

---

## [Chile: Tree plantations and pulp production generate poverty and destitution](#)

Throughout the world, tree plantations and the installation of pulp mills are promoted by governments using, among others, the argument that these activities generate employment. However the true situation shows how false this argument is.

Recently we have received a report on research carried out by the economist Consuelo Espinosa, a research worker at the TERRAM Foundation in Chile. The title of this work is "Evaluation of the impacts of pulp production." We believe it of interest to share some of the conclusions she arrived at in this study. We will refer to some social impacts in the plantation and pulp sector in Chile, mentioned in the study, but we recommend reading the complete version, available in Spanish on our web site at the following address: <http://www.wrm.org.uy/countries/Chile.html>

The study provides information making it possible to conclude that the installation of pulp mills in the country has not contributed to lessen poverty nor to improving the standards of living in those regions, or even in the communes where they are settled. Therefore the growth of this industry in the country is not inserted in the principles of sustainable development.

Although tree plantation employment in the VII, VIII, IX and X regions is more important than in other regions in the country, it does not mean that the forestry industry has generated an increased number of jobs. Specifically in the pulp industry, continuous capitalisation is to be noted, that is to say, an increasing substitution of the labour factor by capital. This implies that for each additional unit of manufactured product, increasingly less human resources are being used. That is to say, the industry generates fewer and fewer jobs.

Furthermore, the study mentions that, on analysing poverty levels in the plantation regions, specifically where the pulp mills are established and where the greatest extensions of plantations exist, it may be seen that these regions have the highest poverty indexes in the country.

Again, on analysing poverty levels on communal level, it may be observed that in those places where pulp mills are located and for which information is available, the poverty rate (poor and destitute people), between 1994 and 1998, increased on an average by over 29%.

The highest growth in this respect has been observed in the Commune of Constitución, where the poverty rate increased 20 points, from 29.6% to 49.9%. In the Commune of Nacimiento, it increased a little over 26% with the poverty level reaching 43.9% of the population. In both communes, the poverty rate is twice the national rate.

It is important to note that in the two communes mentioned above (Constitución and Nacimiento) large pulp mills are established, such as Celulosa Arauco and Constitución S.A. in the Commune of Constitución, belonging to the Angelini group, and in the Commune of Nacimiento, the CMPC consortium, belonging to the Matte Group.

---

This enables us to see that the operation of pulp mills has not contributed to improve the socio-economic level of the communes where they are installed. Worse still, it has not contributed to minimise the existing levels of poverty in the various zones.

Chile has approximately 2 million hectares of tree plantations and is shown to the world as the “forestry model” to be followed. In the light of the above-mentioned data, it is clear that that forestry model does not solve existing problems but makes them worse. Both the Chilean government and the many others that continue to promote this activity should know that they cannot continue lying to people about the so-called “benefits” of this forestry model which, although generating enormous wealth for some major economic groups, only generates greater poverty and destitution for local populations.