



Sugarcane: Historic Advances in Labor Relations

By Marcos Jank

Change and diversity are two key words when it comes to labor relations in the sugar-energy industry. Change has been brought by the fast paced mechanization process in the South-Central region of Brazil, which will lead to the virtual vanishing of manual operations in planting and harvesting in sugarcane fields within a decade. In the current crop, the area harvested in Sao Paulo state without the use of sugarcane straw burning, used to facilitate manual cutting, will surpass half the total area of sugarcane production. The mechanization process was accelerated because of two main reasons: environmental (reduction of emissions and elimination of soot) and economic (using sugarcane straw as biomass to generate bioelectricity). However, the unavoidable job losses in the sector are a negative consequence of mechanization.

Diversity is the result of the sector's fragmented nature, with some 400 processing mills, over 1,000 suppliers and support industries, more than 70,000 independent sugarcane growers and almost 850,000 workers. If on one hand there are still labor related problems due to the huge workforce in 20 Brazilian states, on the other the progress that has been made is recognized by all players involved with the cane industry. While there are still difficulties, they are mostly isolated examples that do not represent trends or general practices in the sector.

It is within this framework that we want to improve our practices. Educating, re-qualifying and contributing to the placement of workers that lose their jobs because of the mechanization process. Highlighting best labor practices by creating market tools that recognize them as examples to be followed by an expanding number of employers. Raising the bar for average standards through proactive and transparent policies, instead of eternally focusing on exceptions that will always exist in sectors of this magnitude.

To reduce this 'diversity', the government, industry leaders and workers' Unions launched, on June 25th, the "National Commitment for the Improvement of Labor Conditions in Sugarcane Production". The document was made possible after a year of intense negotiations led by the experienced Secretary-General for the Presidency, Luiz Dulci. The unique three-party project represents a keystone in labor relations and is structured unlike any other set of labor negotiations. Mills that make the voluntary commitment will have to abide to a set of 30 business practices that in many cases go beyond legal obligations and will receive a 'conformity certificate' from a national commission formed by the Brazilian Sugarcane Industry Association (UNICA), the Federation of Registered Rural Workers in the State of São Paulo (FERAESP), the National Confederation of Workers in Agriculture (CONTAG) and the National Sugar-Energy Forum. Besides these four entities that will sign the Commitment with President Lula, nearly 300 hundred other businesses will also endorse the project.

Recognized best practices included in the Commitment call for the direct hiring of workers for manual planting and harvesting of sugarcane, thus eliminating irregular intermediaries. Other key points are worker transportation improvements, added transparency in measuring and paying for worker production, support for migrants



hired from other regions, enhanced practices for health and safety and strengthening of Unions and collective bargaining processes. For its part, the government will introduce a package of specific public policies for education, requalification and job placement. This is a gradual process of evolving standard practices, inspired on the simple and groundbreaking idea that the market itself should recognize the value of this commitment, fostering effective changes in the sector's labor practices.

In the context of change, UNICA member companies have since the beginning of 2007 already retrained more than 5,000 workers that were impacted by the mechanization process in São Paulo state, where more than 60 percent of Brazil's sugarcane production is located. But this is not enough. In the beginning of June, during the Ethanol Summit in Sao Paulo, UNICA, FERAESP and major corporate players like Syngenta, John Deere and Case New Holland, with support from the Inter-American Development Bank (IDB), launched the largest training and requalification program for the sugar-energy industry in the world. More than 7,000 people will benefit each year, among them workers and members of the community in six sugarcane regions in São Paulo state. The program will offer training in specialized driving, operating tractors and harvesters, mechanics and welding, plus courses for those who will eventually work outside the sector, that include reforestation, construction and tourism among others.

This Commitment and the worker requalification program are examples of gradual but effective measures that will improve labor conditions and the quality of life for manual workers in the sugarcane industry, while offering new opportunities for those who, due to the mechanization process, will move on to other areas of activity. These are groundbreaking advances which will have a far-reaching effect and should be recognized as historic steps in the direction of a better future.

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