

GREENWASH
Critical analysis of FSC certification
of industrial tree monocultures in Uruguay

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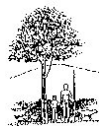
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Introduction

In Uruguay there is growing opposition to the large-scale monoculture plantations of eucalyptus and pine. This opposition is partly the result of years of campaigns and concrete condemnations by local environmental, social and trade union organizations, who have been documenting the impacts of this “forestry” model. However, most of the “credit” goes to the forestry companies themselves, whose plantations have proven to have the negative impacts predicted by civil society organizations, while the companies’ social practices have left much to be desired.

Complications arose in 2001 when the FSC (Forest Stewardship Council) entered the picture, certifying 5,000 hectares of plantations owned by Industrias Forestales Arazatí (based on an assessment carried out by SmartWood). For those familiar with Arazatí and its long history of environmental destruction (desiccation of wetlands) and anti-union policies (including threats to chase woodworkers’ union organizers off its property with guns), it was clear from the start that if this particular company could be certified, all of the others would be as well. And this is in fact what has happened. One after another, the companies that have requested FSC certification have obtained it. And in the meantime, the negative impacts continue and multiply as monoculture tree plantations – certified or not – grow to cover ever larger areas of land in different regions of the country.

This situation has raised a serious problem in that certification entails a weakening of local opposition, since it supposedly grants a “green label” to the companies that own and operate these plantations. Moreover, this label is granted by a prestigious institution with active participation by social and environmental NGOs, which were in fact responsible for creating and promoting this certification scheme.

At the same time, these certifications are eroding the international credibility of the FSC, whose original mission was to protect the world’s forests through responsible management. The very fact that the FSC considers large-scale monoculture tree plantations to be “forests” is already a blow to its credibility, and this damage is only worsened when it grants certification to these plantations and thus implicitly declares them to be “environmentally responsible, socially beneficial and economically viable” (in accordance with the FSC’s mission).

It is important to emphasise from the outset that this study is in no way aimed at attacking the FSC or the organisations that participate in it. On the contrary, we hope that it will serve as a contribution to the review of plantation certification that the FSC itself is currently conducting, in response to the concerns and criticisms voiced in many countries around the world in opposition to this practice.

The main goal of this study is to provide documented information and analysis to all those who are currently fighting against large-scale monoculture tree plantations in Uruguay and the rest of the world and must face the problem posed by the fact that these same plantations are being certified by the FSC. In addition, a series of recommendations are put forward to the FSC itself, so that it can include them in its internal discussions of this issue and present them for the consideration of its members.

This study is made up by four parts. The first provides descriptions of the four main companies certified by the FSC in Uruguay. The second is a critical analysis of the assessment reports prepared by the certifying companies. The third part presents local testimonials grouped under the same headings as those used in the second part. The fourth and final part is devoted to conclusions and recommendations.

A fifth part, not included in this publication, analyses the international record of the two certification companies involved (SGS-Société Générale de Surveillance and SmartWood), and should also be taken under study by the FSC.¹

The author wishes to express his thanks to all those who contributed to this study with their testimonials on the companies assessed, as well as to Gonzalo Abella, María Isabel Cárcamo, Ana Filippini, Raquel Núñez and Teresa Pérez for their invaluable participation in the field visits made to gather these testimonials.

¹ This article – “Certification of tree plantations by SGS and Smartwood in Uruguay. A history of controversial certifications” – can be found at: http://www.wrm.org.uy/countries/Uruguay/SGS_SmartWood.html

1. General information on the certified companies

In August 2005 seven companies in Uruguay had plantations certified by FSC, with a total certified area of 133,711 hectares. Out of these, five had planted areas covering over 5,000 hectares, while the other two were small plantations (31 and 184 hectares respectively). Regarding the origin of the capital, two were foreign (the Finnish company COFOSA and the Spanish company EUFORES) and the remaining companies were national. Five were certified by SGS Qualifor, while two were certified by SmartWood (Rainforest Alliance):²

- EUFORES S.A.: 58,433 ha certified by SGS
- Compañía Forestal Oriental SA (COFOSA): 31,754 ha certified by SGS
- Compañía Forestal Uruguay S.A. (COFUSA): 25,210 ha certified by SGS
- Forestadora y Maderera del Norte, S.A. (FYMNSA) 13,059 ha certified by SmartWood (Rainforest Alliance)
- Industrias Forestales Arazati: 5,040 ha certified by SmartWood (Rainforest Alliance)
- Guillermo Gómez Platero/Gabriela Carriquiry Bocage: 184 ha certified by SGS
- Grupo Forestal San Gregorio: 31 ha certified by SGS

For the purpose of this study only the four companies with the largest planted area will be analyzed.

1.1 EUFORES (certified by SGS Qualifor in 2004)

This company is owned by the Spanish ENCE group (they have three pulp mills in Pontevedra, Navia and Huelva), which in turn belongs to a consortium of Spanish banks (Caixa Galicia, Banco Zaragozano y Bankinter). EUFORES started its plantations in Uruguay in 1990 and according to the certifying company SGS, by 2004 it was the owner of 58,433 ha of land in the Departments of Paysandú, Río Negro, Soriano, Lavalleja and Rocha. Out of these, 34,227 ha had been planted, mainly with eucalyptus (*globulus*, *grandis*, *dunnii*, *maidenii*, *bicostata*).

The company also owns the Maserlit sawmill (with a production capacity of 28,000 m³ per year), and owns two chip plants, one in Peñarol (processing 600,000 m³ per year) and the other in M' Bopicuá (processing 800.000 m³ per year). It also owns port terminals for the export of logs and chips.

According to information from the EUFORES³ web page, in June 2005 the company owned 85,221 ha out of which, 77,753 ha had been planted and 1,004 ha was indigenous forest. On 9 March 2006, during an interview with the El Espectador radio, Ence's director of Communications, Claudio Vallejo corrected the interviewer when he stated that the company had "some 62,000 hectares planted in the whole country," stating that "I must confess that they are a few hectares more, around 100,000 hectares."

Regarding staff, EUFORES reported that during the second half of 2004 it had "an average regular staff" of 105 people and an "average temporary staff" of 4 people.

SGS stated that in August 2004, EUFORES had 103 employees of its own (99 at the plantations, 2 in M' Bopicuá and 2 in Peñarol), adding that these workers carried out tasks in the central office and as supervisors at the level of plantations and industrial facilities. All the operational work is outsourced.

1.2 COFOSA (certified by SGS Qualifor in 2000)

² Source: http://www.fsc.org/keepout/en/content_areas/92/1/files/ABU_REP_70_2005_08_04_FSC_certified_forests.pdf

³ Source: <http://www.eufores.com.uy/medio/ResumenPublicoMonitoreo.pdf>

In the year 2000, COFOSA was an association of the Royal Dutch/Shell Group (holding 60% of the shares), the Finnish UPM-Kymmene Corporation (39%) and FINFUND (1%). The company started its activities in 1990. In 2003, Shell sold its shares to the Finnish Metsa Botnia Company and the company became totally Finnish.

According to the report by SGS, in the year 2000 COFOSA had “31,754 ha of plantations and natural forests in the districts of Tres Bocas, Algorta and Sánchez in the Departments of Río Negro and Paysandú.” In Table 1 (COFOSA Assets) it explains that the company’s land assets amount to 48,519 ha, with 29,351 ha of plantations and 2,403 ha of forests. In its September 2003 verification report, SGS observes that the company has increased its assets to 49,691 ha. Its plantations fundamentally comprise eucalyptus of the *grandis* and *dunnii* species.

In 2005, the Finnish Metsa Botnia company, COFOSA’s main shareholder, states in its web page⁴ that “*COFOSA owns ca.100,000 hectares of land, of which 60.000 is good-quality eucalyptus forest that has been planted on grassland.*” It also states that *all of COFOSA’s plantations have received certification under the FSC standard.*

It adds that at the time COFOSA directly employs 209 people.

1.3 FYMNSA (certified by SmartWood in 2002)

Forestadora y Maderera del Norte S.A. (FYMNSA) is owned by the Uruguayan entrepreneur Lorenzo Balerio. FYMNSA transforms timber into sawlogs for another company of the same group (Juan C Balerio S.A.), established 20 kms from the town of Tranqueras. This company controls the saw-mill and produces boards and other products sold mainly to foreign markets. Some production of sawlogs is also sold to saw-mills belonging to clients on the local market.

FYMNSA started monoculture tree plantations in 1976, reaching the present 6,696 ha of pine (predominantly *taeda* pine and smaller areas of *elliottii* and *patula*) in a total of 13,059 ha of its property, although in the FSC web page this total appears as certified.

No data are available regarding the staff employed by the company. The FYMNSA web page is “under construction” and SmartWood merely states that “The work is carried out by its own staff and outsourced staff” and that tree planting activities (of this and other companies operating in the area) “opened up an interesting field of labour for the local inhabitants of Rivera and specially of Tranqueras, not only with regard to direct employment but also in the area of services related to the main activity.”

1.4 COFUSA (certified by SGS Qualifor in 2000)

This company is part of the Uruguayan Otegui group, which includes three companies in the forestry sector (Compañía Forestal Uruguaya S.A.-COFUSA, TILE S.A. and URUFOR S.A.), a vertically integrated company which since 1988, has been devoted to plantations, industrialization and commercialization of timber mainly for export. While TILE is devoted to exports and URUFOR to industrialization, COFOSA is responsible for producing timber from plantations.

URUFOR has an industrial plant in Rivera where it “employs around 150 people between its own staff and outsourced staff.” It has a saw-mill with a capacity for 35,000 m³ per year and a remanufacturing plant with dryers and a production capacity of 6,000 m³ per year of dried boards. Most of its production goes for export.⁵

⁴ Source: <http://www.metsabotnia.com/en/default.asp?path=204,208,517,518>

⁵ Source: http://www.urufor.com.uy/a_iindustriales.asp

COFUSA started monoculture tree plantations in 1988, mainly in Rivera and Tacuarembó, with eucalyptus (*grandis* and *globulus*) and with pine (*elliottii* and *taeda*).⁶

According to the SGS certification report, in 2003 COFUSA was the owner of 50,210 ha of which 25,561 were planted with pine and eucalyptus, mainly located in the Departments of Rivera, Tacuarembó, Paysandú, Río Negro, Soriano and Rocha.

Also according to SGS, the company has 38 regular staff and works with 30 service companies providing seasonal employment to 365 people from local communities.

2. Critical analysis of the certification reports

In this chapter the public reports of the certifier companies are analyzed. They summarize the main aspects taken into account to grant FSC certification.⁷

In order to analyse these documents a methodology was followed grouping the information provided under three major headings 1) environmental aspects; 2) social aspects; and 3) economic aspects. The reason for this approach is that FSC states that it seeks to promote “environmentally responsible, socially beneficial and economically viable management of the world’s forests” (including plantations). This chapter will analyze whether the certification reports contain information proving that this objective is fulfilled or, if on the contrary, the information is incorrect and/or insufficient to grant the certification.

2.1 EUFORES

• Environmental aspects

Water

Regarding this subject, the SGS report acknowledges that the main environmental effect of *Eucalyptus* is known to be its heavy use of ground water, but then repeats several times that this is not considered to be a limiting factor for plantations in Uruguay and maintains that no information is available on the possible effects of plantation establishment on water resources.

The above is commented on – as a usual part of the certification process – by one of the two people who were asked to make a critical analysis of the report (peer reviewers), who emphasized as a first point that no in-depth analysis had been made of various controversial issues, mentioning water in the first place.

The report highlights that “no work has yet been done on the impact of forest operations on the full hydrological cycle”, and points out that regarding surface and groundwater flow and quality “these elements have been found to be affected by eucalypt afforestation elsewhere in the world and cognisance should be taken of those results under local conditions as well. No work has yet been done on the impact of forest operations on the full hydrological cycle.”

To the above is added the fact that the company is not monitoring water quality in the creeks and streams which either start or that cross their properties and that may be contaminated by erosion and sedimentation or from chemical spills.

⁶ Source: <http://www.cofusa.com.uy/perfil.asp>

⁷ At the time of the research, the author was unable to find the Spanish version of the report on EUFORES.

Soil

It is interesting to note what the report states on soil quality where the eucalyptus plantations have been established: “plantations are planted on the better soils and gentler slopes. Soils tend to be quite deep and fertile.”

The report only analyses some of the aspects of the impacts of plantation establishment on the soil. It points out that “most of the lands on which the FMUs [Forest Management Units] are situated have a flat to gently undulating topography in the western areas, with a more hilly landscape found in the eastern areas”.

In this context the report observes that “insufficient use is made of contour ridging with many ripping/ridging lines vertically down the contours.” In some cases even erosion gullies were found.

Another problem identified by SGS is the use of heavy machinery for harvesting and its possible impact on soil compression. However, the only concern documented by SGS is to establish conditions to minimize these impacts, limited to banning the use of this type of machinery on rainy days or when the soil is very wet. .

Furthermore, SGS established that “the clayey B-horizon which impedes drainage is the reason that deep ripping is often required to improve drainage and prevent water-logging” in some of the company’s soils.

Although SGS observed that harvesting is done by felling at ground level entire areas of plantations every 7-11 years, nothing is said about the possible impacts of this type of exploitation on erosion in sloping areas lacking protective vegetation.

The report places erosion among the most important environmental impacts and points out that there is little proof showing that the company’s actions so far having resulted in the application of concrete measures in this respect.

Even more important, the report says nothing about the impacts of the plantations on soil structure, nutrient loss and recycling, changes in pH, impacts of the use of chemical fertilizers and weed-killers on the micro-flora and soil fauna.

Here, the external peer reviewer points out shortfalls in the study in this respect, observing that no mention is made of nutrient recycling and what is worse, the remains of harvesting are removed from the site. His question is: “What about sustainable production?”

Flora and fauna

Regarding flora and fauna, the greatest biodiversity in Uruguay is to be found in the grasslands which are – and have always been – its most important ecosystem. But many species found in grasslands also interact with other ecosystems such as wetlands, forests and water courses. Conservation therefore implies the protection of all these ecosystems (and in particular the grassland ecosystem).

In spite of this, the report makes no mention at all of the impacts of establishing plantations on the grasslands and their associated fauna. The issue only arises when the certifiers consult the Director of the Latin American Centre of Social Ecology in Montevideo who was concerned about the replacement of native grasslands with exotic plantations. The reply of the certifiers is limited to stating that “the parliamentary discussion during the process of approval of the law shows that the aim of the legislators was to use the lands that were degraded by bad agricultural practices.” However, this is in contradiction with the report itself, which states that “all the land now under plantations was

previously ranch lands used for cattle grazing” and nothing is stated about “lands that were degraded by bad agricultural practices.”

The report finds that “conflicting information was provided on rare, threatened and endangered (RTE) spp [species] with first an incorrect list and then a list of 15 spp which was simply downloaded from the IUCN web site and which contained only reptiles, birds and mammals, but no plant species. Verbal confirmation was given by the company biologist that all these spp occur on company land. No further information was available on these spp e.g. their population status, specific risk factors, general ecology and specific conservation measures.)”

In spite of the fact that both the company and the certifiers assign greater importance to the forest and the wetlands than to the grasslands, it is found that “assessments of the flora of native forests and wetlands have been mainly descriptive.”

Regarding palm trees (*Butia yatay*), the report states that “these *palmeras* are protected and their conservation is based on allowing natural processes to continue. The practice of grazing by cattle of the native forests will be allowed under controlled conditions i.e. by stipulating the carrying capacities which may be used. The grazing and physical activities of cattle must have an influence on natural regeneration and succession.”

The above shows a serious lack of knowledge of the subject. These palm trees do not develop either in forests or in wetlands, but precisely in the areas that have now been planted with eucalyptus, and so the only possible way of conservation is to assign them areas of grasslands (areas that the company has allocated to the plantation of eucalyptus trees). What is more, in the area it is seen that this species of palm is one of the few native species to grow in the plantations and that easily regenerates following harvesting or even fire in the plantation. It is equally clear that it is precisely the cattle that prevent its regeneration, and therefore simply by excluding them from the plantations would enable growth of these palm trees in the planted areas.

Returning to the subject of forests, the certifiers highlight that “their position in the landscape indicate that they play an important role in stabilising river banks, preventing soil erosion and, importantly, also act as natural corridors along which many species can move in an otherwise treeless environment).” Although for many species of fauna the above is true, it is equally true that at the most, forests play a complementary role for the typical grassland species, which see their habitat destroyed by eucalyptus plantations. Based on this restricted vision, the certifiers do not recommend any conservation measure for the species of fauna and flora that mainly depend on the “treeless environment” of the grasslands and limit themselves to accepting “the obvious habitat destruction associated with any commercial afforestation scheme.”

This vision is complemented in the part of the report referring to “Rocky hills with low scrub vegetation: These outcrops represent a refuge for plant and animal species which would otherwise have been deprived of their habitat as a result of the afforestation of the lower lying areas.” Such an affirmation ignores the fact that not all plants or animals from lower lying grassland areas can adapt themselves to these zones, and therefore there will be a considerable loss of biodiversity due to the destruction of habitats by plantation establishment.

The report makes no mention either regarding the changes that plantation establishment brings about in the local fauna, involving both a drop in the populations of certain species and the explosion of populations of other species or the impacts these imply on the agriculture and livestock of establishments neighbouring plantations (foxes, pigeons and wild boars) and even on the safety of the people in the area (due to an increase in poisonous snakes).

Use of agrochemicals

Regarding this subject, it is important to start by emphasizing that the report only refers to the use of agrochemicals in the plantations and says absolutely nothing about their use in the nursery, which is the place where the workers are most exposed to these products. In spite of this fact, the only reference made to the nursery is that “seedlings or clonal cuttings raised in the Celestino Mutis nursery near Fray Bentos are used exclusively.” This is an important omission as many agrochemicals are used in nurseries (including products to disinfect seed beds, insecticides, fungicides and weed-killers) many of them with impacts on worker health.

On making the assessment, the certifiers found that the company continues to use a product banned by FSC: “The remaining one is GOAL which is used as a pre-emergence herbicide and which is seen as vital to the company’s operational activities. The use of GOAL will be **reduced** and Harnass used instead.” The certifiers accept the commitment of the company to reduce the use of GOAL and to use Harnass instead.

In April 2005, SGS produced a surveillance report which states that “Although some work has been done, the use of GOAL has not yet been resolved.” However, instead of withdrawing the certificate, SGS agreed on the following with EUFORES:

- “1) company will get SOPROFO support for the use of GOAL [SOPROFO is the Association of Forestry Companies in Uruguay]
- 2) company will approach other forestry companies again to get their support for a joint submission to FSC
- 3) company will also approach FSC directly to get derogation.”⁸

In other words, if the company cannot meet FSC requirements, SGS has no problem with the company lobbying to change FSC's requirements, so that they can meet them.

According to the certifiers, “the following herbicides and pesticides were used by the company during 2004: glyphosate, Agil 100, (herb) GOAL, Acetoclor (herb), MCPA,(herb) 2.4D/Amina,(herb) No-drift, Dusilan,(fung) Agral 90,(surfactante) Arbosan and Blitz.”

Regarding ant control the report states that “An inspection for potential ant damage is done prior to planting and Fipronil is applied if required.”

However, it is later clarified that to control ants, “two other chemicals are still being used by the company over which uncertainty exist as to their FSC status viz. Arbosan and Fluramin, both of which are used in ant control operations, and that “the ant control chemical Arbosan will be phased out over the next year and that “they are changing their application methodology to use less chemical and to change to the use of Fipronil instead, which is in pellet form and also less toxic than Arbosan”. The report adds that “clarity on the use of all three chemicals must be obtained quickly.”

A year later, SGS’s surveillance report states: “The pesticides Sulfluramid (Mirex-S), Arbosan and Fipronil are being used in ant control operations. There is uncertainty regarding their FSC status and this must be resolved.” In other words, neither the company, nor SGS has made any attempt to resolve this. Yet the certificate has not been withdrawn.

Regarding weed-killers the report states that a “pre-harvest herbicide application of Glyphosate is done to control undergrowth and weeds prior to harvesting. Unwanted weeds are controlled chemically during the first two years after planting and further control is then achieved through grazing with cattle.” SGS states that “Glyphosate is the main chemical being used in plantations for weed control,”

⁸ Source: SGS surveillance report, 21 April, 2005: http://www.forestry.sgs.com//8365-uy-fm-eufores_sa2005.11_ad_37-02_revised_final_mb-psummary.pdf

and notes that “the use of the most important herbicide in terms of volumes used (glyphosate) has dropped from 2.1 l/ha in 2002 to 1.8 l/ha in 2003 and to 1.3 l/ha during 2004.”

However, the report does not mention anything about the other herbicides used (nor their amounts per hectare), apart from mentioning that “The following herbicides and pesticides used by the company in 2004: Agil 100, GOAL, Acetoclor, MCPA, 2.4D/Amina, and Agral 90, (surfactante).”

It is very interesting to note the reply made by the certification team to the external peer reviewer, who mentions “The abusive use of herbicides (glyphosate) alters the occurrence of natural vegetation and invader weeds begin to predominate.” The answer was: “Glyphosate is a recognised acceptable herbicide throughout the world, not only in the forestry industry. The beneficial effect which weed control has on the growth of the tree crop is well documented. The alternative is either manual control, which is not practical or economical; or control through grazing by livestock – an area in which EUFORES has taken some innovative steps.)” It is clear that they did not understand, or did not want to understand the reasoning.

Regarding chemical fertilizers, the report does not mention their possible impacts on soil and water and limits itself to reporting that “plants are fertilized at planting normally with super-phosphate or potassium-nitrate.”

Regarding use, the certifiers identified a concrete case in which “the ant control team in potrero 7 on La Palma were found to work without protective hand gloves when applying Formidor, although gloves were issued to them. They were also not given any specific training for the work they were engaged in.”

Environmental education

The report does not explain what it understands by “environmental education.” However, the little it says shows that the education given is aimed at generating support for the company’s activities, disseminating erroneous concepts on environmental matters. In fact, the report states that “EUFORES and another company have entered into an agreement with the Primary Schools Authority to undertake a project to promote education on forests and the environment to 4th and 5th year students in rural and urban areas.” Any positive effect that education on these subjects could have disappears with the statement: “This programme included visits to nurseries and plantations.” That is to say that “environmental education” mainly consists of convincing the children that the company is producing plants to “plant forests.”

• **Social aspects**

Amount of employment

The most relevant social aspect would be the generation (or not) of jobs. The first thing to emphasize is that the report sets out the area of all the land acquired by EUFORES to plant eucalyptus. The company owns more land than SGS has certified. The total area of the land assessed for certification (58,433 hectares), is substantially less than the amount the company declares it possesses (85,000 ha). Therefore, when looking at employment figures per hectare this will not reflect the reality because the company has much more land (and therefore the real figures of employees per hectare will be much lower). However, these figures enable us at least to have a first look at employment per hectare provided by the company.

In fact, these 58,433 hectares comprise 50 establishments. Of these, 1 is less than 100 ha, 8 are between 100 and 500 ha; 20 between 500 and 1,000 ha; 11 between 1,000 and 1500; 3 between 1,500 and 2,000 and 7 are over 2,000 ha (the 2 largest ones are 3,118 and 7,321 ha respectively). According to SGS’s report “All the land now under plantations was previously ranch lands used for cattle

grazing” ... “for the production of meat and wool,” ... “an activity which employs a very low numbers [sic] of people.”

It is true that cattle-ranching generates few jobs. According to the figures of the Agriculture and Livestock Census 2000, cattle-raising for meat generates 5.84 permanent jobs per 1000 hectares, rising to 9.18 in the case of sheep. That is to say, that in the lands presently occupied by the EUFORES plantations, there would have been between 341 (meat) and 536 (wool) permanent workers.

According to SGS, the total number of permanent jobs in the EUFORES plantations was a scant 99 in August 2004, without any concrete figure regarding workers employed by contractors: “all operational work is undertaken by contractors.” But what is certain is that the number of permanent workers dropped considerably from between 341 and 536 before plantation establishment to a subsequent figure of 99.

In spite of this, and against all logic, the certifier makes out that plantation activities generated more jobs on a local level than the activities it substituted.

In fact, the reports starts by stating that “the highest increase in poverty in recent years was registered on the North and West side of the country (where most of EUFORES properties are located) due to employment issues (such as unemployment and the increase of informal jobs), a reduction of salaries and a generalised economic deterioration.”

The report does not explain what it is referring to when it talks of “recent years,” which would be essential to be able to assess the positive or negative impact that EUFORES may have had regarding job generation. It should be pointed out that the report is dated 2004, while EUFORES started its plantations in 1990, and in 14 years the impact, had it been positive, should have been noticed.

Instead, the report only states that “local communities view forestry developments positively and consider it as a potential supplier of employment.” This seems contradictory with what the certifiers themselves state when they maintain that “Social issues revolve around employment expectations of rural communities which are mostly not fully satisfied.”

Without providing any evidence, the report states that “Within EUFORES’ areas of influence, there have not been recent movement of peoples; people from these areas (rural areas and small towns) have been living with their families here for a number of generations and they have been working in activities related to cattle grazing or the crops mentioned above [wheat, barley, maize, sorghum, soy, fruit and vegetables and cattle for milk production] with high rates of unemployment.”

The above is in clear contradiction with the data provided by the certifier in the sense that EUFORES acquired 50 establishments previously devoted to cattle and sheep-raising. The people who lived there and/or worked in a permanent way had to migrate to other places. Isn’t this “recent movement of peoples”?

Quality of employment

The second social aspect of importance refers to the quality of employment generated and in this respect SGS states that “All operations are carried out by contractors with permanent EUFORES staff restricted to the Head Office and in supervisory capacity in-field.” In the country, the outsourcing system has given rise to abusive practices against workers, in particular in the plantation sector. The certifier points out that “There is conflict in terms of article 4 of decree 372/99 which states that an employer is not responsible for the conditions of service of subcontractors, and the FSC view that an employer is responsible for everyone working for or on behalf of the company. EUFORES’s official view is that everyone working on their premises must be treated the same.”

Regarding the subject of child labour, the report affirms that “The records of all EUFORES staff were inspected and no one was found to be under the age of 18 years.” It is clear that this refers only to the company’s permanent workers. Regarding contractors, the report does not provide any proof on non-hiring of minors, limiting itself to stating: “Supervisors also ask for the ID cards of the employees of contractors to confirm their ages and to ensure that no one under the age of 18 years is employed.”

During the assessment visit, the certifiers found evidence of violation of labour laws. For example they found in the case of one of the contractors that “Their PPE [personal protective equipment] were not in a correct state with worn out chainsaw trousers and hand gloves, and no hearing protection for chainsaw operators. The workers of subcontractor Miguel Estevez were doing planting work without wearing boots, but wearing only shoes and gloves in a bad state. Among these workers a lack of training was found in the majority of cases.”

Worse still “Evidence was found of workers with no social benefits, no medical cover, no PPE, inaccurate work sheets being kept, worker transport vehicle without communication equipment, first aid equipment or seat belts, and no sanitation facilities provided.”

In the case of another sub-contractor, the workers denounced that they “do not always have PPE and state that they are being charged for these PPE. Pandelco confirmed that chainsaw trousers are charged to the operators which work out to about 5 working days to pay for such trousers. The Ministry of Labour and Social Security confirmed that it was illegal to charge workers for safety materials, as per decree 372/99.”

In spite of the evidence found regarding security and health, the certifiers reach a curious conclusion. In fact, they point out that “Another example is the monitoring of the water quality used at the nursery. As a result of this monitoring, certain deficiencies were detected, resulting in iron being included in the fertilizing program. Should this not have been done, plant growth in the nursery would have been negatively affected. More examples of corrective actions were available. **This and many other examples typify the serious approach which the company follow towards Safety and Health issues.**” [emphasis added].

The truth is that it is hard to understand that the addition of iron in the water used at the nursery is proof of the serious approach which the company follows towards safety and health.

Only the external peer reviewer is able to identify the basic problem on setting out that “a greater analysis about the relationship with workers is needed. Do service enterprises, contractors, subcontractors, sub-subcontractors, etc work exclusively for this company? Is it a form of ‘marchandage’? How much does the worker actually receive from the interesting fares obtained by contractors?” (“Marchandage” is a crime, defined as a profit-making operation providing labour with the consequence of causing damage to the wage-earner or of eluding the application of the law, of regulations or conventions, or collective labour agreements.)

The certifiers reply is limited to stating “This is a valid comment and in future surveillances this aspect will need to be pursued in more depth.” That is all.

Worker organization

Regarding worker organization, the certifiers state that “workers are free to choose the trade union they prefer” and that “at present only 20 of the 107 (sic) permanent workers are members of SOIMA (the woodworkers trade union). They add that “Workers negotiate individually their conditions of service with the company.”

The chairperson of the recently created union at company level informed the certifiers of his perception that the company discriminates against the union and that “he feels personally victimised.”

At the same time, they observed that “no further records were available of meetings between the workers and the company or of collective agreements to establish wages or other kinds of service conditions of workers.”

The complaints by the union chairperson, the fact that only 20 workers are members of the union, the fact that most of the workers negotiate their working conditions individually, the lack of records of an appropriate union-company relationship do not seem to concern the certifiers. SGS simply states that “the impression is created that union-company negotiations are relatively new to both sides and that both sides should learn to approach these matters more constructively in the interest of both workers and the company.”

It is astonishing that nothing is said about the fact that most of those working for EUFORES are not members of the union; that they work under a system of subcontractors and that organization is practically impossible for them.

Impacts on other activities

The certifiers correctly point out that “Plantations have changed the land use pattern in Uruguay significantly in those areas where it has taken place. Land previously used for ranching has been converted with the associated conflicts inherent in any change in land use on such a scale.”

However, they do not specify which conflicts have arisen. In spite of the fact that they acknowledge that they have not carried out any monitoring on possible impacts in neighbouring areas to the plantations they conclude that the reason that “no monitoring of off-site effects have been done, (is) mainly because no apparent off-site effects have become evident up to now.”

They later contradict themselves by affirming that “Boar populations (exotic) started to grow significantly in the 90’s, moving from native forests to plantations. Populations in the western area are apparently stable. Populations of *Axis* deer (exotic) and foxes have also increased as a result of forestry. Pigeons have long been a problem in agricultural lands. The problem has increased as a consequence of forestry given that 2-3 year old plantations are suitable environments for nesting.”

Regarding complaints about boars, “the company responded by allowing the hunting of wild boars under company supervision where damages can be proven.”

Nothing is said about the impacts of plantation establishment on water quality and availability for agriculture and livestock neighbouring the plantations.

Benefits for the community?

The certifiers explain that “The forests [sic] are managed almost exclusively for the production of hardwood round logs, with firewood and grazing by cattle as minor products.”

Grazing

According to the report, third parties carry out cattle-raising activities in practically all the EUFORES establishments. Contracts are drawn up with local ranchers, who take their animal to graze in plantations over 18 months old. The company obtains two benefits: the first and least important one is the monetary income from grazing contracts (estimated at 1% of the total income of EUFORES); the second and most important one is weed control achieved by grazing. For the local cattle owners, the benefit is that of increasing the area of pasture land available for their cattle.

Firewood

Regarding the use of timber left over after harvesting, the report only states that “Firewood is intensively collected after the main harvest is removed, resulting in clean compartments with low levels of waste.” Nothing is explained about who collects the firewood (the company? subcontractors? firewood vendors? people from the local communities?). Who obtains the benefits? What are the working conditions of those who collect the firewood?

Hunting

This issue is simple: “all forests [sic] have signs forbidding any hunting.” That is to say, regarding hunting, no benefit is provided to the local communities.

Apiculture

The production of honey based on eucalyptus flowers has been a wide-spread practice in Uruguay for many years now. However, the report states that “the practice of apiculture is prohibited by the company. Local communities perceive this to be a waste of a natural resource, but nevertheless comply with the decision of the company.” The reason put forward by EUFORES (and apparently accepted by the certifiers) is that “the fire risk associated with this activity is seen as to be unacceptable in a forestry environment.”

The most that the company appears to be willing to authorize is the case set out in the report of “A group of honey producers from Algorta has approached the company and were given [probably lent] a piece of land on which they operate their honey business. Some of the honey is produced from the *Eucalyptus* flowers on company land.”

Mushrooms

A different case refers to the fact that “the company has also, through an agreement with a Japanese NGO, arranged for training of 30 local people near Fray Bentos in the production of mushrooms grown on logs. The logs are supplied by the company.”

Oil

Although there is nothing concrete, the report states that “The company is engaged in negotiations about the possible establishment of an essential oil extracting enterprise.”

Recreation

The certifiers merely state that “Public use of company land for outdoor recreation activities is not allowed at this stage,” without explaining whether it will be allowed later.

Employment

It is clear that the greatest benefit for the local communities would be access to jobs in plantation establishment. The information by the certifiers is contradictory in this respect. In fact, in one part it states that “Most of the forest [sic] workers are recruited from the local communities,” while in another part it shows that things are not really so: “Members of the local community are in theory to be given preference when employing workers, but no formal policy in this regard exists. In practice examples were also found of personnel from the east of the country working for contractors operating in the western areas and vice versa.”

Purchases

Regarding purchases, the report states that “Similarly preference is given to local suppliers when goods have to be purchased for the FMU [forest management unit].” Of course “preference” is a fairly flexible concept and the report does not explain how this policy is implemented.

Consultation and participation

The report affirms that “The company is sensitive to the needs and opinions of local people; and e.g. undertakes opinion surveys about plantations.” Unfortunately, it says nothing about the opinions gathered in such surveys, or about how the company reacts to them.

Furthermore it states that “Local NGOs are also contacted and information shared with them.” Unfortunately it does not provide data on the names of these NGOs, nor the kind of information being shared. In this context it is stressed that the certifiers noted that “Local communities and stakeholders have been identified but not fully. Telephone numbers and addresses are in many cases incorrect and not updated. The list dealing with national non governmental organisations dealing with environmental matters is not complete.”

To this is added the fact that “the company appears to react to issues which crop up and then enters into discussions. No pro-active stakeholder consultation forums exist for the areas in the vicinity of their plantations.” It states that “Consultation with affected people is maintained” and that “Mechanisms are established to resolve grievances or complaints regarding losses or damages to property, health or rights of the local population as a result of forestry operations.” It would have been very interesting to know what these grievances or complaints were, but the report does not mention them. It simply adds that “Complaints and potential conflicts are treated in a way which promotes consensus solutions, and eventual third party mediation if necessary.”

• **Economic aspects**

Very little is said in the report regarding this important aspect about all the support granted by the Uruguayan State to plantation companies. It simply mentions that “The original investment in plantation forestry was partly due to the supportive regulatory framework in Uruguay and the tax incentives provided by Government.” It then explains that Forestry Management Plans are obligatory in “Uruguay to qualify for tax exemptions and afforestation incentives.”

The question can be asked whether these plantations can be considered as “economically viable” (a FSC requirement for certification) if it is taken into account that they were strongly and directly subsidised (with payment of 50 % of the constructive cost of plantation one year on), that they were exempt from taxes, that the forestry machinery was exempt from all import taxes and that they received long term and low interest rate loans.

Another important issue regarding socioeconomic questions is again only set out by the peer reviewer, who asks two very relevant questions: 1) “If at the time of harvesting, we use highly mechanised systems, imported from other countries, aren’t we frustrating the society’s expectations?” 2) “Which is the “country” balance of this investment based on imported seeds, fertilisers, tools, herbicides, tractors, fuel, chainsaw, harvesters, lorries?”

It is clear that the utility of this type of investment for the country and its people is being questioned. The certifiers’ reply is astonishing: “This is really an economical question bedded in a social environment. One would find the shareholders of the company expect the most efficient systems to be used; whilst local stakeholders would want to see the highest benefits for local society. The reality will probably never satisfy both sides simultaneously.” But the fact is it is clear from what the peer reviewer states and from the answer, that it is only the company shareholders who are benefiting.

2.2 COFOSA

• Environmental aspects

Water

In the section on “environmental aspects” the report provides a series of data on water resources on the company’s land but makes no reference whatsoever to the impact of the plantations on water.

In another section, the certifier states that “the operations that may degrade bodies of water have been identified and the necessary and adequate precautionary measures have been taken,” without explaining what the operations are or which measures have been taken. They add that “Potential impacts in these areas are recognized and are considered in the environmental impact assessment and in specific studies such as ‘Hydrological effects of afforestation and forest management’ presently under preparation.” Neither here (nor in subsequent reports on verification visits) is any information provided on the results of such assessment.

Further on the report recommends that “Greater dissemination should be given to the company’s operations in order to clarify doubts expressed by the local population regarding...reduction by eucalyptus of water in the water table.” So it would seem that they recognize the impact. However, in reply to the question of a local person interviewed “that the eucalyptus plantations consume a lot of water that in the long term can affect neighbouring populations,” SGS’s reply was “The area is subject to prolonged droughts affecting the water table,” and that “COFOSA is undertaking a study on the ‘Hydrological effects of afforestation and forest management [in the] plantations’ and monitors water quality to find out the real effects of the plantations.”

Summing up, the report does not seriously address a subject as important as this, but it is insinuated, without any basis, that the decrease in water is due to “prolonged droughts” and not to impacts from the plantations.

Soil

The report does not provide any information either regarding the impact of eucalyptus plantations on soil. As in the case of water, it provides detailed information – of no use to the assessment - about the different kinds of soil in the company’s property.

Further on it points out that: “A soil study has been undertaken for the area and compared with the results of the national soil study, the results of these studies served for the initial planning of the establishment of plantations. The EIA determined the potential impacts on each type of soil and defined the necessary mitigation measures.” Nothing is said regarding the “potential impacts” of the plantations on the soil, or about the mitigation measures adopted.

The report states that “Previous use caused strong impacts, both on the physical and on the chemical properties of the soil, obliging the use of preparatory practices such as ploughing and rototilling (rotovator)”. This statement implies that the soil now occupied by plantations was degraded. However, in another part of the report SGS states that “The area presently occupied by the plantations corresponds to an area of natural grasslands, on soils with a level topography, that previously had been assigned to agricultural production (soya, wheat, sunflower) or extensive cattle-raising...”. It is impossible that extensive cattle-raising would have resulted in “strong impacts” on the soil and it is unlikely that agricultural production in “topographically level soils” could have had important impacts, at least with regard to erosion. However, even assuming that the agriculture had resulted in “strong impacts” the report says nothing about the total number of hectares that were previously given up to this activity and how many to cattle-raising, to enable us to have an idea of the real area of supposedly degraded soils.

Neither is any mention made of impacts on the soil by heavy machinery – *harvesters* and *forwarders* – used in the plantations and described in the report.

Flora and fauna

The report states that “Overgrazing and conversion of natural environments to agriculture represent the primary threats.” On the basis of this statement, it would seem evident that “the conversion of natural environments” to plantations also represents a threat to such environments. However, and in spite of the fact that the report concludes that “grasslands were always the predominant vegetation,” nothing is said about the impact that tree plantations imply for these ecosystems nor about the need for conservation measures for the best conserved areas of grasslands. By using the expression “overgrazing” SGS gives the impression that all the areas previously given over to cattle-raising were being degraded, but provides no concrete information on the subject.

The certifiers state that “Natural forest areas are not converted into plantations” and on this basis reach the conclusion that “the benefits of conservation are sure, substantial and additional to the goods and services produced by the plantations.” That is to say, that the benefits of conservation seem to be restricted to those provided by the forests, without considering the damage done by the plantations on the “dominating grassland vegetation.” In fact the report states that “Most of the communities receive management that enables them to maintain their original characteristics, with the exception of areas of fields [grasslands] or stubble fields that are those that have been planted (or will be planted) with eucalyptus trees.” The certifiers appear to be totally uninterested in the fact that those grassland areas would lose their original characteristics.

To the above is added the fact that the report acknowledges that “There is a close relationship between the insect population and the vegetation on one hand and with the populations of birds, reptiles, amphibians and mammals on the other.” It would seem evident that the changes in the vegetation due to the replacement of grasslands by monoculture eucalyptus plantations must have a strong impact on the population of insects linked to the (predominant) grassland flora and that this will imply a strong impact on the fauna. Nothing is said in this respect.

Moreover, in the company’s property 25 species of mammals were identified, of which five are endangered. Yet SGS makes no attempt to establish the impacts caused by the replacement of grasslands with eucalyptus plantations. In spite of observing that “no specific measures have been taken for the conservation of such species,” the report concludes, without providing any proof, that “the banning of hunting in the Company’s land has no doubt benefited them.”

The certifiers highlight the fact that: “There is an on-going study on changes in populations and composition of the flora and fauna in the plantations that will finish its first phase in 2002.” However, nothing is said in this report or in subsequent verification visits about the changes recorded.

In spite of the emphasis that the certifiers place on the issue of forest conservation (in fact the destruction of forests is simply prohibited by law), it seems strange that in the section “Restoration of natural forests,” not a word is said about the restoration activities carried out by the company.

The conclusion reached is that, given that “close on 40 per cent of the assets correspond to natural formations,” they “express the company’s commitment with the environment,” without explaining that that 40 per cent is not planted simply because it cannot be planted, either for technical or legal reasons.

Use of agrochemicals

In its nursery (San Francisco, in Paysandú), the company produces between 5 and 7 million plants a year. According to SGS’s report they use fertilizers, fungicides and insecticides and “they try to

minimize the application in the nursery of those products, basically fungicides, which may develop resistance.” Nothing is said in the report about the products used. .

The plantations are “fertilized with N and P [nitrogen and phosphorus] at the time of plantation” while “weed control (as from the spring of 1994) is done with a pre-emergence herbicide in the line of plantation and a post-emergence one in between lines only during the first year.” However, it is later stated that “two or three applications are made in total per rotation” which would seem to contradict the former affirmation that it is only applied during the first year. No mention is made of the herbicides used.

Regarding the insecticides used to control leaf-cutting ants, which “start together with preparation of the land and continue various months after implantation,” no concrete information is provided on the product or products used.

The certifiers affirm that “the list of agrochemicals used does not show any product in categories Ia or Ib or chlorinated hydrocarbonates” and that “procedure and prescriptions exist for the management of plagues, diseases and weeds through the use of chemical products.” However, no information is provided to confirm these affirmations and the report makes no mention of the products used.

The report points out that “some neighbours expressed fear over the effect on water of the use of chemicals.” SGS responds by stating that “no evidence has been found that the neighbours have filed any complaints over any company activity” and that “during the interviews with community representatives, they stated that the communities are in agreement with the company’s activities.” It is not clear whether this means that they are also in agreement with the company’s continued use of these products. It is interesting to note the certifiers’ reply to the observation that “plantation companies use large quantities of agrochemicals that can contaminate water”: SGS limit themselves to stating that “COFOSA is distinguished by its strict security measures.”

Environmental education

The report states nothing in this respect.

• Social aspects

Amount of employment

The sole concrete reference regarding the number of jobs generated by COFOSA states that: “a total of 29 people work in the nursery.” SGS does not explain whether they are all permanent jobs or if this figure also includes temporary workers. Nothing is said about who works in the other activities of the company.

Astonishingly, on the subject of employment, the report limits itself to transcribing “information extracted from the ‘Study of the Socio-economic Impact of the National Forestation Plan’ prepared in 1997 by the Equipos Mori company at the request of the Forestry Division,” without providing a single concrete figure (apart from the 29 nursery workers) about the total number of permanent and temporary workers carrying out tasks for the company.

From this report, SGS reproduces the information that “Forestry activities imply a particularly intensive use of labour in areas where people previously were involved in cattle-raising activities. According to the estimates, without considering indirect employment, the employment coefficient per hectare devoted to cattle-raising activities amounted to 0.0047 while that of forestry activities amounted to 0.0125 if only counting permanent employment and to 0.0255 if seasonal jobs were included.”

From the above it may be inferred that the certifiers take on these conclusions as their own, and therefore it is important to analyze them in the framework of COFOSA activities.

According to the coefficients in this study, 4.7 permanent jobs are created per 1,000 hectares (0.0047/ha) for cattle-raising, while for plantations the figures are 12.5 permanent jobs and 25.5 if seasonal jobs are included.

In the year 2005, COFOSA owned 100,000 hectares of land. Applying the above indexes, if their lands had continued to be used exclusively for cattle-raising, there would have been 470 permanent workers there (although, given that agriculture is also practiced, generating more jobs per hectares, the figure could have been higher). That is to say, this figure of 470 permanent jobs is the minimum amount. If the employment coefficient assigned to plantations is applied, permanent jobs should have risen to 1,250, while adding temporary employment the total figure amounts to 2,550.

However COFOSA itself denies such figures in its web page, where it states that it directly employs 209 people. Neither the certifiers nor COFOSA provide any data about temporary employment.

It should be noted that the certifiers' error is even more serious, as at the time of certification, the company owned 48,519 hectares, that is to say, half of the ones COFOSA now owns, and therefore the prior figure for real employment must have been even lower than the present 209 jobs.

That is to say that the figures are indicating that permanent employment dropped to half the number of jobs existing before the company installed its plantations, even taking the minimum figure of 470 jobs in cattle-raising. Perhaps this explains why the certifiers decided not to count the real workers and that instead they used figures from a study that is not in line with the true situation.

It is interesting to analyze the certifiers' reply to questioning by a "third party" who was interviewed, who stated: "Although originally COFOSA became a generator of labour, today, with the use of machinery for management work, it does not respond to the expectations of the neighbouring communities." The reply was that "forestry activity, as a generator of labour, should be compared with other local activities: cattle-raising employs one worker per 3,000 -5,000 hectares; plantations generate a greater amount per unit of area."

The above is clearly false, using the coefficient from the study that the certifiers seem to trust regarding employment. In fact, this coefficient is 0.0047. That is to say, cattle-rising generates 4.7 jobs per thousand hectares, and so it is false to affirm that cattle-raising "employs one worker per 3,000 – 5,000 hectares".

The reply given to a peer reviewer asking about provisions regarding worker housing when the expected growth of the plantation area takes place, is equally contradictory vis-à-vis their position regarding the fact that plantation activities generate more employment. The reply was that "the increase in the plantation area does not necessarily imply a big increase in the manning table." That is to say, the number of workers per hectare decreases while the planted area increases.

As affirmed by the "third party" mentioned earlier on, this is related to the increasing mechanisation of the different tasks. In fact, presently "the plantation is mechanical for the first rotation and manual for the establishment of the second rotation." Thus it requires fewer workers for the first rotation. Furthermore the report states that: "One of the main advantages of mechanized plantation is being able to benefit from 'windows' of time when the planting conditions are suitable (good soil humidity, appropriate temperatures), ensuring the survival of the seedlings." Although the report does not say it, this implies less employment during the periods that the technicians consider that there are no 'windows' for plantation work. At these times, no work takes place and consequently, workers collect no wages.

Furthermore, the harvest is now being done by heavy machinery (*harvesters* and *forwarders*) and so far fewer workers are needed for this activity. Given that these plantations are neither pruned nor thinned, plantation and harvesting are practically the only activities carried out and both have been mechanized.

Quality of employment

Very little information is provided in the report on this subject. Regarding remuneration, again no concrete data is provided and reference is made to the “Study of the Socio-economic Impact of the National Forestation Plan” (Equipos Mori, 1997), which states that: “In terms of remuneration, forestry development has implied a significant increase with respect to remuneration generated by cattle-raising.” It would not have cost much to supply concrete remunerations received for equivalent jobs in both activities, but they are not made available.

The report affirms that “workers’ rights are respected” and that “regarding contractors, performance assessments are prepared periodically to ensure their adherence to the company’s Health, Environmental and Security policies.” It later adds that “the security conditions used by the company are far superior to those of other companies in the area” and that “there is health and security system with high standards of compliance, that are not common in other afforestation operations taking place in the country, according to the opinion of various local communities.” Further on it adds that on applying pesticides, “the workers use appropriate equipment and security clothing and have been trained for their use.”

Even assuming all the above to be true, the report does not provide any proof on these issues.

Worker organization

It seems strange that the report should affirm that “There are no restrictions on free worker organization,” when at the time of assessment COFOSA workers had never had a union at company level nor were they members of the national woodworkers trade union (SOIMA). According to the report, instead of negotiating through a union organization, “presently negotiations are done directly”. The certifiers did not even explain whether they had asked the reason for this anomaly.

Impacts on other activities

At no time does the report refer explicitly to the impacts of the plantations on other agricultural or stock-raising activities, and therefore it is only possible to make well founded suppositions in this respect.

In fact it is known that a series of species of native and exotic fauna have an impact both on sheep farming and agriculture. The latter receives impacts from species of birds such as the pigeon and 4 species were identified in the report: the spot-winged pigeon (*Columba maculosa*), the picazuro pigeon (*Columba picazuro*), the eared dove (*Zenaida auriculata*) and the white-tipped dove (*Leptotila verreauxii*). The report only states that: “in the case of the spot-winged pigeon an increase in the populations has been observed between year 1 and year 8 of the plantation, a situation which is reversed when the plantation is felled at 8 years and they lose their nesting places.” It does not explain that the plantations are made in different aged blocks so there will always be plantations aged between 1 and 8 years where they can nest. Nothing is said about the other 3 species, which also affect crops. Nor do they mention the fox, whose population increases in the shelter of the plantations, and whose damage is constantly criticized by farmers in the country, in particular sheep farmers.

Among the exotic species, boars (*Sus scrofa*) are a serious problem, both for crops and for cattle. The report emphasizes that “so far none of these species [this also includes hares and the Axis deer (*Axis axis*)] have shown a significant increase on Company land.” In apparent contradiction of this

affirmation, SGS later adds that “A special policy has been defined to control the European boar, considered to be a plague, authorizing hunting and defining procedure and standards of behaviour for authorized hunters.”

Nothing is said about the impacts of plantation establishment on water availability and quality for agriculture and stock-raising in the neighbourhood of the plantations.

Benefits for the community?

The report states that “plantations are managed for the production of timber for pulp, firewood, honey production and cattle-grazing, and the production of timber for sawmills and of mushrooms is being incorporated.” However, immediately after SGS adds that “Activities other than the production of timber for pulp and for sawmills are carried out by the local communities.” In fact the plantations are exclusively managed for the production of timber and local communities are simply allowed to take advantage of other possibilities.

Grazing

In this respect, the report merely states “The Company invests to maintain the forest’s [sic] range of products and level of productivity, for example to allow...cattle grazing.” It is later added that “the local communities, in agreement with the company, produce meat (grazing).” Nothing is mentioned about whether grazing is free or not.

Firewood

Something similar happens with firewood: “The branches and remains of unusable logs are left at the patches, strewn around the ground. Eventually the contractors of the area remove remains of timber that were left in the harvested patches and that can be used as firewood.” To this is added that “Members of the local communities remove firewood for domestic use.” SGS does not explain whether the gathering of firewood is free or not. All the report states is that it is done “in agreement with the Company.”

Hunting

This activity cannot be carried out by local people as “illegal activities (poaching) have been identified and described, they are controlled by gamekeepers”.

Apiculture

Here again SGS states that: “The company invests in maintaining the forest’s [sic] range of products and level of productivity, for example to allow for honey extraction...” and “in agreement with the company.” There are no details about whether bee-keepers are authorized to install their hives in the plantations or whether they benefit from the eucalyptus flowers from outside the property (which is the most common practice in Uruguay because plantation companies rarely authorize bee-keepers to enter their plantations).

Mushrooms

This item merely states that “the possibility of producing mushrooms is being studied.”

Recreation

In this respect it is mentioned that there are “guided trails for recreation,” without any other details.

Employment

One of the main aspirations of people in rural environments is access to stable jobs in the area they inhabit. The report states that “Most of the staff working in plantation areas is of local origin and there is a policy indicating this provision.” It is not explained whether this policy is applied both to staff hired directly by the company and to people working under subcontractors. A “third party” consulted endorses the report when it states that “the main contribution of COFOSA is employment for families and support to trade in the area where it operates.” However another “third party” seems to contradict this on affirming “at the stage of development of the forest [sic], the contribution [of COFOSA] to local development is practically nil.”

Purchases

Regarding purchases made by the company at a local level, the only reference is a comment by a “third party” consulted, who stated that “the main contribution of COFOSA is employment for families and support to trade in the area where it operates.”

Consultation and participation

The availability of information is an essential point of departure to enable appropriate consultation and participation of the local communities. In this respect, the report stresses that “No publication was found available to the public containing a summary of the results of monitoring indicators including yields, growth indexes, changes in the flora and fauna, environmental and social impacts and costs, productivity and efficiency.”

The report points out that “assessment of social impacts has been partial, without specific reports and consultation has not been continuous through time and the monitoring system does not incorporate social aspects.” Furthermore, it adds that “So far, the communities do not have an active role in the identification of services and there is a lack of communication at different levels. The communities demand information on all the company issues that could eventually affect them.”

Finally, SGS states that “No available up-dated and consolidated list of interested people and groups at local and national level was found.”

• **Economic aspects**

The economic viability of the company is, to a great extent, determined by the State’s policy of subsidies and tax exemption to plantation activities.

The report points out that “COFOSA is exempt from rates on goods (municipal) as they are part of the incentives established in the law for forestry promotion; tax on net worth is paid, although tax is not paid on land; Value Added Tax (IVA) is paid and then recovered with bonds that can be exchanged against other contributions; IRA, the Tax on Income from Farm and Rural Properties has a negative tax balance and it is expected that in one or two years it will be positive...”

A peer reviewer queried the impact implied by “traffic of lorries and heavy vehicles in the area (criteria 8.2.4) and that “it would be reasonable to foresee the consideration of greater deterioration of roads and highways due to greater traffic resulting from COFOSA activities.”

The certifiers reply states: “Although the EIA does not specifically mention this impact, the company has taken the necessary measures to minimize the impact on local or secondary roads used by lorries transporting their products.” Unfortunately they do not explain what the measures to “minimize the impact” are. They then add that “within the policies of the Uruguayan State to encourage the establishment of tree plantations, the main ‘timber routes’ have been conditioned to enable the traffic

of heavy vehicles, without deteriorating the roads.” They do not explain that this conditioning was done on the basis of loans (over 300 million dollars) obtained by the State from Multilateral Development Banks and that it is a further subsidy to plantation activities.

2.3 FYMNSA

As a general comment on this company’s certification, the very scant information contained in SmartWood’s “Public Summary of Certification,” makes it almost impossible to reach any conclusion regarding the company’s social, environmental and economic impacts.

• Environmental aspects

Water

In spite of the fact that the report points out that this is “an area of great concentration of forestry plantations,” not a single word is said about their possible impacts on the water resources of the area. It is merely pointed out in the Monitoring and Assessment Plan submitted by the company that “measures are described regarding water resource protection” and that it covers impacts on “water resources...” That is all.

Soil

On soils, the report states that “the change in land use [from agricultural to forestry] is favourably highlighted as its conservation by forestation replaces the depletion caused by traditional crops (water melon, potatoes, gourds)” without providing any information on how this conclusion was reached. What is even more serious is that the report makes no mention of the change in land use from cattle-raising (which according to the report itself was the predominant activity in the area) to plantations.

Regarding the impacts of forestry activities themselves on the soil, the certifiers merely state that “in new areas or areas of afforestation low till agriculture is used.” They do not make any mention of the possible erosion in an environment which they describe as soils “associated with a topographic landscape with sharp inclines and comprised by steep hills, hillocks and ridges.”

Flora and fauna

Considering that this is “an area of great concentration of forestry plantations,” it is to be expected that this will imply serious impacts on native flora and fauna, in particular on that related to grasslands. The report notes that “When the area under evaluation was acquired, the vegetation in the area was of natural pasture lands,” and that “The area of native forest was reduced to areas of brooks and small areas surrounding water courses.” SmartWood adds that “The native vegetation of the area is characterized by presenting grassland communities and woody shrub vegetation,” and that associated with this “are the natural forests, containing trees and shrubs, with heights varying between two and twenty-five metres.” The report continues by saying that “In these forests, highly endemic species of flora and fauna are to be found.”

The previous paragraph contains a serious omission as it makes no mention of the flora and fauna associated to the grasslands, the predominant vegetation before it was replaced by pine tree plantations. It is likely that if there was a high degree of endemic species in the forests, a similar situation was to be found in the grasslands, in particular if it is considered that in Uruguay grasslands contain a far greater number of species than forests (vascular flora in Uruguay include 2,457 species of plants, of which only 260 are trees and shrubs). However, the certifiers simply state that “During the visit varied wild animals were observed, both in the plantation area and in the native forests,” implying (without any basis) that the plantations had not had a negative impact on the native fauna.

Such an approach is hardly serious, particularly when the report itself points out that “There are no fauna inventories,” that “it is not known if there are endangered species or species listed in CITES,” and that “due to the importance of the species that were detected in the fauna inventory and that live in FYMNSA lands, where 40 species listed in the various C.I.T.E.S. appendixes were found, it is important for the company to submit a programme for the protection and monitoring of these species.”

Without analyzing the impacts of the disappearance of grassland habitats and their replacement by plantations, the certifiers seem to be satisfied by the fact that the Monitoring and Assessment Plan submitted by the company covers “impacts on...flora and fauna.”

It is most surprising that the certifiers observe the existence of 16 hectares planted with ash trees (*Fraxinus americana*) and that they do not recommend its complete eradication as it is one of the country’s most invasive and difficult to eradicate species of trees, particularly affecting forests. Nor do they say anything about the 5 acres of “paraíso” (*Melia azedarach*), that also invades forests. The plantation pines themselves are also invasive.

Again on this issue the certifiers seem satisfied by the fact that the Management Plan foresees “a plan to avoid the dispersion of exotic species to the native forests” and that concrete actions are based on “permanent monitoring and control (cuts) of invasive vegetation.” Such measures may be understood in the case of pine trees (which do not coppice). However, they are at least very debatable in the case of the paraíso (which does coppice). In the case of ash trees this is totally unacceptable: ash trees coppice and a single tree produces thousands of viable seeds that are dispersed by water and wind over great distances, where they germinate and survive profusely, especially in forest ecosystems.

Use of agrochemicals

Information on this subject is very scant. No mention is made about whether the company uses chemical fertilizers or herbicides and regarding pest control, it only states that “the greatest effort is aimed at ant control and control of the *Sirex noctilia* wasp.” This wasp is biologically controlled with an introduced *Deladenus siricidicola* (the certifiers demand a “written guide for correct use, monitoring and control”). In the case of ants, chemical insecticides are used. Without explaining whether it is for ants, the certifiers observe that the company is using “banned chemicals and not following the decree on the use and manipulation of chemicals”. They then demand “immediate elimination of the use of FORMIZOL 2, JIMO and BROMETIL 98 as they are classified as highly toxic.” Following the subsequent declaration by the company that such products will no longer be used, the certifiers close the matter. In spite of the central importance of ant control in pine plantations, the certifiers do not ask the obvious question of “what ant killers are presently being used?”

Summing up, the report does not contribute anything regarding the present use of agrochemicals by this company.

Environmental education

The report does not make any mention of environmental education

• **Social aspects**

Amount of employment

In spite of the fact that the report does not provide any figures regarding employment, it affirms that this company “opened up an interesting field of labour for the inhabitants of Rivera and particularly of Tranqueras, not only regarding direct employment but also in the area of services related to the main activity.” They add that: “According to data from the 1996 National Census, the sustained growth of

the area has been demonstrated” and “according to information from various representative people from the area and forestry workers” (based on interviews made during the assessment) they attribute this growth basically to the development of forestry activities. To this is added that “the company has made it possible to open up a field of labour for women.” They say that “tasks are carried out by their own staff and contracted staff.”

Assuming that the company complies with labour legislation, there must be records of how many people work directly for the company, of these how many are women, and how many work for contractors. It is astonishing that such important information is not included in the report and that it only contains subjective opinions or refers to the 1996 census to “show” that plantation establishment “opened up an interesting field of labour for the local people.”

In this respect, it would have been important to determine how many people were previously working in cattle raising, how many were working in agriculture in “family type enterprises” and how many in the production of peanuts, potatoes, watermelons and tobacco (and of these how many were women), given that these work positions and jobs were lost when production was replaced by tree plantations. However the certifiers did not do so.

Quality of employment

Neither does SmartWood provide any proof to back up statements such as the following: “Jobs in general are stable and well remunerated;” “there is reasonable concern over the welfare and security of company workers;” and “the base salary [is] higher than normal levels in the region.” SmartWood does not explain whether these statements refer to the working conditions of the company’s workers or if they also include those who work for contractors. Nor does SmartWood address the important issue of incentives which the report says the company grants as “part of the monthly salary in accordance with average performance, and on the basis of periodic assessments the salary is increased.” Are these incentives accepted by the workers as a valid salary increment mechanism or do they result in worker overexploitation? SmartWood says nothing in this respect.

Worker organization

The report makes no mention of this item.

Impacts on other activities

The report provides no information whatsoever on the possible impact on other activities, but it is reasonable to assume that the situation does not essentially differ from that of the three other certified companies analysed in this report. Therefore it cannot be inferred that there are no impacts, but simply that the information provided does not enable an analysis of the subject to be made.

A more general potential impact is related to the fact that “the community fears probable forest fires.” Although the report does not explain this, the fact is that the town of Tranqueras is practically surrounded by plantations and that, according to statements by the chief of the fire brigade in the area, in the event of a fire the town would totally disappear and it would be almost impossible to evacuate all the people in time. In spite of the seriousness of the issue, SmartWood states only that “The company should consider in its operational activities...[the] risk of fires in forests [sic] bordering populated centres (in the event that hazards exist).”

Benefits for the community?

The report states that “The company has a positive relationship with the surrounding community,” but without explaining what basis has been used to reach this conclusion. SmartWood’s statement that “the company has built and improved a major part of the road facilities in the area,” is doubtful, to say the

least. The only evidence we have is that at a certain point the company collaborated with the local government of Rivera in building a bridge.

It is interesting to note that during the consultations made with people in the area nobody made any comments on the benefits of the plantations. Under item “P5: Forest Benefits” the report states: “No comments.”

Furthermore, it is equally interesting to observe that the certifiers recommend that “FYMNSA should give greater dissemination to all the activities it is carrying out for the good of the neighbouring communities to the interested parties, in order to provide them with knowledge of the benefits that they are receiving indirectly because they are located in the areas of influence of this operation.” If the local people do not perceive the alleged benefits they are receiving, the logical conclusion is that these benefits are only in the minds of the certifiers themselves.

Grazing

This activity is carried out by the company itself in some areas where the trees do not grow well and where it carries out “traditional cattle-raising jointly with buffalo-raising.” The local communities do not have access to grazing.

Firewood

The report does not mention this item.

Hunting

The report does not mention this item.

Apiculture

The report does not mention this item.

Mushrooms

The report does not mention this item.

Recreation

The report does not mention this item.

Employment

The sole reference to this item is that the company “has created sources of employment, privileging the hiring of labour in the neighbouring areas (Tranqueras and Rivera),” although without providing figures on how many local people have accessed these work stations.

Purchases

Although the report does not explain whether the company has a policy regarding making its purchases locally, the report states that “It has provided the opportunity to set up small commercial and service enterprises,” although it does not clarify which or how many.

Consultation and participation

The report does not mention this item.

- **Economic aspects**

The report does not mention this item but what has been said about EUFORES and COFOSA is also applicable to FYMNSA, which benefits from the direct and indirect subsidies the State grants to the plantation sector.

2.4 COFUSA

- **Environmental aspects**

Water

Despite the enormous importance of this issue, SGS's report says practically nothing about the impact of large-scale pine and eucalyptus plantations on water resources. Speaking in general terms, it makes reference to studies undertaken by the Forestry Department of the Ministry of Livestock, Agriculture and Fishing, which mention "the negative impact on the water supply of some regions" caused by these kinds of plantations. Nevertheless, SGS does not address the subject in the assessment, nor is it clarified whether the region where these plantations are located is one of the regions where this negative impact has been observed.

SGS's report recognises that "COFUSA does not carry out environmental impact studies at an adequate level and for the scale of its activities, taking into consideration... the quantity and quality of water resources..." With regard to the protection of water resources, SGS states that "all of the possible environmental impacts caused by forestry operations have not been identified and the foreseen mitigation and management measures have not been designed."

Under the subtitle "Impacts on soil and water", absolutely nothing is said about the impact of these fast-growing trees on the water supply. Yet this issue is of particular importance on the lands covered in plantations by this company, given that, according to the report, they are marked by "a high proportion of sandy fragments and a shallow water table, which taken together translate into a high capacity to retain the water available to the plants." The fact that the water table is close to the surface means that the trees' roots can easily reach it and will make maximum use of the available water even in times of drought. This will obviously affect the other water users in the region, who will have even less of this crucial resource at times when they need it most.

Soil

With regard to this particular issue, it is clear that the certifiers have a pre-formed personal opinion on the subject and are determined to justify it. When the possibility is raised that the soil will eventually be exhausted, the response is unequivocal: "The soils used for the plantations were exhausted by earlier agricultural and stock-raising activities. The presence of the trees gives them the opportunity to improve their physical and probably chemical conditions."

This statement is doubly erroneous. First of all, there is no evidence anywhere that all of the soils involved had been previously exhausted. The certifiers themselves say: "Due to the previous usage, the soils had decreased their fertility (which was initially low) and show signs of surface erosion, especially those used for crops like watermelon" which require intensive weed elimination. It is one thing to talk about a **decrease** in fertility and **signs** of surface erosion, and quite another to declare that the soils were exhausted. Furthermore, most of the soils were almost certainly used for cattle farming which is not known to "exhaust" soils.

Secondly, it is also erroneous to claim that the trees will “improve” the physical condition of the soils. The trees may change their physical condition, but not necessarily for the better. Moreover, suggesting that they will “probably” improve the chemical condition of the soils is a mere supposition, which also happens to be highly unlikely, given the large amounts of nutrients extracted from the soil by these fast-growing trees whose wood is harvested after relatively short periods.

All of this combines with the complete lack of studies on this subject undertaken by the company, which “does not carry out environmental impact studies at an adequate level and for the scale of its activities, taking into consideration the flora, fauna, biodiversity, soil stability...” And when it comes to protection against soil damage, “all of the possible environmental impacts caused by forestry operations have not been identified and the foreseen mitigation and management measures have not been designed.”

In fact, the only effort made by the company was “a study of the soils in the area,” and “the results of these studies served for the initial planning of the establishment of the plantations.” In other words, all that was studied was the capacity of the soils to ensure the growth of the trees to be planted, but not the impact that these trees could have, or are having, on the soil.

Flora and fauna

In this area, the certifiers clearly demonstrate their lack of knowledge of the facts by stating that “the natural vegetation in the area corresponds to mixed subtropical forests, with the presence of numerous broadleaved species, which were eliminated to establish agricultural crops and stock raising in the late 19th and early 20th centuries.”

In fact, most of the area was originally occupied by grasslands and not forests (made up **entirely** of broadleaved species, since there are no coniferous trees native to the country), although forests did formerly occupy a larger area than they currently do. This distinction is of enormous practical importance, given that the pine and eucalyptus plantations are not being established in areas that were previously deforested, but rather, in areas that were originally home to grasslands ecosystems, where most of the country’s biodiversity is concentrated. While it is true that a large part of these grasslands had been modified by stock raising activity and, in other cases, destroyed by agricultural crops (although the area devoted to the latter is much smaller than the area used for stock raising), it is no less true that these lands represent an ecosystem of great value that should be preserved and restored.

This lack of knowledge is further demonstrated by the equally erroneous claim that “outside of the areas owned by the company, there are no natural forest areas, due to the previous use (stock raising).” Such a statement creates the impression that the certifiers did not even visit the area, given that practically all of the farming establishments in the vicinity include forested areas, particularly along the banks of rivers and streams.

The lack of seriousness behind the report reaches a peak when SGS completely contradicts its previous statements and declares: “In a good part of these places the original vegetation corresponded to grasslands” and that “the areas made up by gallery forests (the predominant natural forests in the grasslands landscape typical of the region) are identified, demarcated and protected to ensure their maintenance. The plantation areas correspond to former grassland areas that had been used for stock raising or in some cases for agricultural activities.”

As for the company’s concern over this subject, the report clearly states that it “does not carry out environmental impact studies at an adequate level and for the scale of its activities, taking into consideration the flora, fauna, biodiversity...”

It is also interesting to note the contradiction in the part of the report that says that “the areas degraded by previous activities (stock raising) are now subject to actions aimed at their restoration, through

isolation and the prohibition of activities within these areas.” But according to the report itself, “The plantation areas correspond to former grassland areas that had been used for stock raising or in some cases for agricultural activities.” It is clear that the majority of these degraded areas have not been isolated, but instead have been planted with pine and eucalyptus trees, which makes it difficult to claim that the company is carrying out “restoration” actions.

With regard to invasive species, the report says that “the species selected (*Eucalyptus grandis*, *Pinus taeda* and *Pinus elliottii*) are known for their rapid growth and resistance to the cold. The natural regeneration of these species has not invaded neighbouring lands.” It is possible that the certifiers did not observe it (although they certainly should have), but the fact is that both the *taeda* and *elliottii* pine species are invading native forest areas and are a serious cause for concern.

Under the subtitle “Restoration of natural forests”, not a word is said about restoration, and the report merely states: “Areas have been designated for protection and conservation, which are respected, along with buffer zones along the length of waterways and around the low-lying areas and wetlands.” That is all.

Meanwhile, the certifiers seem to have confused the terms “native flora” and “native forest species”. This is a serious error, firstly because the vast majority of native plant species are found in the grasslands, but also because this grasslands flora is vital for the survival of most species of native fauna. The report highlights the fact that the company “is undertaking a native flora research programme (with the support of researchers from the University of the Republic of Uruguay) with the goal of promoting the conservation of autochthonous species and contributing to the maintenance of natural habitats and biodiversity in these areas.” This of course sounds highly positive. However, the report goes on to add that “a programme is being carried out to survey and monitor the principal species of native flora” and that “the survey will focus on the basins of the two central rivers, the Cuñapirú and Tacuarembó, and their tributaries, where the native gallery forests are concentrated. A preliminary identification has been made of the species typical of the region’s forests, including the identification of new species of Uruguayan flora.” Not a word is said about the grasslands ecosystem.

When it comes to fauna, it appears that the primary concern is the “poaching” that “occasionally takes place” and which “there are no procedures or personnel designated to control.”

The certifiers remark: “Following the evaluation, the company designed a procedure to control hunting, fishing and other illegal activities on its lands.” The procedure included: “Ensuring that all company personnel and neighbouring residents are aware that hunting, fishing and harvesting are prohibited. Putting up signs to explain that these activities are not allowed in the areas belonging to the company” and “locking the gates with a padlock to ensure that non-authorised personnel cannot enter.” It is obvious that the conservation efforts adopted by the company essentially exclude the local population, making even “harvesting” an illegal activity.

Use of agrochemicals

On this subject, the report states that in the nursery, “highly soluble fertilisers are used in the irrigation water; sometimes fertilisers in pellets are applied to the substratum.” It adds that “to control pests and diseases, insecticides and fungicides are used, keeping applications to a minimum to prevent the development of resistance on the part of the pathogens. Products in categories 1A and 1B of the World Health Organisation are not used.” SGS provides no information on the products that actually are used.

In the plantation areas, an ant control procedure is carried out prior to preparing the soil for planting, “reducing the ant population to a level compatible with the best installation of the crops.” Reaching this “compatible” level involves rather drastic measures, given that “all anthills are eliminated, including those in neighbouring zones.” The report merely states that the ants are dealt using an ant killer in powder or pellets, and it takes a question from a peer reviewer to prompt the clarification that

the chemical used is “fluoroaliphatic sulphonamide, a product that is not included on the list of products prohibited by the FSC.” According to the report, ant control measures continue for a period of 6-12 months after eucalyptus trees are planted and 18-24 months in the case of pine trees.

Eucalyptus plantations are fertilised with nitrogen and phosphorous within a month after planting if they are applied by hand, or at the time of planting if applied mechanically. In the case of pine trees, the report notes that “as a general rule, no fertilisation is carried out at the time of planting, since the answer to this is not very clear at the moment.”

The report explains: “To achieve optimum development of eucalyptus plantations, they must be established on soils free of weeds until the trees have achieved dominance through shade cover (the closure of the trees’ crowns), which normally occurs after nine to 12 months.” This requires a system of weed control “which can be carried out mechanically, manually or chemically.” The report adds that “in normal situations only mechanical weed control will be used, consisting of the passage of a disk harrow between the rows of trees. If the type of weeds present (annual weeds that develop in the plantation furrows) cannot be effectively combated mechanically, weed control with hand tools (hoes) must be used. In special situations, the high frequency of the appearance of this type of weeds requires the use of a pre-emergent herbicide, which allows the trees a period of at least 60 days free of weeds.”

Given that the certifiers do not clarify which chemical products are used for weed control, a peer reviewer comments that “the active ingredient or ingredients of the pre-emergent herbicides used and the corresponding doses should be specified.” This prompts a one-word response: “glysophate”. This answer not only fails to clarify the amounts used, but is also erroneous, since glysophate is a **post** and not pre-emergent herbicide.

As a positive factor, the report states that “the workers have adequate protective gear and equipment and have received training in this regard.” On the negative side, it notes that “the areas and dangerous substances are marked off, but there is neither order in the storage of the products nor procedures for their handling available on site.”

Environmental education

On this subject, the report merely states that “of particular note are the training and support activities that the company promotes in the area’s primary schools” and that the company “works in support of local education, including environmental education.” Nothing is said about the actual content of these training and environmental education activities.

• **Social aspects**

Quantity of employment

As was the case in the certification of COFOSA, SGS’s report makes reference to three studies that were “carried out in 1994-1995 and did not refer specifically to COFUSA.” SGS states that the company “does not have studies of its own on the socioeconomic impacts of afforestation on its area of influence, nor the opinion of local communities regarding its activities. The company uses as basic information the studies which, in the framework of the technical cooperation projects undertaken by the Forestry Department of the Ministry of Livestock, Agriculture and Fishing, have been conducted to measure the economic and social impact of the current afforestation process as part of the monitoring of the National Afforestation Plan.”

Without analyzing the concrete figures on employment created by COFUSA, the certifiers simply echo the conclusions of the above-mentioned studies and declare: “With regard to the relationship between employment and forested (sic) areas, one observes: an average coefficient of 0.0224 jobs per hectare,

higher per-hectare employment intensity in the East and Central-North regions of the country as compared with the coast, and lower labour intensity in large-scale projects.”

If the foregoing were true, the company should have generated 572 permanent jobs if only the area covered in plantations were taken into account (25,561 hectares x 0.0224) or 1,124 permanent jobs if the entire area of land owned by the company – a total of 50,210 hectares – were used for this calculation, as is done when studying the employment generated by cattle farming.

Yet the certifiers did not even bother with this basic calculation, and do not seem to recognise the contradiction implied when they report that “the company has 28 permanent staff employees (in fact, according to a detailed table printed in the report, this should be 38 and not 28) and 30 service companies (actually 19, according to the same table) that provide seasonal employment to 365 people from the local communities.” Therefore, even if one were to assume that these 365 people are permanently employed (which is incorrect, since this is “seasonal employment”), this figure is a far cry from the 572 jobs that should have been created, and much farther still from the 1,124 jobs that would be expected if the total area of land owned by the company were included.

The certifiers do not even attempt to analyse the issue of how many of the company’s employees live on the 16 landholdings it acquired, where the land was “previously devoted to agricultural production (on the establishments in Paysandú, Río Negro and Soriano) or to extensive cattle farming (in Rivera and Tacuarembó).” Implying (without grounds) that plantation establishment has improved the situation, they emphasise the “low intensity of labour per unit of surface area” formerly seen on these lands. In actual fact, the replacement of these activities by plantation establishment has made the situation worse. Even if we were to assume (erroneously) that the “28 [38] permanent staff employees” live on these landholdings, it is still obvious that this land has been left practically devoid of people. In reality, the 38 permanent jobs are divided up as follows: nursery: 6; plantation: 4; management: 4; harvesting: 13 and maintenance: 11.

It is worth noting that for the most part these are significantly large landholdings, with only five less than 1,000 hectares in size, while three are between 1,000 and 3,000 hectares, five between 3,000 and 5,000, and three over 6,000 hectares. If we were to take the total land area and multiply it by 0.0047, which is the figure quoted by the Forestry Department report for the jobs created per hectare by cattle farming, there would be at least 235 people permanently employed on these lands if they were devoted to this use. Instead, there are not even 38, since few of these company officials actually live on-site.

Part of the reason for the scant generation of permanent employment on the plantations is due to the growing mechanisation of many of the tasks involved, from the nursery to the harvesting. Meanwhile, much of the work is seasonal.

COFUSA produces the seedlings for its plantations at the Ceballos Nursery, located in the community of Batoví on Route 27 (km 25) in the department of Rivera. The nursery has a production capacity of five million plants annually, and is equipped with “facilities for mechanised sowing with a filling machine and reusable trays, fertiliser sprinkler systems and complete plant raising installations.” This high degree of mechanisation implies a decreased use of labour. The report specifies that while the administration and management of the nursery are handled by COFUSA technical staff, the execution of some tasks is delegated “to a local service company.” Given the wording used, it would appear that all (and not some) of the tasks are carried out by outsourced workers. Although the certifiers claim that “the nursery management prepares monthly reports” on “personnel: total working days per operator and per activity,” this information is not detailed in the assessment report, which means there is no way of knowing either how many workers are employed in the nursery permanently and how many are employed only temporarily, or for how long they are employed. But at the most, there would be a mere nine (six employed directly by the company and three employed by a service company).

When it comes to the planting stage, a clearer picture emerges of the seasonal nature of the employment. Basically, the planting of pines is done “during the months of June to August,” while eucalyptus trees are planted “preferably in the spring, during the months of September and October,” although “occasionally for logistical purposes it can be done in the autumn during the month of March.” In other words, this activity generates employment for five months (June to October) and occasionally in March.

As for the number of jobs involved in planting activities, there is a difference between pine and eucalyptus trees. Basically, the planting of pines is done manually, “because the type of soil where pine trees are planted is not suited to mechanized planting.” In the case of eucalyptus trees, on the other hand, the company has designed “a planting machine which carries out the tilling, planting and fertilization in a single operation.” According to the report, the use of this system entails numerous advantages, including “the concentration of three tasks in just one,” “the concentration in time of these operations,” and “a significant reduction in costs.” It is obvious that these three advantages for the company represent disadvantages for the workers, since they reduce the demand for labour, the work is concentrated into even shorter periods of time, and the reduction in costs signifies a smaller volume of income for workers in the area.

With regard to thinning, the report notes that this is a “mixed operation that is carried out with equipment (vehicular machinery) and personnel (machinists) from COFUSA combined with personnel and machinery (chainsaws) from service companies.” It adds, “This line of work is based on equipment made up by a processing head mounted on a Caterpillar backhoe.” The report says nothing about whether this is an operation carried out throughout the year or only during certain periods.

The final harvesting operations vary depending on the destination of the wood. In the case of pine and eucalyptus going to a sawmill, harvesting is “a mixed operation that is carried out with equipment (vehicular machinery) and personnel (machinists) from COFUSA combined with personnel and machinery (chainsaws) from service companies.” When eucalyptus is to be used for pulp production, “the systems used vary among the different operations, with some involving highly advanced mechanization (harvesters + forwarders) and others making greater use of labour (felling with chainsaws + manual barking + extraction with tractors and carts).” In other words, while the work of harvesting is not totally mechanized, the company recognizes that mechanisation reduces the use of labour. In this case as well, SGS gives no indication of whether this is an operation carried out year-round or only during certain periods.

Combined with the seasonal nature of forestry operations is the instability in forestry employment in the case of contractors. The report notes that “COFUSA monitors the personnel hired by contracting companies but instability is a highly frequent variable.” The following statement raises another interesting point: “COFUSA highlights the difficulty faced by the company and its contractors in maintaining personnel on a permanent basis.” The obvious questions are: What is the reason behind this difficulty? and Do the working conditions and salaries offered have something to do with this difficulty in a region of the country with high rates of unemployment? Unfortunately, the certifiers either did not ask the question or chose not to share the answer.

With regard to fire control, SGS omits any reference to the work of the six outsourced employees responsible for fire prevention-related surveillance.

Quality of employment

The employment figures clearly demonstrate that the vast majority of personnel who work on COFUSA plantations are employed by contractors (365), while only 38 are employed directly by the company itself. This makes it essential to consider the working conditions for those hired by contractors.

In this regard, it is interesting to note how the certifiers word their assessment, which states: “There is no evidence (none was found) of non-compliance with the laws and regulations.” By saying that no evidence was found, the SGS seems to be implying that there probably is evidence of non-compliance, but that they simply did not find it. This interpretation is reaffirmed when the report states:

- “There are no written procedures concerning the requirements of the policy on Health, Safety and the Environment in the workplace; no evidence was found of adequate training for workers nor was evidence found of monitoring and confirmation of safety and hygiene standards (there is a lack of medical supplies in first aid kits, of safety standards during transportation and of equipment for communication with some foremen).”
- “There are no members responsible for implementing the policy on safety and hygiene, including the proactive prevention of accidents. Equipment is not subjected to regular inspections, tests and safety maintenance. Nor is the adequate safety equipment available in some work areas. No statistics were found on accidents and there is no ongoing system for the proactive prevention of accidents. Safety equipment is not complete in the working areas and the minimum safety and hygiene standards are not fulfilled during the transportation of workers and in their camps and lodging.”
- “No training programme was found for forestry workers at different levels; no procedures were found for the evaluation of training, and there is a lack of adequate supervision of personnel in the field. Chainsaw operators with no previous training were found, as well as pruners and other workers.”
- “While there are individuals responsible for the supervision of contracting companies, this supervision is not documented or systematic and does not even cover the contract specifications. There are no documented procedures for determining corrective actions when non-compliance is detected.”
- “The contracted personnel (dependent on the contracting companies) are not generally aware of the implications of the regulations and statutes.”

These statements are entirely self-explanatory and there is no need for additional comments on the quality of employment on the COFUSA plantations.

Worker organization

Looking back at the assessment of COFOSA (2.2) it strikes us as rather strange when the report stresses that “there are no restrictions on the right of the workers to freely organise,” when the fact is that the workers at COFOSA have never formed a trade union within the company, nor are they members of the national woodworkers union (SOIMA). Instead of negotiating through a trade union organisation, “negotiations are carried out directly, at the current time,” the report adds.

This same statement could be applied to COFUSA, and it is really quite noteworthy that SGS uses the exact same wording in the case of both companies: “There are no restrictions on free worker organization.” Nevertheless, the situation at COFUSA appears to be even more serious, given that SGS’s report itself comments that “this aspect is not explicit in the company’s policy. Recommendations or demands are received directly, but there is no written procedure for the resolution of disputes.” Yet in spite of this, the report declares that “the workers’ rights are respected.”

Impacts on other activities

At no point does the report explicitly address the impact of the plantations on other agricultural activities, or even provide information on which to base suppositions in this regard. The only two references to this matter state:

- “There are no procedures to resolve complaints regarding losses or damages to property, health and/or rights caused by forestry operations.”
- “Impacts related to forestry activities are identified and followed up, but the effects on social welfare have not been taken into account.”

The only thing that can be inferred from these statements is that there are in fact “complaints regarding losses or damages to property, health and/or rights caused by forestry operations,” since the SGS specifically mentions the lack of procedures to resolve them, and that there are “impacts related to forestry activities” as well. SGS has nothing more to say.

SGS says nothing about the impact of tree plantations on the availability and quality of water for agricultural production in the area around the plantations.

Benefits for the community?

The report states that “currently the plantations are managed for the production of high quality sawn timber, pulp, firewood and grazing land for cattle.” However, the information provided is insufficient to assess the matter of grazing land and also seems to contradict the claim that the land is managed to produce firewood. Moreover, the report notes that “in those landholdings where there is no activity, the gates should be shut with a padlock to ensure that unauthorised personnel cannot enter.”

Grazing

The only thing the report says about this activity is that “the company makes investments to maintain the product range and productivity level of the forest (sic), for example, cattle grazing.” Whose cattle graze on this land? Does the company have its own cattle? Do local producers bring their cattle in to graze? Do they have to pay for it, or is it free? SGS answers none of these questions in the report.

Firewood

The wood harvested is removed from the plantation and transported to a sawmill or exported for use as paper pulp. This means that firewood use is limited to the leftovers from harvesting (limbs and branches). However, “COFUSA prefers the material from the felled trees to remain in the forest (sic) where the nutrients are recycled, although this may signify a cost in the short term, rather than undertaking an operation to recover products with uncertain economic results.” In other words, the company neither recovers nor commercialises this wood for use as firewood.

As for its potential use by the local communities, the report says: “Following the evaluation, the company designed a procedure to control hunting, fishing and other illegal activities on its lands.” The procedure included: “Ensuring that all company personnel and neighbouring residents are aware that hunting, fishing and harvesting are prohibited. Putting up signs to explain that these activities are not allowed in the areas belonging to the company.” Therefore, it would appear that people from the local communities are not permitted to harvest firewood, either.

Hunting

While the report recognises that “poaching occasionally takes place” and that “there are no procedures or personnel designated to control” this activity, it is clear that what is most important for the company is that “all company personnel and neighbouring residents are aware that hunting, fishing and harvesting are prohibited.”

Apiculture

The report notes that “there are no initiatives in the area for the use of non-wood products by the local communities and the company has made no special efforts to promote them,” citing honey production as a potential example.

Mushrooms

As in the case of honey, the report confirms that no use is made of the mushrooms growing in the plantation and suggests that the company should promote this initiative, despite the fact that it would contradict the company’s new policy of declaring a prohibition on “harvesting” on company property.

Oil

The possibility of extracting essential oil from the eucalyptus trees on the plantation is not mentioned.

Recreation

For anyone unfamiliar with the areas of the departments of Tacuarembó and Rivera where COFUSA has its plantations, the following statement would probably be viewed quite positively: “The area where plantations were established was formerly grasslands used for extensive cattle farming or agriculture, meaning that the natural landscape was modified by the establishment of the plantations, which were designed in non-continuous blocs so as to change the characteristics of the landscape as little as possible.” However, for those who know this region of the country (like myself and most Uruguayans), it is all too clear that the plantations installed by this and other companies are destroying the area’s unique landscape of low, flat-topped hills, which are gradually disappearing as the trees on the plantations continue to grow. In addition, in the case of one of the most picturesque of these hills in Rivera, the author of this study noticed that it is now topped by a construction from which a person working for the company surveys the area for fires.

Employment

The report contends, “The company has adopted a policy of preferentially employing members of the local communities for its activities,” that it “generates employment for members of the local communities,” and that it “provides support to the local communities though job creation.”

In fact, however, the company only directly employs 38 workers, and of these, it is highly unlikely (the report provides no information on this point) that they are all members of the local communities, given that this figure includes technical and top management personnel.

Then there are the 365 workers employed seasonally by contractors, who have no obligation to hire members of the local communities and who normally do not do so when it comes to activities involving a greater use of labour, such as planting, pruning and harvesting.

Purchases

SGS makes no reference to this subject.

Consultation and participation

The company does not perform very well in this regard. Essentially, the report notes that “there is a list of interest groups, which does not include environmental and social governmental and non-governmental organisations with a stake in the forestry sector.” To this it adds: “Areas of potential conflict have not been identified, nor are consultations held with the communities or groups affected by the company’s activities. No local studies were found addressing the social impacts of forestry

operations. Consultations with the local communities are not ongoing and are not incorporated into planning processes.”

- **Economic aspects**

The report says nothing whatsoever about this major issue, but what was said in the case of EUFORES and COFOSA is equally applicable to COFUSA: the company benefits from the direct and indirect subsidies that the State grants to the plantation sector.

3. Local testimonials

In December 2005, three teams from WRM (including the author) made field visits to areas of the country where plantations have been established by the four certified companies analysed in this study. One team visited the region in Rivera where some of COFUSA’s largest plantations and all of FYMNSA’s plantations are located. A second team focussed on the department of Paysandú, gathering information on EUFORES and COFOSA, while a third team travelled to Soriano and Río Negro, where other EUFORES and COFOSA plantations are situated.

3.1 Testimonials gathered on EUFORES

- **Environmental aspects**

A general comment made by the chairman of the town council of Guichón, where both EUFORES and COFOSA have large plantations, reflects the local perception of the way these companies address the issue of environmental protection: “To get this famous certification, the companies leave a pond and three ducks and then claim that they’re protecting the environment.”

Water

When granting certification to EUFORES, SGS declares that “no information is available on the possible effects of afforestation on water resources.” A more accurate statement would have been, “we did not look for the available information.” Back in 1999, Grupo Guayubira investigated the impacts of the EUFORES plantations on Cerro Alegre, in the department of Soriano, and subsequently published an article, “Tristezas de Cerro Alegre: los graves perjuicios de la forestación”, documenting the serious damage caused by tree plantations. Essentially, within a few years after the plantations had been established, the wells of all of the farmers in the surrounding area and the nearby wetlands had dried up, while the water level in the region’s waterways dropped significantly. A number of Grupo Guayubira members (including the author of this study) travelled to the area, spoke with local farmers and confirmed the facts. SGS could have done the same thing, since the case of Cerro Alegre is well known in the region. But they did not.⁹

For the field visits carried out as part of this study, the research team visited another part of the department of Soriano, an area known as Paraje Pence, because according to our contacts, there were serious problems with water there. “The whole area has been left without water,” we were told.

Paraje Pence is an area where there are still a series of “chacras” or small farms and where the majority of people living there today have lived there for their entire lives. The area is surrounded by tree plantations, with the most recently established owned by COFOSA and the oldest owned by

⁹ Both the above-mentioned article and further information on this subject are available in Spanish at: <http://www.guayubira.org.uy/alegre/tristezas.html>

EUFORES. COFOSA has bought, and is now harvesting, a plantation established by the Medical Union.

When the researchers arrived in the area, a 35-year-old man summed up the situation by telling them, “All the people here have been left with no water. I have a little bit but the well is dirty. Close to here where my father lives there’s no water at all.”

The testimonial of a local nurse clearly reflects the gravity of the situation. She said that she always tries to be present when a new doctor arrives so that she can explain the situation in the area, because there are times when the doctors do not understand why people come to medical appointments dirty or simply do not show up at all. “The thing is that here, aside from the fact that people have been left without water in their wells, all of the freshwater ponds have disappeared too. So sometimes, when people have no water to wash their kids before bringing them to see the doctor, they just don’t bring them. There’s a girl who’s had lots of operations, and is still really weak. Last week she was supposed to come and see the doctor, but because the local authorities hadn’t delivered water for two weeks, she didn’t even have enough to wash her hands, so she didn’t come.” Given the scarcity of water, the local authorities are obliged to deliver water in tanker trucks to all of the residents who need it.

A 48-year-old man remarked: “I’ve lived here my whole life, and we never had any problems with water until they established all these plantations around eight years ago. Now we depend on the local government to bring us water. They come every two weeks, and if they take longer we have to call them because there’s no water here at all. Plus I have to go somewhere else to get drinking water.”

The same man commented on the enormous decrease in the flow of a local stream by exclaiming, “You can’t imagine what the Bequeló stream was like before and what it’s like now!” Given the extreme scarcity of water, he also observed that “if a fire starts around here all these farmhouses will be burned to a crisp.”

During the field visits, testimonials were also gathered in the town of Algorta, in Río Negro, where the local residents said that “because of the eucalyptus trees the Arroyo Negro stream dried up, it used to be the town beach.” Most of the plantations in the area are owned by EUFORES and COFOSA.

Soil

A person interviewed in Guichón said that “afforestation is a short-term activity because it degrades the soil.” He added that in order to increase productivity, the companies are planting trees between the rows of previously existing trees and not allowing the stumps to resprout. In order to do this, “a machine drills a hole that they fill with a highly potent poison that kills and rots the roots of the trees that have been cut down.”

Flora and fauna

The changes in local flora and fauna associated with the establishment of plantations have numerous causes, one of which is the lack of water. In the case of Paraje Pence, a local woman said the main problem is the upsurge in venomous snakes known as “yaras” (*Bothrops pubescens* or Pampas lancehead). She added that her dog had died after being bitten by a “yara” a second time (it is believed that being bitten once by this snake will not kill either animals or humans, but that a second bite is fatal.) The explanation for the abundance of “yaras” was provided by one of the local men interviewed, who said that these venomous snakes have flourished because the non-venomous garter snakes have died off. Garter snakes eat the eggs laid by “yaras” and the “yaras” themselves, but their preferred food is frogs and toads, and these have disappeared because the streams have dried up. “This is what happened, because we’ve seen that where there are garter snakes, there are no yaras,” he maintained.

The venomous snakes have killed pigs, calves, cows and even horses. This has been verified because when animals die from a “yara” bite their blood does not clot, and dead animals are always tested to check if they died of anthrax.

Despite the abundance of these venomous snakes and the danger they pose to human life, a nurse who works in primary health care at the polyclinic attached to the hospital reported that there is no antivenom stocked by the hospital. In cases of snake bites, since there is no antivenom available, emergency treatment is given with a product that promotes blood clotting.

A similar situation is found in the EUFORES and COFOSA plantations in Algorta, where the poisonous snakes “come right into the backyards of the houses.”

Other changes in fauna observed in Algorta (and in many other places, as will be seen) are the rise in the populations of wild boars (*Sus scrofa*) and foxes, (*Pseudalopex gymnocercus*), which affect agricultural and livestock production by attacking crops and sheep. Foxes in particular are known to “eat everything.”

Another consequence of plantations reported in Algorta is the high death rate among armadillos, resulting from the use of agrotoxics and the fact (according to the Guichón Environmental Group) that “plantation establishment is changing the migratory routes of birds.”

Use of agrochemicals

A 50-year-old man who used to work for EUFORES told the researchers about the use of Mirex, an organochlorine insecticide used on the plantations to control ants. He said he was given no information about the toxic substance he was applying and worked with no protective equipment of any kind (“with my bare hands”), accompanied by an engineer who spent the whole time telling him “throw it on, throw it on.” Another person reported, “everyone recognises Mirex because it comes in pellets and it used to come with a label. Now it comes without a label, but it’s the same pellets.”

A 36-year-old former contractor said he started out working for EUFORES with one of the company’s tractors. He was in charge of eight people hired to apply herbicides on a EUFORES plantation, including Goal, glyphosate and Agil, as well as Mirex to control ants. They were given no training, equipment or any other means of protection, nor were they provided with drinking water, housing or bathroom facilities.

He reported that “everything that was used to apply the agrochemicals was then washed in the streams, when there were still streams. If somebody passed out in the middle of the field, they would be taken to the hospital but then they would be right back the next day, because they had to keep working. The problem with agrotoxics is mainly a question of continued exposure. There was a person who worked for a long time on a tractor with agrotoxics and had horrible skin rashes. I had problems with an ulcer, gastritis, diarrhoea. I was actually lucky to get fired,” he told the researchers.

He continued: “They fired me because one day a kid who was working with me stuck his arm into one of the tanks of agrotoxics and his arm broke out into open sores. He went to get it treated but they told him he wasn’t registered, because he used to work for EUFORES but the company suddenly decided to lay him off so that he could work subcontracted by me instead. This was two days later, and I hadn’t registered him yet. He filed a claim against the company. The company paid up, but one of the guys who make all the decisions, the ones in Montevideo, said I couldn’t work there anymore. If they had let me pay the fine, I would have done it, because it wasn’t much money. But luckily they didn’t let me. I think I’d be really sick by now if I’d continued working for them. And the thing is, if they kick you out, you can’t get into any other company ever again.”

“When we started working we threw glyphosate on really good land. In Sarandí del Bequeló there was a natural grassland that was growing this high.” (He gestures with his hand roughly 15 centimetres above the ground.)

Environmental education

In Soriano only two testimonials were gathered, but they speak volumes about the scant concern the company shows for this subject. One of the interview subjects told us: “They have also taken us to visit the plantations. They show us what they want and don’t say much of anything. They showed us how they put a handful of something on each plant but they didn’t tell us what it was.” The second interviewee, a former company worker, commented that “there were no courses, equipment, protection, and no drinking water, no housing, no bathrooms,” then went on, “it’s incredible, when you listen to them, they talk about all this. ENCE has a programme on TV called “Ecologito” but they just talk rubbish. All they really look at are numbers. The only thing that matters is if the numbers work out right for them. The people in the countryside don’t matter to them in the least.”

According to the chairman of the Guichón town council, “The companies [EUFORES and COFOSA] comply with the requirement of organising seminars, but they don’t really teach anyone anything, they just hand out fancy propaganda pamphlets.”

• **Social aspects**

Quantity of employment

A former contractor reports that on lands that are currently occupied by tree plantations, “there used to be ranches where lots of people worked. Now there’s no one on all that land. When we worked on the plantations, there was just one foreman living there, who took care of what used to be three or four ranches. Some people don’t want to sell their land, but when the forestry companies come, they end up alone. They have no neighbours, no one to talk to, just a wall of trees in front of them.”

This testimonial clearly illustrates the loss of permanent jobs in the countryside and the depopulation of rural areas. It also contradicts the claim made by SGS that “within EUFORES’ areas of influence, there have not been recent movements of peoples.” Yet the “lots of people” who used to live there are now gone, and the few who remain in the countryside “have no neighbours, no one to talk to.” Is this not a “recent movement of people”?

Quality of employment

One interviewee told the researchers that the tree plantation workers remind him of the sugar beet plantation workers of the past. “They earn an income, but they live in horrible conditions. I hope my son never has to live like that. There are a lot of people working on the plantations who aren’t from around here. There was a kid who told me that he’d heard about what it was like working on the sugar beet plantations from the stories his father told, but now that he was living through the same thing in the flesh, he realised just how awful it is. In the winter they rented them a shack where there were 50 people living. They have to head out to work early in the morning, they have no bathrooms, everyone has to bring their own food with them.”

Those who work on the plantations are mostly young men and they have to be strong, because the work is physically demanding. Some manage to earn good money, but the interviewee clarified that to “earn good money” means that if they work 12 hours a day and spend the whole day bent over they can make up to 400 pesos (roughly 16 USD) daily, but then they might be unemployed for five months afterwards. Moreover, the companies only pay well for certain kinds of work, basically those that are most important to the companies, such as the planting, since ensuring that the seedlings are planted properly will result in a better yield.

One former plantation worker told of his experience working for EUFORES in Paraje Sarandí. Of the more than 80 workers there, only three were legally registered to work. The workers were required to pay for their food, and the contractor “deducts it from your pay even if you bring your own food.” He was hired to strip the bark from the trunks, and was paid 80 cents per trunk, and averaged around 250 trunks a day (earning 200 pesos). He noted that he had previously worked picking oranges, and while it was also difficult work, “at least they pay 400 pesos a day.”

Growing mechanisation has taken the place of a great deal of labour. Many people have been left without work, we were told, because the same contractor now has two machines which according to the bosses can do the work of 60 people each. Because this machinery breaks down frequently, the contractors hire people who can not only operate the machines, but also fix them. Another contractor bought a grapple which enabled him to haul four or five truckloads of wood a day, allowing him to pay off his investment in just six months.

SGS, in its assessment report on EUFORES, maintains that there are many examples which “typify the serious approach which the company follows towards Safety and Health issues.” One example which dramatically illustrates quite the opposite is the death of Daniel Delgado, an employee of the Antúnez contracting company who worked on the EUFORES plantation in Sarandí del Bequeló. Immediately following Delgado’s death on December 15, 2004, Grupo Guayubira and the Uruguayan national trade union federation PIT/CNT issued a joint statement.¹⁰

EUFORES reacted immediately with a fax sent to a local radio station, in which it claimed that Delgado had “wide experience” in the job he was carrying out, that he was working with “all of the safety elements needed for the job,” and that “the unfortunate accident took place in the circumstance of an abrupt change in wind direction.”

In actual fact, however, Delgado had been hired the day before (the contracting company was looking for people who were no taller than 1.5 m, because the grapple claw had a maximum reach of 1.7 m), he was on top of a truck, he had spent the whole day working with tree trunks passing just 20 cm over his head, and he was killed by being struck by a trunk that came loose from the grapple. In addition, there was no wind that day. Could this have been one of the typical examples of “the serious approach which the company follows towards Safety and Health issues”?

The company exerts pressure to keep prices down, which forces contractors to choose between leaving the sector or violating labour legislation. A 36-year-old former contractor shared his experience with EUFORES, explaining that “at one point they told me to create a company and hire people who would work for me. I did the calculations with an accountant and the minimum I would need to have everything in order was \$29.50 USD. I presented my proposal with all the details. They said they would get back to me. The next day they told me that they had a contractor who charged \$21 USD. I could either agree to this amount or they would give the contract to the other guy. Before I could accept this price, I had to talk to the men who were going to work for me, and they told me to do it, even though I wouldn’t be able to register any of them” (because legally registering employees involves paying social security contributions to the state).

The “serious approach” taken by EUFORES is summed up in the comments of this former subcontractor: “In a lot of cases there were women working for them and minors as well, actually, because at no time did they ever ask me to present the documents of the people working there. The only thing that mattered to the company was for the contractor to sign a contract that released EUFORES from any responsibility.”

¹⁰ The joint statement is available in Spanish at: <http://www.guayubira.org.uy/trabajo/Eufores.html>

The situation is no different in Guichón, in the department of Paysandú. The workers interviewed described EUFORES as “a bunch of pirates” and “a disaster”. The company brings people in to work on its plantations from Brazil and the department of Rivera (in northern Uruguay, bordering on Brazil), and according to one interviewee, “you can see people lying out on the ground all over the plantations.” While the work day is officially eight hours long, the workers set off at 5:00 a.m. (when they are picked up) and sometimes do not get home until 9:00 p.m.

None of this is anything new. In fact, in October 2003, the author of this study gathered testimony from EUFORES workers that was included in an article titled “Las ‘bondades’ del trabajo forestal contadas por quienes las sufren” and published on the Guayubira Group website.¹¹ The following are quotes taken from it, which dramatically illustrate the working conditions in the company’s plantations:

“I’ve worked my whole life in plantations and done every kind of work, from the nursery to the fields. Always for contractors. It’s destroyed me. Always living under tin and plastic, with no drinking water, and a lot of times without getting paid. Sometimes the people who got hurt would get paid off with a few pesos. No one says anything because they’re afraid of getting fired. It’s full of contractors, sub-contractors and sub-sub-contractors. There can be as many as four. What’s left at the end for the workers is practically nothing.

“Before when you worked in the plantations you could eat. Now it’s a lot worse and almost all of the work is under the table. The people who work in the plantations carry wood by hand. They get paid 60 pesos a ton. They have to pay 40 pesos for food. Working sunrise to sunset, they might make 50 pesos a day (if it doesn’t rain and if the truck can get in). The companies deduct money from their pay for transportation and food. They get hired on a 90-day contract and there are no set working hours.

“They live really, really badly. There were complaints filed about camps on plantations that were horrific. The result was that the company fired the whole crew and even kept their tools. There are complaints made at every possible level, but it’s all totally disorganised. This exploitation has to come to an end. People have to come out and talk about what’s going on.

“The contractors compete with each other, and whoever can offer the lowest priced workers wins. The result: if a worker gets hurt, he’s not insured. One time a lawyer took the case and EUFORES had to pay. In other words, there’s legislation. But it’s not implemented. On the plantations, work starts at 5:00 a.m. The water was in containers that said “Monsanto”. The workers started getting headaches and sore throats.

“Some workers have complained about the exploitation they suffer to the PIT-CNT.¹² One worker who pruned trees complained that he even had to supply his own handsaw. The company didn’t give him anything, not even water. EUFORES requires people to have their own equipment, but it gives 90-day contracts and pays 40 to 50 pesos a day.

“There are a lot of complaints of child labour. There are cases of children cut by axes and sewn up by hand. To avoid problems and complaints the contractors take people from one region to work in another. There are entire families living in the plantation. The people are totally exploited. There are people who earn no more than 30 pesos a day. Mothers and children are working. They bring in Brazilians too. Nobody does anything about it. There are children full of lice living under tin roofs.

“There are lots of accidents while the wood is being hauled, but they don’t get reported. There are lots of chainsaw accidents too. They show people working with protective suits, boots, helmets, all the safety equipment. If there’s an accident and the worker isn’t using the equipment, they claim he didn’t

¹¹ The article is available in Spanish at: <http://www.guayubira.org.uy/trabajo/testimonios.html>

¹² Plenario Intersindical de Trabajadores/Convención Nacional de Trabajadores, the national worker’s union.



Abandoned school building near Tranqueras, in Rivera



COFUSA pine plantations in Rivera



Soil without vegetation, after the harvesting of eucalyptus



Landscape of flat hills, typical of Rivera, that will disappear as soon as the pines grow



Paraje Pence in Soriano. At the back, eucalyptus plantations that caused the depletion of water. In front, containers for the water brought in cistern trucks



Dry ponds in Cerro Alegre, Soriano, due to impacts of eucalyptus plantations



Working conditions. Dormitory



Working conditions. Dormitory



Working conditions. Kitchen / Dormitory

want to use it. The thing is, EUFORES *charges* for the safety equipment, they deduct it from the worker's meagre pay. That's why a lot of people don't have the equipment.

“There are women hired to kill ants. They pay them for every hour they work. But for a large part of the day they can't work, because the ants aren't working.¹³ So they apply the poison early in the morning, and then they spend hours not doing anything, but still on the plantation, and then work again in the afternoon. So the number of hours they spend on the plantation are a lot longer than the hours they get paid for. That's what it's like working for EUFORES.

“The workers end the day exhausted and hungry, with their hands and feet destroyed. They pay two or three times as much for their food as what it's worth. They're treated like they're disposable. There's nobody to tell these things to. They don't even want to take people for medical treatment when they're sick or hurt in an accident. But nobody says anything because they're afraid of going hungry. This is nothing new, but it's getting worse and worse. And there are no doors to knock on for help.”

The situation described above appears to be changing as a result of the change in government in Uruguay in March 2005. In both Guichón and Algorta, numerous interviewees reported that working conditions on the tree plantations had improved because “the Ministry of Labour is much more closely monitoring compliance with the labour legislation this year [2005].”

Worker organization

Despite the working conditions described above, until a very short time ago the workers in this sector were not unionized, and this fact was barely noticed by the certifying agency. Only recently, under the new government that took office on March 1, 2005, have the conditions been created for the emergence of trade unions in the sector. According to a 36-year-old plantation worker, EUFORES “doesn't allow unions, or at least it didn't allow them while I was there.” He added that the company determines who works and who doesn't work, even in the case of outsourced employees. Therefore, if it has the power to do this, it also has the power to demand that the contractors comply with the labour legislation, which – among many other things – promotes the unionization of workers.

Impacts on other activities

Roads in rural areas tend to be of gravel or dirt. One of the impacts of tree plantations is the deterioration of these roads resulting from constant use by trucks carrying heavy loads. This situation holds true for all four companies analysed in this study. In the case of EUFORES specifically, one of the people interviewed commented, “the roads around here are deteriorating really quickly, because now there are a lot of trucks driving over them carrying logs. A number of local government vans have crashed because the roads are really narrow, too. The local government is always doing road repairs, but it's never enough.”

For his part, the chairman of the Guichón town council reported that “the companies don't respect the rules. For example, there's a regulation that stipulates that after it rains, heavy vehicles are not allowed on the roads for 72 hours. But there are always company trucks driving on the public roads after it rains, although they don't use the roads on their plantations then.” He commented that “the local government met recently with the companies to demand that they help with road repairs, but all they did was offer 3,000 litres of gas oil.” He added, “There are a lot of trucks, and the problem is going to get worse when there are pulp mills.”

¹³ Leaf cutting ants only work in certain temperatures, which means that, for instance, in Summer they only work in the early morning and late afternoon, while in Winter they tend to only work around noon.

In all four cases as well, neighbouring farmers have been affected by the predatory animals that take refuge in the plantations, while the companies do nothing to control them. A former contractor remarked that for EUFORES, “what happens on the neighbours’ farms is the neighbours’ problem, not the company’s problem, even though there’s a regulation that says the company has to take responsibility [article 28 of the Forestry Law]. There can be 100 wild boars destroying the neighbours’ fields, but the company couldn’t care less.” Another interviewee reported that “there are plagues of wild boars, and the other problem is the foxes, they eat everything. It’s impossible to raise sheep and now there are even more foxes eating the neighbours’ corn.” Yet another interviewee added that “the number of wild boars has increased enormously. They recently discovered a huge area of ground that had been dug up by wild boars. The problem with the boars is that they eat the sheep. And in addition to the boars, there have also been workers from the plantations who are hungry and eat the sheep too.”

Another major impact on agriculture and stock raising in the areas around tree plantations is the disappearance of the water. In Paraje Pence, an interview subject lamented that “not having water changes everything. If you don’t have water, you can’t keep a cow, you can’t even grow a head of lettuce. Ten years ago, people used to get together and throw parties, some would bring chickens, others had cows, we would celebrate the harvest together. Today there is nothing but sadness and problems.”

With regard to apiculture, the only negative impact of the EUFORES plantations identified by the certifiers is that “the practice of apiculture is prohibited by the company.” However, the establishment of large-scale plantations has been seriously detrimental to this sector, as was discovered in an interview with beekeepers from the department of Soriano who are members of CALAS (the Apicultural Limited Agrarian Cooperative of Soriano). It should be stressed that 30% of all the honey produced in Uruguay is produced in Soriano, and that the 900 beekeeping businesses in operation provide work for their owners and at least two other people each. In other words, at least 2,700 people will be seriously affected if honey production continues to suffer because of tree plantations.

According to the people interviewed, the increase in plantations has limited the amount of land on which beekeepers can place their hives. In fact, beekeepers are required to remove their hives from all of the lands being purchased for use as plantations. This forces them to look for a new location to set up in, which is always farther away than their previous location, and this ends up increasing production costs. Because EUFORES and COFOSA continue buying up land, there are an ever larger number of honey producers concentrated in an ever smaller area of land. Added to this is the negative impact resulting from thousands of hectares of land devoted to monoculture plantations of eucalyptus trees, since many species do not flower until seven years after they have been planted. Even worse, the trees are cut down when they reach this point, which means there are no flowers for the bees for another seven years. The lands now occupied by eucalyptus plantations were formerly used for agriculture, cattle and dairy farming, and provided a large variety of plant life that made apiculture sustainable. As one CALAS member explained, “even on an abandoned plot of land that wasn’t used to produce anything, the weeds that took over provided favourable conditions for apiculture, but the exact opposite happens with a plot of land planted with eucalyptus trees.”

Health problems developed in beehives kept on plantations because the monoculture of eucalyptus does not provide the bees with all the nutrients they need, and leads to a particularly marked lack of potassium. Studies were conducted that revealed that bees with a potassium shortage are much more susceptible to viruses.

In addition, eucalyptus honey is darker and has a sharper flavour, and thus commands a lower price. Field honey is lighter in colour and can be sold at higher prices.

CALAS prepared a report detailing the main problems posed to the apiculture sector by eucalyptus plantations.¹⁴

Testimonials were also gathered from beekeepers in Guichón (Paysandú), where EUFORES does not allow beehives on its plantations. Additionally, the use of agrotoxics on the plantations makes it difficult for local beekeepers to sell their honey to the United States and Europe, because traces of these toxic substances can be found in the honey.

In Algorta (Río Negro), the company allows beehives to be kept on its plantations, but it charges for this service, which means that this is only an option for large apicultural businesses. Most beekeeping operations in the area are small and cannot afford the fees charged by the company. As a result, they have nowhere to keep their hives, which they used to be able to place anywhere they wanted for free.

Benefits for the community?

According to the testimonials gathered in Soriano, “the depopulation of the countryside that had been occurring gradually for many years has been speeded up by plantation establishment.” By way of example, it was noted that “40 years ago there was a school with 100 children, and today there are only 50.”

The Guichón Environmental Group maintains that the spread of large-scale monoculture tree plantations “has led to the destruction of the social fabric in the countryside, where there are no longer farmworkers, the ‘rural family’ no longer exists and now lives in the cities, and cultural patterns, needs and tastes have changed.” According to the group, “young people are dropping out of high school to pick up contract work on the plantations, and when their contracts end, they are left on the streets, without an education. Today any kid can pick up a chainsaw and earn up to 500 pesos (\$20 USD) a day. It is very difficult to convince them of the importance of thinking in the long term.”

The purchase of large areas of land by forestry companies has led to a steep rise in rural land prices. A member of the Guichón Environmental Group reported that “a hectare of land used to cost between \$280 and \$400 USD, but the price has skyrocketed because of the plantations.” The same phenomenon is seen in Algorta, where the boom in land values has led many landowners to sell their holdings. A farmer in the region commented that “they have planted trees on the best lands, with the most fertile soil, and today there is no labour left for farm work.” He described the companies that own the plantations as “companies that only care about profits.”

The companies themselves claim that their plantations provide services that benefit other rural productive activities. Nevertheless, in Soriano, the local residents say that it is very difficult for cattle to graze on the plantations, basically because almost no grass grows there. “Inside the plantations there’s nothing. None of the animals want to go in there. The cows only go as far as the first or second row of trees, and people who want to take their cows to graze between the rows of trees have to pay for it.” In the area around Guichón, EUFORES and COFOSA allow farmers to bring their cattle to graze on the plantations, but they charge for this service, the residents report.

As for firewood, the local residents interviewed in Soriano said that the companies themselves generally use “machines that are like giant rakes that collect up all the leftover wood in the plantations” after harvesting is completed. In the case of Guichón, EUFORES and COFOSA reportedly do not allow the collection of firewood from their properties.

The possibility of fire breaking out on these vast tree plantations is viewed as a constant threat by local residents. A woman who lives near one of these plantations told the researchers that she had been called to take part in a course on fire prevention. “I went to the course like everyone else here, because

¹⁴ The report prepared by CALAS is available in Spanish at: <http://www.guayubira.org.uy/plantaciones/apicultura.html>

we believe that if the plantation catches fire, all the rest of us will catch fire too. The course was taught by firefighters who didn't have a clue about the situation here in Paraje Pence. I couldn't help but ask them what water they were talking about, because there was no water in Paraje Pence. They didn't answer my question, because they had no idea about what things were like here. The company and the firefighters say the local residents should organise themselves, but in addition to the firefighters, the companies also have the police, the army and the local government all working at the service of the plantations!"

Even more disturbing was this testimonial from a local man: "I worked for EUFORES, as part of their fire control tower service. That service was cut off, and now there's nothing being done to watch out for fires."

The people of Algorta are deeply concerned over the threat of fire because there are plantations right on the outskirts of the town. They say that when COFOSA and EUFORES extended their plantations so close to them, the townspeople protested, but unsuccessfully. When asked if they had been given any sort of instructions on what to do in the event of a fire, they answered no, that only a group of firefighters had been given instructions, and that if a fire broke out, the general population would have no idea what to do.

The chairman of the Guichón town council said that "when it comes to fires, the companies don't invest anything to address this issue, they have no equipment." While the local firefighters are supposed to be equipped to deal with fires, they reportedly face severe shortages and their trucks are in dismal condition. Although a new "mini" fire station was inaugurated in Punta Colorada, "if there is a fire, the nearby towns will literally go up in smoke."

It should be noted that according to the stipulations of the Uruguayan Forestry Law, forestry companies are obligated to maintain a fire surveillance service on their landholdings, which means that these companies are in fact violating national laws.

Meanwhile, in the Guichón area, "neither of the two companies [EUFORES and COFOSA] allows entry into its properties, except with authorisation to hunt wild boars," which means the benefits to the local communities are basically non-existent.

A carpenter in Guichón commented that he and other small carpenters in the area do not have wood, "despite being surrounded by plantations." He explained that the companies sell their waste or the wood they do not use to the big sawmills, and because he cannot purchase the large quantities that the sawmills buy, he no longer has anywhere to get wood.

One of the few benefits that large-scale tree plantations provide for local communities was identified in the area around Algorta, where heavy truck traffic (with as many as 140 vehicles a day) means that "selling food to truck drivers is a good business."

3.2 Testimonials gathered on COFOSA

- **Environmental aspects**

Water

In our analysis of the assessment report prepared by SGS for the certification of COFOSA, we noted that it "does not seriously address an issue of such major importance as this one, but gives the impression, without grounds, that the decrease in water is due to 'prolonged droughts' and not the impact of the plantations."

The previously quoted testimonials regarding the disappearance of water in Paraje Pence and Cerro Alegre as a consequence of the plantations established by EUFORES are also applicable to COFOSA, since this company also has large plantations in these areas. Therefore, the comments made in section 2.1 (*Water*) apply in this case as well.

Also applicable to COFOSA are the statements made by residents of Algorta (Río Negro), where “because of the eucalyptus trees the Arroyo Negro stream dried up, it used to be the town beach,” since most of the plantations in this area as well are owned by EUFORES and COFOSA.

Regarding COFOSA specifically, a farmer in Guichón reported that his land was now surrounded by plantations owned by this company, and as a consequence, the Boyado stream, which runs through his farm, has completely dried up.

Soil

The testimonials gathered with regard to EUFORES (2.1, *Soil*) and the effect of its plantations on the soil are applicable to COFOSA as well.

Flora and fauna

The comments quoted in section 2.1 (Flora and Fauna) relating to EUFORES hold equally true for COFOSA. The researchers also spoke with a sheep farmer in Guichón whose land is surrounded by COFOSA plantations, and who reported that his flock has been seriously threatened by the large population of wild boars that has emerged. He also spoke of the danger posed by the upsurge in the number of foxes and venomous snakes, and commented on the disappearance of the large rodents known as capybaras (*Hydrochoerus hydrochaeris*).

Use of agrochemicals

A woman in Algorta who worked for COFOSA, and was responsible for the application of agrochemicals on one of its plantations, shared her experience with the WRM research team. She told them she was taken home at lunchtime every day and then picked up and taken back to work again. The company provided her with the equipment needed for spraying the chemicals, but they deducted it from her pay. They did not tell her what kind of chemicals she was applying, but simply how to apply them, since there was another person in charge of preparing the mixture to be used. She was paid for every hectare sprayed, and said that the company preferred to hire women for this task because they were more meticulous and complained less (“they are more docile,” she commented). She explained that this prolonged exposure to agrochemicals induced serious allergic reactions around her mouth, which subsequently spread to her chest, hands and legs. As a result, she was forced to stop working, but the ill effects on her health persisted for close to ten years.

A worker in Guichón reported that he used to work with agrottoxics for COFOSA but had developed an allergic reaction and had to change jobs as a result. He also commented that the company normally hires women to kill ants using Mirex.

Another worker in Guichón, who currently works applying agrochemicals for COFOSA, said that the company gives the workers all of the related equipment and does not charge them for it, but most do not use it, because they find it uncomfortable. “With this heat, you try working with gloves on!” he remarked.

Environmental education

As was noted in the section about EUFORES, the chairman of the Guichón town council remarked that both of the companies with large plantations in the area (EUFORES and COFOSA) “comply with the

requirement of organising seminars, but they don't really teach anyone anything, they just hand out fancy propaganda pamphlets.”

- **Social aspects**

Quantity of employment

The people interviewed in Algorta said that the plantations had created sources of employment in a town that used to depend primarily on jobs created by public enterprises such as the railways and water supply service, which have been gradually disappearing. The town has grown as a result of the people coming to work on the plantations from other parts of the department of Río Negro and from other departments as well. Many respondents also mentioned the expectations raised by the plans for a Brazilian-owned sawmill that is to be built in Guichón and is supposed to enter into operation in 2006. However, as will be demonstrated later by a detailed analysis of a similar situation in Tranqueras, where FYMNSA has large plantations, urban growth takes place at the expense of the expulsion of rural populations.

Quality of employment

Judging by the testimonials gathered, COFOSA is among the most highly regarded companies in the plantation sector when it comes to quality of employment. In the comparisons made by workers between COFOSA and EUFORES, it is COFOSA that consistently comes out on top. The following are just a few examples:

- A worker in Algorta said that on the EUFORES plantations, there are some contractors who only register a few of their workers, while everyone at COFOSA is legally registered to work.
- In Algorta as well, numerous respondents reported that when accidents happen in the workplace, COFOSA workers are insured through the regular state channels, while EUFORES has something they described as a “blank accident insurance policy” that they fill out when accidents take place.
- In Guichón, the workers consistently rated the working conditions with COFOSA as far superior to those with EUFORES. They noted in particular that COFOSA demands that all workers hired by contractors be legally registered to work, while EUFORES was described as “a bunch of pirates.”
- A man working for COFOSA reported that he is provided with all of the equipment he needs for his job, that there are very few accidents, and that recently the company held a party – which included the killing and roasting of a calf – to celebrate “three months free of accidents.”
- During transportation, the workers interviewed in Guichón said that COFOSA takes them to and from the plantations in trucks that are well maintained, and makes sure that there is a first aid kit on board. “In comparison, EUFORES is a disaster,” they declared.

With regard to wages, the people interviewed have a general perception that tree plantation workers earn more than ranch hands. They noted that while a ranch hand gets paid between 90 and 100 pesos (\$3.50 to \$4 USD) a day, plantation workers “can take home between 300 and 400 pesos (\$12 to \$16 USD) a day,” depending on the particular job they do. Nevertheless, one of the plantation workers interviewed added that he is currently unemployed, because he only works during the harvesting season. We will address this issue at greater length in the case of FYMNSA, for which extensive testimonials were gathered on this subject, and prove that plantation workers actually earn very little.

In both Guichón and Algorta, numerous respondents reported that working conditions on the tree plantations had improved because “the Ministry of Labour is much more closely monitoring

compliance with the labour legislation this year [2005].” (A new government took office in Uruguay in March 2005.)

Worker organization

In its assessment report prepared in 2000 prior to granting certification to COFOSA, SGS states that “there are no restrictions on the right of the workers to freely organise.” This is clearly contradicted by what the workers in Guichón reported, namely that “before they weren’t allowed to form unions but now they can, starting this year [2005].” In fact, the company’s stance towards unionization was widely known back when it was owned by Shell, and it remained the same after the change of ownership in 2003. Either the certifiers lied, or they were lied to by the company. It would be interesting to know how SGS arrived at the conclusion that “there are no restrictions on the right of the workers to freely organise.”

Impacts on other activities

With regard to the impact of large-scale tree plantations on rural roads, the comments quoted in the section on EUFORES largely apply to COFOSA as well, since many of the testimonials included refer to both companies (2.1 *Impacts on other activities*).

This is also the case with regard to the reports of plagues of wild boars and foxes that are threatening agriculture and stock raising activities on farms near the plantations, since many of the respondents quoted mention both companies (2.1 *Impacts on other activities*).

With regard to the impact on agriculture and stock raising resulting from the disappearance of water in the areas around the plantations, once again, the testimonials gathered largely refer to both EUFORES and COFOSA (2.1 *Impacts on other activities*).

In the case of apiculture, the impacts identified by the respondents quoted in the section (3.1 *Impacts on other activities*) on EUFORES hold equally true for COFOSA as well, but there is one major difference: EUFORES completely prohibits beehives on its plantations, while COFOSA allows them. However, COFOSA charges for this service, and grants authorisation to the highest bidders, which means that only large apicultural operations can afford to keep their beehives on company plantations, while small honey producers are shut out.

Benefits for the community?

Because both companies own large plantations in the same areas of the country, the testimonials included in the section on EUFORES regarding such issues as depopulation of the countryside, destruction of the social fabric, rising land prices, access and services for the local community, fires, etc., are equally applicable to COFOSA (see Section 3.1).

3.3 Testimonials gathered on FYMNSA

As a general commentary, it is quite noteworthy that the national leader of the Uruguayan trade union representing forestry workers, José Bautista, reported that “everything that I told SmartWood with regard to the certification of FYMNSA was completely disregarded.” Meanwhile, after SmartWood came to assess FYMNSA’s operations, “within a few days there was a big SmartWood poster hanging in the company’s offices.”

• Environmental aspects

Water

With regard to water, the general consensus among local residents is that “the pine trees are aggravating the drought.” We were informed that in the area visited by the research team in late December, where there was a stream crossing a road, there was “not a drop of water” left in early February. When asked about what the water situation was like before the advent of large-scale tree plantations, one interviewee told the researchers, “There are places where there was always water 20 years ago, and now there’s not a drop. A lot of places. Behind the cemetery there was a huge area of marshlands, and the ground was so boggy that dogs would sink in and drown, but now it’s all dried up.”

During a visit to a small farm in the area, we were told by the owner that FYMNSA had established a tree plantation in the area around the source of Zanja Honda (a waterway that runs through his farmland). The result has been a major decrease in the flow of this waterway and in the water level in local wells. He also noted that “sandy soils like these are the only ones that can tolerate a dry spell,” but now they dry up almost immediately after a rain because of the nearby plantations.

Another interviewee noted that the Tacuarembó River is now lined by kilometres of tree plantations, and he has observed that “the water level has never been this low.”

A town council member in Tranqueras said he had heard complaints about the impact on the water supply, and although he has not observed it personally, he acknowledged that “it must have decreased.”

Soil

None of the people interviewed commented on this subject.

Flora and fauna

A hunter told us that “when it comes to the fauna, there is absolutely nothing left.” He said he has not been out hunting for two years, because there is nothing left to hunt. “You don’t see a single partridge, or a rabbit, or an armadillo. The companies don’t let anyone hunt or fish on their land, but that’s a joke, because there’s nothing there. Maybe a few fish, but there’s less and less water all the time.”

Other respondents commented on the increase in the number of poisonous snakes, foxes and wild boars. “Before there were no “cruceas” [*Bothrops alternatus*, an extremely poisonous snake] in the town. Now they go right inside people’s houses,” remarked a local council member.

Use of agrochemicals

When it comes to herbicides, one interviewee clarified that some companies kill all the weeds on their property, while others concentrate on the sections where they are going to plant. He said that in the past, this job was carried out by a crew of workers and a tractor carrying a tank with numerous spouts. The workers responsible for this task “didn’t wear masks or gloves or anything.” The work is now done by a single tractor driver, who normally wears a face mask.

Pesticides in both pellet and powder form are used to kill ants, and the workers who apply them do so with almost no protection. At most they wear face masks, but usually do not use gloves. According to several testimonials gathered, the indiscriminate use of pesticides in pellets (“every six or seven steps”) has killed off huge numbers of armadillos (*Dasypus hybridus* and *Dasypus novemcinctus*). “Every day you come across dead armadillos,” we were told.

Environmental education

On the subject of environmental education, a town council member in Tranqueras said that he had “heard that they give talks in the schools,” while a local trade unionist declared that “none of the companies do anything, they just talk about fires”. For his part, a town council member in Rivera mentioned “hearing” that FYMNSA “is planning to do environmental education.”

- **Social aspects**

Quantity of employment

According to the National Union of Forest Workers of Uruguay (SUNOF), the only staff directly employed by FYMNSA on its plantations are supervisors. All of the other workers are hired through contractors, with the sole exception of two fire brigades (comprising some 20 workers). It is estimated that there are some 120 outsourced workers employed on the company’s plantations. The company also directly employs a staff of 380 (administrators, supervisors, operators) of whom the vast majority work in its sawmill.

In terms of female workers, we were told that there are women operating machines in the sawmill, as well as some working on the plantations, although only very few are hired to prune trees. Most of the women who work on the plantation are members of a crew responsible for applying herbicides.

All of the interviewees concurred that “there used to be more work,” because in the beginning, the company mainly hired people from the area around the plantation, but they are now bringing more workers in from outside. Interviewees also commented that there used to be a lot of minors working on the plantation, but now there are fewer.

Quality of employment

With regard to working conditions, we were told that the situation has improved, but that this change had resulted from the work carried out by the trade union, “and not because of certification.”

On the question of pay, the workers interviewed concurred that “they earned more before” and that low pruning “paid good money.” Now there is no more low pruning work because the trees have grown, and “high pruning isn’t as profitable.” The trade union informed us that at one point the company had hired a technical team to study yields in all the different work areas and in all types of plantations. Armed with this information, “they now demand the maximum and pay the minimum.”

This explains the decrease in income for the workers, who are now hired on a piece-work basis for all the different operations. It also explains the decrease in income for the contractors. A business owner in Tranqueras told us that “when the plantations first came, the contractors were the only ones who earned a lot of money.” Some townspeople claim that “the contractors even owned racehorses before.” Today, however, “there aren’t even races anymore,” because not even the contractors earn as much as they used to.

In addition to the low pay, the main problem lies in the fact that employment is not ongoing. According to one of the workers interviewed, “we work for a week and then we don’t work for ten days. In all of last year we worked 60 days. This year we worked 83. Because of the rain, or the mud, or the fog, or the wind.” In other words, while it is true that some plantation workers can earn up to 400 pesos (\$16 USD) a day, they only work 10 to 13 days a month. “But we have to eat all 30 days, we have to pay the rent for the whole month, and it just isn’t enough.” The workers currently work an eight-hour day and “the company doesn’t let us work longer because of the question of overtime,” for which the company would be legally obligated to pay more than the usual wage.

According to the local doctor, “nobody who works on the plantations can have their families covered by their medical insurance.¹⁵ There are proportionally far more people here in Tranqueras who depend on public health care services than in Minas de Corrales” (another town in the department where she works).

According to one worker, plantation workers make only between 2000 and 3000 pesos (\$85-\$125 dollars) a month. Moreover, from late December until early February, they do not work, but they also do not receive vacation pay, so during this period they have no income whatsoever. He added that “the biggest problem is outsourcing, and the people who work for the company itself are happier.”

A former employee of a FYMNSA contractor told us that he had filed suit against the contractor because he did not pay for travel expenses, overtime, vacation pay or the twice yearly bonuses required by Uruguayan labour legislation. As a result, this man was not only never able to find work again, but even the other workers employed by the contractor testified against him, for fear of reprisals.

When it comes to working conditions, the company does nothing to monitor the contractors. According to an interviewee who did pruning work on a plantation until 2003, “the company supervisor only looks at the technical aspects, and not the working conditions.” He said that they were taken to and from work in a truck and stayed in their own homes overnight. During the day they were provided with neither food nor water, and had to bring their own. If they ran out of water, they took more from a nearby stream. There were no bathrooms. The dining hall was a table with a canvas tarp over it. The contractor provided them with saws, files and boots but deducted them from their pay (although helmets were provided for free). The ladders had no safety harnesses, so workers had to bring their own or do without. There were no women working in pruning, although there were three minors under 16 working clandestinely on the interviewee’s crew. While the workers were legally registered and covered by medical insurance through contributions paid by their employer to the state social security system, they did not receive vacation pay or bonuses.

Another worker interviewed recounted his experience doing pruning work in 2002. “First we had to prune the ‘chircas’ (*Eupatorium buniifolium*, a shrub that can grow up to two metres high). There were no paths. We had to walk distances of 15 or 20 blocks with a huge ladder over our shoulders. We pruned on top of hills. There were ‘cruceras’ (highly poisonous snakes) everywhere. We found two of them right up at chest level. Once we killed eight in three hours. We killed an average of five a day. A lot of people got bitten, but they didn’t have antivenom, only one of the contractors did.”

Pruning is difficult and dangerous work. The ladders used for high pruning (at a height of 10 metres) weighs 30 kilogrammes, and workers often have to carry them over their shoulders for distances of up to two kilometres. They are difficult to place in position and it is even more difficult to move them from one tree to the next. Very few of these ladders are made of aluminium, because these are the most expensive. Many times, instead of buying a long ladder, contractors will solder two short ladders together, in order to take advantage of the ones they purchased for lower pruning work. The problem is that sometimes the soldering does not hold. One worker told us about a serious accident he suffered as a result. “The ladder broke in half and I fell off. I landed on my back and ended up with a splintered rib.”

A number of diseases have emerged that the plantation workers link to pruning work. They say that at a certain time of year, there are some workers who suffer from peeling skin on their faces and arms, and this is believed to be an allergic reaction to pine trees. This is a fairly recent phenomenon, and only affects those who work in pruning. They also say that when the trees are budding, a sap drips from them that sticks to the workers’ bodies and clothes, while the trees’ pollen also provokes allergic reactions. Some workers have also developed rashes caused by a fungus that seems to attack those who work in the shade of the pine trees. One worker ended up with his lower arms covered in this rash.

¹⁵ It refers to a “*mutualista*”, private medical center.

As was mentioned earlier, the workers responsible for applying pesticides do not wear gloves. According to one interviewee, “the ants made a lot of money for the contractors, but not much for the workers.” Nothing is known about the impact on the health of those who have carried out this work.

Worker organization

Tranqueras was the starting point for the unionisation of forestry and plantation workers in the region. The process began on May 24, 2003 with the creation of the Union of Wood and Affiliated Industries Workers in the North of the Country (SOIMANORPA), which became the current National Union of Forestry Workers (SUNOF) on November 20, 2005. This process was successfully carried out despite the opposition of the company and the contractors.

One former plantation worker told us that the contractor he used to work for was openly opposed to unionisation, to the point of yelling when the subject was raised. Since joining SUNOF, this worker has been blacklisted and unable to find work. Now he is working with the trade union itself “to bring about a better future.”

The national leader of SUNOF, José Bautista, complained to the media that he “received threatening phone calls” in late 2003. He also reported that “in one of these calls he was offered a large sum of money to ‘stop making noise.’” When we interviewed him, he told us that the bribe he was offered was 12,000 USD. He could not file a report, because the calls were not recorded, he added.

With the exception of the two FYMNSA fire brigades (made up of roughly 20 workers), none of the employees who work directly for the company are members of SUNOF. Most of the trade union’s members are workers employed by contractors who work for both FYMNSA and other forestry companies in the region, such as Colonvade, COFUSA and others.

According to the union, the situation has improved over the last three years with regard to working conditions, and this change is attributed to union pressure. They say that “beginning in 2004, Colonvade [owned by the U.S. forestry giant Weyerhaeuser] began clamping down on the contractors” to force them to comply with the country’s labour legislation. The contractors had never done so in the past, and the company supervisors merely monitored the technical quality but not the conditions of work on its plantations. As a result, numerous regulations were violated, and a legal claim has been filed by 110 workers against Colonvade, since many of the contractors who used to work for the company have ended up insolvent.

Nevertheless, there are still many contractors who do not abide by the labour standards and who opt instead for hiring workers from other parts of the country where there are no trade unions. Some local residents blame SUNOF for the fact that people from Tranqueras (where the union is based) can no longer get work on the plantations.

Impacts on other activities

In Tranqueras (where FYMNSA has its headquarters), the first impact has been the replacement of what was formerly the region’s primary economic activity (watermelon production) by large-scale pine plantations. Tranqueras was traditionally known as the “Watermelon Capital” of Uruguay because of the importance of this sector in the local economy. Its name was subsequently changed to the “Watermelon and Forestry Capital”. One of the region’s biggest annual events was the “Watermelon Festival”, which then became the “Watermelon and Forestry Festival”. More recently, since the almost complete disappearance of watermelon farming, the event has been renamed the “Forestry and Wood Festival”.

Large-scale tree plantations are beginning to have an impact on a range of other productive activities, primarily as a result of the dwindling water supply and growing populations of predatory animals.

A young local farmer, who raises dairy cows, among other activities, told us he was extremely worried about the advance of tree plantations, which already surround his entire property. On the one hand, his cows depend on the Zanja Honda (a small nearby stream) for water, and its flow has diminished dramatically because the area around its source has been planted with trees. The water level in local wells has also dropped, and the soil has become notably drier, he noted. In addition to this, he commented that “you can’t keep sheep because of the wild boars and foxes.” He said that the company has offered to buy his land on repeated occasions.

A similar situation was seen on another small farm we visited in the area, where we were told that “you can’t raise sheep because they get eaten up by the wild boars and foxes.” The few small farms that have survived until now are facing the threat that it will soon be impossible to continue producing, and it is quite likely that their owners will follow the example of many other farmers in the area who “found themselves forced to sell their land to FYMNSA.”

Benefits for the communities?

The local residents interviewed said that before the tree plantations arrived, people were able to find work for a few months shearing sheep, picking watermelons, and in various other agricultural and stock raising activities. But today, the only option left is working for the plantations, “and it doesn’t pay enough for us to eat everyday” (for the reasons addressed previously in section 3.2 *Quality of employment*).

The certification company SmartWood maintains that “the data from the 1996 national census demonstrated the sustained growth in the region,” and that the local residents attribute this growth “primarily to the development of forestry activity.” Stated this way, it would seem that the tree plantations have contributed to the development of the region, which is why this matter deserves a more detailed analysis.

According to the Rotary Club of Tranqueras, the national census “yielded results that confirm the sustained growth of Tranqueras. In the 1985 census, there were 1,225 housing units in our town, while in 1996 there were 1,934, which is 57.8% more. In terms of population, in 1985 there were 4,471 inhabitants, while in 1996 there were 5,842 people counted in the census, representing an increase of 30.6%. When the census figures for both the town and the surrounding area are included, the result is 2,722 housing units and 8,134 inhabitants.¹⁶

In other words, the town of Tranqueras did in fact grow. What SmartWood does not mention is that this growth was largely the result of migration from the countryside to the city, since a large number of farmers sold their lands to FYMNSA and moved to Tranqueras.

In our visit to the outlying areas around Tranqueras, the few farmers who have still not sold their lands to the company pointed out the locations where the houses of those who have left used to be, which are now covered by pine trees.

We visited a school near Tranqueras which has been shut down, and talked to the only farmer in the vicinity who has refused to sell his land, and whose house is across from the school. He told us that 25 students once attended classes there, but with the arrival of the tree plantations, the countryside became increasingly depopulated, as the rural population moved to the town of Tranqueras. “Now there’s nothing left here but desolation and solitude,” he declared. We also talked to a local town council member whose wife was the school’s principal. During the last year it was open, the school

¹⁶ Source: <http://www.angelfire.com/de/rotarytranqueras/nuestra.html>

had only four students, and it was subsequently closed. “Now there are only trees” in the countryside, he commented, adding that it makes him very sad.

Many of the former rural dwellers who sold their lands moved into so-called MEVIR housing in Tranqueras. The owner of FYMNSA even donated a plot of land to MEVIR, which stands for the Movement for the Eradication of Unsanitary Rural Housing. Without entering into an analysis of this particular programme, it is nonetheless clear that these homes in the town of Tranqueras are now occupied by people who used to live in the countryside (in what may or may not have been “unsanitary” housing).

This makes it clear that what the certifying company attempts to present as a positive factor actually hides the fact that the countryside has been almost completely depopulated to make way for large-scale monoculture tree plantations.

There is also nothing said about whether moving to Tranqueras from the countryside improved the quality of life for these people. According to a local town council member, “the people who sold their lands to the companies bought houses and motorcycles and their wives opened up boutiques.” But as time passed, the money from the sale of their lands ran out, and “everything collapsed, and now they’re up to their ears in debt.”

In the meantime, the presence in the area of FYMNSA and other forestry companies has not had a significant impact on local commerce. On the contrary, “they’ve had an extremely minor impact because of the low wages the workers make,” one interviewee told us. This same sentiment was echoed repeatedly during our research. A local dairy farmer who used to bring milk into town to sell doesn’t bother doing it anymore because “no one in town has any money” and people cannot even afford to buy milk.

A local store owner told us that “the final link that sustains tree plantations is made up by small business owners like us, because we sell on credit.” Buying on credit is crucial for plantation workers, because they often go for days at a time or even longer without working, and therefore without getting paid. In order to keep food on the table for themselves and their families, they depend on these small store owners, because the big stores do not extend credit. This practice obviously entails a risk, because not all of the workers are able to pay off the tabs they accumulate, and “some store owners have been left with huge unpaid debts and on the verge of going under.” This was confirmed by another interviewee who said that “there is commercial activity, but there are a lot more unpaid tabs, which is something that didn’t used to happen.”

On this same subject, a plantation worker remarked on the low wages they make and added that “since you also get paid only on the days you can work, the problem is even worse. To be able to survive we buy on credit and have to go from store to store looking for one that will let us. The small stores are the only ones that let you build up a tab, and a lot of them have had to shut down.”

A town council member summed up the situation by observing that “it’s the owners of these small businesses who keep Tranqueras alive, or rather, who keep the workers fed.”

In the meantime, the town of Tranqueras is quite possibly more exposed to the risk of fires than any other in the country, since it is almost entirely surrounded by vast plantations of pine trees, which are highly flammable. Nevertheless, there are only four firefighters and two pump trucks in the whole town. Until now, the only fire drill carried out in the region was in Rivera, and not Tranqueras, which is in far greater danger. There is no evacuation plan for the town.

The area residents do not trust in the ability of the local firefighters to deal with a major fire. They told us of a case in which a fire broke out in a pasture, and “because the firefighters got tired trying to put it

out, the neighbours ended up putting it out themselves.” This is why many townspeople believe that there should be no plantations allowed within five kilometres of the town.

With regard to cattle grazing, we were told that “FYMNSA doesn’t let anyone use the pasture land on the plantations, because it has buffalo and Herefords of its own.”

As for the possibility of getting firewood from the FYMNSA plantations, we were told that for the moment, the company removes the leftover wood scraps from its property and leaves them on the highway. This practice will soon come to an end, however, because the company is bringing in equipment to make chipboard from the wood scraps it currently throws away. In addition, there used to be larger amounts of leftover wood, which “helped a lot of people to get by” (in other words, there was at least some benefit for the community), but “now they only throw away the bark.”

In terms of diseases associated with the plantations, numerous respondents commented that “there are a lot of allergies caused by the pine trees, especially at the time of year when they give off pollen.”

Finally, it is worth noting that the supposed “boom” in the region alluded to in the certifying company’s assessment is not in accordance with the testimonial of a local doctor, who told us that “depression and suicide attempts (with agrottoxics) are frequent” and that “a lot of anti-depressants” are consumed. Her explanation for this was that “Tranqueras is a poor town.”

3.4 Testimonials gathered on COFUSA

The general view among tree plantation workers regarding the certification of COFUSA is extremely negative. The national leader of the trade union for the plantation sector (SUNOF), José Bautista, and all of the workers interviewed concurred that “COFUSA is and always was the worst company in the region.”

One of the workers we interviewed had personally witnessed the certification process. He reported that the company showed the certifiers a select group of workers (“I was one of the three”) and only presented workers who were working legally. “The certifiers never checked into the contractors, who charged their employees for their tools and equipment, and didn’t pay bonuses or vacation pay or anything. I worked for a contractor. The certifier took pictures of us and asked us three or four questions. They asked the contractor a lot more questions. They never interviewed us alone,” he said.

For his part, a trade union leader in Rivera from the Uruguayan woodworkers union SOIMA (which represents industrial workers in the sector) told us that when the certifiers visited the sawmill owned by COFUSA (URUFOR), the company put out bins for different kinds of waste, as a way of demonstrating its concern for the environment. However, he commented, “when the truck comes to pick up the garbage, they dump all of the bins into the same truck.”

• Environmental aspects

Water

A town council member in Rivera reported that many fields have become totally unproductive because of the lack of water, and he attributed this phenomenon to the combination of drought and the fact that these lands are surrounded by tree plantations. He specifically mentioned the area around Curticeira, where COFUSA owns plantations, and noted that there are seven or eight families who have been unable to raise crops because there is no water. In fact, they do not even have enough water for their farm animals and their own consumption. He told us that several days earlier he had visited a family in the region and that they had been digging a well for two days but had still not struck water. As a result, they need to have water brought in from faraway streams in trucks and tanks. He also commented on a

branch of the Tacuarembó stream that “isn’t even the shadow of what it used to be” and laid the blame on the tree plantations.

Soil

None of the interviewees commented on this subject.

Flora and fauna

The testimonials on this subject were largely similar to those presented in the case of FYMNSA, particularly with regard to the abundance of foxes and poisonous snakes. The only difference was that according to a beekeeper interviewed by the researchers, the upsurge in wild boars seen in other areas near large-scale tree plantations had not yet affected the area around Rivera where he lives and works.

Use of agrochemicals

An interviewee who used to work for COFUSA told the researchers about his experience in one of the company’s camps. He said that the people responsible for applying herbicides used to fill up the equipment they used for this task from the same well that the others used for drinking water. Within a few days, everyone had fallen ill. “The only ones who didn’t get sick were two of us who didn’t drink water from the well,” he said.

Environmental education

The only comment made on this subject came from trade union leader José Bautista, who said that neither COFUSA nor FYMNSA make any effort to provide environmental education, and that “they only talk about fires.”

• **Social aspects**

Quantity of employment

The interviewees confirmed that COFOSA directly employs very few people in the plantation sector, and that most of the company’s employees work in the URUFOR sawmill, owned by the same group. According to the recently formed local union SOIMA Rivera, there are 180 operators working in the sawmill. Almost all of the plantation-related jobs are outsourced, with the exception of the nursery (located 26 kilometres from the city of Rivera), where there are six women working, according to SOIMA.

Quality of employment

When it comes to working conditions, all of the respondents concurred that “COFUSA has always been the worst.” “Even the transportation is terrible, with workers hanging off the sides of trucks, driven by drivers without licenses,” commented one person. Many of those interviewed added, however, that the situation has improved recently, because the companies are demanding more from the contractors, but they attribute this change to the arrival of the trade union, and not to certification.

The comments made in the section on FYMNSA with regard to wages and diseases associated with pine trees were essentially echoed in the case of COFUSA.

A number of respondents who formerly worked for COFUSA provided us with detailed accounts of the working conditions they endured. One told us of how the workers were taken to camps where they lived for periods of around three weeks. They were provided with food, clothing, boots and a saw, but had to pay for all of these things. There were between 20 and 25 people in the camps, who were paid

on a daily rate or piece work basis. This particular interviewee had worked as a pruner, marker, supervisor and foreman, but always under the orders of a contractor.

“The hygienic conditions in the camp were deplorable, and a lot of times there were rats and insects,” he recounted. “We slept on a dirt floor. There were 16 and 17-year-old kids in the camp. They paid us 50 cents a tree, and on the days we worked we earned between 250 and 300 pesos (\$10 and \$12 USD) daily. They took between 20 and 30 pesos (roughly one dollar) off our pay for food every day, whether we worked that day or not.”

On top of all this, the food was of “really poor quality,” and because no water was provided, the workers had to get water from “a well or a stream.” There were no bathrooms, and the first aid kit was so poorly stocked that “sometimes there wasn’t even an aspirin in it.” The telephone “could only be used by the foreman.” During the time the interviewee worked on the company’s plantation, the workers were obliged to purchase safety clothing, steel-toed boots and good quality saws. Today, however, the clothing provided is of poor quality, “the boots are not steel-toed, and the saws are really shoddy and bend in half.”

Those who work as pruners are forced to carry ladders that are eight and a half metres long and weigh 30 kilogrammes over distances of two kilometres. One of the respondents commented that carrying a ladder was especially difficult on windy days, because the wind would blow the ladder from side to side.

Another reporter told us that five years ago he fell off a ladder and landed on his back, striking a blow to his kidneys. The contractor was informed of the accident, but did not bother coming to the scene. The man passed blood in his urine for two days afterwards, and says he still suffers from pain as a result of this accident.

A town council member in Rivera noted that “the contractors pay as little as possible,” and remarked, “we are in a new era of slavery.” He told us the story of a worker who was employed on a COFUSA plantation and had a tree fall on his leg. He was lifted onto a truck and dumped three kilometres from the bus station with 100 pesos (four dollars) in his pocket. A police van picked him up and took him to the station. From there he took a bus and got off at the stop closest to where he lived, but still had to walk home from there.

Another incident, which occurred just a few days before the interview, involved a 22-year-old man working for COFUSA who developed water on the knee. He was admitted to a hospital, but he couldn’t have surgery because the contractor only paid him 50 pesos (two dollars) a day. In the end, he had to go back to work. According to the town councillor, things like these “happen at every level” in the tree plantation sector.

Regarding compliance with labour legislation, the workers interviewed said that “COFUSA only pays bonuses and other benefits to people who demand them.” They also emphasised that all of the jobs related to the plantation operations are outsourced, with the exception of the nursery.

The most dramatic result of the working conditions imposed by the contractors was the August 5, 2004 death of worker on one of COFUSA’s plantations. According to a press release issued by Grupo Guayubira at the time: “On August 5, while he was working on a plantation owned by COFUSA in the department of Tacuarembó, Carlitos María Ducasse Monzón, 44, married and the father of four children, was struck a fatal blow to the head by a falling tree.” The press release went on to add: “The conditions in which Mr. Ducasse was working were – unfortunately – the same as those faced by many tree plantation workers throughout the length and breadth of the country. COFUSA had hired a subcontracting firm (registered as an individual business in the name of Ms. Iris Cardozo) to carry out tree pruning, thinning and felling operations. This firm did not provide the deceased (or any of the other workers on the crew) with the personal protection equipment required by law (helmet, safety

pants, boots, gloves). Mr. Ducasse was working as a chainsaw operator, and at the time of his death, he was not even wearing a helmet. When the accident took place, the wind speed was extremely high, which made tree felling operations unadvisable, since it would be impossible to control their fall. Nevertheless, he continued working. Even worse, there was no vehicle on the worksite that could be used for emergency transportation, as the closest town is over 30 kilometres away from where the accident took place. There were also no means of communication or first aid kit available.”

Worker organization

According to information provided by the National Union of Forest Workers of Uruguay (SUNOF), none of the plantation sector workers directly employed by COFUSA are members of the union. The only union members are outsourced workers who are employed by contractors to work on COFUSA plantations.

Within the industrial branch of this business group’s operations (at the URUFOR sawmill in the city of Rivera), the situation has reportedly changed recently. The workers who are now unionized told us that an earlier trade union was formed in 1997, but was “busted” by the company. The current union (SOIMA Rivera) was founded on October 9, 2005 and had only nine members to begin with. Today there are a total of 180 permanent workers at the sawmill, and 45 of them have joined the union so far. Many workers are still fearful of anti-union reprisals from their employers, and are thus reluctant to join its ranks.

In the case of URUFOR, it appears that the possibility of successfully organising a union can be attributed to the change of government in March 2005, when the leftist Broad Front coalition took power in Uruguay. This has led to greater efforts on the part of the Ministry of Labour with regard to enforcing respect for workers’ rights, which include the right to unionisation. The message seems to have reached the company, which has posed no objections to the new union.

Impacts on other activities

The following testimonial helps explain why so many people maintain that COFUSA “is the worst.” A local town council member owns a plot of land in the countryside, which borders on a eucalyptus plantation that his former neighbour sold to COFUSA. The councilman’s land and the plantation are separated by a wire fence. One day in September 2005, he told us, “my land was invaded” by around 30 men working for COFUSA. “They knocked over the fence around my field. ‘Who gave you permission?’ I asked them. ‘We do it all the time, we’ll put your fence back up later,’ they answered. I called the police, and they came. I filed a report with the court. I had to rent a neighbouring field. An engineer came with pickets and wire and supervised while they put the fence back up. They put it up crooked. It’s shameful.”

The councilman said that the same thing had happened to two other neighbours, but they didn’t want to file complaints, because it would be too complicated. Out of fear of reprisals, they took down the fences themselves.

The councilman read out his denunciation at a session of the Rivera Departmental Council and asked for it to be sent in writing to the Ministry of Labour and Social Security, where he also filed a complaint. As of the day we interviewed him, he had still not received any sort of compensation for the damages he suffered.

While the subject of industrial contamination has not been addressed in this study, it is worth mentioning what was reported by one of the workers at the sawmill, who said that remnants of the glue used there are disposed of with the liquid waste that is dumped into a stream. “The cows downstream got sick and became really skinny. They still haven’t recovered. In the nearby reservoir there are dead fish. The water has a really strong odour. It was really pure before.”

Benefits for the communities?

With regard to the use of COFUSA plantations for grazing, we were told that in some departments (Tacuarembó, Río Negro, Soriano) the company rents out its fields to farmers who bring their cattle in to graze, while in others (Rivera) it has its own cattle (Herefords and zebus). The rates it charges for grazing on its lands are reportedly quite low.

Given that COFUSA and the other companies assessed in this report frequently enter into agreements with cattle farmers who bring their animals onto the plantations to graze, it is worthwhile to consider to what extent this constitutes a benefit to local communities. The following detailed interview helps to shed light on this matter:

“There are a lot of farmers who take their cattle to graze on the plantations, and the cost for this is economical. Nevertheless, the situation is worse now than before the plantations came, because before there was a lot more and much better land to rent for grazing. Today, even though it’s cheap, it makes things more difficult for the farmers in two ways. First of all, because there is very little grass available on the plantations (especially now that the trees are bigger), the animals have to spread out a lot further, and it is difficult to gather them together, because they wander long distances away and in all different directions. Before, when the trees were smaller, there was more water and more grass, which made it more profitable. But not now, and farmers only continue going there because there are no other fields available for grazing. Secondly, there is the problem of vaccinating against foot and mouth disease. The authorities have declared that this policy will be strictly enforced, and now it is mandatory to contract a veterinarian to carry out the vaccination, to ensure that it is done properly and that all the animals owned by every farmer are vaccinated. This means that the farmers who take their cattle to graze on the plantations have to gather together their entire herd, which isn’t always easy on such vast areas of land, where there is also the added difficulty of the trees blocking their view. In addition, at least in this region, the veterinary authorities have announced that the owners of the plantations will be held responsible for any unvaccinated cattle on their properties, and so it is expected that the companies will soon stop allowing grazing on their lands.”

In terms of firewood, the URUFOR sawmill (owned by the same group as the COFUSA plantations) leaves leftover wood out in a particular spot, where it is picked up by some of the poorer inhabitants of the area. Nevertheless, it is only scraps and bark that are given away, because according to a URUFOR worker, “the wood and sawdust are burned in the sawmill.”

As for economic assistance for the local community, an interviewee described it as “laughable”, and said that the good publicity earned by the companies for these efforts far outweighs any support they actually provide (school materials like workbooks and other supplies). In this respect as well, we were told that “COFUSA is the worst.”

On the subject of apiculture, we heard contradictory reports. Some respondents said that COFUSA does not allow beehives on its properties, while others said that it does. Complicating matters even further, among those who said that this practice is allowed, some said that it is free, while others said that a fee is charged. This seems to indicate that the company does not have a clear policy on this matter and that this policy has continued to change over time. It is also possible that its policy varies across the different areas where its plantations are located.

The researchers finally managed to interview the person who reportedly knows more about apiculture than anyone else in Rivera, who said that COFUSA makes leasing arrangements with beekeepers, for which a contract must be signed. He added that this year the price set was one U.S. dollar per hive for the duration of the season (March to August), and that there are only around 1000 hives in the area.

4. Conclusions and recommendations

All of the foregoing clearly illustrates that not one of the four companies evaluated fulfils the mission of the FSC, which explicitly states: “The Forest Stewardship Council (FSC) shall promote environmentally appropriate, socially beneficial, and economically viable management of the world’s forests.”

In environmental terms, it has been demonstrated that these plantations have serious impacts on water (surface and underground), flora (particularly the species associated with the country’s main ecosystem: grasslands), fauna, and the landscape, and that that these in turn have a significant effect on other rural economic activities (especially agriculture, sheep farming and honey production) and on human health (due to the proliferation of poisonous snakes). Plantations are therefore not an “environmentally appropriate” way to manage natural resources.

In social terms, large-scale monoculture tree plantations have brought about negative changes in the rural environment (greater concentration of land ownership in corporate and foreign hands, depopulation of rural areas, disappearance of other productive activities, impacts on agricultural production), while providing limited employment under precarious conditions (outsourcing systems, temporary employment, low income, piece-work, scant compliance with labour legislation) and contributing very few benefits to local communities. This can therefore hardly be called a “socially beneficial” activity.

In economic terms, the companies that own the plantations have received a wide range of direct and indirect state support (subsidies, tax breaks, soft loans, the building of highways, and maintenance of rural roads affected by the heavy trucks involved in the activities of these companies). This economic support, linked to the externalization of environmental impacts (on water, flora and fauna) and social impacts (cheap labour, poor working conditions resulting from the use of outsourcing systems, damage to other rural activities) has been essential for making viable an activity that would have been unviable without it. That is to say, this is in no way an “economically viable” activity, either.

Finally, in the concrete case of Uruguay, the certification of these plantations does not contribute to promoting the sustainable management of forests (which are protected by law), but instead serves to endorse the total destruction of the country’s main ecosystem (grasslands).

All of this leads to one overwhelming conclusion: that the large-scale monoculture tree plantations established in Uruguay should have never been certified by the FSC, precisely because they are “environmentally inappropriate, socially damaging and economically unviable.”

This conclusion in turn leads to the following recommendations:

- 1) that the FSC should definitively stop certifying large-scale monoculture tree plantations in Uruguay.
- 2) that the FSC should send a clear signal in this regard to the certification companies that are currently assessing the certification of other plantations in the country.
- 3) that the certificates granted to the companies evaluated in this study should be withdrawn as soon as possible.
- 4) that the same should be done in the case of the other large-scale monoculture plantation that is currently certified (owned by Industrias Forestales Arazatí) and any others that may be certified in the meantime until the FSC reaches a definitive decision on this issue.

Other titles in this Series:

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No. 3 - Navarro, René; Carrasco Henríquez, Noelia; Araya Cornejo, José. The economic and social context of monoculture tree plantations in Chile. The case of the Commune of Lumaco, Araucania Region. 2005. (Also available in Spanish).

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