

Latin America/ Chile

Labour focus

This report highlights the poor working conditions in Chile's salmon processing plants

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In December 2001, ICSF Brussels Office received two reports in Spanish from Estrella Diaz, Chile. For several years Ms. Diaz has been researching and documenting the working conditions of women in fish processing plants. These two reports are a continuation of that work.

The first report is intended to provide the Regional Labour Directorate with proposals for improving its formal interventions in the areas of health and safety—at a time when its management is being modernized, and it is committed to promote equality of opportunity and social equity in the work place.

The second report hopes to contribute to the general improving of working standards for the benefit of the workers, and to improve competitiveness in a framework of socially and ethically responsible business practice.

Both reports provide a wealth of information about the Chilean fish processing industry in general, and the salmon aquaculture industry in particular. Extensive reviews and analysis of working conditions (contracts, physical environment, salaries etc.) and of the evolving national framework for labour policy are provided.

Given the high level of international investment in salmon aquaculture in Chile, it is hoped that international standards of health and safety and internationally accepted working practices will be introduced to Chile. However, it is noted that there are few trade agreements between Chile and other countries that include working conditions. Also, given the fact that significant quantities of salmon are exported to the North, it is hoped that the increasing concerns of Northern consumers that their food be produced under just and equitable conditions will have a positive influence on working conditions in Chile.

Both reports are the result of research carried out in the Xth Region of Chile, where the salmon aquaculture industry is concentrated. In the case of the first report, salmon was by far the main species processed by 16 out of the 23 processing plants studied.

Although salmon was introduced to Chile back in 1905, and salmon aquaculture started in 1914, it was not until the decade of the 1980s that industrial salmon aquaculture began to be developed. The subsequent boom of this form of aquaculture has been phenomenal. In 1979 some 11 million tonnes were harvested, whilst 20 years later, in 1999, the amount harvested had increased to more than 230,188 tonnes. Today Chile is the world's second largest producer of salmon after Norway, and in 2000 it exported 206,254 tonnes valued at US\$ 973 million. Today three main species of salmon are cultivated in Chile, and in 1999 the Xth Region accounted for more than 86 per cent of the national production of these species.

Despite the claims that the booming salmon industry is creating significant employment opportunities, there is much to be done to improve working conditions. About 70-90 per cent of the workers in the processing plants are women. It is noted that Chile's rapid elevation to the world's No 2 salmon producer is due, in no small part, to the "hidden side of its operations"—the low costs of labour. A Chilean investor is quoted as saying that labour standards in the salmon industry are low, even by Chilean standards. This is especially true in the Xth Region... where many production units take advantage of the high unemployment in the region to reduce their labour costs. As the report shows, there is a dramatic difference between the monthly salaries of Canadian (US\$ 1,435), USA (US\$ 1,400) and Chilean (US\$ 480) workers in the salmon industry.

The low costs of Chilean labour, as compared to other salmon producing countries, has led to accusations of dumping. Comparisons with Norway show that, on average, in Chile salmon production plants employ 20 people. Similar units in Norway employ 5 workers. In Chile labour in the processing industry is far more important than technology—large numbers of workers are required to produce fillets and to remove bones by hand.

In her report on the salmon processing industry, Ms Diaz reflects that: "The various opinions gathered highlight issues where little progress has been made, but which, in the light of the literature review of international experiences, are highly relevant." She suggests six main areas for further work:

- The improvement of working conditions through social dialogue between the various actors;
- Where workers in different companies carry out similar kinds of work, there may be scope for

establishing across the board labour norms for businesses.

- Where there is foreign investment in export production, there may be scope for bringing international political and public relations pressure to bear to improve labour conditions.
- Promoting socially responsible business practices, particularly in an industry with significant forward and backward linkages in the production chain (service providers, concessionaires, sub-contractors etc).
- Use independent certifying agencies that are credible and competent to review working practices in the industry.
- Promote the role of unions in negotiating work contracts where good working practices are a central concern.

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