

Guatemalan Sugar

*A Macro View of Today's
Industry*

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Introduction

This report provides a macro-level survey of the Guatemalan sugar industry. In order to understand the context in which this industry has developed, the report first starts with a brief summary of Guatemala's history, after which, the report describes the primary labor issues that exist in this industry today. After labor issues, background issues in the industry are briefly discussed, followed by conclusions and recommended actions.

Background of Guatemala's Modern History

It is not possible to give a comprehensive account of Guatemala's history in a report of this scope. However, in order to understand the social, political and economic context in which the sugar industry operates in this country, it is necessary to say at least something about its history, and describe a few key events whose consequences continue to shape the sugar industry to this day.

Guatemala was first invaded by Spain in 1524 A.D. Four years later, Pedro Alvarado formally defeated the Guatemalans and established Spanish rule.¹ It would take nearly three centuries after this for Guatemala to drive out its invaders and declare itself independent from Spanish rule. By that point, however, many of the woes of colonialism were already entrenched in Guatemalan society. Racism, inequitable distribution of land and wealth, and the general suppression of civil and political rights, all exacerbated by Spanish rule, remain thorny social/political issues to this day in Guatemala.

Though considered a huge step forward in the eyes of its citizens, the end of colonialism in 1821 by no means implied the end to Guatemala's political problems. After a brief period of stability following the expulsion of Spanish invaders, Guatemala would set out in the 1850's on a period spanning nearly one and a half centuries characterized by dictatorships, military coups, insurgencies, and overall political instability.²

Whether governed by Spanish invaders or its own hand, Guatemala has always been run by an elect few with no strong institutions in place to protect the rights and welfare of its citizens. This is a significant fact when speaking of social compliance, insofar as institutional protection against discrimination and mistreatment has been all but absent historically in Guatemala. Furthermore, the newfangled concept of social compliance presupposes that there is an effective government/judicial system in place in order to enforce certain laws and standards within a country, which is often not the case with Guatemala. In the absence of a strong and equitable judicial system, it becomes an enormous challenge for overseas companies to promote socially responsible business practices where they operate.

Most recent in Guatemala's tumultuous history is a civil war spanning 36 years, from which the country is still trying to recover. The Commission for Historical Clarification (CEH) estimates that approximately 200,000 people were either killed or disappeared during this time. Eighty-three percent of these victims were Mayan, a significant fact we will return to later in this report.

¹ Encyclopedia of the Nations, Guatemala History, 2008, website accessed 11/12/08.

² Ibid.

The CEH concludes that due to Guatemala's inability to adequately address and respond to protests and social concerns during the long civil war, an "intricate repressive apparatus" was formed, thereby replacing "the judicial action of the courts, usurping their functions and prerogatives."³ In other words, systematic acts of violence against social activists came to replace due process of law. Author Steve Hendrix from the Harvard International Review draws similar conclusions: "For decades, Guatemala's justice system was simple. If someone was suspected of a crime, the military, or a paramilitary outfit, picked up the suspect and had him tortured or killed. This brand of justice was swift, immediate, and certain. It also routinely violated international human rights and constitutional due process, and the rule of law was nonexistent. Because it relied solely on the military, Guatemala needed no police, no prosecutors, no judges, and no public defenders."⁴

It is in this absence of a legitimate and effective judicial system that we introduce the sugar industry of Guatemala. In a country where criminals have little or no fear of legal retribution, employers likewise display a similar attitude of defiance to the laws pertaining to workers' rights.

Origins of the Guatemalan Sugar Industry

It was after World War II that Guatemala began to produce sugar on a large scale, following suit with the cotton industry that was already well underway in its modernization process at that point. After 1953, Guatemala began to export sugar to the United States. It was in 1960 that Cuba's sugar quota was re-allocated to Central American countries, further serving to spur growth in Guatemala's sugar industry.⁵ Increased opportunity in the world market, as well as rising commodity prices all led to the diversification of crops in Guatemala and the eventual exportation of sugar. In order to make this increased production possible, however, it was first necessary to advance the old agricultural model and create a more efficient one. With the advent of modernized agriculture (i.e. infrastructure, skilled personnel, etc.), labor relations in the sugar industry were also dramatically transformed. Income disparity increased as the wealthy landowners had more money to invest in infrastructure, and unskilled workers were increasingly exposed to systematic exploitation.

Given these new "modern agricultural enterprises" as Edelberto Torres Rivas calls them in his essay, "Guatemala since the 1930's", imbalances in the distribution of land and wealth reached unprecedented levels. Entrepreneurs at this time rarely had farm experience. They were more often former civil or military functionaries, political leaders, or businessmen. With large amounts of capital, these entrepreneurs would rent land and hire a mobile, temporary work force to cultivate it. Traditional farmers were increasingly shut out of competition as they were relegated by the government to plots of infertile land, disadvantaged from the outset with limited capital and resources. In Rivas' words, "the type of agrarian structure which carries with it unequal forms of tenancy was reinforced during this phase [of agricultural modernization]."⁶ And so it

³ Commission for Historical Clarification, Guatemala: Memory of Silence, Feb. 1999, website accessed 11/14/08.

⁴ Lessons from Guatemala: Renewing US Foreign Policy on the Rule of Law, Harvard International Review, Winter 2002, Steve Hendrix.

⁵ The Cambridge History of Latin America, edited by Leslie Bethell, p. 184-186, 401, Cambridge University Press, 1990.

⁶ Ibid, Central America since 1930: an overview, pg. 185.

went. And so it goes to this day. Presently, 3 percent of the landlords in Guatemala own 70 percent of the land.⁷ The economic elite has “successfully unified over past decades to influence governments and prevent political reforms that challenge their economic privileges, including land reform, tax increases and improved labor rights. The elite wield their political influence, having an effective veto over government policy, through their control of Guatemala’s most important business association, the Coordinating Committee of Agricultural, Commercial, Industrial and Financial Organizations (CACIF).⁸

It is in this context that we can finally begin to understand the compliance issues that are rife in the sugar industry today: an entrenched ruling class dating back to Spanish colonialism that is still in many ways more powerful than the government itself.

Current Labor Issues

"The situation is the same now as it was. The law hasn't been reformed, and people just don't obey the law. There's a culture of impunity."⁹

-Homero Fuentes, Director of the Commission for the Verification of Codes of Conduct

In the following section, we will introduce social compliance categories as they appear on the Client’s Supplier Guiding Principles. Note that in the sugar industry, the types of workers can be divided up into three principle categories: field workers, mill workers, and transport personnel (drivers), all of whom are exposed to different working conditions within the sugar industry. It is with respect to these three categories of workers that we present the various compliance issues.

Freedom of Association

Though freedom of association and the right to bargain collectively appear in Guatemalan labor code, in practice, these rights are not guaranteed.¹⁰ A glaring statistic indicates just how non-existent these rights really are – only 3 percent of the workforce in Guatemala in 2006 was registered with a trade union of some sort.¹¹

The U.S. State Department goes on to say in the same report that “enforcement of legal prohibitions on retribution for forming unions and for participating in trade union activities was weak.” This means that Guatemalan workers who exercise their right to unionize risk the loss of employment, or worse. The International Trade Union Confederation speaks to this point: “By exercising their right to form a union, Guatemalans risk not only their right to work, which is one human right, but also their very lives [...] The authorities in charge of investigating these incidents and ensuring compliance with the law and access to justice mostly avoid taking any

⁷ New Agriculturist, Land Security Leading to Food Security in Guatemala, Treena Hein, Nov. 2007.

⁸ Human Development Report 2005, Krznaric Roman, Oct. 2004.

⁹ Homero Fuentes, Interview with the Washington Post, Mar. 2007.

¹⁰ U.S. State Department, Country Report on Human Rights Practices, Guatemala, 2006.

¹¹ Ibid.

action or do so too late.”¹² The State Department’s annual country report corroborates the ITUC’s conclusions. “Labor leaders reported receiving death threats and other acts of intimidation. During the year prosecutors secured no convictions for crimes against trade unionists and often claimed that they had minimal evidence to prosecute such cases.”¹³ As to why the authorities and legal administrators in Guatemala seem slow to react to such crimes and reluctant to prosecute, that is another topic of discussion.

As we saw earlier in a brief sketch of Guatemala’s post-colonial and modern history, historically there has been almost a complete absence of a rule of law. Freedom of association issues appear to be a direct outgrowth of that absence. Even in rare cases where workers have successfully secured rulings in their favor over a labor dispute, say of an illegal termination, it is often the case that employers will ignore the court’s decree to reinstate the employee.¹⁴ Because the legal/judicial system has proved to be toothless in the past, employers will often ignore rulings, knowing that there will not be any legal consequences for their failure to comply.

Blacklisting is another symptom of an impotent legal system and nominal labor code. The Commission for the Verification of Codes of Conduct, or Coverco, in an extensive report surveying labor conditions in the Guatemalan sugar industry, reports on the practice: “Not one of the field workers interviewed for this report stated that they felt they were free to organize [...] According to the workers [...] the refineries maintain blacklists and those who complain about their wages are not only fired from the refinery, but are unable to obtain work in other refineries. Consequently, workers do not generally complain to management or to the government work inspectors.”¹⁵ If the simple act of complaining about incorrect wages can amount to blacklisting, how much more severe can the repercussions be for attempting to organize or join a union? There is a general consensus that workers in this industry are not free to organize and are subject to intimidation and violence regarding such matters.

Third party assessment firms do not mention issues surrounding freedom of association nor collective bargaining.

Child Labor

The International Program on the Elimination of Child Labor (IPEC, run by the International Labor Organization – ILO) released a detailed series of statistics on child labor in Guatemala. According to their report, 16.1% of children ages 5-14 in Guatemala are engaged in economic activity, and 60% of those working children are employed in the agricultural sector.¹⁶ The United Nations Children’s Fund, or UNICEF, reports that in Guatemala “some 507,000 children aged 7-14 years, one-fifth of total children in this age group, are engaged in work.”¹⁷

¹² International Trade Union Confederation, 2007 Annual Survey of Violations of Trade Union Rights, 2007, accessed 11/16/08.

¹³ U.S. State Department, Country Report on Human Rights Practices, Guatemala, 2006.

¹⁴ Ibid.

¹⁵ Coverco, Labor Conditions in the Guatemalan Sugar Industry, 2005, p. 32-33.

¹⁶ International Program on the Elimination of Child Labor, Guatemala: Child Labor Data Country Brief, 2007.

¹⁷ Understanding Children’s Work, Understanding Children’s Work in Guatemala, Mar 2003, p. 1.

Although the law explicitly prohibits the employment of children less than 14 years of age, child labor remains a widespread problem.¹⁸ As was the case with freedom of association, it is not that Guatemalan labor law does not address this issue, but rather that enforcement mechanisms are under-funded and weak. Most child labor cases occur in the informal sector, and are difficult to monitor due to poor labor inspection and court systems.¹⁹

While it is uncommon for minors to work in the sugar mills, it is practically standard practice to hire children out in the fields where sugar cane is harvested. A common practice for children is to assist their fathers with the harvest in order to augment the family's income.²⁰ Children are open to exploitation in this employment situation, however. There are many reports of children not being paid at all, and the father being paid a lump sum for the total tonnage of sugar cane cut. The Encyclopedia of the Nations reports that "the need to meet daily quotas leads to the coercive employment of children as young as 6 years old by their parents, who do not receive compensation unless they reach the fixed quota."²¹ If the children are paid themselves by the amount of cane they cut, they are often not able to cut as much as an adult and therefore not guaranteed minimum wage.²²

Restrictions on working hours for child workers are all but ignored. Coverco reports that, "the legal restriction on the employment of minors for longer than 7 hours a day is simply ignored in the Guatemalan sugar industry." It is common to find them working 12 or more hours a day, 7 days a week during the harvest.²³ This clearly disrupts their education and has long-term consequences on the country's economic development.

Forced Labor / Abuse of Labor

Having looked briefly at some of Guatemala's history, and knowing the disadvantages its workforce faces due to certain social and political circumstances, it comes as little surprise that abuse of labor and forced labor commonly occur in this industry.

According to the U.S. State Department, "There were reports that employers sometimes forced workers to work overtime, often without the premium pay mandated by law."²⁴ There is extensive information available on forced labor in Guatemala's sugar industry. In Coverco's study, 66% of field workers reported that they felt pressured by their superiors to work overtime. A substantial 52% of mill workers also felt that overtime was involuntary. In addition, minor workers under the age of 18 reported that they had felt pressured to work overtime as well, sometimes being required to finish cutting a certain area in the cane fields before being allowed to leave their shift.²⁵ Given the reports and testimonies of the workers, it seems to be the case that there is little respect for the legally mandated workweek in Guatemala (48 hours per week).

¹⁸ U.S. State Department, Country Report on Human Rights Practices, Guatemala, 2006.

¹⁹ Ibid.

²⁰ Coverco, Labor Conditions in the Guatemalan Sugar Industry, 2005, p. 19.

²¹ Encyclopedia of the Nations, Guatemala Working Conditions, 2008, website accessed 11/20/08.

²² Coverco, Labor Conditions in the Guatemalan Sugar Industry, 2005, p. 34-35.

²³ Ibid, p. 35.

²⁴ U.S. State Department, Country Report on Human Rights Practices, Guatemala, 2006.

²⁵ Coverco, Labor Conditions in the Guatemalan Sugar Industry, 2005, p. 35, 39.

If employers need more man-hours out of their workers to harvest and process sugar cane, they appear to have no qualms forcing time out of them.

Abuse of labor is another serious problem in the sugar cane industry. Again, the most detailed information comes from Coverco's report. According to their findings, 63% of field workers and 30% of mill workers reported having been the victims of some form of abuse. It appears that the most common form of abuse is that of a supervisor or foreman subjecting his (or her) employees to verbal abuse. A significant amount of the total workforce interviewed in the study (39% of field workers and 18% of mill workers) also claimed to have been subjected to some kind of physical abuse as well.²⁶ Though these claims could not be confirmed or denied, they should obviously not be dismissed either.

Women appear to be more susceptible to abuse than the men. Female employees interviewed reported nearly 100% of the time that they had been abused at their work place in some form, some even "reporting that they have been pressured to engage in sexual activities with field supervisors in order to continue to obtain work."²⁷

Discrimination

When addressing the issue of discrimination in Guatemala, there is no group of people that comes to mind more quickly than the Mayans. Racial issues are entrenched in Guatemala. Ever since the time of colonial rule, the Guatemalan state has been predicated on the belief that its indigenous population is not deserving of the same rights enjoyed by its citizens of European descent. To this day, the United Nations struggles to monitor and uphold the Peace Accords signed at the end of the country's bloody civil war in 1996.²⁸

The new agriculturist reports: "Since the Spanish conquest during the 16th century, the indigenous Mayan people have had to move to avoid repression, abuse and exploitation. During the thirty years of recent conflict, Mayans were accused and punished for supporting guerrilla warfare and thousands were killed or disappeared. Inequality between the Maya population and those of European descent - the Ladino - is still deeply ingrained. Mayans constitute more than half of Guatemala's population but the Ladino earn more than twice the monthly income of their indigenous counterparts."²⁹

In a country where racism has been institutionalized for nearly four centuries, it is a difficult undertaking to determine how discriminatory practices can be mitigated, let alone eliminated in the workplace.

Two out of three of the field workers interviewed in Coverco's monitoring project reported that management had discriminated against them. The most common reasons for discrimination were reported to be ethnicity, economic status, religion, and political opinion. The discrimination itself could take any form from abuse, lower wages, or giving the worst form of work to a

²⁶ Ibid, p. 32.

²⁷ Ibid.

²⁸ The Indigenous Peoples of Guatemala: Overcoming Discrimination in the Framework of the Peace Agreements, The United Nation's Verification Report, Sep. 2001, p. 13.

²⁹ Country Profile: Guatemala, New Agriculturist On-line, May 2006, website accessed 11/04/08

particular individual.³⁰ The situation is slightly better at the mills than in the fields, according to Coverco, where 37% of workers reported similar kinds of discrimination as the field workers.³¹

Mayan women often suffer from what has been called “double abuse” in Guatemala: they are indigenous, and they are women. Any discriminatory treatment that a male worker in the Guatemalan sugar industry will suffer, it can be expected that his female counterpart is subject to at least the same severity of discrimination. Human Rights Watch states succinctly: “Women’s inequality in the workforce mirrors their inequality in the home and society more broadly.”³²

Third party assessment firms do not report any instances of discrimination nor intimidation within the sugar industry.

Wages and Working Hours

According to third-party assessment firms, excessive working hours in the sugar industry, specifically excessive overtime and 7th day rest violations, are quite common in the Guatemalan sugar industry.

Field workers reported in the 2005 study by Coverco that they earned less than minimum wage in the fields. In general, field workers are paid per ton of sugar cane cut, and not for the number of hours worked. For those workers whose tonnage does not secure them the minimum wage, the wage is not guaranteed by the employer.³³ Moreover, the minimum wage in Guatemala is based on an 8-hour workday, far less than which workers generally work on a daily basis in this industry.

In the informal sector of temporary cane harvesters, minimum wage violations are widespread. The Ministry of Labor in Guatemala is responsible for monitoring and enforcing minimum wage payment, but due to inadequate resources, they are generally not able to do so.³⁴ We see a common theme repeated here: the presence of adequate labor law but lack of ability to enforce, and the concomitant impunity of the employer.

According to assessment reports and other research, mill workers generally report being guaranteed minimum wage. They do not necessarily receive their legally mandated bonuses consistently, however.³⁵

Workers are formally protected under the law from excessive work hours and are supposed to receive time and a half pay for overtime. In general, these rights are not enjoyed. In the 2005 report, 93% of field workers reported working over 8 hours a day, 25% reported working more than 12 hours a day, and 85% reported working 7 days a week. Mill workers, though enjoying better treatment, were still subject to excessive hours. They reported working anywhere from 9

³⁰ Coverco, Labor Conditions in the Guatemalan Sugar Industry, 2005, p. 32.

³¹ Ibid, p. 40.

³² From the Household to the Factory: Sex Discrimination in the Guatemalan Labor Force, Human Rights Watch, Jan. 2002.

³³ Coverco, Labor Conditions in the Guatemalan Sugar Industry, 2005, p. 20.

³⁴ U.S. State Department, Country Report on Human Rights Practices, Guatemala, 2006.

³⁵ Coverco, Labor Conditions in the Guatemalan Sugar Industry, 2005, p. 36.

to 12-hour days.³⁶ 35% of transport workers reported having 12-hour shifts, while an astounding 60% reported working 24 hours or longer at a time. In general, drivers are paid no overtime, in spite of the excessive overtime that they are made to work.³⁷

Also interesting to note is a conversation that took place with Freddie Pappas of Pantaleón sugar mill. When asked in an interview about the presence of overtime in the industry and relevant overtime laws, he reported that, “The law is not very clear on the point of overtime work hours.”³⁸ The language in the Guatemalan labor law itself reads: The ordinary daily work schedule may not be greater than 8 hours daily nor may it exceed a total of 48 hours per week³⁹. The confusion surrounding a seemingly straightforward law such as this may be indicative of the vague relationship that employers in Guatemala seem to have with labor law.

Health and Safety

There is adequate labor law to address health and safety standards in the sugar industry, but little enforcement. Authorities generally fail to investigate fatal industrial accidents, and employers themselves are rarely punished for failing to provide a safe workplace for their employers.⁴⁰

Field workers are exposed to a whole host of hazardous situations. Injuries with machetes are frequently reported. Working long hours out in the fields also can lead to muscle strain from cutting and respiratory problems due to constant burning of the cane.⁴¹ Other accidents include being hit by the vehicles/tractors collecting sugar cane, as well as heat exposure (dehydration) and chemical exposure. In many cases, workers who are responsible for fumigating the fields are not properly trained on chemical safety and are not given proper protective equipment by their employer.⁴²

Mill workers do not fare much better. Injury rates tend to be high at sugar mills, and the nature of those injuries severe, including amputations and fatalities.⁴³ Two other common injuries include burns from cane processing and welding, and falls from tall equipment. Health and safety training is virtually non-existent in the fields, and poor to non-existent in the mills.

According to third-party assessment firms, unsafe machinery at sugar mills – namely, unguarded moving parts and unsafe electrical panels – were cited frequently. These violations do not seem to reflect the severity of health and safety hazards at the mills, however.

³⁶ Ibid, p. 38.

³⁷ Ibid, p. 43-45.

³⁸ Freddie Pappas, Telephone Interview, January 15, 2009

³⁹ Labor Code of Guatemala, Art. 116.

⁴⁰ U.S. State Department, Country Report on Human Rights Practices, Guatemala, 2006.

⁴¹ Coverco, Labor Conditions in the Guatemalan Sugar Industry, 2005, p. 28.

⁴² Ibid, p. 29.

⁴³ Ibid, p. 39.

Truck drivers in the sugar industry report taking stimulants to stay awake for long hours.⁴⁴ Aside from the health impact of long-term drug use, drowsy drivers also run the risk of causing accidents, harming both themselves and others.

Environment

There are both short-term and long-term environmental impacts directly resulting from the sugar industry's activity in Guatemala. Most significant are the pollution as a result of burning cane fields and smoke releasing from mills, as well as industrial wastewater generated throughout the different phases of cane processing.⁴⁵ Though some of the largest refineries in the country report that they've adopted environmental programs and taken care to mitigate their environmental impact, there is still evidence suggesting that they are not doing as much as they claim to be.⁴⁶

Polluted water and water-borne illness is one of the most serious health problems facing the rural population of Guatemala.⁴⁷ Though the sugar industry cannot plausibly be blamed exclusively for this problem, its contribution to water pollution in the country is still significant and substantial.

There are a number of ways that water can become polluted during cane treatment. First, due to the widespread use of fertilizers, herbicides and pesticides in the industry, these chemicals can simply run off into local water sources and contaminate them. Though the industry has made a push toward biological pest control, harmful chemicals still remain a problem.⁴⁸

When raw sugar cane arrives at the mill, it undergoes a washing process to clean off any small rocks or dirt that could potentially contaminate the finished product. This water can be purified and recycled using simple filters or by allowing the sediment in the water to settle before the water is released back into local water sources. To date, this process of "sedimentation" is not routinely used, leaving much room for improvement in this area.⁴⁹

A more subtle problem with long-term consequences is the mono-cultivation of sugar cane and the effect this agricultural strategy has on biodiversity. Put simply, when only sugar cane is cultivated, biodiversity tends to decrease. As biodiversity decreases, the previous balance among species in the ecosystem begins to breakdown, and the likelihood of insect plagues tends to rise. In order to counteract this tendency, sugar farmers have used pesticides in the past to protect their cane. However, the wholesale application of insecticide can also kill off natural predators that would normally keep the "harmful" insect population in check, further disrupting the natural balance that exists prior to the application of insecticides. Furthermore,

⁴⁴ Ibid, p. 46.

⁴⁵ Ibid, p. 48.

⁴⁶ Ibid.

⁴⁷ World Bank Report, Republic of Guatemala Country Environmental Analysis Addressing the Environmental Aspects of Trade and Infrastructure Expansion, Jun. 2006, p. 7.

⁴⁸ Coverco, Labor Conditions in the Guatemalan Sugar Industry, 2005, p. 29.

⁴⁹ Industria Azucarera en Guatemala: Analisis de Sostenibilidad, Jose Manuel Perez and Lawrence Pratt, Jul 1997, p. 8.

the insects themselves causing the plague can build an immunity to the pesticides used, thus creating the need to use higher, more potent doses.⁵⁰

Living Conditions

Migrant workers hired directly by the mills generally have access to decent living accommodations. However, there is still a great deal of room for improvement. In many cases, the rooms are missing fans, mosquito nets, and even mattresses on the beds.⁵¹

Field workers hired by contratistas (hiring agencies) are much worse off. These people are relegated to sleep on the fields where they work, and have to fashion their own shelters out of crude materials such as tarps, rope, etc.⁵² They have no access to potable water, electricity, or education for their children during the long harvest season.⁵³

Industry Growth

Sugar Production

In the 2006 to 2007 harvest season, Guatemala produced a record total of 47.1 million quintales (equivalent to 100 lbs.) of sugar. In the current harvest season, 2008 to 2009, the sugar industry aims to beat this record with a total harvest of 48 million quintales.⁵⁴

Though production in the Guatemalan sugar industry has increased dramatically over the years, this has not amounted to more jobs for Guatemalans. The sugar industry has been able to accomplish its growth without creating more jobs by increasing worker productivity (around a fourfold increase occurred from the '80s to the mid-1990s).⁵⁵

The global recession could potentially affect Guatemala's export earnings this year. If profits decrease significantly in the sugar industry due to a fall in exports and world sugar prices, this could very well have a significant effect on working conditions and wages.

CAFTA

Although growth in the sugar sector has been minimal during the past two years, the introduction of the Central American Free Trade Agreement (CAFTA) in 2005 provides some growth prospects for Guatemalan sugar exports by permitting a gradual increase in the US

⁵⁰ Ibid.

⁵¹ Coverco, Labor Conditions in the Guatemalan Sugar Industry, 2005, p. 30.

⁵² Ibid, p. 31.

⁵³ Ibid.

⁵⁴ El Periodico de Guatemala, Nov. 3, 2008, "Ingenios Esperan Alcanzar una zafra Record."

⁵⁵ Human Development Report 2005, The Limits on Pro-Poor Agricultural Trade in Guatemala: Land, Labour and Political Power, Krznaric Roman, 2005, p. 13.

import quota. Because the United States is not a major importer of Guatemalan sugar, however, the effects of this agreement on the Guatemalan sugar industry will most likely be minimal.⁵⁶

Conclusion

After a brief tour of Guatemala's history, the development of its sugar industry and the concomitant labor issues accompanying the growth and expansion of that industry, we start to understand the complexity of the workers' rights issues now faced. These problems and challenges are embedded in the very fiber of Guatemala's fabric, from racial struggles to the plutocracy that has tended to act as a substitute for government, especially in recent history.

That is not to say that the situation is hopeless. Rather, it's to recognize how these issues have evolved within the Guatemalan context, and how these issues can be addressed in a way that responds to this specific framework.

Responsible corporate citizenship clearly has a role in promoting workers' rights. When researching the Guatemalan sugar industry and human rights issues within it, one confronts again and again the same problem of a weak judicial system and apathetic government, unable to protect the rights of its workers. As Homero Fuentes stated succinctly, "The law hasn't been reformed, and people just don't obey the law." If legal retribution has not proved to be a threat to Guatemalan employers, however, then perhaps economic retribution will. It is to say, if overseas companies resolve to apply pressure to the sugar producers in Guatemala to maintain a minimum standard for their workers, while failing to do so can have actual consequences in terms of losing a valued business partnership, this could be a preliminary step in promoting a culture that observes workers rights, if not respects them.

Monitoring is instrumental in this process. We know that the most severe problems in the Guatemala sugar industry exist on the plantations, not in the mills. A focus needs to be placed on this problem area. Monitoring must become a presence rather than a formality. Long-term engagements would create a more in-depth understanding of the prevailing conditions in this industry, thus creating opportunities to address these problems systemically rather than superficially.

In an attempt to bore down to the root causes that perpetuate inequality and strife within the Guatemalan sugar industry, this report concludes by recommending two areas of focus and future action: that of wages and education.

Currently, there is legislation that guarantees a minimum wage for Guatemalan workers, including overtime wages. There is overwhelming evidence that these laws are habitually defied and ignored, however. Herein lies the beginning of what has become a vicious circle of poverty in the sugar industry. Field workers cannot afford to not work a lot of hours – an unreasonable amount of hours, many would say. By guaranteeing at least a minimum wage, and eventually, through different means, promoting a living wage, workers would be able to not only work less

⁵⁶ The Limits on Pro-Poor Agricultural Trade in Guatemala: Land, Labour, and Political Power. Krznaric, Roman, 2005.

time during the week and spend more time with their families, they would also be able to reinvest this capital of time and money into their children's education.

As it stands, there is no sole breadwinner in the average Guatemalan family that lives on a sugar plantation. Husbands are not able to make enough money to support a family, and subsequently their wives and children end up working along side them in order to bolster the family's earnings. This current setup is directly undermining the future of literally hundreds of thousands of children in Guatemala who are trapped in a cycle of grinding poverty. Following this scheme, these children, growing up without education or means to develop marketable skills, will form similar family units to the ones they were raised in and be unable to provide for their own children.

Currently, the workers cannot pull out of this cycle by their own efforts. An intervention is required. If workers are guaranteed at least a minimum wage, and eventually a living wage, this will allow parents to care for their children, and allow the children to spend time in school as is healthy for their full development. There currently exist initiatives on the part of the government, as well as within the sugar industry to combat child labor and make education more readily available in the more remote parts of Guatemala.

The effects will not be felt immediately. The current generation will likely subsist rather than flourish. But what is called for is clear: parents need the opportunity to provide for their children and the legal backing to do so. Children in turn need their childhood. Age 0-14 years-old is decidedly not a time in life to work hard labor simply in order to prevent starvation.

Any program or interested party in substantively improving the lives of workers in this industry will focus on these two issues. Anyone who does not risks solving short-term problems at the expense of ignoring the more intractable, long-term concerns – akin to watering the leaves of a plant as opposed to its roots.

Core Areas of Concern

The chart below details the major concerns that currently exist in the Guatemalan sugar industry. In certain areas of concern, no recommended action is made as the problems are deep-seated and complex. Further research will have to be carried out in order to meaningfully address the roots of these problems.

Concern	Description	Possible Root Cause(s)	Best Practice	Recommendation
Freedom of Association	1) Employers fire/harass any workers suspected of organizing/forming a union 2) Blacklisting	1) Historical precedent of favoring big business over individual rights 2) Weak judicial system - unable to punish anti-union activity	Workers allowed to organize in a way that allows them to voice common concerns and lobby for better working conditions	TBD
Child Labor	Children under the age of 14 harvesting cane in order to augment family income	1) Poverty 2) Starvation wages force families to allow children to work	1) Implement living wage that allows parents to support their children and create opportunities for education and advancement 2) Fundazucar's program (PROCAP) to train teachers and expand the rural education system	Focus corporate responsibility program on wage enforcement and education programs
Forced Labor	Daily quotas implemented - workers are required to work overtime	1) Staffing practices - employers hire too few workers 2) Poverty - workers are complicit in this arrangement as they need to work overtime to augment their income	1) Maintain sufficient number of workers in order to distribute the workload more evenly 2) Institute a living wage, and correctly pay overtime in order to decrease workers' need to work excessive hours	TBD
Abuse of Labor	Workers subject to mental, physical, emotional abuse	1) Ethnic conflict 2) Lack of awareness/respect for the inherent dignity of workers	Management promotes a working environment of mutual respect	Implement training programs (especially on the plantations) where supervisors are sensitized to abuse issues
Discrimination	Workers receive unequal treatment based on race, religion, ethnicity, etc.	Long history of racial inequality in Guatemala	Management promotes a discrimination-free work place	Implement training programs (especially on the plantations) where supervisors are sensitized to racial issues

Wages/Working Hours	<ul style="list-style-type: none"> 1) Minimum wage is frequently not met 2) Regulation on work hours ignored 	<ul style="list-style-type: none"> 1) Weak judicial system 2) Culture of impunity 	<ul style="list-style-type: none"> 1) Minimum wage is consistently met 2) Working hours can subsequently decrease due to rise in real income 	<ul style="list-style-type: none"> 1) Ensure that minimum wage is guaranteed regardless of how much an individual worker harvests 2) Ensure that workers are paid for their overtime
Health and Safety	<ul style="list-style-type: none"> 1) Dangerous conditions exist on sugar plantations and sugar mills 2) Workers not properly trained to mitigate risk 	<ul style="list-style-type: none"> 1) Safety of employees not deemed important 2) Costly to implement health and safety programs without any demonstrable economic benefits to the business 	<p>Safety committee in place that is responsible for providing health and safety information for workers and teaching them safe conduct in the workplace</p>	<p>Promote better health and safety training at partner mills</p>
Environment	<ul style="list-style-type: none"> 1) Chemicals introduced to the environment on the plantations (i.e. herbicides, pesticides) 2) Wastewater from sugar mills contaminating local water supplies 	<p>Growth in the sugar industry has led to the need for new technologies to increase productivity – such new technologies are not always environmentally friendly</p>	<p>Sustainable development built into the business model of Guatemalan sugar mills</p>	<p>TBD</p>