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MARKET INVESTIGATION: THE SUPPLY OF GROCERIES BY RETAILERS IN THE UK: SUBMISSION OF EVIDENCE

Ref: CC//InqSec(2)/Groceries/19-06

Banana Link did not submit evidence as part of the Office of Fair Trading's *Consultation on its decision to refer the grocery market to the Competition Commission*. However please do find attached the *Comments and Evidence relating to OFT783 (Supermarkets: The code of practice and other competition issues, March 2005)* submitted by Banana Link. Our views are already outlined by this previous document as the buying practices of British supermarkets and therefore social and environmental impacts along the international banana supply chain have not substantially altered in the intervening months. It is worth noting though that there has been a further example of the '*Cartel like behaviour*' detailed in the document as evidenced by another round of price wars initiated by Asda in March 2006 and, once again, immediately followed by the other major supermarkets.

Also attached is a selection of research¹ conducted in 2004 on banana plantations supplying the British supermarkets in Costa Rica, the single largest supplier of loose bananas to the British market (representing nearly 25% of supply in 2004). This research was conducted, respectively, in partnership with the Co-operative Group, and a number of leading British trade unions, including the GMB and Amicus. This research concluded that many plantation workers employed by national and multinational companies supplying British supermarkets are failing to earn either a living² or a legal minimum wage. Evidence from workers and exporting and importing companies suggests that this is a direct result of the unsustainably low prices paid to suppliers by British supermarkets.

The Participants Declaration issued following the second International Banana Conference (co-ordinated by Banana Link), attended by over 250 stakeholders representing banana companies, supermarkets, trade unions, workers, small farmers, and civil society and government from both producing and consuming countries, proposed that

¹ The reports of two Banana Link/multi union delegations to Costa Rica and an independently conducted living wage study.

² Banana Link defines as living wage as one which covers the basic education, health, food, housing, utility costs and transport of the worker and their dependants.

“Supermarkets should guarantee fair prices that ensure a dignified life for small farmers and workers and reflect the real social and environmental costs of production. Long term sourcing commitments are useful in this respect. They should also ensure that accurate information is given to consumers on the way products are produced.”

Noting this declaration and the fact that supermarkets have become the most powerful players along the international banana supply chain into the UK (which represents their single biggest profit making item and over 0.5% of total sales), Banana Link therefore welcomes the decision of the OFT to refer this sector to the Competition Commission, however we would like to note the following points with reference to:

9. SCOPE AND TERMS OF REFERENCE

Non-grocery sales by supermarkets

We believe that the terms of reference should be expanded to include non-grocery sales by supermarkets as non-food now represents almost a third of ASDA's sales, and was £6bn of Tesco's sales in 2005 with like-for-like growth in non-food business in the UK running at twice the rate of food sales³; half of all new space opened by the latter company last year was for non-food.⁴ The supermarkets are taking advantage of their existing position of market power in grocery sales to enter and take an increasing share of a range of non-food sectors, including clothing and newspapers and magazines.

Impact of buyer power on the supply chain

We welcome the OFT's statement that it *'is not seeking to prevent the CC from looking at the supply chain'* and would actively encourage the CC to seek evidence from actors throughout the thousands of international supply chains that serve the British supermarkets. We would be happy to help to enable the CC to contact representatives of the small farmers and workers in the Caribbean, Latin America and West Africa⁵ who are dependent on supplying the British market (where the big four supermarkets control 75% of banana sales). It is imperative that the CC consult with the people, many in developing countries, whose livelihoods rely on the buying power of the British supermarkets. For example, the economic, environmental and social future of the Windward Islands of St. Lucia, St. Vincent and the Grenadines and Dominica depend on continuing to supply bananas to the British supermarkets but producers are currently denied any long term contracts despite being actively discouraged from supplying any other than the supermarkets they currently supply.

Annex C: Supermarket Code of Practice

We also welcome the statement by the OFT that the present *'Code does apply to overseas suppliers to supermarkets'* but note that is both essential that the Code is strengthened and that supermarkets take responsibility for ensuring that all suppliers – and intermediaries throughout the chain - know that the Code applies to them and are supported by the supermarkets to enforce the standards of the Code right back to primary producers and workers.

³ Tesco Annual Review and summary financial statement 2005

⁴ Labour behind the Label submission to OFT, March 2006

⁵ In 2005 Cameroon was the single biggest source of bananas for the UK market as companies engaged in a *Race to the Bottom* in terms of social and environmental standards, relocated in search of 'cheaper' bananas – in part to match the price cuts set by British supermarkets.

By 'strengthening the Code' we mean firstly that the Code should be reworded so that it better enables suppliers to bring complaints and secondly that this reworded Code should be made statutory and enforced by an independent proactive regulator.

The research and earlier submission attached, alongside previous submissions made by Action Aid and other development organizations, illustrate the negative impact of supermarket buying power on overseas workers and small farmers. However we are also concerned about the impact on UK consumers. The provisions of the Code were intended to curb practices that could leave suppliers unable to invest in product innovation which would reduce consumer choice and quality. However we believe the price pressures placed on overseas suppliers could indeed prevent investment thus negatively impacting on competition at the retail level.

We are happy to provide any further information during the length of the enquiry and for the attached submission to be published.

Yours sincerely

Jacqui Mackay
National Coordinator
Banana Link

Comments and Evidence relating to OFT783 (Supermarkets: The code of practice and other competition issues, March 2005)

From: Banana Link, 8a Guildhall Hill, Norwich, NR2 1JG

Dear Mr. MacDowall,

Thank you for allowing us the opportunity to comment on this paper.

1. Opening Remarks

As you observe in paragraph 3.15, PKF's report does initially seem to indicate that supermarkets have complied with the Code. What is more, at the end of sections 3, 4, 5 and 6, in which evidence is reviewed for each of the big 4 supermarkets, PKF note that in each case "the OFT did not receive any complaints from..... suppliers in respect of the Code".

The scarcity of evidence of code violation, combined with the absence of complaints, could however be interpreted in any one of three ways, as follows:

1. There have been few (and only very minor) violations and therefore suppliers have made no complaints. This shows that the system is working well.
2. Violations are occurring but the system is set up in such a way that violations cannot be detected and suppliers are too afraid to make complaints. In addition, violations may not have been detected because the methodology employed by PKF was inadequate.
3. Violations are occurring but the calendar year 2003 was atypical in this respect and therefore none could be found for this particular reference period.

Your own summary of the review and audit in Section 3 suggests that you lean towards the first interpretation. However it is clear from various comments you make (as in paragraph 3.2 for example) that you are aware that there is a climate of fear, surrounding relationships between suppliers and supermarkets, and that the explanation for the lack of complaints could be that suppliers believe that their contracts will be terminated if they take complaints to the OFT.

There appears, in fact, to be a slight note of frustration in your summary, regarding the unwillingness of suppliers to come forward. You refer at a number of points to the issue of fear, you repeat your call for evidence several times and in paragraph 3.30 you say, with what appears to be a tone of mild exasperation: "It is an inescapable fact that no code can be effective in dealing with allegations of breaches unless evidence of those breaches comes forward."

If you do indeed feel slightly frustrated, Banana Link shares your frustration as regards suppliers' un-preparedness to give evidence. However we understand, as you also appear to, why they are reluctant to, as they say, "stick their heads over the parapet". The information, which we have received, in particular over the last three months, leads us to conclude the following:

1. There are widespread violations of the code
2. The concentration of buyer power and the continuation of many of the abusive practices referred to by the Competition Commission 2000 report is leading to serious distortions of the market in which prices, at least in the banana sector, no longer reflect supply and demand
3. Although the big four supermarkets do not actively collude with each other, their practices (or at least the practices of three out of the four) are such that they are, for all practical purposes, indistinguishable from a cartel
4. In the short term unfair practices are benefiting consumers by forcing suppliers to deliver food to supermarkets at unrealistic and unsustainably low prices (although these low prices are not necessarily passed on faithfully to the consumers). There is however disturbing evidence that international food suppliers are beginning to withdraw from the UK market. In the long term, as suppliers lose patience with the buying practices of UK supermarkets, there may be disruption of food supplies to the UK, with consequent threats to the UK's long term food security.

We receive information in confidence from suppliers, which leads us to the conclusions cited above. However, so far, our informants have remained adamant that they are not prepared to speak publicly for the reasons, which you yourself have identified. As a consequence, the evidence, which we present below, cannot be attributed to particular sources. We believe that it is accurate but we cannot prove it.

At first sight this suggests that there is an impasse, in so far as suppliers say off-the-record that the system is not working, while at the same time they are not prepared to come out with evidence in public. However we believe that there is a simple remedy to this apparent impasse, which we will return to at the end of this paper, when we consider the comments you made in your paragraphs 3.28 to 3.30.

2. Which Interpretation is Correct?

Above we suggested that three different interpretations could be made, based on PKF's evidence. Our own considered opinion is that interpretation 2 is the correct one (the system does not work but evidence for this is not forthcoming and suppliers do not make complaints). We come to this conclusion for the following reasons:

1. This is what suppliers tell us off-the-record
2. Although it is not possible to prove that they are telling the truth, there is corroborating evidence, which you yourself point out in paragraph 3.16. In the case of the 44 violations which were found by PKF (relating to continuity payments), there were no complaints made to Safeway, nor were complaints made to the OFT. This suggests that suppliers do not see the complaints mechanism as being a realistic option (something which again suppliers repeatedly say to us)
3. PKF's methodology, as described in paragraphs A20 and A22 is flawed. This is not intended to be a criticism of PKF itself, but is rather a difficulty which is hard

or even impossible to circumvent (unless changes are made to the system, as suggested later). Suppliers tell us that day to day transactions are often carried out by phone. They frequently find themselves in situations where they are required to bear new costs or take new risks. They do not believe they have a choice when supermarkets require them to take on these additional burdens and typically they do not complain, nor record evidence because they do not believe there is any way they can get justice under the current system. Consequently, procedures like those described by PKF will not be able to find evidence of violations, since written records are not kept.

4. We do not believe that the year 2003 was necessarily particularly atypical and therefore, although we are not able to point to evidence which relates to this particular reference period, we believe that violations were almost certainly occurring during this period. Anecdotal evidence corroborating this point of view is provided by interventions made from the floor at Tesco's (2004) AGM, last summer. During this AGM there were a large number of complaints made to Tesco's Board (mostly from suppliers themselves) regarding mistreatment of suppliers. Presumably the period being referred to by the suppliers was the period 2003/4, suggesting that such mistreatment was also occurring during 2003. However, as was the case for the 44 instances referred to in 2 above, no complaints were made to the OFT.

In the sections which follow, most of our evidence relates to a single commodity, bananas. However, we have also received information from other sectors and believe that the situation in the banana sector is broadly representative of conditions found throughout the fresh produce sector. Occasionally we make references to commodities other than bananas.

3. Cartel-like behaviour

The big 4 supermarkets do not collude with each other to fix prices. However, at least in the case of bananas, they act in a way which is virtually indistinguishable in its consequences from collusion over prices.

In 2001, shortly after ASDA was taken over by Walmart, ASDA announced a dramatic fall in its retail price for bananas from £1.08 to 94 pence per kilo. ASDA had negotiated a very favourable deal with its sole supplier, Del Monte. However, there was an even more important reason for the price cut. Under pressure from its parent company, ASDA had cut its net target margin from around 30% (a level which was fairly standard for the big retailers) to a mere 10%. This allowed it to sell to customers at greatly reduced prices.

Tesco cut its prices within a few hours to match the ASDA price, but using a wholly different approach. It retained its 32% net target margin and required its suppliers to continue supply at a greatly reduced price. The other 2 followed suit shortly after, again passing on the costs of their price cuts to the suppliers.

[We have also received information from a producer of processed foods who went through a similar process. This processor supplied most of the big retailers, including

ASDA and Tesco. When ASDA cut its own margins and therefore reduced its price to the consumer, Tesco demanded that the supplier sell to Tesco at a greatly reduced price so that it could retain its own margin while matching ASDA's retail price. This would have meant that the supplier would have had to sell at a loss since its margins had already been reduced to a minimum by the supermarket's exercise of buyer power. In this case, the supplier, having other outlets for its products, ceased trading with Tesco and reduced its level of production accordingly. It was able to do this because it was selling to a number of supermarket chains. A great many other suppliers do not have this option however.]

On January 28 of this year, ASDA again cut its prices drastically, this time to a mere 66p per kilo for its cheapest bananas. Tesco again followed suit within the hour. Sainsbury cut its prices on the same day to match the 66p price, as did Morrison, with its price slightly higher at 67p. The reason for Morrison's slightly higher price was probably that it, unlike the other 3 companies, did not have a year or two year contract with its suppliers. It buys on the spot market and it therefore had to bear the cost of any price reduction itself. Tesco and Sainsbury on the other hand are able to demand reduced prices from their suppliers, which the latter are unable to resist as resistance would jeopardise contract renewal and in most cases the suppliers provide bananas either exclusively or predominately to only one supermarket chain in the UK.

Where the suppliers are sufficiently powerful they try to pass price cuts back along the chain to the primary producers. Banana Link was able to establish links between the 2001 cuts and drastic reductions in pay and conditions for banana workers in Latin America. At an international conference, co-hosted by Banana Link in Brussels in April of this year, some banana workers' representatives claimed that conditions for workers were now no better than slavery. It is too early to trace back the impact for workers in the industry, following the most recent price cuts.

In a situation in which retailers are generally competing on price only for a "Known Value Item" like bananas, there appears to be little evidence of any relationship between supply and demand. Although supermarkets do not collude over price, they feel obliged to follow price cuts without any regard for the future viability of banana producers and without any reference to global market conditions. Clearly "Known Value Items" like bananas are particularly vulnerable.

4. From Market Economy to Command Economy

The disruption of the relationship between supply and demand was vividly demonstrated in January of this year, with the recent round of price cuts. They occurred at a time in which unusually the banana market was under-supplied. A series of environmental and political crises in different parts of the world meant that production in almost all banana producing regions was down by around a third. In spite of this, retail prices in the UK fell to unprecedentedly low levels, at a time when, if the market had not been distorted by concentrated buyer power, prices should have risen markedly. One supplier reported that it was scouring the globe for supplies and selling at a massive loss to a retailer, which was still insisting on lower prices even during a period of global under-supply. This supplier faced a stark choice – whether to go bankrupt now or whether to continue trading at a loss in the hopes that something would happen to save the day later.

The January price cuts occurred only a few days before Banana Link hosted a preparatory confence in London, which was part of a process leading up to the International Banana Conference in Brussels. All the big suppliers attended these conferences and Banana Link was therefore able to discuss the situation directly with suppliers. When suppliers were asked why, given that world prices had gone up, they didn't insist on being paid more by the buyers, they expressed the view that this was an impossibility. None of them were making any money in the UK, none of them believed that any of their competitors were making any money and all those questioned felt powerless in the face of the supermarkets' buyer power. It should be noted that 80% of the world's banana export trade is carried out by only 5 companies. These are very large companies indeed and yet even these felt unable to resist concentrated buyer power.

When supermarkets can demand any price and indeed any other conditions (as we shall hint at later) it is not unreasonable to question whether a market economy exists at all. If supermarkets can demand any conditions of suppliers and if suppliers have nowhere else to sell their products, then the market begins to take on an appearance which is reminiscent of a Soviet-style "command economy". As in Soviet times, no voices of complaint are raised. As in those times, the official view is that the system works fine, but in private, in secret, a completely contrary view is expressed, characterised by desperation and those who suffer most are the people who physically produce the goods, in this case the banana workers who see their pay and conditions in free fall.

5. Abusive Practices

Unfortunately Banana Link is not able to detail specific instances of the continuation of abusive practices as our informants could easily be identified. Retailers demanding price concessions when they are engaged in a price war is, we believe, an example of the kind of abusive practices identified by the Competition Commission, as price cuts do not appear to have been negotiated but rather simply imposed and instant price cuts cannot easily be interpreted as involving "reasonable notice". We are able to report on this particular abusive practice however, because most of the big 4 (with the exception of Morrisons) appear to be implicated and so therefore are the majority of banana suppliers and importers into the UK. No individual supplier is therefore placed at risk when we point to the prevalence of this abusive practice.

Other instances of abusive practices may involve a single supermarket and a single supplier which means that we cannot provide evidence without the danger of recriminations being instituted against suppliers.

However one other specific instance can be mentioned as it is already in the public domain, having been reported in "The Grocer". Briefly stated, Tesco recently asked suppliers to deliver bananas in wheeled trolleys, instead of on pallets. This eliminated costs and inconvenience for Tesco. Bananas could be wheeled off lorries, straight into the supermarket aisles, reducing labour costs for the supermarket. As we understand it, Tesco's suppliers were required to pay for the new trolleys. The new system also meant that the volume of bananas which could be accommodated on a lorry were considerably reduced, as the wheels created dead space when trolleys were stacked. This meant that

the suppliers incurred additional transport costs. In this case, Tesco clearly transferred costs from itself to its suppliers. The suppliers, whose margins were already squeezed to a minimum, had to suffer further losses, adding to the precariousness of their financial situations.

6. Co-option of the Code to mislead the public?

At Tesco's last AGM, it distributed copies of its Corporate Social Responsibility review which among other things claimed that Tesco had good relations with its suppliers. This claim did not sit well with the numerous complaints made by suppliers at the AGM itself. One of the pieces of evidence which Tesco offered to support its claim was the fact that no suppliers had taken complaints to the OFT. As we understand that Tesco lobbied to ensure that the Code was much weaker than originally envisaged and since as a result of the weakening of the Code, it appears that suppliers do not regard it as a credible tool, it is ironic that Tesco has subsequently been able to use the lack of complaints to back up its claim that it maintains good relations with its suppliers.

7. Implications for Consumers

In the short term the impacts of concentrated buyer power on consumers appear to be positive. By forcing prices down to levels which make production barely sustainable financially, large supermarkets are in a position to deliver lower and lower prices to consumers.

However this process has a down-side. Firstly it endangers the future of legitimate supplier businesses, which although largely competitive cannot meet the increasingly unrealistic demands placed on them. Where these suppliers are based in the UK, closure of businesses will entail job losses and if consumers are to consume, they also need to have employment opportunities. Survival for producers means weathering the current storm in the hopes that they can take over other producers as they fall by the wayside. The tendency is for the number of suppliers to reduce so that eventually the size of the supplier will better mirror the size of the retailer. When greater parity has been achieved a more equitable relationship can be established. The systematic reduction in the number of suppliers, combined with an increase in their size has consequences for consumers as choice becomes diminished.

There is a further potential difficulty for consumers. Banana Link was informed by one of Noboa's competitors (although it has yet to have this confirmed directly by Noboa) that the company had decided to maintain only a token presence on the UK market as the demands of retailers had become highly unrealistic. Others may follow suit. We note that a similar message was given by a South African apple producer in a "You and Yours" broadcast on Radio 4 on the 17th May. If overseas suppliers increasingly come to see the UK market as being one in which it is impossible to trade as a result of the aggressive tactics of the big 4 supermarkets and if UK farmers continue to leave the industry in the face of such tactics, this may have implications for the country's long term food security.

8. A Solution to the Problem of Suppliers' Fears

In paragraph 3.27 you consider the possibility of changing the wording of the Code or the form of dispute resolution. You go on to suggest in 3.28 that this would be unattractive for 2 reasons. Your first objection in 3.29 relates to the introduction of new concerns arising since the CC's 2000 report. However it would be possible to make the wording more prescriptive while continuing to tie it to the original 25 (or 27) abusive practices identified by the Competition Commission (even though it might not be possible to extend the scope of the Code to address new concerns). Your second objection in 3.30 suggests that a different form of dispute resolution would not address the root causes of suppliers' fears.

This may be the case as long as the emphasis is on the resolution of disputes. However, the adoption of a model more akin to that used by the Health and Safety Executive in which a regulatory authority pro-actively checked compliance would, we believe, obviate the difficulties involved at present as regards fear. If a pro-active authority, performing random checks (and also responding to anonymous tip offs) were established, suppliers would, we believe, completely change their attitude. If it were clear to them that abusive practices were not going to be tolerated by such an authority, and that supermarkets could face financial penalties if they contravened the Code, suppliers would almost certainly keep better-written records, knowing that these might prove to be useful in the future. Once confidence in a system which was perceived to be equitable, rather than biased in favour of the retailers, had been established, suppliers may even feel able to bring complaints to the authority themselves.

Banana Link co-ordinated GMB London/TGWU/MANDATE trade union delegation to Costa Rica

24th March to 1st April 2004

hosted by the
Plantation and Agricultural Workers' Union (SITRAP), Siquirres



INTRODUCTION

The GMB, TGWU and MANDATE are partners in Banana Link's 'Union-to-Union' project, co-funded by the Department for International Development's Civil Society Challenge Fund, CAFOD and Trocaire. The project aims to build solidarity links between British trade unions and Latin American banana workers' unions in order to reverse the 'race to the bottom' in the banana industry, a 'race' in which companies increasingly source from those countries with the lowest wages, the worst social conditions and the weakest environmental protection.

Costa Rica supplies nearly one in four bananas consumed in Britain and Ireland. Bananas are the single most profitable item sold by British supermarkets yet have become the subject of a price war that has seen prices reduced from £1.08 to 74p per kilo. There are fears that to achieve these price levels, suppliers are being squeezed to a point where these cuts are being pushed back along the supply chain, thereby making it impossible for plantation workers to be paid a living wage. Plantation workers in Costa Rica currently earn as little as £4 per day, as well as being exposed to large quantities of toxic chemicals causing respiratory problems, cancers, abortions and, in some cases, death.

The delegation visited plantations where owners, faced with declining revenues, have slashed wages by up to 40% over the last 3 years. Over the same period some 10,000 direct jobs have been lost as plantations have closed down or raised productivity. National labour laws have been systematically ignored as companies have intensified their attacks on independent trade unions working to defend the workers' rights.

We were invited to Costa Rica by the plantation workers' union, SITRAP, who wanted the delegation to witness at first hand the conditions endured by their members, especially, where possible, those who produce for the British and Irish markets.

OBJECTIVES OF THE VISIT:

Visit plantations supplying British and Irish supermarkets and meet with workers to:

- view and document working conditions
- assess levels of trade union repression and discrimination of members
- undertake a preliminary investigation of whether workers earn a 'living wage'

Meet with industry players and the government to discuss the behaviour of:

- transnational and national plantation owning and exporting companies,
- and the impact of European retailer buying power

Develop solidarity links between SITRAP and the British unions including following up delegation findings in partnership with SITRAP members.

VISIT TO COSTA RICA

March 26

The delegation visit began with an opportunity to participate in the second day of the "Union to Union" project meeting, in the SITRAP Training Centre, with our trade union partners from Ecuador (FENACLE), Costa Rica (SITAGAH and SITRAP), Nicaragua (ATC and FETRABACH) and Honduras (COSIBAH).

This being the last meeting of the first three-year phase, the focus was on evaluating the first 33 months' work and looking forward to planning the programme of work from 1st July 2004 to June 2007. Our partners presented concrete examples of achievements, including:

- In the biggest banana exporting country - where there are estimated to be 250,000 workers but only 1% union membership - there are now five plantation based unions and five province wide worker associations supported by a much strengthened team of FENACLE activists and organisers (FENACLE - Ecuador)
- Stronger union developed to help reduce the impact of a deterioration in living conditions (SITAGAH - Costa Rica)
- The first new banana workers' union formed in Honduras for many years; it is the first in Latin America to have an Executive Committee solely comprising women. The organising and legal support work was funded by the project (COSIBAH - Honduras)
- Mobilisation of thousands of former workers whose health had been damaged by the use of a chemical in the 1970s/80s and securing of an agreement by government to negotiate proper compensation with fruit and chemical companies concerned (FETRABACH – Nicaragua)
- Support for alternative livelihoods projects – such as livestock and shrimp cooperatives and women's collectives - to provide sustainable sources of employment for former banana workers in a country where the majority of plantations have been closed down (ATC - Nicaragua)

All partners are very positive about the opportunity to develop this work for a further three years.

For a full report of the three year project and achievements please contact Banana Link.

March 27

The delegates divided into two groups to visit banana plantations in the Siquirres area, some of which supply the British and Irish markets: Los Rinos (Caribana/Chiquita), Anabel (Sunisa), Carrandi (Grupo Akon/Dole), El Ceibo (Pratts/Tesco)

Workers were interviewed at – or nearby - the plantations where they work. The delegation focused on assessing levels of trade union repression and discrimination against members, as well as on a preliminary investigation of whether workers earn a 'living wage'.

Trade union organising

On many plantations membership has been reduced to half a dozen members. Members discussed the discrimination they experienced and tactics the companies employed to reduce membership. In particular, when several dozen workers join the union on a given plantation (typically there are 150-20 workers per plantation) and look to be able to recruit more members, it triggers a range of tactics on the part of the companies to reduce membership to a handful: members are put onto the worst paid jobs, their hours are extended for no extra pay, they are regularly questioned about the quality of their work or their time-keeping, verbally harassed, or simply offered money to leave the union.

During interviews, SITRAP discussed organising methods with workers. When there are a small number of members on a plantation, SITRAP works with those members to support them to encourage fellow

workers to join with the aim of achieving 50% membership and thus the right to enter collective bargaining negotiations. The union would like to be able to offer 'Solidarismo-style' benefits, such as credit facilities, but currently do not have the resources to do so.

When the union achieves 50% membership, they are entitled to file a collective bargaining request. If the company does not accept this, the union can utilise court proceedings to impose negotiation proceedings. Companies have ignored such court rulings in the past but under Costa Rican labour law a union with this level of membership can subsequently apply for the right to strike. The problem has been achieving the 50% membership level: there has not been a new collective bargaining agreement in over 20 years. The only one existing since the onslaught against the trade unions in the first half of the 1980s covers workers on two Chiquita plantations in the Sixaola region; the bargaining agreement there has been extended regularly without interruption.

Workers on a number of plantations report that where union membership existed it did improve their treatment and conditions.

Living wage

As of 1st January 2004, the legal minimum daily wage for unskilled agricultural workers is 3,438 colones for an 8-hour day (= USD 8.05 at 01.04.04). This is equivalent to \$193.20 per month (42,156 colones per fortnight). This rate is revised by a National Wages' Council every six months.

We found most plantation and pack-house wages in the farms we visited were in the range of 36,000 – 50,000 colones per fortnight (12 days worked), typically for a 10-hour day. The best paid workers we interviewed earned 60,000 per fortnight. This gives a daily wage of 3000 to 5000 colones. In other words, at the bottom end of this range, workers are earning less than the minimum wage for the hours they work. Even at the top end of the wage scale, workers with three children told us they would have to choose which children to send to secondary school.

Taking a living wage to include at least food, accommodation, electricity, water, transport to and from work and secondary school fees, it was estimated by workers themselves that they would need to earn 70–80,000 colones per fortnight to cover these costs. The biggest factor is whether or not the worker has to pay rent.

Below is a summarised selection of interviews held with plantation workers:

LOS RINOS

As at most plantations, it was found that at least some of the workers were not earning the legal minimum wage for the hours they work. None were earning anything near a 'living wage' (whatever the definition used).

There used to be sixteen SITRAP members at Los Rinos, but only six or seven remain.

Some key costs of living costs (in local currency: 425 colones = 1 US dollar) are:

- 22-25,000 colones per month for the lowest quality rented accommodation in the locality
- 17,000 colones per month for basic utilities (electricity, water)

Typical secondary schooling costs are:

- 60,000 colones per year for 'matriculation'
- 30,000 colones per year for uniform/clothing
- 800 colones per day for the school bus
- 500 per day for school meal x 200 days
- 20,000 for textbooks

This works out at just over 30,000 per month

Without counting the cost of food and transport to work, these key costs of living amount to 70,000+ per month.

H, like many women working on the plantations, is a single mother and head of the household. She earns 36,000 colones per fortnight (12 days of 10 to 12 hours). H believes she would need to earn 70,000 per fortnight to cover her basic living costs. There is no nursery provision so she pays a neighbour to look after her child, and has another two children at school. Her rent alone is 25,000 per month. H has been told that if she left the union, she would be given better jobs on the plantation and earn better wages.

Y is also a single mother and member of the union. She earns between 38,000 and 43,000 colones per fortnight. She considers that 55-60,000 would be a living wage. This figure is lower than the one cited by H, because she lives with her mother and therefore does not pay any rent. Y started working on the plantations at 15, like many others because her parents did. She experienced problems with her last manager: being pressurised for example when one of her children was sick and was refused permission to have time off to take her to the doctor. She believes that she receives more respect now as a union member and hopes that the union could work to enable her to finish work earlier and to earn better wages. She received one month paid maternity leave before the birth and two months afterwards, as provided for by law. There is also an allowance for breast-feeding time for nine months after birth; however, in practice, without on-site nursery provision and given the distance most workers are from home, this is of little use. She has been invited to participate in SITRAP workshops but has been unable to attend because, in common with most workers, she works Monday to Saturday and therefore Sunday is a family day. Days after joining the union she was hauled into a two-hour meeting with management to discuss her membership.

ANABEL

At ANABEL (owned by Colombian company Sunisa, supplying Chiquita) workers reported continual company promises to make improvements to living quarters, but the existing bachelor housing is in an appalling condition and barely fit for human habitation.

There are now only ten members of the union on the plantation; others have been sacked or put under pressure to renounce their membership. As soon as the company discovers someone belongs to the union, workers stated that they try to get rid of them. Many workers are either hired on a casual daily basis or through sub-contractors. The union is only able to organise effectively amongst permanent workers as the others rotate so quickly.

The workers did inherit fairly decent benefits from twenty years ago when the union was strong, but these have slowly been eroded. Initial meetings to revive union membership have had to be held off the plantation. The most dangerous phase of organising will be when the union starts to gain membership, when the company will invest their money and power in tactics to subvert the organising campaign.

Wages of the 15-20 workers we met are typically around 40,000 colones a fortnight but this corresponds to piece rates and also depends on the nature of the tasks. Workers commented that 60,000 would not be enough if they were raising a family; if they were also paying rent, they estimated 80,000 colones per fortnight would correspond to a 'living wage'.

Social security payments are deducted at source, but according to their payslips the company is four years behind with payments - one worker had a payslip showing 9 years of non-payment! Workers believe that the company keeps back their social security payments to invest in production. Non-payment has a negative impact on workers' pension entitlement and medical rights, for example, it means that workers attending a health clinic have a longer wait for treatment as they are working for a 'patrono moroso' (a company which is chronically behind in its payments to the social security institution).

The solidarismo system at Anabel collapsed over a year ago. Workers asked for their money back from the credit union that had been established but were told there was none. The company has failed to make payments of 140,000 colones in annual dividends. Some workers had up to 500,000 colones saved.

CARRANDI

The workers interviewed here were the best paid, earning 60,000 per fortnight. Three union members however explained that trade union repression was severe although they believed that a union presence at

the plantation had improved conditions for all of the workers. The men interviewed represented the few remaining members who had not been intimidated by company tactics into renouncing membership. Tactics employed included non-members being encouraged not to speak to union members and denying jobs to relatives of those who belonging to the union. One young father of three reported that it was standard practice to offer jobs to relatives of current employees. However, he had been told that his wife would not be given work, although if he left the union, his entire extended family would be offered employment!

March 28

The delegates - alongside SITRAP, FENACLE and local community leaders -addressed an assembly to inaugurate the Training Centre.

More than 70 members travelled from across the region to participate in the solidarity event to share experiences and honour the memory of Brian Weller, GMB London activist, in whose memory the centre has been named. Many of the member delegates had met the previous day on the plantations attended, re-emphasising the significance of the support shown by international delegates in their efforts to organise.

March 29

Travelled to the Sixaola region, on the border with Panama, where we participated in a brief meeting of the indigenous peoples' council representing the Ngobe, a sub group of the indigenous Guaymi ethnic group who originate from just over the border in Panama.

The Guaymi have their own culture and language (which has no written text), the majority have had no formal education and few speak Spanish. Those working in Costa Rican plantations are from the Ngobe ethnic sub-group. They feel they have been exploited by the transnational and national banana companies and have lacked support in their struggle to improve labour relations. The Guaymi face problems over their legal status in Costa Rica - union members are threatened with losing their jobs because of their lack of proper documentation. The group made contact with SITRAP, seeking help in the face of discrimination both in the workplace and culturally.

The organisation represents over 5,000 workers but is not yet registered as the Ngobe do not even have the economic resources to go through the required administrative procedure. In the short term they need help to get registered so they can start working legitimately to promote and protect members' rights. Their members belong to three different unions who are the only organisations to take their discrimination seriously. They were very pleased to meet the international delegation and keen to develop links. Further strengthening the group is an important issue for SITRAP who do not have the resources to provide sufficient support.

Met briefly with field workers of Finca 96 and 97 (Chiquita plantations) and the leadership of the SITRACHIRI trade union. It was clear that wages and conditions there are superior to other plantations described in this report thanks to a collective bargaining agreement between the Chiquita subsidiary and the union. However, we did not stay long as the union had organised an assembly of all members to vote in a new leadership and we felt it inappropriate as outsiders to be present.

Met with workers and the union committee at the Bribri plantation (which sells to Tesco through independent importer Pratts). This is the plantation where SITRAP hopes to sign its first new collective bargaining agreement in 20 years.

The vast majority of the workers at Bribri are indigenous Guaymi who live across the border in Panama; many cross the border to work every day, leaving home at 2 or 3 am and returning as late as 9 or 10 pm. Union members had been told to carry on working to prevent them meeting with the delegation, but about thirty members had defied the company to inform delegates of the discrimination they experience as both indigenous people and union members.

Please see Urgent Action (Appendix A), also distributed by the Trades' Union Congress (TUC)

Workers had been earning 45 - 50,000 colones per fortnight until being told five months ago by the newly appointed manager that, as indigenous people, they could not earn more than the minimum wage. Wages since then have hit rock bottom: 35 - 42,000 per fortnight - in many cases below the legal minimum. The workers sought help from and became members of SITRAP last November, since when small groups of colleagues have gradually been sacked because of their SITRAP membership. Workers have been told that they have no rights to join a trade union in Costa Rica and were threatened with being physically deported. The company began a disaffiliation campaign, telling workers they had been conned and branding SITRAP 'communists', 'dividers of society' and 'some of the biggest liars in Costa Rica'. The company offered a TV in the bachelor quarters as an incentive for workers to disaffiliate! Indigenous trade unionists have no rights to meet on the plantation and have been explicitly prevented from holding meetings at their workplace.

Wages for those cutting, de-leafing, bagging and working in the packing house have all been cut. Before this persecution they had at least received what they should have been paid, even though it was not a living wage. Workers used to be given free drinks during breaks and were paid more than the minimum wage. Since joining the union they receive neither. Union members do not receive paid holiday and some workers have not had a day off in the last 17 months - if they left the union they said they would be granted holiday entitlement. Other methods of discrimination employed include being denied work. Previously when there was no harvesting, workers were offered alternative work, but when there were no cutting jobs a week before workers were sent home and told 'you can go to the Labour Ministry if you like, but we're not going to do anything about it; you're not working today.'

By joining the union, workers emphasised that they were not setting out to destroy the company, but merely seeking recognition of their labour rights.

That evening a fax was sent to the Tesco supplier detailing the conditions and repression on the plantation, asking for pressure to be employed along the supply chain to ensure that the collective bargaining process is pursued.

March 30

Delegates visited the Benigna plantation in the Guapiles area. The union had been strong here (with 70% unionisation) but the plantation has now closed.

In the months leading up to the closure, workers had taken a voluntary reduction in pay and worked hard to support the owner during what they knew was a difficult time for the company. However, following the closure workers are now owed a wide variety of payments to which they are legally entitled including:

- wages for the last three months,
- holiday payments,
- 110 months of unpaid social security payments,
- savings from a new scheme retained
- unpaid redundancy pay.

The situation had become so desperate that workers are unable to feed their families. They are being supported by SITRAP in lobbying the government to get the company to meet their legal and financial responsibilities.

Viewed examples of the environmental degradation caused by intensive banana farming, including:

- An airport where crop-spraying planes are based. Aerial spraying is conducted up to twice a week on the plantations exposing workers families living on or near the plantations to highly toxic chemicals, causing extensive health damage from sterility to cancers. Workers themselves are not provided with adequate protection, and are often expected to either carry on work during spraying or to return to the field before the recommended exclusion period. Major spillages of aerially sprayed fungicides at the airport have caused extensive pollution of the local waterways for which all responsibility has been

denied.

- A farm where sixteen lorry loads of blue plastic bags (used to protect bananas from insects) hidden by one of the multinational companies were discovered by the new owner disguised as a small hill of earth! The removal of the bags re-routed the river, destroyed much of the farmer's land and ruined the small tool manufacturing business based there. He has received no compensation.
- Extensive water pollution was also evident.

For further information about environmental impact, including photographic evidence, please contact Banana Link.

Part of the delegation also visited one of the SITRAP supported diversification projects for banana communities - a *tepeizcuintle* farm. These are large rodents bred for their meat, considered to be a delicacy in Costa Rica; breeding in captivity – and then releasing into the wild - protects the threatened species as well as providing an alternative source of income for former banana workers 'black-listed'¹ for their union activity.

Other members of the delegation met with workers from Pindeco, the pineapple subsidiary of Fresh Del Monte. They met away from the plantation as delegates were denied access. Many of the workers belong to local indigenous ethnic groups. Working conditions on the pineapple plantations are reported to be poor, although wages are reported to be slightly above banana plantation wages. The environmental devastation is particularly severe (soil erosion, overuse of water resources, chemical contamination of workers and water-courses) and has been well-documented by activists in the local community. A new trade union, SITRAPINDECO, was registered in late 2003. SITRAP is keen to continue supporting organising work there.

March 31

The last day provided an opportunity to meet with industry, government and national media to discuss the delegations findings.

The delegation met with CORBANA (National Banana Corporation), although we arrived to find a meeting of the CIB (Inter-institutional Banana Council) had been convened with representatives from Chiquita, Dole and Del Monte present. CORBANA gave a presentation about the Costa Rican banana industry. The images bore no resemblance to those plantations visited by the delegates. Delegates described the unacceptable working conditions they had found, highlighting trade union repression and, in particular, the situations at Bribri and Benigna. CORBANA accused SITRAP of choosing an unrepresentative selection of plantations for the delegation to visit; they claimed that there are higher standards of working conditions in the Costa Rican banana industry than other banana producing countries in the region. They also asked for the opportunity to respond to the criticisms raised.

The delegation suggested a 'tripartite dialogue' – industry, Costa Rican unions, British/Irish unions - to follow up the discussions at the meeting. This was verbally agreed by all three parties.

A brief report will be sent to CORBANA based on the delegation findings, accompanied by a covering letter listing the commitments made at the meeting with the delegation and SITRAP, noting that if CORBANA fail to adhere to their promises the delegation will pursue issues with British or Irish buyers/retailers wherever applicable.

The public sector workers' union, ANEP, facilitated a press conference to promote the findings of the delegation, including a focus on the situation at Benigna (an ex-worker from Benigna participated to represent his colleagues). Print media, several radio networks and three TV stations attended. The coverage on the day was quite extensive and accurate, however the next day the print media, completely misquoting delegates, claimed we had called for a boycott.

Delegates also met with Eugenio Solano, Head of Labour relations at the Labour Ministry to discuss their visit. The government was sympathetic to the union's struggle, but claimed insufficient

¹ A computerised list circulates amongst all banana companies with names of workers who have been involved in trade union activity. Work is also denied to family members of black-listed workers.

resources prevented the efficient implementation and enforcement of labour legislation. Banana Link invited representatives to participate in the International Banana Conference being co-ordinated next spring to bring together all stakeholders to seek alternatives to the current 'race to the bottom' in the international industry.

SUMMARY OF FINDINGS

The delegation continues to work in partnership with SITRAP, to monitor and to challenge the poor working conditions, low wages and trade union repression they encountered in the Costa Rican banana industry and welcomes the opportunity to discuss the issues raised in this report with any interested parties, in summary:

- Failure, in some cases, to pay the legal minimum wage for the hours worked.
- A living wage is somewhere between 50% and 100% higher than actual fortnightly wages in the plantations visited.
- Systematic discrimination against indigenous workers.
- Failure by companies to make social security contributions deducted from wages.
- Systematic discrimination against trade union members (abuse of the right of 'freedom of association', ILO Convention 87).
- Failure to adequately protect workers and their families from aerial crop-spraying.
- Failure of El Ceibo Ltda to enter into collective bargaining agreement negotiations with SITRAP members on the Bribri plantation, despite regular attempts by the Labour Ministry to facilitate the process as laid down in national labour law.
- Failure to pursue the owner of the Benigna plantation for a large number of non-payments to ex-workers.

This report will be accessible, with accompanying photos, at: www.bananalink.org.uk/tuforum

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May 2004

APPENDIX A

BANANA LINK URGENT ACTION BANANA LINK URGENT ACTION First new collective agreement in Costa Rica for 20 years?



**GMB London/MANDATE/TGWU Banana Link co-ordinated delegation
visited the Bribri plantation on 29 March.**

Workers asked for urgent solidarity action to be taken as they cannot withstand the repression for ever.

The Bribri plantation is owned by a Costa Rican consortium called El Ceibo Ltd. This company owns eight other plantations and has had a history of aggressive anti-union behaviour over the last five years. El Ceibo sells its bananas to an independent British importer that supplies Tesco. Fruit from Bribri and at least two other plantations in the group are sold in Tesco stores throughout Britain with an 'El Ceibo' label.

In late 2003, some 75 of the 110 permanent workers at Bribri joined the SITRAP trade union. They are indigenous Guaymi who originate from just over the Panamanian border. Some of them travel two or three hours each way from Panama each day; others live on the plantation. As well as the discrimination they suffer as indigenous foreign workers, those who have joined SITRAP face a range of tactics designed to get them to give up their union membership.

The union has recently filed a formal petition for collective bargaining with the employer on behalf of its members in Bribri, but all the signs are that the company is trying every possible route to avoid negotiation. These negotiations are required to take place under Costa Rican law once 50% plus 1 of the workers on a plantation are members of the same union.

Tesco is a member of the Ethical Trading Initiative (ETI) and has committed itself to ensure compliance with a nine-point code of conduct on labour standards. Evidence from workers at Bribri shows that none of them are earning a 'living wage', indeed that some are not even earning the legal minimum wage for the hours they work. Additionally the ETI code commits Tesco to ensure that free trade union organisation and collective bargaining takes place in its suppliers.

SITRAP has asked Banana Link supporters to write to Tesco requesting a letter to El Ceibo encouraging them in no uncertain terms to commence negotiations with SITRAP as soon as possible. Banana Link believes that we could play a positive role in directing consumers towards El Ceibo bananas if the company signs what would be the first new collective bargaining agreement in the Costa Rican banana industry for twenty years.

Please send letters of concern about wages and conditions at Bribri but clearly encouraging Tesco to put its weight behind the commitments it has made to decent labour standards as a member of the ETI. Banana Link made this request to Tesco over a month ago but has so far received no response.

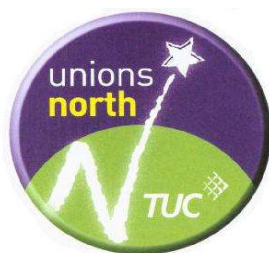
Contact Lara Ladipo, International Ethical Manager c/o info@bananalink.org.uk

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**BANANA LINK CO-ORDINATED
MULTI UNION
YOUNG MEMBERS
DELEGATION VISIT TO COSTA RICA**

**OCTOBER 2004
REPORT**

**in partnership with
Northern TUC Young Members Network**



and in association with



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Introduction

In October 2004, a Banana Link coordinated trade union delegation visited Costa Rica. The delegation included members of AMICUS, Usdaw, and the GMB (see opposite page for a full list). The purpose of the visit was for British trade union members to witness and document working conditions, and in particular levels of trade union freedom, amongst Costa Rican banana workers. The delegates were hosted by SITRAP and SITIGAH, trade union partners in the Banana Link coordinated 'Union to Union' project funded by the Department for International Development, which aims to build solidarity along the international banana supply chain to reduce poverty in banana exporting communities¹.

Costa Rica supplies one in four bananas sold on the British market. In the last few years exports to Britain have risen from 10% to 23%. This increase has taken place whilst a '*Race to the Bottom*' has been pursued throughout the banana trade. The race has been driven by companies relocating in the pursuit of ever 'cheaper' bananas as the most powerful players in the supply chain, European supermarkets, squeeze their suppliers to provide bananas at ever lower prices. The resulting unsustainable banana prices in Latin American banana exporting countries have had a direct impact on wage levels and working conditions. The delegation therefore focused on three specific areas of concern; the failure of many workers to receive a 'living wage', the negative impact on both human health and the environment of poor health and safety procedures in an industry which makes intensive use of agrochemicals, and increasing levels of systematic trade union persecution.



The delegation visit was organised by Banana Link in partnership with the Northern TUC Young Members Network as part of the DfID funded 'Union to Union' project. The Young Members Network works to increase awareness of trade unionism amongst young people and increase young membership levels in British trade unions. The visit was an opportunity to continue the work of a previous Banana Link multi trade union delegation, with participants from the TGWU, GMB and Mandate, which visited Costa Rica in March 2004. The visit report can be downloaded from www.bananalink.org.uk/uknews.htm.²

¹ Key partners in the project include seven banana workers' trade unions in Ecuador, Guatemala, Honduras, Nicaragua and Costa Rica and in Britain, the TGWU, UNISON, GMB, Usdaw and the STUC. USDAW, TGWU and GMB organise workers in the supermarket sector.

² The delegates from this visit formed the Anglo-Irish Trade Union Support Group on their return which has continued to lobby British and Costa Rican banana industry stakeholders to support the work of Latin American trade unions to improve labour standards for banana workers.

CORBANA

CORBANA is the national banana industry body representing national and transnational companies. Their board of directors is chaired by a representative of the Costa Rican government. CORBANA invited the delegation to visit 'model' banana plantations to view conditions following a briefing, detailed below, which outlined the labour standards the industry claim workers enjoy, many of which are provided for under Costa Rican labour law.

CORBANA briefing:

1. Minimum wage and hours

- All workers get the minimum wage for an eight hour day, if overtime (which is not compulsory) is worked, then additional hours are paid. The minimum wage is 3428 colones (less than £4) a day.
- Most workers will receive 20% over the minimum wage; they also stated that the average wage amounted to \$15/day.
- All workers receive the 13th month payment³.

2. Social Security

- Companies pay all the benefits due to their employees into the national social security system (CCSS).
- Workers employed by companies that are behind with their social security payments continue to receive their benefits from the CCSS.
- Casual workers were given the exact same rights as permanent workers.

3. Social and environmental conditions

- By law, workers should not be permitted into a plantation 24 hours after aerial spraying⁴.
- Every plantation has a health & safety committee backed by the CCSS and the National Ministry of Health, ensuring implementation of health and safety procedures.
- Out of 180 plantations, CORBANA believe that 85% of them meet 'social expectations'.

4. Women

- All women receive four months paid maternity leave.

5. Trade union freedom

- According to labour legislation, all workers have the right to join any independent organisation.

6. The 'rescue package'

CORBANA manages a rescue package designed to support banana companies in financial difficulties. They acknowledge that many plantations are indeed in financial trouble and have established a rescue fund worth \$50 million which is applicable to 24 plantations, mostly nationally owned.

Delegation findings

The delegation subsequently visited plantations owned by both transnational and national companies, many of which supply British supermarkets. The visits were organised by SITRAP and SITAGAH to include plantations where they have members.

³ The 13th month payment is an additional or 13th month's pay due to all workers under Costa Rican law.

⁴ Bananas produced for international export consume the largest volume of chemicals of any crop apart from cotton. For more information about agrochemical use and the impact on human health and the environment please contact Banana Link.

1. Minimum wage and hours

The government set minimum wage is calculated on an 8 hour day. A common problem is that many workers are forced to work extra hours without additional pay, so that daily wages therefore fall beneath the minimum rate. Worker interviews revealed that some workers are paid less than the current legal minimum wage.

A 6.82% increase in the minimum wage was renegotiated by the Wage Council in October 2004, to be implemented in January 2005. Trade union members of the National Wages Council consider that the the minimum wage level should have been increased by 10.52% just to take account of price inflation. Banana Link's multi-trade union delegation visit to Cosa Rica in March 2004 produced a report in which it is calculated, based on worker interviews, that the minimum wage is not a 'living wage'⁵. A living wage is defined as one that covers the basic education, health, food, housing, utility costs and transport of the worker and their dependants. In November 2004, Banana Link commissioned research into actual plantation wages and into workers' views as to what a 'living' wage should constitute.⁶

2. Social Security

Many companies are not keeping up with contributions to the CCSS and some plantations are as far as *nine years* behind. Such companies are known as '*patronos morosos*' and a cumulative total of unpaid social security contributions are noted clearly on all wage slips.

Social security contributions are sometimes deducted from wages but not paid to the CCSS. Sub contractors are the worst culprits. As a direct impact of the the practice of sub contracting has spread from Ecuador allowing companies to avoid their responsibility.

Workers whose employers are '*morosos*' can be refused medical treatment or forced to wait for long periods to be seen by a doctor. A lack of contributions mean many workers have work beyond retirement age (65 years old) to accrue a sufficient pension⁷.

3. Social and Environmental Conditions

Housing:

- Workers' housing is poorly maintained. One home visited by delegates had an open sewer running alongside washing facilities and the entrance to the kitchen. This issue had not been addressed despite being raised a number of times at meetings between workers and management.
- Inhabitants of the single men's quarters believed they would live in better conditions in prison.
- Workers that live in plantation housing often live in 'exclusion zones' without access to public transport to access retail or social facilities.
- Workers who have housing on that plantations are dependant on the banana companies for their jobs *and* their homes.
- There is a general shortage of housing, forcing some families to share cramped conditions.

Health & Safety:

- There is poor access to health and safety equipment to protect workers, in particular, from exposure to a cocktail of agro-chemicals in both the field and the pack house. Many workers that the delegation met were wearing brand new equipment, such as rubber gloves and aprons, because the company knew they were being visited.
- Bananas, in bunches weighing approximately 50 kilos, are cut from the tree and loaded onto a cable system. The bananas then have to be pulled manually to the pack house (distances can be as much as 2 kilometres). Workers in both the field and the packhouse are engaged in extremely demanding physical tasks which are often very repetitive, with wide ranging negative

⁵ This report can be downloaded from www.bananalink.org.uk/tuforum

⁶ Available on request from Banana Link.

⁷ The pension is set at half the minimum wage and pensioners struggle to afford the most basic healthcare, such as glasses and dentures.

health impacts. A working day can last twelve hours or more.

- Very few plantations have on-site clinics, as they are often located in isolated areas. Workers have died before being able to reach a treatment centre.
- Much of the medical treatment and assessment is undertaken by doctors paid by the company who have a vested interest in disguising industrial injuries.
- Non-union members will have transport to the nearest medical centre provided, usually a taxi. Union members will often be offered neither transport nor treatment.
- Exposure to highly toxic chemicals from in the field, packing houses, aerial spraying, can cause lesions, respiratory problems, cancers, sterility and children born with deformities.
- Unlike the 24 hour exclusion period Corbana advised, workers talked about being taken out of the plantation for only one hour and having their pay docked for this period.
- Aerial spraying is very ineffective⁸ and covers not only the plantations but workers housing and nearby homes and farms. The delegation visited one farm which lies between two banana plantations, whose owners are selling their business because exposure to aerially sprayed chemicals is damaging their children's health.

Environment:

- The run-off pollution from plantations kills fishstock and other wildlife. A 50 metre buffer zone should be left between the plantation and the river bank but this law is commonly ignored.
- Water polluted with chemicals from the packhouse is reused as washing and drinking water in the workers homes.
- Bananas are covered with insecticide-impregnated blue plastic bags whilst on the tree. Insufficient numbers of these bags are being recycled and can be seen littering rivers, again damaging wildlife and polluting the water.

Pineapple and ornamental plant farms:

As the 'race to the bottom' is pursued in the banana industry and prices fall, companies are diversifying into other crop production. Pineapples and ornamental plants are two of the major new crops in the banana growing regions of Costa Rica. The labour conditions are as bad if not worse than in the banana industry and the environmental impact of yet more large-scale monoculture production for the North American and European markets is devastating. SITAGAH and SITRAP are proactively working to organise in these new sectors.

4. Discrimination

Women

- As companies seek to reduce costs fewer women are employed in the banana industry. Estimates suggest that the percentage of women workers has fallen from 25% to 10%.
- Women are subjected to sexual harassment in some plantations, for example, foremen may use harassment as a bargaining tactic during trial periods.
- The majority of women workers are single heads of household and therefore in very vulnerable positions if they become union members.
- Plantations do not provide any form of childcare causing huge problems for many mothers who may have to leave home as early as 5am and not return until the evening. Parents are forced to rely upon neighbours, family and often older siblings for help.
- Due to the poverty faced by many families, women are under increasing pressure to maintain a full time job, manage a home and raise their children which can lead to abuse and domestic violence in the home. SITRAP has organised domestic violence courses, held at the SITRAP building to empower women and encourage them to see this as a police and not a private issue.

⁸ It is estimated that as much as 85% of aerially-sprayed fungicide misses its target according to a study by the Swedish government for UNEP, Costa Rica, 1995.

5. Trade union freedom: the lack of freedom to join a trade union, repression of members and encouragement to disaffiliate

- Trade union organisers can be refused entry to plantations violating ILO Conventions ratified in Costa Rican labour law. Members are often prevented from openly meeting on the plantations. In March a trade union training centre, funded by GMB London was opened, giving SITRAP members a safe and secure meeting place.
- Members are persecuted in a number of ways, including:
 - Being downgraded to the worst jobs.
 - Having to work longer hours.
 - Are often the last workers to receive health and safety equipment.
 - Being sacked without receiving the benefits they are legally entitled to.
 - A 'blacklist' operates in the Costa Rican banana industry and union members can find not only themselves but their families on this list, prevented from gaining employment on the plantations.
 - Union members describe a form of apartheid where they are ostracised from fellow workers.
 - Union members can be the subject of abuse from plantation foremen.
 - Members are offered pay raises and one-off lump payments to either not join a trade union or to disaffiliate.
 - Workers are told that unions can cause plantations to close down.
- Solidarismo⁹ profile raised and anti union propaganda shown to discourage union membership.

6. The 'rescue package'

There is no evidence that *any* companies have ever received funds from the rescue fund. This failure directly threatens the future of a number of companies and the security of their workforces. Many companies are in serious financial difficulties because of the reduced price received for bananas supplied to the British market. Delegates visited a number of plantations, such as those owned by El Ceibo Lta, who claim to be unable to pay a living wage or negotiate a collective bargaining agreement (at Bribrí plantation) without support from this fund.

These problems exist in the wider context of:

Failure to implement legislation

Costa Rica has some of the best labour laws in the region but when delegates met with the Labour Ministry they were informed that the Ministry lacks the budget to support their regional labour officers. The officers are trained but do not have even the most basic resources, including transport. However there is often collusion between the Labour Ministry and the companies so that even when cases are taken to the labour tribunals they may not be heard for years or indeed ever satisfactorily settled.

The Defensor de los Habitantes (the Ombudsman) is a unique office in the Costa Rican government with responsibility for independently monitoring the just application of law, on behalf of Costa Rican citizens. Delegates met representatives of the Ombudsman's office twice and encouraged the development and support of their role in negotiations between workers, their unions and employers.

Supermarket buying power

Bananas are the single biggest profit making item sold in British supermarkets and have been the subject of a bitter price war. Supermarkets are squeezing suppliers who in turn are reducing the price paid by box to an unsustainable level – as low as \$4.19 (when the legal minimum box price fixed by the government is \$5.25). This box of bananas is then worth at least \$25 on the British market. Companies are blaming bad working conditions and low wages on this situation.

⁹ The solidarismo movement is a federation of self-financed pro-management workers' associations, which trade unions see as a deliberate attempt to eliminate and replace the most basic rights of workers to organise trade unions and engage in free collective bargaining with employers. The ILO has ruled on several occasions that solidarismo does not constitute 'freedom of association' for workers and they cannot conduct free collective bargaining.

Solutions

CORBANA claim that conditions in Costa Rica are some of the best in the international banana industry; comparatively speaking, this may be true, however wages and conditions have worsened significantly as the 'Race to the Bottom' is pursued throughout the Latin American banana industry. Trade union persecution is rife as companies seek to strip workers of both their awareness of, and their recourse to, their legal rights. Yet as we constantly stressed to workers the increase in sales of Fairtrade bananas¹⁰ illustrates that consumers want workers rights to be respected along the supply chain. Below is a list of ways in which we would like to work in solidarity with the Coordination of Costa Rican Banana Workers' Unions (COSIBA) to create ethical trade and achieve justice for banana workers.

All stakeholders in Costa Rica and Britain will be sent a copy of a report listing our findings, which specifies violations of Costa Rican labour law and the ILO conventions which the government has ratified; it will also highlight instances in which regional or local agreements are being broken. In Britain, we will lobby both supermarkets and the government on the issue of labour standards which violate the Base Code of Conduct to which most supermarkets have signed up as members of the Ethical Trading Initiative.

For example, in Costa Rica the delegation aim to:

- Maintain a dialogue with the Deputy Labour Minister on labour legislation implementation and explore options for British government funding to increase the capacity of the Ministry to enforce legislation. Ensure the Minister finds out from the CORBANA government representative what is happening at the closed plantation of Benigna¹¹
- Continue dialogue with CORBANA with reference to specific cases including Benigna and Talamanca. Ask for proof and details of ANY plantation that has received support from the rescue package. Suggest that CORBANA establish a formal dialogue structure with the trade unions to investigate trade union repression and promote independent association.
- Maintain solidarity links with SITRAP and SITAGAH to support urgent action requests through the NTUC.
- Amicus members to raise funds for baseball kits for union teams at Cahuita and Tortuguero plantations.
- To maintain dialogue with Otrangobesi, the Ngobe workers' association (representing indigenous Guaymi from across the border in Panama, including many workers on plantations such as Bribri¹²) and explore ways in which indigenous peoples can receive support and international solidarity.
- Monitoring developments at the Collin Street Bakery, the pineapple plantation, where 11 trade union members have been sacked. Delegates participated in a meeting between SITIGAH and the management at which a commitment was made to consider reinstatement of the sacked members and the recognition of trade union freedom on the plantation.
- Continue dialogue with the Ombudsman about cases such as the strike over non-payment of wages at Talamanca and to support the development of the Ombudsman office; particularly the regional sections and developing a close partnership with the unions.
- Support Benigna workers if their appeal to Corbana is unsuccessful.
- Monitor implementation of the Chiquita Agreement¹³ on supplier plantations eg. the failure to undertake overdue housing repairs at Oropel.

¹⁰ Sales of Fairtrade bananas now represent 4 in every 100 bananas sold in the UK market since their launch in 2000.

¹¹ The Benigna plantation closed in early 2003. There had been 70% unionisation at Benigna. Ex workers are still owed several months pay, social security payments, holiday pay, redundancy and monies from a saving scheme. For more information please read the report of the March 2004 visit.

¹² Indigenous people do not have full social security rights and are badly discriminated against with employers failing to recognise their basic entitlements.

¹³ The Chiquita/IUF/COLSIBA (the Latin American Coordination of Banana Workers' Trade Unions) Agreement on "Freedom of Association, Minimum Labour Standards and Employment in Latin American Banana Operations" is the first regional agreement between the multinational and banana workers' unions, signed in 2001.

- To liaise with the SITRACHIRI union to monitor negotiations on plantations 96 and 97, where the management are threatening to remove the only mechanical cableway in Costa Rica.

and IN BRITAIN:

- Join the Anglo Irish Trade Union Support Group created by the delegates who visited Costa Rica in March 2004, to respond to urgent requests from our partners.
- To lobby Tesco to improve conditions on the El Ceibo plantations.
- To pursue a meeting with Bill Rammell, the Minister responsible for Latin America in the Foreign Office, to discuss issues raised by the visit and to complain about the lack of interest or understanding on behalf of the British Ambassador to Costa Rica (with whom delegates met).
- Monitor conditions on CARIBANA plantations supplying Sainsburys with a view to follow up work in conjunction with British unions organising within the supermarket.
- Produce a booklet about three international solidarity visits (Costa Rica, Colombia and Sierra Leone) to distribute to all trade union officials and officers in the region.
- To produce materials, such as a powerpoint presentation and activities, for use in school workshops and union educational events and meetings.
- To present motions through local branches for national and regional conferences in 2005 (model motions available from Banana Link).
- Arrange international solidarity fringe meetings at union conferences in 2005.
- Help raise funds to produce an educational video highlighting environmental damage caused by the banana industry in Costa Rica.
- Help organise a speaker tour in February with Banana Link, including addressing the Union-to-Union TU forum. Delegates to present their findings during the Costa Rican visit alongside the Ecuadorian speaker to reflect that the erosion of labour standards is a problem throughout Latin America, and not just limited to Costa Rica.
- Produce articles for union magazines.

Please visit www.bananalink.org.uk/tuforum to view and download photos, and to find out more about the work of our Latin American union partners and labour standards in the industry

or contact Banana Link to find about how you can be part of and help strengthen the solidarity links we have started to build.

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**ASSOCIATION OF LABOUR PROMOTION SERVICES
ASEPROLA**

**THE REAL WAGE SITUATION OF
MALE AND FEMALE WORKERS
IN ELEVEN BANANA PLANTATIONS
IN COSTA RICA,
IN COMPARISON TO A
'SUSTAINABLE LIVING WAGE'**

Matin, Siquirres, Cariari, Pococi, Sixaola, Talamanca,
Province of Limon;
District of Laurel, Corredores,
Province of Puntarenas

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INTRODUCTION

In order to comply with the request of Banana Link, ASEPROLA, together with the Union of Agricultural Plantation Workers (SITRAP), have done research during November 2004 into the wages received by banana plantation workers in Costa Rica. For this purpose, ASEPROLA assigned someone to compile the results of the research. This research was performed through coordinated meetings, use of questionnaires and planned visits to different plantations to collect information.

The information gathering process ran from the 3rd to 16th November. The questionnaires, the samples of plantations to be visited, the population to poll and the additional material required had been defined previously.

The overall objective of this research is to gather information about the wages received by workers of ten banana plantations in Costa Rica, located in the province of Limon and one in the district of Laurel, county Corredores, province of Puntarenas. The research took into account the number of hours worked when compared with workers' definition of a "sustainable living wage".

What is presented in the following pages is the background to the research, which is detailed in the first section.

The objectives and research methodology are found in the second section of this report.

The factors supporting concepts such as the sustainable living wage, according to the Centre of Reflection, Education and Action Inc (non-governmental organisation from the United States), are presented in the third section. Also, minimum wages for non-qualified and semi-qualified agricultural workers, as fixed by Costa Rican law, are detailed for the last five years.

In the fourth section, the results of the research process are presented, not only from the quantitative perspective, but including inferences from the data.

The conclusions of this research are set out in the fifth section.

I. BACKGROUND

In March and October 2004, British and Irish trade unionists, during their visit to Costa Rica (organised by Banana Link), proved that the wages of banana workers have decreased rapidly in the last five years. This situation appears to be the case across the 160 export plantations in the country. It is claimed, that in some cases, the wages do not comply with the legal minimum wage according to the number of hours worked.

Considering the above and the fact that Costa Rica is the most important supplier to the British market (almost 25% of the market during the first six months of 2004), the main supermarket chains from the UK (buyers and sellers of bananas) have committed themselves to ensuring compliance with the main conventions of the International Labour Organisation (ILO) in their supply chains. In addition, they promised to offer a “living” wage in all their supply chains, through their membership of the Ethical Trading Initiative (ETI).

Due to this and other factors, there is an increasing interest from the unions, also represented in ETI, and the British consumer, in the fulfilment of the social, labour and environmental standards related to the production of the items imported from southern countries. Such interest can be largely attributed to the efforts of a non-profit making organisation (Banana Link) to build effective and real solidarity in order to solve labour and environmental problems in plantations where bananas are produced for export to the British market.

During the last two years, the conversations between Banana Link, SITRAP and some supermarkets, have led The Cooperative Group (co-founder of the co-operative movement in the 1840s) to commit itself to co-operate with Banana Link. The Co-op’s initial interest is in conducting research into wages in plantations of their suppliers, also taking into account the wages in the plantations of some of their competitors.

This research into the real wages of banana workers in eleven plantations in Costa Rica measured against the parameter of a “sustainable living wage” is designed to meet Banana Link’s aspirations in this regard.

II. OBJECTIVES AND METHODOLOGY

The objectives that guide the research methodology are as follows:

2.1 General Objective

To report findings about the wages received by banana workers from ten plantations in Costa Rica located in the Province of Limon, mainly in the cantons of Matina, Siquirres, Cariari, Pococi, Sixaola, and one in Laurel de Corredores, Puntarenas. This is to be done taking into account the number of hours worked, as well as the concept of a fair or 'living' wage, according to the criteria and experience of those interviewed.

2.2 Specific Objectives

- To identify the actual wages received by banana workers from the eleven banana plantations in Costa Rica, intentionally selected.
- To analyse the latter taking into account the contracts of the interviewed workers and their working days.
- To present information about the legal minimum wages for the work in banana plantations in Costa Rica.
- To compare the wages of workers from these plantations and their working days with the indicator defined as "sustainable living wage" - or what workers consider to be fair wages.

2.3 Methodology

In this section, the procedures carried out, sample population and questionnaires will be detailed without ignoring situations that have had an unfavourable impact on the process.

- Sample

The consultation tool, procedure and the criteria for choosing the sample, not only regarding the selected plantations but also the population to be polled, are detailed in the following. Discussions at the meeting with SITRAP representatives on 3rd November were taken into account for this process.

During the meeting, which took place in the premises of SITRAP (Siquirres) the plantations to be visited were specifically defined by two representatives of SITRAP: Gilberth Bermudez (general secretary) and Didier Leiton (promoter and former worker in plantations in Costa Rica). Additionally, Nineth Mendez and Leda Abdallah (research co-ordinators of ASEPROLA) and a consultant were involved.

In the selection, various aspects were considered. At national level, there are about 160 banana plantations, of which 102 are operational. SITRAP has a union presence in 70-73 of them in the cantons of Limon, Talamanca, Matina, Siquirres, Guacimo, Cariari, Pococi and Guapiles.

In Costa Rica, it is estimated that the number of banana workers is between 30,000 and 31,000. However, these figures do not specify the gender. From these approximated figures, 5% are in union membership (1500 people approximately). Nonetheless, there is no detailed information of the number of workers per plantation.

In the province of Limon, the trade union SITRACHIRI also operates on two plantations in the area of Sixaola. These plantations have a Collective Bargaining Agreement. Also, in the same region of Limon are SITAGAH (Sarapiqui) and SUTAP (Guapiles and Guacimo). The latter is subsidised by SITRAP.

In the province of Limon, SITRAP selected the following banana plantations:

Location	Plantation	Company
Cariari, Pococí	Cahuita	Desarrollo Agroindustrial de Frutales SA
Cariari, Pococí	Tortuguero	Desarrollo Agroindustrial de Frutales SA
Matina	El Ceibo 1	El Ceibo Group Ltd.
Sixaola, Talamanca	Bribí	El Ceibo Group Ltd.
Sixaola, Talamanca	96	Chiriquí Land Company (Chiquita subsidiary)
Sixaola, Talamanca	97	Chiriquí Land Company
Estrada de Matina	Anabel	Sunisa Group
Estrada de Matina	Carrandí	Acón Doble Group
Estrada de Matina (El Carmen, Siquirres)	Miravalles (replaced in the sample by Carmen 1)	Caribana (Del Monte)
Santo Domingo, Imperio, Siquirres	Nueva Esperanza	Sunisa Group

These are the plantations from which the sample of male and female workers was taken. However, in the case of Miravalles (property of Del Monte), this is replaced by Carmen Plantation 1. This was due to the climatic conditions. Rain and flooding affected important sectors of the Atlantic side of Costa Rica during the study.

There are four types of contracting of workers:

- Direct contract with the company (payroll or 'record')
- Outsourcing company (contractor)
- Contract by invoice with the company
- Indirect and informal contract (under age people or without identity papers)

It was decided to use 20 questionnaires per plantation, one for each interviewee from the 10 chosen plantations in Limon province, and El Caucho in Laurel de Corredores, Puntarenas province. This would give an expected

total of between 120 and 220 completed questionnaires, a sample of between 5.5 and 10% (estimation of about 200 workers per plantation).

However, the climatic conditions forced an adjustment in the sampling because many plantations were flooded, denying the team access to carry out the visits and conduct the personal consultations.

Therefore, despite the original intention, the team was only able to consult 124 people (sampling of 6.2%) from 10 plantations in Limon. However, in the case of Laurel de Corredores, Puntarenas, as a special request of Banana Link, the intention was to try to interview 20 workers at the banana cooperative located in southern Costa Rica (Coopetrabasur).

Initially, contacts were established and people were dispatched there by plane. On arrival, Jose Juarez (Assistant Manager) re-iterated what Carlos Eugenio Vargas Masis (Legal Advisor of Coopetrabasur) had indicated previously, that a year before, the company had fired all of its personnel. These personnel established the “services cooperative from the south” (Coopesersur) and offer their services to Coopetrabasur.

During the interview on 11 November, Mr. Juarez declared that the Board had decided that “no conversation with workers was allowed”, referring to a request from Dutch company FLO who buy their product. The information gathered was based on the conversation with Juarez and data found in documents such as reports and payrolls.

To sum up, the number of questionnaires used in each plantation varied according to climatic conditions and the number of workers prepared to be interviewed. The fear of reprisals from employers also limited the opportunities to gather more information through questionnaires and interviews.

It is important to mention that the fear of being identified as being involved in the research or part of SITRAP, or both, in addition to the effects of the severe climatic conditions that affected the Caribbean zone, have affected the

process of gathering information. Additionally, the time limits defined for the research did not give the chance for adjustments and new visits to the sampled plantations or others to be conducted.

The following chart shows the number of questionnaires used in each sampled plantation:

Plantation	No. of questionnaires used
Cahuita	12
Tortuguero	9
Ceibo 1	15
Bribri	27
96	9
97	19
Anabelle	3
Carrandí	15
Carmen 1	1
Nueva Esperanza	1
TOTAL	124

Information Gathering Tool

The questionnaire has 32 questions (annex 1), whose design is validated by expert criteria.

It is composed of several sections: general information, plantation and company information, labour conditions, social security and health conditions, union affiliation, number of male and female banana workers, number of relatives who depend on the wage of the interviewee.

The design of the questionnaire mostly requires closed and brief answers, with control questions to validate the consistency of responses.

The design has in addition a few open questions of judgement and evaluation, especially about how fair or unfair wages are; it also requires documentary evidence for some closed questions, such as residence, place of birth, and tasks in their jobs.

The application itself demonstrated consistency of the questionnaire and validation of the topics investigated. Also, the structure of the questionnaire allows connecting variables and inferences of data for topics such as ethnic group and expectations or achievements of fair wage earned, contract and others.

Other connections could be implied from the design, such as gender, training, working hours, wages, wage expectations, and proportion of male and female labour force.

Other sources of information

Besides the consultation through questionnaires, some data was sourced from the Centre of Documentation of the National Banana Corporation (CORBANA) and in the Centre of Documentation of the National Wages' Council at the Ministry of Labour and Social Security.

Unfortunately, after repeated efforts through formal written and oral communications with Mr. Juan Jesus Boza (Chairman of Income and Expenditure) and with Mr. Jorge Sauma (Manager), both from CORBANA, it was not possible to access information in the wages register for banana workers in Costa Rica.

Nonetheless, the revision of the formal documents, journalistic articles and similar papers, are very useful for the comprehensive management of the topic of the research.

III. SUSTAINABLE LIVING WAGE AND LEGAL MINIMUM WAGES

For the present study, the definitions of four types of wages are taken into account. These wages have been defined by the non-governmental American organisation The Centre for Reflection, Education and Action Inc. (CREA). These definitions are detailed prior to setting out the legal minimum wages in Costa Rica with regard to the work in banana plantations.

The considerations of a fair or decent wage, according to the opinions gathered through questionnaires, will be presented in the fourth section, where the results of the research will be presented, commented on and analysed.

3.1 Sustainable living wage

The Centre for Reflection, Education and Action Inc (CREA) defines four levels of wages according to the categories of 'survival wage', 'wage allowing for short-term planning' and 'sustainable living wage'.

In the first category, the ***marginal survival wage*** is not enough to cover the adequate basic needs. Even though it is enough to avoid hunger, it can lead to malnutrition, illnesses and probably early death.

Secondly, there is the ***basic survival wage***, enough to meet immediate needs, including basic food, second-hand clothing, minimum shelter and energy to cook, but little else.

Thirdly, is a ***wage allowing for short-term planning***, covering basic survival needs as well as the possibility of a small surplus income that allows for minimum planning. Such minimum planning allows improvement of survival, only from the payday until the next wage. Occasionally, it is possible to buy other basic products.

Fourthly, is the ***sustainable living wage***, which allows workers to cover satisfactorily all their basic needs: food, clothes, housing, energy, transport, health services and education. It also allows the participation in cultural activities such as births and other religious festivals: celebration of First Communion, weddings, christenings, funerals, etc. With this wage, it is possible to save a small amount to plan future purchases of other products and the fulfilment of other needs that may arise.

Additionally, a **sustainable living wage** allows enough “discretionary income” so that the worker can participate in the establishment of small businesses or activities in their communities, contributing also to the development of cultural and civic activities. In this sense, the level of wage makes long-term planning possible.

3.2 Legal minimum wages

According to the data from the Centre of Documentation of the National Wages’ Council at the Ministry of Labour and Social Security, the following are the minimum wages for non-qualified and semi-qualified workers for the period 2000 – 2004.

These two wage categories (non-qualified and semi-qualified) are defined according to the job and tasks of the consulted workers and are detailed in the fourth section of this document.

Table 1 shows details of aforementioned wages, according to what has been established by the law of Costa Rica:

TABLE 1
Daily minimum wages for agricultural non-qualified and semi-qualified workers (per year). Period 2000 – 2004. (Colones)

Year	WAGES FOR NON-QUALIFIED WORKERS (\$) ^{1/}	WAGES FOR SEMI-QUALIFIED WORKERS (\$) ^{1/}
2000	2 324.00 (5.14)	2 553.00 (5.65)
2001	2 768.00 (6.12)	3 041.00 (6.73)
2002	2 984.00 (6.60)	3 279.00 (7.25)
2003	3 283.00 (7.26)	3 607.00 (7.98)
2004	3 654.00 (8.08)	4 014.00 (8.88)

^{1/}: Equivalent in US dollars, at the exchange rate of 452 *colones* to one dollar
 Source: Centre of Documentation, National Wages’ Council, Ministry of Labour and Social Security. (Own tabulation).

As can be observed, during the last five years, the wage for agricultural non-qualified workers has only increased by **one thousand three hundred and thirty colones (US\$2.94)**, which shows an average increase of only **two hundred and sixty six colones per year. (\$0.59)**

Whereas, for semiqualfified workers from the aforementioned sector, the average increase is **two hundred and ninety two colones and twenty cents per year (\$0.65)**, for a total of **one thousand four hundred and sixty one colones (\$3.23)** of wage difference for the period of 2000 – 2004.

IV. RESULTS OF THE CONSULTATION OF FEMALE AND MALE WORKERS

This section contains information about the visits to banana plantations and the data gathered through the use of questionnaires with male and female workers.

A special situation is El Caucho Plantation of Coopetrabasur, located in Laurel de Corredores, province of Puntarenas. There, it was not possible to use either the questionnaire or talk to any worker from the pack-house or the field. This and other cases are presented in the following:

4.1 El Caucho plantation, Laurel de Corredores, Puntarenas

As previously mentioned, Coopetrabasur owns this plantation.

In the Caucho plantation, there are two pack-houses: Caimito and Tamarindo. In both cases, the work is performed by workers affiliated to Coopesersur. Coopesersur has been offering its services to Coopetrabasur since almost a year ago, when the latter's workers were fired. The new labour cooperative offers both field and packing services.

On 11 November, at 9:00 a.m., the team arrived at the plantation. This was coordinated through a phone call to Mr. Carlos Eugenio Vargas Masis, Legal Adviser of Coopetrabasur. However, from the moment of arrival at the plantation, the environment was hostile. Mr. Jose Juarez, Assistant Manager,

asked a lot of questions to the researcher and to Ms. Nineth Mendez, coordinator of investigation and consultancy from ASEPROLA.

Initially, Mr. Juarez declared that it was not possible to accommodate the researchers. However, the previous contact was with Mr. Vargas Masis and Mr. Juarez made a phone call and said that he would personally receive the visitors, highlighting however that it was forbidden to talk to field or pack-house workers.

During the conversation, Mr. Juarez was interrogated about the guidelines forbidding the gathering of information from the transformation and production workers.

His answer was emphatic: “FLO (Fairtrade Labelling Organisations International) does not allow the interrogation of workers”. He assured the researchers that he had asked FLO if it was possible to carry out the investigation, and that because they work under the concept of “Fair Trade”, they had asked and been told that plant and field workers should not be interviewed.

As a result of the conversation with the Assistant Manager, “Fair Trade” was defined as a negotiation, in which the product receives an additional price for the certified boxes. Coopetrabasur sells two types of boxes: those which are FT certified with an established price premium, and boxes sold “on consignment” (not certified).

Juarez pointed out that they work according to social, economic and environmental criteria to obtain the certificate of FLO: “FLO-CERT Certification of Social and Economic Development GMBH”. This certification system is a Fairtrade Labelling Organisations International stamp related to Fair Trade. FLO carries out audits every year.

Coopetrabasur joined Fair Trade in 1997, after working for 15 and half years for Chiquita. The break with Chiquita happened because the contract with that multinational company was due to expire in 1997. That is why it was decided

to make a change in the functional structure of the cooperative to sell directly with the Fair Trade label.

The purpose of this new way of operating was to sell directly to the market. The three audits done, show that the company is making profits and therefore obtaining annual certificates from GAP (EUREP GAP??).

According to Mr. Juarez, the proportion between workers who are cooperative members and those who are not is evenly split (50% vs. 50%). The cooperative employs between 180 and 200 people, one fifth of whom are women. Nonetheless, during the revision of information about wages and workers, it is observed that there are only 7 women amongst the members.

The same documents indicate that the affiliated personnel are from management, accountancy, payroll and assistant management departments. The administrative area has 10 affiliated workers (4 women and 6 men). People who work in the company, directly for Coopetrabatur or for Coopesatur, are between 190 and 200, of which, about 18% are women.

The cooperative takes part in the purchase of services and receives the premium price under the heading of certification. At the end of each year, the profit is distributed fairly, which implies profits (or losses) are shared out between the members.

A fair wage supplement for each certified box is added to the minimum wage paid to workers. The indication "FT" is registered on forms in the pack-house. Thus, "it is possible to point out the responsible person in either case and remunerate them accordingly".

"FT" only exists if the product is certified. However, this requires or demands between 10 and 12 hour days "to be able to compete", according to Mr. Juarez. Therefore, the FT premium is added to the basic wage. This is how the real wage is calculated. In essence, this is a bonus for producing a certified product, as is the case in other sectors, such as garment factories.

The management stated that the cooperative gives housing to its workers without taking gender into account. Members have an option to purchase. Also, because the Education Committee helps members, water and electricity services are paid by the Cooperative.

With regard to these finer points, Mr. Gilbert Bermudez, General Secretary of SITRAP, mentions that “this type of fair trade is as conventional as any other...the committee manages the funds destined for the workers in order to do the company’s job of investment, but the investment is from the workers’ money... this leads to more work and unfair wages..”

Working hours, as mentioned previously, are more than 10 or 12 hours every day. For example, depending on delivery schedules, in packing, people work from 6 a.m. until 7 p.m. six days per week. This means, that they work 78 hours per week or 62% additional to the ordinary 48 hours per week. There is no recognition of overtime, only the bonus available for boxes sold as FT. The real wages therefore do not appear to correspond to the extra hours worked.

The point about unpaid overtime, is recognised by Mr. Juarez. He also stated that there is a doctor in the company. The doctor asks him if she should declare a person unfit to work (according to the Assistant Manager).

With regard to the FT sales, it is important to mention that it is based on a calculation of the volume of boxes exported per week over 52 weeks per year. This volume is established by the European market, by the buyers. There is a minimum number of boxes to load onto ships; otherwise, \$2.20 must be paid per box that is not loaded. The minimum is around 8000 boxes per week, but “on average 11,000 to 12,000 boxes per week are loaded from Coopetrabatur” (sic)

This production requires “working 52 weeks per year, without holiday” (sic). This, according to Mr. Juarez, means long working hours, unpaid overtime and a lack of sufficient rest.

Also, workers are paid under contract, against the accomplishment of the tasks, and in a few cases, wages are paid per hour. Everybody participates in the harvesting process. They also work with oil-palm as the company has 280 hectares of oil-palm planted (the same as the area of banana planted).

It was not possible to corroborate whether minimum wages are being paid as it was not possible to ask the workers and check past payrolls.

[Section omitted on COLSIBA's view on fair trade, FLO etc]

4.2 Cahuita plantation, Cariari, Pococi, Limon

Desarrollo Agroindustrial de Frutales S.A. (formerly Caribana S.A.) owns Cahuita plantation, which is composed of 250 hectares. In this plantation, 12 workers, all men, were polled. Their ages are distributed as follows: a third are between 20 and 30 years old, another third between 30 and 40 years old, and the remaining 33.3% is represented by workers over 40 years old; of this last percentage, 25% is over 50.

The level of schooling of the interviewees is relatively low. One in every two has not completed primary school. 25% of these workers have completed their primary school and 16.7% have not finished secondary school. Those who have not had any schooling represent the 8.3%. All the polled workers are white.

Regarding the nationality of the interviewees, 2 in every 3 come from Nicaragua. This percentage of foreigners increases up to 75% if Salvadoreans are included. The remaining 25% is from Costa Rica. However, all the polled workers live in Cariari, in the Cahuita housing area (inside the plantation).

All the interviewees are responsible for baling, harvesting, staking, fertilising, stripping, removing unwanted suckers, barrowing, loading and packing. As

can be observed, all these tasks are in the field and not in the packing plant. Employees work between 10 and 12 hours everyday, 6 days a week. This means a working week in the range of 60 to 72 working hours. They are paid in cash under a direct contract with the company.

91.7% of those polled have been working in the plantation for more than three years under written contracts (payroll or 'record').

A third of them report that they receive between 3,000 and 4,500 colones (\$6.64 to \$9.96) per day. 2 in every 3 workers get between 4,500 and 5,000 colones (\$9.96 - \$11.06) per day.

According to this information, wages can fluctuate between 18,000 and 30,000 colones per week (between \$39.8 and \$66.4), without payment for overtime or for shifts longer than 60 hours per week.

None of those polled considers that their wages are fair. They are not enough for food and other basic needs of their families.

One in every four workers estimates that a weekly living wage could be between 40,000 and 50,000 colones (between \$88.5 and \$110.6). However, two thirds consider that wages that can be classified as 'living' or 'decent' must be over 50,000 colones per week. Only one person defines a decent wage as 35,000 colones (\$77.4) per week.

These living wages offer the possibility of education, clothing, satisfaction of basic needs, debt payments, savings and house planning. According to this, the definition of fair wage for those polled is similar to the "sustainable living wage" established by CREA.

All those polled are affiliated to social security, pensions and medical assistance given by the company. However, they do not have unemployment insurance and protection against redundancy. At least 9 in every 10 interviewees are affiliated to the union and just one person is not. This employee works with a three month contract and is afraid of redundancy if he

joins the union. Only 17% of plantation workers are women. This proportion will be recurrent and similar in the other cases addressed in the research.

Members of families who depend on the wage of each polled are divided as follows: 41.7% of them are from family units of 2 and 4 people, 58.3% are from families composed by 5 or 6 members.

It is important to remember that the majority of the interviewees are over 30 years old with an incomplete primary education. They are from Nicaragua or El Salvador and have been working in the company (obviously in the field) at least for three years.

Long working hours during six days give wages of up to 30,000 colones per week (\$66.4). This figure shows that these wages are at least 5,000 colones (\$11.1) less than estimated "living" wages.

4.3 Tortuguero plantation, Cariari, Pococi, Limon

Desarrollo Agroindustrial de Frutales S.A. owns this plantation of 320 hectares located in Cariari de Pococi, Limon.

Nine people were polled in this plantation. 33.3% of them are men between 20 and 30 years old. Two thirds of those polled are between 31 and 40 years old. None of them have finished secondary school. In identical proportions, three of them have either incomplete or complete primary education, or incomplete secondary school.

Also, all of the interviewees are white from Nicaragua and live inside the plantation. Only one of them has been working for the company for less than three years, whereas 22.2% of them have been working more than five years. 66.7% workers have been in the plantation from three to five years.

Their tasks are to bale, stake, pack, harvest and strip.

The working hours are between 10 to 12 hours per day, six days a week. Wages are paid in cash by the company under a formal written direct contract.

All those polled received wages over the minimum legal as non-qualified workers in Costa Rica. At least one in every five gets a wage between 4,000 and 5,000 colones (\$8.85 - \$11.06). Nonetheless, all interviewees believe that their wages are unfair as they are not enough to satisfy their basic needs.

These workers all agree that a fair wage could be defined between 45,000 and 50,000 colones per week (\$99.56 - \$110.62), which represents between 7,500 and 8,333 colones per day (\$16.59 - \$18.44). The criteria to support these amounts derived from the possibility to cover education, food, clothing, health, family support, saving and to own a house. These considerations match with what has been defined as a sustainable living wage by CREA.

Only one person does not have social security cover. All of them are affiliated to the pension scheme. There is also medical assistance from the company even though they have neither unemployment insurance nor protection against redundancy. However, all workers are affiliated to the union.

180 men and only 20 women work in the company. 22.2% of them state that two members of their family depend on their wages. 66.7% of them declare that between three and five relatives depend on their wages to live. There is only one case that mentions that eight family members depend on his wage.

4.4 El Ceibo 1, Matina, Limon

Grupo Ceibo Ltda. owns El Ceibo1 plantation of 225 hectares, located in Matina, Limon. In that plantation, 15 people have been polled, all men around 30 and 40 years old (53.3%) or older (46.7%).

Two thirds of those polled have incomplete primary education, proportion that goes up to 80% if we consider whether they have finished primary schooling. One in every five has incomplete secondary education.

All the interviewees are white. Three in every five of them are from Nicaragua and the rest are from Costa Rica, in communities such as Golfito, Turrialba, Guanacaste or the Atlantic (46.7% from the Atlantic).

93.3% of these employees have been working for more than 5 years in the company, whereas just one person states that has been working for less than three years. Their tasks are to weed, cut fruit, strip, remove unwanted suckers, barrow, load, harvest and pack. They spend 10 to 12 hours working 6 days a week. They receive a wage paid directly in cash by the company under a direct written contract. This contract considers payments per hours (33.3%), per hectares (33.3%) and per contract (33.3%), without extra hours.

According to all those polled, for their working hours, their wages are between 4,500 and 5,000 colones per day (\$9.96 - \$11.06), which is defined as unfair wage because they cannot satisfy their needs such as food or personal needs. Also, they cannot pay water, electricity, rent, education, health, saving or rest.

80% of the interviewees agree that a living wage should be between 40,000 and 45,000 colones per week (\$88.5 - \$99.6). The wage levels mentioned in the previous paragraph are above the minimum established by law, providing working hours are not taken into account..

A living wage for these workers oscillates between 6,700 and 7,500 colones per day (\$14.8 - \$16.6) and would improve the quality of food, their ability to support their families, as well as satisfying education, health and leisure needs.

All the interviewees have medical support from the company, they are affiliated to the social security and pension system. None of them has unemployment insurance or protection against redundancy. The affiliation to the union is 100%.

Two in every five people have to attend the needs of three or five members of their families. 60% of the workers do the same but for 6 or 7 people in the family unit.

Finally, as it has been observed in previous cases, the percentage of women who work in this plantation is very low. They represent 13.1% of the 130 workers.

4.5 Bribri plantation, Sixaola, Talamanca, Limon

Grupo Ceibo Ltda. is the owner of Bribri plantation of 190 hectares located in Sixaola, Talamanca, province of Limon. The 27 people polled are indigenous. 7.4% of workers are women. 37% of them are from 20 to 30 years old, and the 51.9% are over their thirties but less than forty. Only 11.1% of them are between 40 and 50 years old. Schooling is very low amongst these people. 88.8% of them have an incomplete secondary education (11.1%), complete primary education (25.9%), incomplete primary education (25.9%) or lack of education (37%).

All those polled are from Bocas del Toro, Panama. At present, they are living, except one of them, in Panamanian communities such as Bocas del Toro (51.8%), Guavito, Las Tablas, La Mesa and Barranca.

70% of them have been working between one to five years. Those who have been working more than five years represent 14.8%, which is an identical percentage for those who have been there less than a year.

Their tasks are to barrow, load, stake, bale, fertilise, spray, remove unwanted suckers, strip, harvest, cut, choose and packing.

In most of the cases, these are not tasks defined as skilled. They work from 10 to 12 hours per day, six days a week.

Four in every five people have a direct contract with the company and 20% work by daily invoice. For the former (80%), they have a written contract, and

for the latter, they are verbally established. However, in all the cases, the company pays the wages without recognition of overtime and the amounts are between 3,000 to 4,000 colones per day (\$6.64 - \$8.85). From the entire wage data gathered, these are the lowest wages.

As in the previous cases, these wages are considered unfair and a decent one should be between 40,000 and 50,000 colones per week (\$88.5 - \$110.6). It must be noted that the definitions of 'living wage' are culturally informed. All the interviewees declared that their wages are not enough for their food, and to pay water and electricity. A decent wage would give enough food, better lifestyle with the possibility of leisure, clothes/footwear, healthcare and satisfaction of their basic needs. The figures for 'living wage' suggested by these indigenous workers are lower than for other workers, as they have lower consumption expectations, different daily activities, and a cultural adaptation to processes of individual and collective economic stress that have been part of the history of indigenous populations.

90% of interviewees have social security coverage and pensions. In smaller proportion (80%), workers are affiliated to the union but do not have unemployment insurance, protection against redundancy and medical assistance. The fear of redundancy is the limitation determining union membership. Only 7.7% of 130 people who work in the plantation are women. 18.5% of them must help 2 - 5 members of their family units. However, 44.4% do the same for 5 to 8 people and 37.7% must cover basic needs for more than eight family members with only one wage. These are bigger families supported from lower wages.

4.6 Finca 96, Sixaola, Talamanca, Limon

This plantation of 285.96 hectares is a property of Chiriqui Land Company, a subsidiary of Chiquita Brands International. Nine people were consulted there, 88.9% of them were men. 22.2% are from 20 to 30 years old, 44.4% between 30 and 40, the rest between 40 and 50.

In this last percentage, there are the workers who do not have schooling or have only finished primary school. 22.2% of workers have an incomplete secondary education. Most of those polled are indigenous (55.5%) and 44.4% are white.

Two thirds come from Panama or Nicaragua. The third remaining is from Costa Rica. 88.9% of the interviewees live in the plantation and just one lives in Panama. Four in every five workers have more than five years of working in the plantation and the rest have been there between one and three years.

Their tasks are mainly in the field: to harvest, barrow, cut, load, seal, select, weed. 77.8% of people work from 10 to 12 hours and 11.1% between 13 to 15 hours per day, six days a week. They have direct contracts with the company. The company pays directly in cash but does not recognise overtime.

Again, 77.8% of the polled indicate that their wages per day are between 4,500 to 4,800 colones (\$9.96 –\$ 10.6). However, there is one person who did not answer and there is another one declares his wage is 5,500 colones (\$12.7). All the interviewees indicate that the wage is unfair considering the long shifts and their limited buying power, as they can satisfy neither their relatives' needs, nor their basic ones.

66.7% of workers declare that a decent wage should be between 45,000 and 47,500 in colones per week in order to satisfy the needs, have a proper life, possibilities of recreation, education, clothing/footwear, health, housing and some saving. These figures correspond to \$99.56 and \$105.9 respectively.

Similarly, one in every three interviewees considers that their wages must be between 50,000 and 60,000 colones per week (\$110.62 - \$132.74) to be considered as decent.

On the other hand, those polled have social security coverage, pensions and are union members. However, they do not have unemployment insurance and protection against redundancy and medical assistance from the company. Only 11.1% of 253 workers are women.

According to the 44.4% of the questionnaires, 4 to 6 family members depend on the wages received. 55.5% of workers should use their wages to help 7 to 14 relatives. It is important to mention that this group corresponds to the indigenous workers polled.

As in the previous case (Bribri), wages given to indigenous are lower, as well as the expectations related to decent wages, such as lower consumption and routines in which clothes/footwear and food are the most important requirements, with health and education in second place. The third level is recreation and similar. As can be seen, the satisfaction of basic needs defines the dimensions of the decent wage.

4.7 Finca 97, Sixaola, Talamanca, Limon

Finca 97 with 268.24 hectares is the property of Chiriqui Land Company. The questionnaires were given to 19 workers from this plantation. Two thirds of them are between 30 to 40 years old, 21.1% are between 40 and 50 years old and 20% are between 20 to 30 years old. Close to 60% are indigenous. The remainder are white. 31.6% of the questionnaires were completed by women.

The level of education is again low, with complete or incomplete primary education for 3 in every 4 interviewees. 16% of them have incomplete secondary education and 10.5% of them do not have any education.

Nine of each 10 people have been working for more than five years. Their tasks, again, are those done in the field especially to bale, stake, deflower, select suckers, strip, barrow, load, harvest, weed. There are also other tasks performed in the plant such as packing, weighing and selecting.

89.5% of those polled declare that they work more than 10 hours a day, six days a week. There is a direct written contract with the company, which pays in cash without the recognition of overtime. However, what has been agreed can be per hour, per task, per hectare or strictly per contract.

At least 4 in every 5 workers state that their daily wage is between 3,000 to 4,000 colones (\$6.64 - \$8.85), whereas, 15.8% declares that their wages are

over 4,000 colones but less than 6,000 colones. In no case are these wages considered fair, with 52.6% of workers mentioning that a decent wage is between 40,000 and 50,000 colones per week and 47.4% between 50,000 and 60,000 colones.

31.6% of the interviewees must attend the needs of two to four relatives and 68.4% satisfy the needs of 5 or more people from their family units. It is important to mention that 10.5% of those polled have to satisfy the needs of 14 to 16 people in their family units. This is the case of two indigenous workers with incomplete primary education from Bocas del Toro, Panama.

The arguments related to wages received emphasise hard and long working hours, insufficiently rewarded to feed and clothe themselves. They insist on the hard work, long hours and reduced wages that do not allow an adequate satisfaction of needs such as clothing, education, health and others.

A decent wage would permit the satisfaction of basic needs and also would improve their diet, a chance of saving, education, clothing, health, rest, recreation and temporal difficulties, without forgetting the support to family and access to loans for housing.

All those polled are affiliated to social security, pensions, and the union. Nonetheless, they do not have unemployment insurance, protections against redundancy and medical assistance from the company.

Only 7.2% of 345 workers are women.

4.8 Anabelle plantation, Estrada de Matina, Limon

Anabelle plantation has 207 hectares and belongs to the Sunisa group. Only three questionnaires could be filled in due to the bad weather conditions, difficulty in access and logistics. They were three men between 29 and 49 years old. Two of them have complete secondary school and one has incomplete primary education. Two of them are defined as mestizos and one white. These three workers live in Matina but their places of birth are distinguishable: two come from Nicaragua (Chontales and Rivas) and the other one from Siquirres. One of them has been working less than a year in

the plantation. However, the other two have been there more than five years. Their tasks include weeding, harvesting, loading, spraying and fertilising.

In each case, they work between 10 and 12 hours per day, six days a week. The company pays their wages into a bank account and they have a direct written contract. The daily wages reported vary between 4,300 and 4,800 colones (\$9.5 and \$10.6).

In every case, the wage is considered as unfair as it does not satisfy their family basic needs. That is why, it is estimated that a decent wage corresponds to the range from 35,000 to 50,000 colones (\$77.4 - \$110.6).

The interviewees agree that this kind of wages would help improve the diet, clothing and satisfaction of personal and family needs, as well as help pay water and electricity, education and allow the possibility of saving money for housing. In general, this level would give them a proper life and will satisfy the needs of between three and six family members.

These three workers are affiliated to social security and pension schemes, but do not have unemployment insurance, protection against redundancy and medical assistance from the company. Only one worker has joined the union; the reason for the others not joining was not specified.

Finally, of the 138 people who work in the plantation, only 13.8% are women.

4.9 Carrandi plantation, Matina, Limon

Grupo Acon Doble owns this plantation of 222 hectares (selling mainly to Dole). 15 questionnaires were filled in, all by white men. There are 150 workers and 20% of them are women.

In most cases, the age of those polled is between 20 and 30 years old (86.7%), whilst 13.4% are between 30 and 50. Their level of education is low. 73.3% of them have complete or incomplete primary education and 20% have incomplete secondary school. 6.7% have no schooling at all.

Four in every five workers are from Nicaragua. 86.7% live in the plantation and 13.3% live in Quebrada Cuba. Two thirds of the interviewees have been working in the plantation between 3 and 5 years, and one third less than a year.

Their tasks are to harvest, chop, deflower, barrow, load, remove unwanted suckers, bale, collect twine, shovel and weed, performed in shifts of between 10 to 12 hours per day 6 days a week.

In all the cases, they are paid in cash. 86.7% have their wages paid by the company through a formal written contract and 13.3% through a contractor with only a verbal contract.

80% of wages are between 4,500 and 5,500 colones per day (\$9.96 - \$12.17). Only 13.3% of workers mention that their daily incomes are between 6,500 and 8,000 colones (\$14.38-\$17.70) with no overtime payments. 60% have to satisfy the needs of up to four family members and 40% for between five and eight family members.

According to the interviewees, these wages are not enough for basic and other needs. They demand a lot of effort and are unfair. It is estimated that decent wages would be between 40,000 and 60,000 colones per week (\$88.5 - \$132.7).

Based on this definition of decent wage, the interviewees agree that only with such a wage could their diet improve and could allow some resources to help their families, pay services, health, education and save in case of eventualities.

Only two people who work through contracting companies have neither social security nor pensions. No employee has unemployment insurance, protection against redundancy or medical assistance from the company. 73.3% are not members of the union due to the pressure from the employer, fear of redundancy and lack of knowledge of what the union does.

It is important to remember that the two workers who work for contractors are not allowed to join the union.

4.10 El Carmen I plantation, El Carmen de Siquirres, Limon

This plantation of 320 hectares belongs to Bandeco (Del Monte subsidiary). It is located in El Carmen de Siquirres. 225 people work there and only 6.7% are women. Only one person was polled due to the climatic conditions.

The interviewee was a white man of 30 years old, who has not finished secondary school. He was born in Upala de Alajuela, but lives in Siquirres and has been working in the plantation less than a year. His tasks are to harvest, cut and weed, working between 7 and 9 hours per day six days a week. He has a direct written contract with the company, but is not paid extra overtime.

His working hours and family obligations led him to define his wages as unfair because they do not satisfy his basic needs. A fair wage should be 50,000 colones per week (\$110.62) and would make it possible to pay for his children's education, services, renting a house, better food and clothing.

This worker has to support 5 members of his family. He is affiliated to the social insurance, pensions and union. Nonetheless, he does not have unemployment insurance, protection against redundancy and medical assistance from the company.

4.11 Nueva Esperanza plantation, Imperio, Siquirres, Limon

Sunisa owns this property of 276 hectares. 210 people work in this plantation and only 9.5% are women. In this case, 11 men and 3 women, who are mostly between 30 and 40 years old, filled in the questionnaires.

Regarding schooling, 64.3% of these workers have complete or incomplete primary education and 31.7% have complete or incomplete secondary education.

71.4% of the interviewees are mestizos and 28.8% are white. People from Nicaragua are placed in the latter category. The rest of those polled were born in Costa Rica. All of them live in Siquirres.

It is surprising that about 80% of the interviewees have been working less than 3 years in this plantation and 43% of the polled ones for less than a year. The working hours in most of the cases are between 10 and 12 hours per day, six days a week. Their tasks are to select the fruit, deflower, remove unwanted suckers, stake, bale, harvest, spray, weed and miscellaneous.

All these workers have a direct written contract with the company that pays the wages straight into the Bank of Costa Rica, to be withdrawn by debit card. Overtime is not paid and the wages are between 3500 and 6000 colones per day (\$7.74 - \$13.27). These wages are considered unfair because it is impossible to pay electricity, water, rent, education, or meet basic needs of their families, especially when they have to support between 8 and 12 members.

For this reason, a fair decent wage is defined between 40,000 and 65,000 colones per week (\$88.5 - \$143.8). These amounts would provide a proper life, better food, education for the children, services, clothing and sending money back to Nicaragua.

All the interviewees have social security cover and are affiliated to pension schemes. None have unemployment insurance, protection against redundancy, medical assistance from the company. 42.9% of them are affiliated to the union and the reasons not to do so are the threat of redundancy and fear of reprisals.

4.12 General considerations regarding tasks, working hours and wages

In this section, some additional general considerations are given regarding the tasks mentioned, working hours per day and week, and wages received. Also, some figures are presented with regard to wages that are described as 'decent' by the interviewees.

All this is detailed by plantation and company in the table of information obtained from the questionnaires. It is important to keep in mind that the

number of questionnaires is different in each plantation, but this does not invalidate the figures and details exposed.

Chapter 2 shows the tasks done according to the working hours per day and week, as well as the wages, by plantation and company. As can be seen, the tasks are basically the same; most of them are carried out in the field, the remainder being associated with packing and related tasks in the plant.

It is obvious that these are tasks defined as 'non-qualified' jobs, attracting the lowest minimum wages established by Costa Rican law.

It is necessary to mention that there is a gender division of labour. In the packing plant, most of the tasks are done by women and most men work in the field. However, in quite a few cases, women do certain jobs in the field such as baling, spraying, fertilising, harvesting, removing unwanted suckers, deflowering, staking, and others. On the other hand, some men also participate in some tasks in the plant such as packing.

Overall, in the plantations visited, the proportion of women employed is almost invariably less than 15%, clearly demonstrating a visible gender differentiation in the banana industry. Historically, this is a productive activity markedly dominated by men, with women undertaking very specific tasks, some of which are clearly even regarded as inferiors, such as the "miscellaneous duties" and similar.

Regarding working hours per day and week, in every case, people work six days a week and, in most cases, between 10 and 12 hours per day. In some cases, the working hours are between 13 and 15 hours and, occasionally, more than 15 hours per day.

It can be noticed that shifts over 12 hours are practised in Fincas 96 and 97, belonging to the Chiriqui Land Company, where the majority of the labour force is indigenous. At the same time, it is evident, that wages from Chiriqui Land Company plantations are amongst the lowest.

As has already been stated, the indigenous labour force has the lowest parameters for a living wage in average. Expectations of quality of life regarding economic, health and other criteria are quite specific within the indigenous population; food, clothing and footwear are cited as their most important needs, followed by health, housing and others.

In the majority of cases, wages are above the minimum fixed for the non-qualified agricultural work established by Costa Rican law. It is in Fincas 96 and 97 that wages were found below the minimum, and with some of the longest working hours. Wages below the legal minimum were also found in Bribri plantation (Group Ceibo Ltda.), regardless of the tasks performed.

If the long working hours of between 10 and 12 per day are reconsidered, it is justifiable to conclude that in the majority of the visited plantations, legal minimum wages are not respected because actual wages are only slightly above the minimum for an 8 hour working day.

When it is realised that, in no case, is there any recognition of overtime worked, the issue takes on worrying dimensions. The lack of protection and respect of the labour conditions that banana workers are facing in the country is obvious, at least in the cases mentioned in this research.

TABLE 2
Tasks, working hours (per day and week), wages in colones (per day and week), by company and by plantation
November 2004

Company	Plantation	Tasks done 1/	Working hours per day	Working days per week	Wage per day	Wage per week	Wage per week \$2/
Chiriquí Land Company	96	Sealing, selection	10 to 12	6	5,500.00	33,000.00	73.01
		Cut and load; collecting stems and Cooper	10 to 12	6	4,800.00	28,800.00	63.72
		Harvest and drive	13 to 15	6	4,800.00	28,800.00	63.72
		Cut and load	10 to 12	6	4,700.00	28,200.00	62.39

		Baler maintenance	7 to 9	6	4,500.00	27,000.00	59.73
		Cut and load	10 to 12	6	4,500.00	27,000.00	59.73
	97	Cut each hand of the raceme, Selection, load, cableway, drive, cooper	10 to 12	6	5,000.00	30,000.00	66.37
		Bale, stake, deflower, canal-digging	10 to 12	6	4,300.00	25,800.00	57.08
		packing plant, selection, labelling	More than 15	6	4,000.00	24,000.00	53.10
		bagging reweigh Selection, cooper, palletising pack, weigh	More than 15	6	3,800.00	22,800.00	50.44
		bale, remove unwanted suckers, harvest	7 to 9	6	3,600.00	21,600.00	47.79
		harvest, drive, load cut, cableway, bale	10 to 12	6	3,600.00	21,600.00	47.79
		Selection Seal Remove chimis, make pizzas, sticking tapes, separate banana groves, cushioning, pull fruit cooper	13 to 15	6	3,600.00	21,600.00	47.79
GroupCeibo Ltda.	Bananera Bribri	Selection, sticking tapes, Cut each hand of the raceme, pack, weigh cooper, build Pizza	More than 15	6	3,600.00	21,600.00	47.79
		plot bale, fruit stake	10 to 12	6	5,000.00	30,000.00	66.37

		Cutting unwanted suckers, plot bale, fruit stake, conche , pull fruit, strip	10 to 12	6	4,000.00	24,000.00	53.10
		Harvest, pull fruit	10 to 12	6	3,800.00	22,800.00	50.44
		conche barrow, Cut	10 to 12	6	3,600.00	21,600.00	47.79
		Harvest Cut, load, and barrow, pack Selection, remove unwanted suckers, and plot. Bale, stake	10 to 12	6	3,500.00	21,000.00	46.46
		Apply herbicide, harvest, pull fruit, load	10 to 12	6	3,200.00	19,200.00	42.48
		Load, pull fruit, plot, bale, fruit stake, strip, Fertilise	10 to 12	6	3,000.00	18,000.00	39.82
		Conche, Pull fruit, Fertilise	7 to 9	6	3,000.00	18,000.00	39.82
	Ceibo 1	Cut, load, barrow, pack, weed	10 to 12	6	5,000.00	30,000.00	66.37
		strip, plot, harvest, weed, maintenance cut, apply herbicide	10 to 12	6	4,500.00	27,000.00	59.73
		strip	7 to 9	6	4,000.00	24,000.00	53.10
		Remove unwanted suckers barrow, conche	10 to 12	6	4,000.00	24,000.00	53.10
SUNISA	Nueva Esperanza	Remove unwanted suckers, strip. manure	10 to 12	6	6,200.00	37,200.00	82.30
		Stake, harvest, bale, deflower	10 to 12	6	6,000.00	36,000.00	79.65
		Harvest, manure, weed, deflower	10 to 12	6	5,600.00	33,600.00	74.34

		Harvest, stake, bale, Deflower	7 to 9	6	5,500.00	33,000.00	73.01
		Remove unwanted suckers, Strip, manure, harvest.	10 to 12	6	5,500.00	33,000.00	73.01
		Bale, stake, deflower, harvest	10 to 12	6	5,250.00	31,500.00	69.69
		Harvest, weed, stake, bale, deflower, remove unwanted suckers	10 to 12	6	5,200.00	31,200.00	69.03
		miscellaneous fumigate barrow deflower	10 to 12	6	5,830.00	34,980.00	77.39
		Selection, Seal, deflower	10 to 12	6	4,800.00	28,800.00	63.72
		strip	7 to 9	6	4,600.00	27,600.00	61.06
		Selection	10 to 12	6	3,500.00	21,000.00	46.46
	Anabelle	Receive fruit	10 to 12	6	4,800.00	28,800.00	63.72
		Cut, Harvest, Weed, chop, Fertilise, spray	10 to 12	6	4,300.00	25,800.00	57.08
Group Acón	Carrandí	Harvest	10 to 12	6	8,000.00	48,000.00	106.19
		Harvest, cut unwanted suckers	10 to 12	6	6,500.00	39,000.00	86.28
		Weed, shovel	10 to 12	6	5,500.00	33,000.00	73.01
		bale	10 to 12	6	5,475.00	32,850.00	72.68
		Harvest, Conche, barrow,	10 to 12	6	5,000.00	30,000.00	66.37
		Harvest, collect string, load, barrow, shovel	10 to 12	6	4,500.00	27,000.00	59.73
		Chop banana grove, collect string, deflower, bale	10 to 12	6	4,200.00	25,200.00	55.75
Agroindustrial de Frutales S.A.	Cahuita	fertilise, stake, harvest, barrow, Conche	10 to 12	6	5,000.00	30,000.00	66.37
		Harvest, bale, Strip, harvest	10 to 12	6	4,500.00	27,000.00	59.73
			10 to 12	6	4,200.00	25,200.00	55.75
		Pack	10 to 12	6	4,000.00	24,000.00	53.10
		Cut unwanted suckers	10 to 12	6	3,000.00	18,000.00	39.82

Tortuguero	stake	10 to 12	6	7,000.00	42,000.00	92.92
	bale	10 to 12	6	6,500.00	39,000.00	86.28
	Bale, stake	10 to 12	6	6,000.00	36,000.00	79.65
	Bale	10 to 12	6	5,700.00	34,200.00	75.66
	Stake	10 to 12	6	5,500.00	33,000.00	73.01
	Harvest	10 to 12	6	5,000.00	30,000.00	66.37
	Harvest, Strip	10 to 12	6	4,800.00	28,800.00	63.72
	Pack	10 to 12	6	4,500.00	27,000.00	59.73

1/ Workers do at least two of the tasks mentioned
2/Calculated in 452 colones per dollar

Source: Own tabulation based on the information gathered

Table 3 shows ‘living wages’ per week, in colones and dollars according to the perceptions of the polled workers.

What the interviewees have said about the limitations they face due to their low wages after long working hours per day and week refers in many cases to the levels of “marginal” or “basic survival wage”.

Regarding the wages considered “fair” and “decent”, they correspond with the level of wage that permits short-term planning with the satisfaction of basic needs for survival. To this, the possibility of a small surplus of discretionary income could be added. This surplus permits a minimum planning and sometimes the purchasing of other basic items.

The characteristics to define a decent wage, according to the interviewees from different plantations, show expectations of a wage enough for all their basic needs, including housing, clothing, food, energy, health and education.

In this respect, the definition of the “sustainable living wage” by CREA, besides what has been said, considers the participation in activities required by culture workers belong (rites and events socially recognised).

These aspects are not included in the perceptions collected to define fair and decent wages. Workers tend to just define wages as being about the satisfaction of basic and survival needs.

TABLE 3
Decent wage in colones and dollars (per week), by company and plantation according to the polled workers. November 2004.

Company	Plantation	Decent wage per week in colones	Decent wage per week in dollars 1/
Chiriquí Land Company	96	60,000.00	132.74
		50,000.00	110.62
		47,500.00	105.09
		45,000.00	99.56
		44,000.00	97.35
	97	70,000.00	154.87
		50,000.00	110.62
		49,000.00	108.41
		48,000.00	106.19
		46,000.00	101.77
		45,000.00	99.56
		40,000.00	88.50
		Grupo Ceibo Ltda.	Bananera Bribri
49,000.00	108.41		
48,000.00	106.19		
45,000.00	99.56		
40,000.00	88.50		
Grupo Ceibo	Ceibo 1	50,000.00	110.62
		45,000.00	99.56
		42,000.00	92.92
		40,000.00	88.50
SUNISA	Nueva Esperanza	65,000.00	143.81
		63,750.00	141.04
		60,000.00	132.74
		55,000.00	121.68
		52,500.00	116.15
		50,000.00	110.62
		45,000.00	99.56
		40,000.00	88.50
	Anabelle	50,000.00	110.62
		35,000.00	77.43
Group Acón	Carrandí	60,000.00	132.74
		50,000.00	110.62
		45,000.00	99.56
		40,000.00	88.50
Agroindustrial de Frutales S.A.	Cahuita	50,000.00	110.62
		40,000.00	88.50
		35,000.00	77.43
	Tortuguero	50,000.00	110.62
		45,000.00	99.56

1/Calculated at 452 colones to the dollar

Source: Own tabulation based on the gathered information

V. CONCLUSIONS

These are the conclusions derived from the research, considering the objectives set:

- The wages received by workers from the eleven chosen plantations are apparently close to the minimum wages established by the law of Costa Rica. However, considering the long working hours over six days, those wages, which are over the minimum legally established, in reality are low and below the legal minimum. For example, wages of 3,800 colones per day or more related to 10 or more working hours per day, represent 380 colones or less per hour. The current minimum wage for non-qualified agricultural tasks is 3,654 colones per day for 8 working hours. This represents 456.75 colones per hour, which would imply 76.75 colones more per hour than is being paid.
- The minimum wage for 10 working hours per day implies 3,654 colones plus 2 extra hours, paid in proportion at 1.5 times normal rate. This represents 1,370.25 additional colones, which added to the minimum wage is a total of **5,024.25 colones per day**. This should be the real minimum wage for a person who works 10 hours per day in the non-qualified agricultural sector.
- The difference between the real wage and the one that is paid is a total of 1,224.25 colones (for 10 working hours per day). A simple total of this difference for 6 working days is 7,345.5 colones per week. This is what workers do not receive due to the lack of recognition of overtime. This figure represents 31,806 colones per month that are not received.
- The 3800 colones per day that in reality a worker receives for his or her 10 working hours represent a weekly wage of 22,800 colones. If to that wage 7,345.5 colones are added, the weekly wage will rise up to 30,145.5 colones. According to many of the definitions of decent fair wage stated by polled workers, is precisely a wage of at least 30,000 colones per week, which would be required to satisfy their basic needs without diminishing a good diet, possibilities of education, access to services and others.
- According to the weekly wage aforementioned, **shifts of 10 working hours per day deserve monthly wages of 130,530 colones**. However, from the last example, the monthly wage of 3800 colones per day of 10 hours is only 98,724 colones.
- As a corollary of what has been said before, it must be considered that even though the wages received correspond, in most of the cases, to what for non-qualified work are established as a legal minimum by the National Wages Council of the Labour and Social Security Ministry, **long working days demonstrate that in reality the minimum wage is not respected, because overtime is not paid.**

- Long working hours add up to between 60 and 90 hours per week; with a wage close to the minimum, workers are working almost a double week.
- The collected data shows that wages, from different banana producer companies, are not uniform at all, even for similar tasks.
- Such wages correspond to direct and formal contracts with companies, with what workers are paid per tasks, per hectare and, in a few cases, per hour. **Workers hired by subcontracting companies translate into low wages and a total absence of labour rights.**
- With regard to the CREA definitions, it could be said that decent wages defined by the interviewees are close to the basic survival wages or in the best of the cases, to the wage which allows for short-term planning.
- This type of wage defined by the workers **is far** from the CREA definition of a “sustainable living wage” because the perceptions gathered practically do not even consider the possibility of regular saving.
- Nor do they consider the concept of having enough discretionary income with which to support development projects, businesses or other activities in their communities. **It is currently impossible for banana workers to contribute to the satisfaction of socio-cultural and civic needs of the community where they live.**
- Moreover, the decent wage defined by the interviewees, does not permit **long-term planning** (a condition proposed for a sustainable living wage).
- Current wages, according to the questionnaires, can be classified, in many cases, as **basic survival wages**. Therefore, they only satisfy immediate needs such as basic food, second hand clothes, minimum shelter, and energy to cook, without any other possibilities.
- Other better wages mentioned tend to be similar to a wage classified by CREA as allowing short term planning.
- **Long working hours per day and week** are a major factor in these calculations. Companies effectively cut wages by respecting the 8 hour legal minimum per day established by the law (on the whole), and increasing the working hours and not paying overtime.
- It is clear that a “sustainable living wage” is not reached in any case and that workers’ expectations of what it means are a long way from this concept.
- There is no evidence of wage discrimination by gender. Wages are fixed according to tasks and dedication or working hours.

- It is clear that the banana activity implies a **sexual differentiation** that is evident in the labour force. It is mainly a male activity. In this sense, female participation is limited in terms of roles and opportunities.
- Even though there are written direct contracts with the companies, **the fear of reprisals, sanctions and even redundancies because of union affiliation**, affect the mobility of the labour force and demonstrate the lack of respect for labour rights, not to mention wages and long working hours with no economic recognition of overtime.
- **The indigenous labour force**, according to the research, is the worst remunerated. They receive the lowest wages.
- The expectations of quality of life, satisfying basic survival needs and personal career opportunities are limited by the low wages that banana workers receive. These expectations are **even lower within the indigenous labour force**.
- The lowest level of education, the largest families and a more marked deterioration in standard of living are evident amongst the indigenous population. At the same time, the everyday life and culture of these people traditionally involve big families governed by matriarchal organisation; the serious stresses imposed on them by non-indigenous ethnic groups, which are deliberately not explained and completely ignore matters such as labour rights.
- Besides these particularities, the type of indigenous life, conditioned from these imposed historical and ethnocentric processes, refers to a culture that demands little to satisfy their basic needs. These needs are limited, mainly, to a simply diet, second, third and four hand clothing /footwear. They pay little attention to health, education, rest, recreation, etc.

THE REAL WAGE SITUATION OF MALE AND FEMALE WORKERS

Annex 1: Questionnaire

SURVEY FOR THE RESEARCH OF MINIMUM WAGES AND WORKING HOURS IN BANANA PLANTATIONS IN COSTA RICA November 2004

The objective of this survey is to gather information to research levels of wages and working hours in different banana plantations in Costa Rica. The gathered data is anonymous and for discretionary use. Thank you for your collaboration and for responding with absolute sincerity

A. GENERAL INFORMATION:

1. Age _____

2. Sex: 2.1. Male _____ 2.2. Female _____

3. Education:

3.1. Incomplete primary	
3.2. Complete primary	
3.3. Incomplete secondary	
3.4. Complete secondary	
3.5. Technical level	
3.6. Incomplete university	
3.7. Complete university	
3.8. Uneducated	

4. Ethnic group:

4.1. Black (Afro-American)	
4.2. Indigenous	
4.3. Chinese	
4.4. Mestizo	
4.5. White	

5. Place of birth _____

6. Place of residency _____

B. INFORMATION ABOUT THE PLANTATION AND COMPANY

7. Name of the plantation-----

8. Name of the company that owns the plantation -----

9. Years working in the plantation:

9.1 Less than a year _____

9.2 Between 1 and 3 years _____

9.3 Between 3 and 5 years _____

9.4 More than 5 years _____

10. Location of the plantation

11. Size of the plantation (hectares) _____

C. LABOUR CONDITIONS

12. Tasks

13. Working hours per day

13.1. between 1 and 3 hours	
13.2. between 4 and 6 hours	
13.3. between 7 and 9 hours	
13.4. between 10 and 12 hours	
13.5. between 13 and 15 hours	
13.6. More than 15 hours	

14. Number of working days per week

15. Way of payment of working hours: (multiple answers possible)

15.1. Cash		
15.2. Coupon		
15.3. Food		
15.4. Other		Specify: _____

16. Work contract:

16.1. Direct with the company (payroll, 'record')		
16.2. Subcontracting company		
16.3. Invoice, with the company		
16.4. Indirect, informal		
16.5. Others		Specify: _____

17. You know this contract as (name) _____

18. Your contract is:

18.1 Verbal _____ 18.2 Written _____

19. Amount of money received per working day ----- colones

20. Wage paid by:

20.1 Company _____ 20.2 Other (specify) -----

21. Do you get paid for extra hours?

21.1. YES ----- 21.2. NO _____

22. How are you paid?

22.1 Per contract _____ 22.2 Per hour _____
 22.3 Per task _____ 22.4 Per hectare _____
 22. Other (specify) _____

23. Do you agree your wage is fair?

23.1 YES ___ 23.2 NO ___

Justify your answer please:

24. A decent wage for your job is ----- colones per week

Why do you think this is a fair wage? Give three reasons.

D. SOCIAL SECURITY AND HEALTH CONDITIONS

25. Do you have social security cover?

25.1. YES ___ 25.2. NO ___

26. Do you have a pension?

26.1. YES ___ 26.2. NO ___

27. Do you have unemployment insurance?

27.1. YES ___ 27.2. NO ___

28. Do you have protection against redundancy?

28.1. YES ___ 28.2. NO ___

29. Do you have medical assistance given by the company?

29.1. YES ___ 29.2. NO ___

E. OTHER INFORMATION

30. Are you part of the union?

30.1. YES ___

30.2. NO ___ Why?

31. How many people work in the plantation, approximately?

31.1. Women: _____

31.2. Men: _____

32. How many members of your family depend on the wage you receive?
