypothetically, of course, the company is in the position closest to the commercial requirements of the trade, while the host government should understand best the political and economic needs of its own people and policies. But the success of any company/host country relationship will undoubtedly rest not just on each party's defense of its special territory, but also on the ability of participants to accommodate to the exigencies of each other's position, since they are, in the end, pressures all participants share.

What is clear from the whole discussion is that any company/host country relationship is going to be the sum of many inter-related factors operating in different strengths at different periods of time. What we have tried to show here is which of those factors were important in the Cameroon banana trade of 1982.

Proceedings/Contributions

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