Uruguay: Inhuman working conditions at a Chilean forestry company plantation

The forestry plan promoted by the Government --based on large monoculture tree plantations of eucalyptus and pine-- promised large profits to the country, among which employment generation. Not only has this objective not been accomplished, but it has also been seen that the scant employment generated is usually temporary and under working conditions that in general leave much to be desired. The events that took place at the beginning of this month are a clear demonstration of what environmental organizations have long been denouncing. The big difference this time is that the complaint was lodged by a Government official.

Following a complaint, the National Customs Office carried out an inspection of a forestry company in the Department of Rivera (in the northeast of Uruguay, bordering with Brazil). The forestry company in question turned out to be Forestal Cono Sur S.A., owning some 26,000 hectares of pine plantations in Uruguay. However, 99% of its shares belong to Forestal Cholguán, which in turn is a subsidiary company of the gigantic Chilean corporation, Arauco that in its home country owns 906,033 hectares of plantations, and against which the Mapuche people have undertaken a bitter fight because the company has appropriated much of their territories.

The complaint was related to the existence of forestry machinery presumably in breach with the customs, that is to say, machinery that had entered the country without paying the corresponding taxes. Great was the surprise of Victor Lissidini, National Customs Director, when he reached the establishment. In addition to confiscating machinery for a value of approximately US$ 300,000, 40 mattresses were found, thrown on the floor, and following a brief reconnaissance, he was able to see that fifty Brazilian undocumented labourers worked there, living in inhuman conditions.

The labourers had been hired by a Brazilian company, which in turn had been hired by the Chilean company to carry out plantation work. The Customs Director explained that the report by the writ-servers from Rivera, set out that the workers slept on the floor, eat leftovers, dressed in rags and in several cases had injuries that had not received adequate medical treatment. "They were living practically under a regime of slavery," he stated.

According to press reports, people from the area have affirmed that it is normal for large companies, mainly engaged in tree plantations, to hire Brazilians to work as "moonlight workers" (that is, without complying with the labour regulations in force), keeping them under miserable conditions.

These working conditions are to be found in the framework of companies owning plantations that carry out most of their activities (from plantation to harvesting) almost exclusively through hiring forestry service companies. These companies are frequently of a hard to control and informal nature, in which one of the most widespread forms of competition is tax evasion and non-compliance with labour laws. Forestry service companies are gaining increasing protagonism and are key to "cost-efficiency."

Given that, in spite of being strongly subsidised, forestry activities do not give rise to considerable

profits (the market price of logs that the country exports is very low), in order to make them profitable the forestry companies establish very low prices when outsourcing. The outsourced companies --which obviously want to make their own profits-- transfer these low prices to the last link in the chain…the worker.

Although it is true that some forestry companies do control the quality of the companies hired, this is rather the exception than the rule and in general these are companies which have an image to look after and to cultivate, or which have comparative advantages on the international market.

Who is responsible for this state of affairs? There is no doubt that a large part of the responsibility falls on the companies, which in their eagerness to obtain profits do not hesitate to submit workers to inhuman working conditions. However, in the end, it is the State that must establish and enforce compliance with the rules of the game. The situation shows that the State so far has been an accomplice to the violation of labour legislation.

The former president of Uruguay, Luis Alberto Lacalle (who was a great promoter of plantations) already fostered this activity, highlighting the cheapness of labour in this country. The President of Uruguay, Jorge Batlle, when he took up office, travelled to Santiago, Chile and held meetings with Chilean forestry companies. During these meetings, he exhorted Chilean investors to invest in plantations in Uruguay. It has shown to be one of the few occasions in which the President (of a country that has fallen into the greatest crisis in its history during his government) was successful. The Chileans did invest and the result is now to be seen.

It is important that the Uruguayan people are aware about the implications of this type of "development." However, it is equally important that the world should perceive that what is now being denounced in Uruguay, takes place in practically all the countries of the South where these large-scale plantations are installed. Outsourced labour is already the standard in all of them, be they Brazil or South Africa or Chile or Argentina. International competition takes place by lowering costs and in all cases, the main mechanism for raw material (timber) to continue cheap does not lie in technologies or in the speed of growth (which are similar in all the cases) nor even in the subsidies (which are also similar), but fundamentally in reducing the cost of labour. This is at the cost of the living and working conditions of plantation workers.

Monoculture tree plantations have already clearly shown that they are environmentally unsustainable. They have also shown that they do not solve, but on the contrary, only worsen social problems. Why are they still being promoted?

Article based on information from: the newspaper Ultimas Noticias, http://www.ultimasnoticias.com.uy ; "Plantaciones forestales en la pradera uruguaya", Carlos Pérez Arrarte, http://www.wrm.org.uy/guayubira/plantaciones/pradera.htm ;