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## Argentine forestry sector in the spotlight at the World Forestry Congress

The World Forestry Congress taking place in Buenos Aires is viewed as an excellent business opportunity by the Argentine forestry sector.

The industry's high expectations have been reflected for several months through growing coverage in the local and national media. One example is a recent article in a publication from the province of Corrientes ([www.momarandu.com](http://www.momarandu.com)), which reports: "After the forestry exposition in Misiones, companies in Corrientes are placing their sights on the 13th World Forestry Congress, looking to reach agreements in negotiating rounds in which some 200 business representatives from 26 different countries will participate." Local forestry companies "see the Congress as a 'gateway to the world' where they can demonstrate the province's potential in raw materials and attract investment that will help the industry lift off."

The World Forestry Congress, organized by the Argentine government in collaboration with the FAO, will include a series of tours for the participants. As could only be expected, one of them will take in the provinces of Corrientes and Misiones, where foreign business representatives will be able to see the "planted forests" of a number of different companies (Las Marías, Agro Alba, Grupo Tapebicuá, Garruchos, Lipsia).

Naturally, the visiting business representatives will see what the local companies want them to see and hear what they want to tell them.

Given that Misiones is known as "the country's main forestry province", it will undoubtedly be held up to both the visitors and the general public as a model of forestry development.

In these circumstances, it is particularly important to disseminate the following article, based on a recent tour through the province, in which the testimonials of local inhabitants expose the harsh realities and the lies behind this so-called forestry development.

### **Argentina: Misiones – pines, pulp mills and lies**

The province of Misiones was born beautiful, with its breathtaking rainforest, but was seemingly destined to suffer in life. The history of its plunder began with the Spanish conquistadors, who crushed the native Guaraní people into subordination, stripping them of their freedom and tearing apart their way of life.

In more recent times, the plunder of Misiones has been suffered primarily by its rainforest, indiscriminately chopped down in inhumane working conditions for the logging industry. Rafts laden with precious lapachos, timbós, ybira-pitás and peteribís carried off these and many other tree species down the Paraná River to the national and international market. In a little over a century the Misiones rainforest was reduced to one third of its original size.

This deforestation was accompanied by the growth of the agricultural sector. Yerba mate (Ilex

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paraguariensis), which was originally harvested in the wild, began to be cultivated on a large scale, alongside tea, citrus fruits and tobacco. While there was a certain amount of concentration of land ownership in large plantations, there was also a government-promoted agricultural colonization programme, based on small- and medium-scale family farming on plots of land between 25 and 50 hectares, with annual crops and centralized yerba mate cultivation.

This structure led to the development of a rural population that was devoted primarily to such agricultural tasks as preparing the land for planting, sowing and harvesting crops. Farm labourers were also provided with small plots of land where they could live with their families, which provided them with a certain degree of food sovereignty.

This situation started to change in the 1940s, with the installation in Puerto Piray, a municipality in the department of Montecarlo, of a pulp and paper mill by the nationally owned company Celulosa Argentina, which gave rise to the establishment of monoculture plantations of pine trees. This pulp mill, created under the import substitution model, faced major resistance from its workers in 1968 over denunciations of hazardous working conditions.

During the years of the dictatorship and consequent repression of social movements, an economic reconversion took place. This included a project for the construction of mega pulp mills with the majority of shares held by Celulosa Argentina: the former Celulosa Puerto Piray S.A. (currently shut down) and Alto Paraná S.A.

The expansion of monoculture tree plantations was given a major boost in 1998 with the passage of Law 25080, known as the forestry promotion law, which granted a series of benefits: subsidies for planting trees, subsidies through the reimbursement of value-added tax, tax exemptions on revenues and property, and elimination of transport permit fees, with this favourable tax regime guaranteed for a period of 30 years, which can be extended to 50 by the provincial government.

All of this, on top of the deregulation of the consignee market for yerba mate (which guaranteed producers a price higher than their costs and negotiated the sale of their crops to large processing plants), signed the death warrant for the family farming system.

Small farmers and their crops of citrus fruits, tea, yerba mate and tobacco were displaced by the advance of monoculture plantations, mainly of slash pine (*Pinus elliottii*) – whose resin burns the leaves of yerba mate plants, which therefore cannot grow beneath them – but also loblolly pine (*Pinus taeda*) and eucalyptus trees. Small farms were bought up for the establishment of tree plantations, or in some cases used by the owners themselves to plant pine trees, under the belief that this would be a lucrative business for them, although it eventually proved not to be.

The small farmers who lost their farms moved to urbanized areas, leading to a decline in the formerly predominant system of rural employers and thus the sources of work that they provided. The result was the dismantling of the rural population. In the department of Montecarlo, for example, there were formerly settlements inhabited by over 150 families on average, and these have disappeared or suffered notable losses in population. As the rural population declined, numerous urban and suburban settlements emerged in the region.

This old system of land ownership, which provided employment but was based on the exploitation of workers, was not replaced by a more equitable system. Ownership of the land became increasingly concentrated and then passed into foreign hands. Alto Paraná was purchased in 1996 by the Chilean company Celulosa Arauco y Constitución (Celarauco), owned by the Angelini group, which later also

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purchased Celulosa Puerto Piray. The latter transaction has been denounced as outrageously fraudulent, because the sale was only made possible through the cancellation of the pulp mill's debts to the municipal government. Of the 10 million dollars that the mill owed to the municipality, it ended up paying 200,000 Argentine pesos (around 50,000 dollars), plus 300 hectares of land, two trucks and one Caterpillar bulldozer. The arrival of this foreign investment came at a heavy cost to the public coffers.

The installation of Alto Paraná led to a heavy concentration of land ownership in the province of Misiones. For example, in the municipality of Piray alone, the company owns 62.5% of the land, and when combined with another three companies they control 83%. Province-wide, the 233,000 hectares of land owned by Alto Paraná represent 10% of the province's total land area. (1).

This concentration of ownership and control is not limited to the land, but also extends to the raw materials it produces: small sawmills in the area have been cut off from supplies of wood and access to new technology, leading to their closure and a subsequent rise in unemployment. At the same time, the workers who have lost their jobs have not necessarily been absorbed by the new pulp mill project, since growing automation means that tasks on tree plantations that formerly generated employment, such as planting, weeding and harvesting, have gradually been taken over by machinery and toxic agrochemicals.

Today, under this new model, 53% of the region's inhabitants are unemployed, and of the 47% who do have an income, 86% earn less than the minimum wage.

Added to this is the loss of water in the province. Initially, deforestation through over-logging was the main factor behind the decline in the water supply, since the disappearance of the rainforest altered the hydrological cycle. Later, the establishment of large-scale plantations of exotic fast-growing tree species, with their highly "efficient" ability to access water through roots that reach deep into the ground, served to further exacerbate the problem.

Tree plantations have destroyed the Misiones rainforest, led to the concentration of ownership and foreign ownership of the land (leading in turn to social inequity and loss of sovereignty), displaced the family farming system, and caused countless impacts on the environment and people's health. (2) The plantations also brought with them, in the words of a native son of Misiones, "the big lie" – "The big lie that they have made us the country's most important forestry industry region, which came at a cost of millions of dollars, plus the destruction of the rainforest and of trade union and social organizations."

It is important to expose the reality behind this big lie of "forestry development" in Misiones, at a time when the monoculture tree plantation industry is attempting to portray its activity as "environmentally friendly" at the World Forestry Congress. For the people of Misiones, the so-called "forestry development" promoted through tree plantations is a far cry from the "vital balance" proclaimed by the Congress' slogan.

By Raquel Núñez (raqueln@wrm.org.uy), based on a tour taken with Elizabeth Díaz through the northern region of the province of Misiones, with the generous accompaniment and valuable information and testimonials contributed by Ruben Ortiz, Juan Yahdjian and numerous inhabitants of the community of Piray 18 and the rest of the region.

(1) "La invasión forestal", Darío Aranda, published 26 July 2009 in Página 12, available at [http://www.wrm.org.uy/paises/Argentina/invasion\\_forestal.html](http://www.wrm.org.uy/paises/Argentina/invasion_forestal.html)

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(2) "Misiones: la selva de Quiroga convertida en pinos para celulosa", Ricardo Carrere, July 2005, <http://www.guayubira.org.uy/celulosa/informeMisiones.html>