**Coca-Cola Sued for ‘Campaign of Violence’ in Guatemala**

On February 25, José Armando Palacios and José Alberto Vicente Chávez, along with their families, filed a lawsuit against the Coca-Cola Company in the New York State Supreme Court. The company is accused of allowing its bottling and processing plants in Guatemala to engage in a campaign of violence against the two men, both prominent union leaders. Though Coke claims the U.S. legal system is being manipulated, the prosecution maintains that Guatemala’s courts, rife with impunity, are incapable of delivering justice.

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All over the world, tabletops, football stadiums, and corner shop windows are branded with its iconographic white-on-red, swirling text. Coca-Cola isn’t just a product, it’s an institution and a corporate behemoth. And right now it is facing a lawsuit in New York brought by two bottling plant workers from Guatemala.

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Both men were employees of Industria de Café S.A. (INCASA), which owns and operates a coffee and Coca-Cola processing plant in Guatemala City and a bottling plant in Retalhuleu, western Guatemala. At various times, both had been leaders of the INCASA Workers’ Trade Union, known as SITINCA, which is affiliated with the International Union of Food Workers (IUF).

Palacios, a 27-year veteran employee of INCASA, received multiple death threats and survived at least one violent attempt on his life after joining SITINCA. In April 2005, weeks after armed men broke into his house and threatened members of his family, he was fired without cause.

The threats continued for months, as Palacios refused severance and demanded to be reinstated. In early 2006 he fled to the United States after narrowly surviving another attempt on his life. He alleges that assassins mistakenly killed a man who looked like him in front of his house. The prosecution claims that Coke knew of the violence against Palacios, but that business proceeded as usual, and anti-union violence intensified.

Chávez worked at one of INCASA’s bottling plants in Retalhuleu and had been a prominent union leader since the 1990s, for which he had been threatened regularly. In early 2008, after participating in collective-bargaining negotiations in Guatemala City, Chávez returned home to his family, who planned to pick him up at a bus stop. While waiting, they were attacked by four armed men who brutally killed his son and nephew, and gang-raped his 16-year-old daughter. The remaining family members have been forced to remain in hiding ever since.

Anti-union violence is widespread and epidemic throughout much of Latin America. In Guatemala, it is not only widespread, but effective: Only 8% of Guatemala’s formal workforce is unionized. It is hard to determine exactly how much of the country’s pervasive violence intends to discourage unions because so few cases are investigated. However, it is clear that anti-union violence has seen a sharp increase in the last few years, with one [report](http://www.state.gov/g/drl/rls/hrrpt/2009/wha/136114.htm) cited by the U.S. State Department estimating that incidents of anti-union violence increased by 255% between 2008 and 2009.

This is not the first lawsuit involving labor rights of Latin American subsidiary employees of Coca-Cola. The plaintiffs are represented by [Terry Collingsworth](http://conradscherer.com/profile.asp?ID=4), a veteran labor and human rights attorney who brought a similar case to court on behalf of Colombian union leaders who alleged that Coca-Cola subsidiaries had collaborated with right-wing paramilitaries to intimidate and kill labor organizers. In August an [appeals court upheld](http://amlawdaily.typepad.com/cokeATS.pdf) the dismissal of the case, claiming that the plaintiffs did not provide sufficient evidence of Coke’s liability for the violence. Like its predecessor, the Guatemala case hinges on the plaintiffs’ ability to convince the court of Coke’s “control and direct stake” in the operations of its subsidiaries, in this case, INCASA.

As in the Colombia case, Coke denies responsibility. In a [statement](http://www.ajc.com/business/coca-cola-faces-new-342524.html) to *The Atlanta Journal-Constitution*, Coke spokeswoman Angela Harrell said, “We maintain there is no truth in these allegations. The fact of the matter is, we haven’t been involved. No knowledge of the violence, no involvement in the violence.” To date, Coke does not appear to have substantially responded to the allegations in the lawsuit.

The case builds on anti-corporate sentiment that has roots in student, labor, and “localist” activism. Thanks in large part to student activist groups like the [Campaign to Stop Killer Coke](http://killercoke.org/), Coke has in recent years made attempts to bolster its public image with respect to human rights. Coke’s director of global labor relations claims that all of the company’s bottlers are required to adhere to the company’s [workplace rights policy](http://www.thecoca-colacompany.com/citizenship/workplace_rights_policy.html), a vague statement that touts Coke’s adherence to international rights treaties.

The latest complaint argues that in annual meetings since 2005, Coke has claimed that it “has control over all of its bottlers and that it exercises this control. . . . Coke can inspect these bottlers for whether they abide by international human rights conventions and local laws, and can force them to abide by such conventions/laws upon penalty of stripping them of their bottling franchise.” While Palacios was hiding in Guatemala in January 2006, Coke released a [memo](http://www.rel-uita.org/companias/coca-cola/acuerdo-incasa-sitinca-eng.htm) regarding an agreement between SITINCA and INCASA and pledged to “take urgent action” if the labor agreement was breached.

While Coke’s commitment to human rights may be nothing more than a self-serving publicity ploy (the company’s corporate responsibility office is managed through its Public Policy and Corporate Reputation Council), it may have unwittingly backed itself into a legal corner. If a court does find Coca-Cola guilty, the case could bring the company to task for the anti-labor violence and further establish a legal precedent for international corporate responsibility. Palacios and Chávez are not the first to sue Coca-Cola, and they are unlikely to be the last.