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Information on Bolivia

Compliance with ILO Convention No.29 on Forced Labour (ratified in 2005)

Forced Labour in Bolivia

Background

There are three main areas in which forced labour is used in Bolivia: in the sugar cane industry, in the Brazil nuts industry and on private ranches (haciendas) in the region of the Chaco. The majority of forced labourers are in some form of debt bondage and are mainly indigenous peoples, particularly those working in the Chaco. The debt is initially created by advances of money and sustained by the subsequent purchase of food and goods on credit along with interest charges on the debts. The debt is a mechanism for controlling and retaining labour. Forced labour is employed by private individuals and not the State.

Forced labour in the sugar cane industry

The International Labour Organization (ILO) estimates that some 33,000 people work harvesting sugar cane, 18,000 of which are men and 15,000 are women and children (of the children, 7,000 are under 14 years old). While not all sugar companies employ forced labour, the ILO estimated that, in 2003, there were 21,000 forced labourers, including women and children, working in the Santa Cruz area. Of these, 15,000 were recruited from their home towns, whilst 6,000 went to the camps in search of work.¹

The workers are recruited from their home towns where they agree to work on the plantations and are given an advance. The subcontractor makes three payments of 100 Bolivianos (US\$13). One in December, one before Carnival and a final one before they leave their homes. The subcontractor adds a 10 per cent “finder’s fee” on the initial loan and pays the travel costs, although they may add this to the debt. Another 200 Bolivianos (US\$26) is borrowed by the workers upon arrival at the plantation to buy basic goods and food, leading to a debt of 510 Bolivianos (US\$65) before any work has been done. Researchers for the ILO found that in one contractor’s logbook 65 per cent of workers had an initial debt of at least 510 Bolivianos with the highest initial debt being 1,200 Bolivianos (US\$154).

After 15 days the first wage is paid, minus deductions made for the advance, money borrowed to pay for food, interest charges, membership to the Federation of Harvesters, etc. The calculations and deductions made are intended to be confusing for the largely illiterate workers who often have very little understanding of what is

¹ Alvaro Bedoya Silvia-Santisteban and Eduardo Bedoya Garland, *Enganche y servidumbre por deuda en Bolivia*, ILO, Geneva, January 2005, page 2.

being deducted and what they are owed. Workers find that at least 60 per cent of their salaries are retained to pay off their various debts.

Other mechanisms to control labour include deducting 30 per cent or more of workers' wages as "savings". The contractor assures the worker that this is for their own benefit, so that they leave with some money in their pockets at the end of the season. Thus the contractor is able to keep labour till the end of the season, as workers know that they will not get their "savings" if they leave the harvest early. Contractors may also retain a portion of workers' salary, claiming that he doesn't have enough money to pay them now and will do so at the end of the season.

When the season finishes, a worker that is still in debt will have to promise to return next season to pay off what is owed or agree to stay and work on another plantation after harvesting season. If the worker dies, his debt can be inherited by his sons.

All workers have to buy their food and basic goods from the plantation shop as they are in isolated locations and unable to go elsewhere for their food and necessities. The prices of food and goods are substantially inflated and this profit belongs to the subcontractor. For example, a kilo of sugar costs 2.7 Bolivianos (US\$0.34) in the market, but in the site shop it will cost 5 Bolivianos (US\$0.64), whilst a tin of sardines is double the market price at 10 Bolivianos (US\$1.28) in the site shop.²

Forced labour in the Brazil nut industry

Approximately 31,000 people migrate to the Amazon every year to harvest Brazil nuts. The great majority of these workers have their freedom severely curtailed and work in forced labour conditions during the harvest season period, but are free to leave after the season is over. Approximately 5000 to 6000 people become forced labourers on a permanent or semi-permanent basis.³

Agricultural workers receive advances from contractors or subcontractors hired to recruit workers. The advance is a combination of cash and goods, with a value of 300 (US\$38) to 1000 Bolivianos (US\$128).

There is considerable fraud involved in how contractors weigh the loads of nuts collected and how they calculate payment. The loads are routinely under-weighed. One study found that every load of 26 kilos was valued at 22 kilos, thus four kilos were being taken for free and results in workers receiving less wages and having less money to cover their living costs. These costs are particularly high as goods can only be purchased at the site shop at inflated prices.

One site shop marked up goods by 12 per cent for cooking oil, 42 per cent for sugar, 144 per cent for salt, 122 per cent for matches and 104 per cent for bullets, when compared with prices in the city for the same goods. Smaller camps charged more than the larger camps, but on average a site shop was able to earn US\$2,000 from a worker each season.

² Alvaro Bedoya Silvia-Santisteban and Eduardo Bedoya Garland, *op.cit.*, page 4. In some cases the initial contractor does some of the tasks of the subcontractor in order to profit from the debts and shops.

³ Alvaro Bedoya Silvia-Santisteban and Eduardo Bedoya Garland, *op.cit.*, page 21.

The workers live between nine to 16 hours away from the nearest populations, and up to 12 hours away from the central camp site. This isolation is a key control mechanism exerted over the workers, as the employer controls all transport and contact with the outside world, including prohibiting the workers from leaving the camps. Living conditions are extremely basic. The contractor takes no responsibility for providing basic shelter, toilet facilities or drinking water and families have to build their own shelter and assume the cost of doing so themselves.⁴

Approximately 5000 to 6000 workers find themselves indebted at the end of the harvest season and become permanent or semi-permanent forced labourers. These will include workers who remain after the harvest season to carry out manual labour on the site until they are given permission to leave and those who are required to come back for the next harvest in order to pay back their debt.

Some of the workers who remain on site run up further debts as they still need to buy food and goods from the shop, but have no capacity for earning money as they are not collecting any nuts. In theory they are paid the nominal sum of 25 Bolivianos (US\$3.20) per day for their labour, but their wives and children do not receive any sort of payment at all. Thus the workers enter a permanent cycle of debt.

The majority of workers leave without a debt, but with little if any money owed to them. Those workers who were owed wages complained that it was very difficult to get the money from the administrator in the central office in the city. The Defensoria del Pueblo said that this was the most common complaint they received from the workers against their employers.⁵

The regional labour inspector for the Ministry of Employment in Riberalta confirmed that he had received 80 such complaints between October 2003 and January 2004. It is particularly difficult for those workers who are owed 1000 Bolivianos or more to get their money. Many workers end up receiving their wages in food or other goods, but not cash.⁶

It would appear that the number of workers which remain indebted at the end of the harvest has little to do with their debts, which can easily be manipulated by their employers, and is linked to the amount of labour required by the contractors. Clearly this is much lower outside of the harvest periods.

Forced labour on private ranches

Forced labour of the Guaraní people on private ranches takes place in three provinces of the Chaco region: Santa Cruz, Chuquisaca and Tarija. Under this system, indigenous Guaraní people are held in debt bondage and, in some cases, threats and violence are used to keep them on the ranches. The ILO estimates that 7,000 of these Guaraní are in a forced labour situation on ranches.⁷

⁴ Alvaro Bedoya Silvia-Santisteban and Eduardo Bedoya Garland, *op.cit.*, pages 30 and 33.

⁵ Alvaro Bedoya Silvia-Santisteban and Eduardo Bedoya Garland, *op.cit.*, page 33.

⁶ Alvaro Bedoya Silvia-Santisteban and Eduardo Bedoya Garland, *op.cit.*, page 34. Data taken from interviews carried out with agricultural workers in 2003 by the Comisión de Trabajo del Senado.

⁷ Alvaro Bedoya Silvia-Santisteban and Eduardo Bedoya Garland, *op.cit.*, page 49.

In 2003, a separate report estimated the number of forced labourers to be 9,900 people in just Hernando Siles and Luis Calvo in Chuquisaca as well as another possible 275 families (1,375 people) held captive in other towns in the Chuquisaca province.⁸

The indigenous workers are paid extremely low wages which do not cover their basic living costs, thus requiring them to ask their employer to provide them with food and basic goods (e.g. clothing, medicines, etc.) which the rancher does but at an inflated price.⁹ This creates a dynamic of debt and while the debt exists workers are not allowed to leave the ranch to look for other work. The workers rarely see any form of cash payment as their salary is taken to pay for the debts accrued and they then have to borrow more money to pay for food to eat. There have been cases where the ranch owner exchanges the debt for the title deeds on land which officially belongs to the Guaraní community.

In 1999, a study by the Council of Guaraní Chiefs of Chuquisaca found that 63 per cent of Guaraníes living on ranches were in debt. The ranch owners are often local people themselves and active in their towns and local politics. The relations between local authorities and ranchers often impedes the Guaraníes' ability to demand their rights.

There have also been documented cases of the workers being transferred between employers, taking their debts with them. The new employer pays the previous employer the worker's debt but then the worker is required to work for his new employer for free to pay off this debt. Germán Romero, a Guaraní with seven children, was passed from one ranch owned by Eltan Ruiz to a ranch belonging to Walter Cabezas, who paid off Romero's debt of 1,300 Bolivianos. Romero was then obliged to work for Cabezas for free to pay back the money he had paid to Ruiz. The worker has no choice in the matter. He cannot refuse to be transferred and cannot leave his new employer. Indeed, Germán Romero noted that following the move, "For approximately two years I did not know money and I worked only to pay off my debt, including the advances I received in kind or in food. I could not leave."¹⁰

The typical Guaraní family begins work on the ranch at 6am and works till 12 or 1pm without a break. They have a small lunch of beans and return to work until 5pm. They then return to their homes and work on their subsistence crops, if they have any, for another couple of hours.

The average daily salary is approximately 10-15 Bolivianos (US\$1.28-1.92), but only for the man. Women and children are not paid at all. The families are rarely given any land to cultivate their own crops and in the few cases where families are given land, it is of the worst quality. Thus they have no choice but to buy their goods and food from their employers at inflated prices of roughly 50-100 per cent. As most workers do not

⁸ Monica Vargas Collazos, "*Procesos de Empoderamiento en el Area de Trabajo de la Oficina de Derechos Humanos de Monteagudo*", Bolivia, 2003. Quoted in Viceministerio de Justicia, Defensor del Pueblo and Concejo de Capitanes Guaranies de Chuquisaca, "*Diagnostico de Situación: Servidumbre y empatronamiento en el Chaco*", La Paz, Novemebr 2005, page 9.

⁹ Alvaro Bedoya Silvia-Santisteban and Eduardo Bedoya Garland, *op.cit.*, page 47.

¹⁰ Viceministerio de Justicia, Defensor del Pueblo and Concejo de Capitanes Guaranies de Chuquisaca, *op.cit.*, page 27.

leave the ranch they do not know the real value of the goods or have the opportunity to buy them elsewhere.

Women's daily tasks include helping in the fields, cleaning the employer's house, washing clothes, looking after and feeding the chickens and cooking breakfast, lunch and dinner. It is not uncommon for women to work from 4am to 6pm.

There is clear control of the movement of workers and their freedom. Often there are armed guards that prevent the workers from leaving or the boss has people in the towns keeping an eye out for any workers that try to leave the ranch.

Threats and the use of violence against Guaraní families are common. A newspaper report described how workers were punished for not working a full 10 hour day. Punishments included their subsistence crops or shacks being destroyed, or even their animals being killed.

In the Casa Alta Community, 18 families worked for a ranch owner for 25 years. They had a verbal agreement that the men would be paid 10 Bolivianos (US\$1.28) and the women would be paid 5 Bolivianos (S\$0.64) daily, whilst children helping their parents received nothing. They were thrown off the ranch in 1999 when the ranch owner was worried that government inspectors would find the forced labourers on his land.

The workers explained to the Inspection Commission¹¹ that their employer gave them advances of money and basic goods and at the end of every year the books were "balanced" with all salary due going towards paying off the debt. In this way, every year their debt steadily grew. The workers complained that they were prohibited from seeking work elsewhere to pay off what they owed and their debts continued to rise. They said it had been difficult to file complaints earlier due to the friendships between the rancher, the local authorities and the mayor.

In the Chaco region the ranchers are powerful political players and have integrated themselves into various local and state institutions in order to promote their interests. One rancher, Federico Reynaga, owned a total of 8,120 hectares of land. From 1999 to 2004 he was the mayor of his town and before that he was a town councillor. At present he holds a position in the municipal office of Chuquisaca. One of the ways ranchers use their power and influence is to have schools or health centres built on their ranches using state government money, saying that it is to provide services to Guaraní people. In this way Reynaga has had a health centre built on his ranch.

Local authorities and institutions are incapable of implementing plans to combat forced labour due to a lack of political will and/or resources. Many ranch owners use their political influence to protect their interests while Guaraní workers struggle to access their rights and the decision making fora.

Legislation and enforcement

¹¹ This Commission was set up to investigate and monitor forced labour of Guaraníes by the Ministry of Justice and Human Rights.

Article 5 of the Bolivian Constitution states that no form of servitude will be recognised as legitimate and no one can force another person to work without their full consent and appropriate remuneration. Article 291 of the Penal Code establishes the crime of reducing a person to slavery or analogous situation, punishable by a sentence of two to eight years. In 2005, Bolivia ratified ILO Convention No. 29 on forced labour.

Temporary and seasonal workers are not covered by the General Labour Law, 1942, thereby not protecting agricultural or Guaraní workers. However, the law does prohibit the system of giving advances, and calls on the relevant authorities to set up offices to recruit and contract workers, in order to replace the advance system. However, this law dates back over 60 years, and these offices are yet to be set up.

On the issue of forced labour of Guaraníes on ranches the Government passed a Supreme Decree in 2005 that sets out some of the Government's responsibilities and commitments. Actions to follow include quantifying the number of families in forced labour; registering all Guaraní people so that they have their national identity documents and are recognised legally; incorporation of these workers into the General Labour Law; putting in place the paperwork and finances to buy back the land for freed families; and the reorganisation of this land for the communities' benefit.

However there are a number of problems with the Supreme Decree and its accompanying programme of action. Firstly, the Supreme Decree and project do not seem to fully appreciate the political influence of ranchers or the lack of education of the communities as well as their lack of social cohesion or identity.

There has been weak implementation of international conventions against slavery and forced labour in legislation and state actions, as well as a lack of knowledge of these conventions by judges, labour inspectors, police, local and national state officials. There is even confusion amongst the officials as to what constitutes forced labour and differentiates it from poor labour practices.

There is a lack of human and financial resources for the labour inspectors teams, whose responsibility it is to supervise the implementation of labour laws and rights. The labour inspection teams lack the resources necessary to carry out inspections of sugar cane plantations during the harvest.

The Ministry for Indigenous Affairs (*Ministerio de Asuntos Indigenas y Pueblos Originarios*) was set up in 2003. It has begun to look at the issue of forced labour of Guaraní people, having conducted research and produced a report in 2005. However, the Ministry's ability to eradicate forced labour is hampered by a lack of budget and qualified personnel.

The Ministry sees the redistribution of land as the key mechanism for freeing and rehabilitating Guaraní people, as having no land is the primary reason they are so dependent on their employers. However, the Government is currently obliged to buy back this land from the ranchers in a process which is excessively complicated, time-consuming and expensive. It is also unclear at present whether the government will be buying the land and giving to the Guaraníes, or if it will be given to the communities on credit so that they will then have to pay the Government back.

Conclusions

There has been slow acceptance of the problem of forced labour in Bolivia, with the Government only ratifying the ILO's Convention on forced labour in 2005. However, in the last few years there has been a recognition of the problem and the Government has begun to take steps to address the issue. The acceptance of ILO technical assistance in formulating a National Plan of Action against forced labour is a positive move, although the Government must move faster to develop, publish and act on this forthcoming plan.

The Plan should include amendments to the law to include forced labour; policies for the eradication of forced labour; as well as the provision of health, education and income generation services to the relevant populations. The Plan of Action must involve all the relevant ministries and be executed in a coordinated and sustained manner, with thorough monitoring and evaluation to ensure that labourers once freed do not fall back into slavery. There also needs to be awareness-raising and empowerment components for the affected populations so that they know their rights and are able to begin to organise collectively to demand them.

Legislative amendments must include a clear definition of forced labour along with penal sanctions which are adequate and strictly enforced. The constituent elements of forced labour, such as giving advances, payment in kind, the unregulated camp shops and the practice of paying back the debt with labour only, must also be prohibited. The companies and individual employers must be made legally responsible for all their workers and unable to rely on the excuse that they did not contract the workers directly and therefore are not responsible for how they are treated.

The Government should also include all agricultural, seasonal and temporary workers under the General Labour Law. This would give all workers mentioned in this report the same rights and protection under the law as other workers and would enable the law to become one of the tools at their disposal to combat forced labour. This would substantially improve the ability of the Guaraní population to demand their rights, given that they have a concerned ministry to speak on their behalf as well as their own representative body in the Guaraní People's Assembly (*Asamblea de Pueblos Guaraníes*). The situation is more complicated for sugar cane and Brazil nuts workers, who have been unable to organise themselves and participate in trade unions. Workers must be allowed to participate fully in trade unions so that their unions can represent their needs and interests.

The Government must acknowledge that the work of labour inspectors is often hindered by insiders telling employers when inspections are going to take place and thus preventing inspectors from identifying forced labourers. If the government is serious about combating forced labour it needs to provide the labour inspection teams with adequate equipment, resources and personnel to carry out its work efficiently.