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As Agroexports Increase in Peru, So Does Labor Exploitation

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Peru's agroexport boom, which brings millions of dollars in earnings to agribusinesses, rests on the exploitation and miserly salary conditions of the sector's 200,000 workers and the irrational exploitation of a scarce natural resource—water—in the areas where the crops are grown.

The Asociación de Exportadores (ADEX) says that agroexports this year will reach US$3 billion and estimates that within three years earnings will top US$6 billion. Agroindustry provides hundreds of thousands of jobs, especially in the coastal valleys.

"However, if they want to promote sustainable agroexports and ones that bring real development and inclusion, the government urgently needs to correct the sector's problems of labor rights violations and the unsustainable use of scarce natural resources—such as water," said Alejandra Alayza Moncloa, executive coordinator of the Red Peruana por una Globalización con Equidad (RedGE), at a late-October press conference to launch the campaign Agroexportación sin Explotación.

The campaign is also promoted by the labor unions of agroexport firms Sociedad Agrícola Virú and CAMPOSOL, which operate in the department of La Libertad on Peru's northern coast, as well as the Asociación Aurora Vivar, Perú Equidad, the Alianza por Derechos Laborales en la Agroindustria, and the office of Unión por el Perú (UPP) Deputy Gloria Ramos.

Peru has 15 products with exports exceeding US$20 million a year, with asparagus, coffee, sugar, mangos, grapes, avocados, paprika, milk, bananas, and cocoa having the highest export value, according to economist Pedro Francke.

Bitter asparagus

Asparagus is Peru's leading agroexport, and its production has doubled in the last 10 years, making Peru the world's leading exporter.

"The annual salary of a worker, who makes asparagus cultivation possible, is around 9,200 soles [S/.9,200, US$3,321], while the annual salary of a board member is more than S/.311,000 [US$112,274], thirty times as much," said Julio Gamero, researcher at the Universidad Nacional de Ingeniería (UNI) and author of the report Agroexportación: competitividad, derechos laborales y dumping social.

The people who work in the fields cultivating asparagus earn S/.766 (US$277) a month—including bonuses and compensation for seniority—while the business owners earn a monthly salary of around S/.25,916 (US$9,356). In addition, workdays exceed eight hours without overtime pay, and workers are fired if they join a union.

The farm-labor law (Régimen Laboral Agrario, Ley 27360), decreed in October 2000 by former President Alberto Fujimori (1990-2000) to promote the agroexport sector, established special, transitory labor rules that discriminated against farm workers.
The law set a daily wage for agroindustry workers below the minimum wage established under regular labor legislation at that time, and it halved the allotted vacation time for agroindustry workers. Thus, the daily salary was S/.19.51, including bonuses and compensation for seniority, when the established wage for other workers was S/.20.83. The 30-day paid vacation for most workers was reduced to 15 days for agroindustry workers.

Agribusiness owners also have the "benefit" of paying less in compensation for arbitrary dismissals. The termination pay is one-third that paid in other sectors. Agribusiness owners also enjoy tax benefits. Their income-tax rate is half (15%) that of other sectors, and their contribution for workers' social security is 4% rather than 9%.

The agroexport sector is already solidly established, but the companies will continue to enjoy these "privileges" for years to come. As part of the measures aimed at compensating sectors affected by the Free-Trade Agreement (FTA) signed with the US on June 27, 2006 (NotiSur, July 21, 2006), a month before former President Alejandro Toledo (2001-2006) handed the presidential sash to successor President Alan García, the Congress approved Law 28810, which extended Law 27360's expiration date to Dec. 31, 2021.

"In the context of the agroexport boom, agroindustry workers' wages are within the lowest 20% on the continent, and they have fewer rights than do ordinary workers," said labor lawyer Javier Mujica, executive secretary of Equidad and advisor to Aurora Vivar.

"This situation has been going on for years, since before the FTA with the US took effect [Feb. 1, 2009], but this agreement aggravates the situation. The reality is that no government agency really imposes order and stops abuses against workers. There are few labor inspectors and the few fines they levy for not observing the labor laws are not paid," said Mujica.

Alayza said that Peru runs the risk that US power groups will challenge the FTA's labor chapter, adding that European markets increasingly verify respect for labor and environmental standards.

Genaro Quispe Venturo, secretary-general of the workers union at Sociedad Agrícola Virú—the second-largest asparagus exporter in the world—told the virtual magazine Mariátegui that the labor situation for agroindustry workers is a disaster "because the companies don't respect labor rights, health, or security, especially for women—many of them pregnant—to whom they assign very difficult jobs."

Field workers work an average of 10 hours a day but the companies pay them for 6, 7, or 8 hours. "The field boss makes us work that many hours in compulsory work, without breaks."

The situation of the 10,000 workers—70% of them women—at Camposol, which takes in more than US$40 million a year, is no better. In 2002, the firm was able to break up the first union, organized by laborer Felipe Escobedo Castillo, and fire those who tried to join a union. Currently, the Camposol workers union has only 70 members.

In mid-October, members of the Camposol union carried out a 15-day strike in response to the unjustified firing of six workers. The company called on the police for help and they responded, attacking the workers, many of whom were shot.

After the strike ended, union leaders and company representatives met at Ministerio de Trabajo offices in Lima and reached an agreement by which three of the fired workers would be reinstated and the other three would be given severance pay.
"There was no other alternative because of the arrogance and authoritarianism of the company representatives," union delegate Escobedo told Mariátegui.

Two years ago, Deputy Ramos introduced a bill to amend Law 27360 to improve labor conditions for agroindustry workers. The bill is now awaiting approval by congressional agrarian and labor committees, after which it will be debated in the full Congress.

**Excessive use of water**

Agroexport requires enormous quantities of water and is being developed in areas where water resources are limited, said Ignacio Cancino, a Stanford University climate-change expert.

Cancino said that the recent CEPES/Progresio study Gota a gota shows that asparagus-cultivation expansion has become unsustainable because of the water situation and the demands for the resource in the Valle de Ica, where 95% of the fresh asparagus grown for export originates.

"We are exporting water from desert areas. The valley's freatic water table has diminished drastically, and now to find water in the subsoil it is necessary to dig deeper and deeper, between 0.5 and 8 meters a year depending on the area. It's one of the most rapid rates of aquifer depletion in the world," said the specialist.

"The groundwater has diminished drastically. Just to give us an idea, the water used for cultivating asparagus exported to the United Kingdom—the third-largest market for Peruvian asparagus—in 2008 was 9 million cubic meters, the equivalent of 3,600 Olympic-sized swimming pools," Cancino said, warning that continuing this asparagus cultivation will not be sustainable.

For Cancino and other specialists, water use needs to be rationalized and agroindustry should look for alternative crops that use less water, such as piquillo chiles and artichokes that would bring similar profits.

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