Labor and Human Rights Risk Analysis of Ecuador’s Palm Oil Sector

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Executive Summary

Ecuador’s production of palm oil has grown dramatically in recent years, making it Latin America’s largest producer. This expansion has heightened labor and human rights risks linked to palm production. Such risks include forced labor, unethical recruitment and hiring practices, wage and hour violations, child labor, discrimination against women and minorities, environmental damage, and displacement. The Ecuadorian government as well as palm oil producers and buyers can take certain steps to mitigate these risks, which are described at the end of this report.

This report is the result of a literature review and 77 expert consultations and worker interviews carried out by Verité in Ecuador. The research focused on the provinces with the highest levels of African palm cultivation: Esmeraldas, Pichincha, and Santo Domingo de las Tsáchilas, as well as the Canton of Las Golondrinas. Emphasis was placed on Esmeraldas, the province with by far the highest amount of African palm cultivation as well as the highest number of Colombian immigrants, who are particularly vulnerable to labor exploitation. The research was qualitative in nature and sought to uncover information about the presence and characteristics of labor and human rights risks. While workers from a variety of regions and employed in a range of locales and occupations were interviewed, the sample cannot be said to be statistically representative at a national or sectoral level.

Several factors coalesce to heighten risks of labor exploitation for the more than 150,000 workers involved in palm production in Ecuador. Palm oil requires far fewer workers than most other crops, leading to a high level of competition among workers for scarce jobs, which renders them easily replaceable and thus unable to protest poor conditions. Palm plantations displace people from their land and reduce alternative employment opportunities, creating a pool of workers whose only option for work is on the plantations. In addition, labor brokers manage much of the palm sector’s workforce, distancing palm producers from responsibility for working conditions and shielding them from legal liability for violating labor law.

Colombian immigrants, including refugees, frequently work in Ecuador’s palm sector, where they are especially vulnerable to labor and human rights violations. They often face discrimination and threats of deportation, constraining their ability to protest unfair labor conditions. Vast numbers of refugees flee Colombia, which has the second highest rate of displacement in the world after Syria. The large majority of Colombian refugees migrate to Ecuador. While some immigrants interviewed were able to obtain asylum and legal status, many Colombian immigrants were forced to remain undocumented in Ecuador, due to changes in the country’s asylum system prior to research, making them especially vulnerable to exploitation. Colombian refugees were fleeing from violent armed groups in Colombia, which have also established a presence in Northern Ecuador, further increasing their vulnerability in Esmeraldas.

Verité research found indicators of forced labor, including indicators of unfree recruitment, work and life under duress, and impossibility of leaving employers, especially
among Colombian immigrants. Palm companies and labor brokers deceived workers about working and living conditions on palm plantations, luring them into jobs with far worse pay and conditions than expected. Palm workers were reportedly paid as little as a sixth of the amount originally promised to them and were forced to work overtime, sometimes without pay. Workers also faced limits on their freedom of movement and communication, including curfews, constant surveillance, and supervision by armed guards. Workers depended on their employers not only for their incomes, but also for food and shelter, which restricted workers’ ability to leave. Furthermore, some workers fell into debt due to deductions for food and housing that were often of poor quality. There were also reports that employers withheld workers’ wages and threatened workers with physical violence, reporting of undocumented workers to authorities, and worsening of already poor working conditions in order to prevent them from seeking assistance or protesting unfair treatment.

Verité’s research also uncovered additional problems faced by palm workers. These risks included wage, benefit, and working hour violations; child labor; discrimination against women, indigenous people, and people of African descent; health and safety risks; poor housing; environmental damage; harm to indigenous communities; and inadequate grievance mechanisms.

It is imperative that the government of Ecuador and palm oil companies take urgent steps to combat labor and human rights risks connected to palm production. Verité recommends that the government of Ecuador build the capacity of the labor inspectorate, improve services for victims of forced labor, promote measures to detect and prosecute cases of forced labor and labor exploitation, strengthen mechanisms for registering worker grievances, and carry out measures to better protect asylum seekers from labor exploitation. Verité recommends that palm oil producers and buyers assess their supply chains for labor and human rights risks, build the capacity of their staff to understand risks related to palm oil production, implement grievance mechanisms to allow workers in their supply chains to lodge anonymous complaints, and engage in policy advocacy and stakeholder dialogue.

**Research Methodology**

Verité carried out research on the Ecuadorian palm sector from August 2013 through December 2015. In preparation for field research, in August and September 2013, Verité conducted desk research mapped production areas and the supply chain of Ecuadorian palm oil, and consulted with experts over the phone. During October 2013, field research was carried out in Ecuador. Based on preliminary research, Verité chose to conduct expert consultations in Quito and to focus its field research activities on the areas with the highest levels of palm oil production: the Provinces of Esmeraldas, Pichincha, and Santo Domingo de las Tsáchilas, as well as the Canton of Las Golondrinas. In the Province of Esmeraldas, Verité carried out research in Esmeraldas, Atacames, Quinindé, and San Lorenzo. In Pichincha, Verité carried out research in Pedro Vicente Maldonado, Puerto Quito, and San Miguel de los Bancos. In Santo Domingo de las Tsáchilas, Verité carried
out research in Santo Domingo de los Colorados, La Concordia, and Valle Hermoso. Following the field researcher, Verité carried out additional desk research and drafted this report.

Map of Ecuador and Areas under Study

The research and this resulting report emphasize findings in Esmeraldas, the largest palm-producing municipality in Ecuador. While Verité noted labor issues in the other departments under study, Esmeraldas was the department in which workers registered the highest level of vulnerability to severe forms of exploitation. Additionally, Colombian refugees, who constituted the most vulnerable category of workers, were employed in the largest numbers in Esmeraldas.

Field research for this report was carried out by REACH (Research-Education-Action-Change), an NGO with offices in Guatemala and the United States that works to address human and labor rights issues throughout the Americas. The field research team was comprised of two bilingual researchers who had previously conducted research on forced
labor throughout Latin America. REACH also contracted local guides to assist in contacting workers.

Field research began with expert consultations in Las Golondrinas on palm cultivation. Verité researchers then conducted additional expert consultations in the capital city of Quito, interviewing government officials and representatives of NGOs and the National Association of Oil Palm Cultivators (la Asociación Nacional de Cultivadores de Palma Aceitera – ANCUPA). These interviews provided an overview of the palm oil industry, its supply chain, and the areas in which indicators of forced labor were most likely present, directing a preliminary map of the areas of the palm oil supply chain with the highest risk of human and labor rights violations.

Subsequently, field research was carried out in Esmeraldas, Pichincha, and Santo Domingo de las Tsáchilas Provinces and the Canton of Las Golondrinas. During field research, Verité was able to visit palm plantations, processing plants, and workers’ communities of origin. Researchers conducted interviews with workers, ANCUPA and employer representatives, experts on palm cultivation, and other local experts (from the government, NGOs, and faith-based organizations). In total, Verité was able to interview 39 workers and 38 experts during research activities.

**Interviews**

<table>
<thead>
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| 39 in Total |
## Table 2: Summary of Worker Interviews

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<th>Age Range</th>
<th>Race</th>
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<td>29-39</td>
<td>Colombian</td>
<td>Undocumented Immigrant</td>
</tr>
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</table>

**38 in Total**

### Data Analysis

This report provides background information on palm oil production, Ecuador, the province of Esmeraldas, Colombian migration to Ecuador, and findings on labor and human rights risks associated with palm oil production in Ecuador. These risks include indicators of forced labor; unethical recruitment and hiring practices; wage and hour violations; land grabs and displacements; and other labor issues, such as child labor,
violations of women’s rights, unacceptable living conditions, and a lack of grievance mechanisms. Verité has also provided limited information on environmental damage linked to palm plantations. For this report, Verité researchers collected and cross-analyzed data from desk research, expert consultations, and worker interviews in order to ensure the triangulation of data.

This research, building on Verité’s past experience researching indicators of forced labor, did not seek to determine the existence or scale of forced labor, but rather to highlight risks of labor and human rights violations, including forced labor. Researchers carried out a rapid analysis of indicators of forced labor, collecting data on the existence of those indicators rather than determining whether each individual was a victim of forced labor. In the Findings section, Verité provides an overview of the indicators of forced labor encountered in the Ecuadorian palm sector, in accordance with 2005 guidance from the International Labour Organization (ILO) on “Identifying forced labor in practice.”

In Appendix 1: Presence of ILO Indicators of Forced Labor, Verité provides a chart of a broader spectrum of indicators of forced labor, based on the ILO’s 2011 publication Hard to See, Harder to Count: Survey Guidelines to Estimate Forced Labor of Adults and Children.

The ILO defines forced labor as “all work or service which is exacted from any person under the menace of any penalty and for which said person has not offered himself voluntarily.” This means that a person is in a forced labor situation if he or she is working under conditions to which he or she did not originally consent and if he or she cannot leave that job without penalty or a threat of penalty. In this case, a penalty could include physical constraint or punishment, or other forms of abuse such as threats of deportation, the confiscation of passports, or the non-payment of wages that effectively bind a worker to a job or employer. Hard to See, Harder to Count provides a broad spectrum of indicators of forced labor and breaks them down into three dimensions: unfree recruitment, work and life under duress, and impossibility of leaving employers.

According to the ILO’s methodology, in order for forced labor to exist, there needs to be at least one indicator of involuntariness and one indicator of menace of penalty in at least one dimension (unfree recruitment OR life and work under duress OR impossibility of leaving employers). Each individual case must be assessed using this methodology. Therefore, while the data contained in this report is valuable for assessing the risk of forced labor, it cannot be used to determine the existence or scale of forced labor.

Verité bases its definition of labor trafficking on the 2000 United Nations’ Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, also known as the Palermo Protocol. This protocol contains the internationally recognized definition of human trafficking:

the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation
shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs.\(^3\)

Verité research assessed the existence of indicators of forced labor, not indicators of labor trafficking. Ecuador’s legal system is more oriented towards combating human trafficking; it is therefore important to note that there is a great deal of congruence between the ILO’s indicators of forced labor and labor trafficking.\(^4\)

**Limitations**

It should be noted that this research was qualitative in nature and sought to uncover information about the presence of labor and human rights risks. While researchers interviewed workers from a wide variety of regions and employed in a variety of locales and occupations, the sample cannot be said to be statistically representative at a national or sectorial level.

The level of insecurity in Northern Ecuador, especially San Lorenzo, Esmeraldas, cannot be overemphasized as a research challenge. Danger to both researchers and workers impeded access to plantations and led researchers to conduct interviews in migrant workers’ communities of origin or in public spaces such as markets. The research team was careful to form partnerships with trusted and respected local NGOs, as well as community and religious leaders, in order to obtain permission to operate in particular insecure regions, to gain the confidence of workers, and to ensure the security of the researchers and respondents. Researchers carefully explained the purpose of the research to avoid misperceptions, used the term “forced labor” sparingly, and couched questions about forced labor among questions about production, general conditions of work, labor relations, and other related issues.

**Background**

**Background on Ecuador**

Ecuador is a South American country that borders Peru and Colombia. It is comprised of 109,483 square miles of territory. In the 2010 census, Ecuador reported a population of 15,654,411 inhabitants, 71.9 percent of whom were mestizo (mixed Amerindian and white), 7.4 percent of whom were Montubio, 7.2 percent of whom were Afro-Ecuadorian, seven percent of whom were Amerindian, 6.1 percent of whom were white, and 0.4 percent of whom fell under other categories. Ninety-three percent of Ecuadorians speak Spanish, 4.1 percent speak Quechua, 0.7 percent speak another indigenous language, and 2.2 percent speak a foreign language. An additional two to three million Ecuadorians live abroad. Ecuador is considered to be Latin America’s top recipient of refugees. The vast majority (98 percent) of these refugees come from Colombia, fleeing situations of
violence and insecurity. In 2012, the United Nations reported that 80 percent of Colombian refugees fled to Ecuador.

Ecuador’s gross domestic product (GDP) of USD 157.6 billion ranked 62nd in the world in 2013. In 1999 and 2000, a banking crisis decimated Ecuador’s economy and resulted in a 5.3 percent decrease in GDP and a significant increase in poverty. Structural reforms passed in March 2000, including the adoption of the U.S. dollar as Ecuador’s official currency, stabilized the economy and eventually resulted in annual economic growth rates of 4.3 percent from 2002 to 2006, 6.4 percent in 2008, 7.8 percent in 2011, 5.1 percent in 2012, and four percent in 2013.

In 2013, 59 percent of the GDP was generated by services, 35 percent was generated by industry, and six percent was generated by agriculture. Important industries included petroleum, food processing, textiles, wood products, and chemicals. Important agricultural and seafood products included bananas, coffee, cocoa, rice, potatoes, manioc (tapioca), plantains, sugarcane, cattle, sheep, pigs, beef, pork, dairy products, fish, shrimp, and balsa wood.

In 2013, Ecuador registered USD 25.5 billion in exports, 37.3 percent of which went to the United States, 8.1 percent to Chile, 6.5 percent to Peru, 4.4 percent to Japan, 4.5 percent to Russia, and four percent to Colombia. Petroleum exports accounted for more than 50 percent of Ecuador’s exports and about 20 percent of public sector revenue. Other important exports included bananas, cut flowers, shrimp, cacao, coffee, wood, and fish. In 2013, palm exports reached approximately USD 300 million, generating 15 percent of Ecuador’s agricultural GDP and 1.8 percent of Ecuador’s overall GDP.

While the agricultural sector only generated six percent of Ecuador’s GDP, it employed 28 percent of the workforce in 2012, compared to 18 percent for industry. In 2013, Ecuador had a workforce of 4.85 million and an unemployment rate of 4.9 percent. The unemployment rate was much higher among certain demographic groups. For example, the unemployment rate was 11.1 percent among youth between the ages of 15 and 24 in 2012. Furthermore, Afro-Ecuadorians had the highest unemployment rate of any group in the country, at 12 percent in urban areas, compared to the national average of 7.2 percent in urban areas.

Statistics from December 2012 indicate that 27.3 percent of all Ecuadorians lived under the poverty line. Poverty was much more widespread among certain ethnic groups. Ecuador’s GINI coefficient, a measurement of equality for which a score of zero corresponds to complete equality and 100 to complete inequality, was 47.7, making Ecuador the 28th most unequal country in the world. A correlation between poverty and ethnicity is evident from the living and working conditions of indigenous peoples and Afro-descendants in Ecuador. A 2007 survey carried out by the Ministry of Coordination for Social Development highlights that both Afro-Ecuadorians and indigenous peoples were the poorest of the poor, with 48 percent living below the poverty line and 13.7 percent living in extreme poverty. A 2008 report on Economic and Social Progress in Latin-
America indicated that indigenous and Afro-descendent groups, along with women, had reduced access to jobs, basic services, and education.14

Background on Esmeraldas

The province of Esmeraldas is located in the northwestern corner of Ecuador, bordering the Colombian province of Nariño. Esmeraldas comprises 6,262 square miles of territory.

Esmeraldas is home to 534,092 inhabitants and has one of the fastest growing populations in Ecuador. In Esmeraldas, 78.3 percent of the inhabitants were living under the poverty line in 2012, compared to 27.3 percent nationally. This was reportedly due to a high rate of unemployment and population growth, a percentage of which can be attributed to the large number of Colombian refugees arriving in Esmeraldas.15 The population is young, as well: almost half of the population of Esmeraldas was under 20 years old in 2010.

In 2012, it was reported that Esmeraldas was the province with the highest number of Colombian refugees in all of Ecuador.16 Within Esmeraldas, the areas of Atacames, Esmeraldas, Quinindé, and San Lorenzo (all of which were visited by Verité researchers) had the highest concentrations of Colombian refugees. According to United Nations statistics, in Esmeraldas alone, there were more than 6,000 recognized Colombian refugees, along with almost 16,000 Colombian refugees seeking asylum as of December 2011.17 Approximately 60 percent of these asylum seekers were Afro-Colombians and about 70 percent were from the Colombian Department of Nariño, especially the municipality of Tumaco,18 from which refugees were fleeing extreme poverty, violence, and crime.19 Many of these Colombian refugees end up on palm plantations in Esmeraldas, which provides few other employment opportunities outside of the palm and fishing sectors.20

Esmeraldas’ main sources of income are the fishing and agricultural industries, with African palm covering more agricultural land than any other product.21 Esmeraldas is by
far Ecuador’s largest palm oil-producing province, and palm cultivation continues to expand at a rapid rate. In 2005, Esmeraldas registered 79,719 hectares of African palm under cultivation, constituting 39 percent of all Ecuadorian land on which African palm was planted. By 2010, Esmeraldas registered 152,679 hectares under cultivation. According to the Ministry of Agriculture, Livestock, and Fishing (MAGAP), of the 220,000 hectares of African palm crops registered in Esmeraldas in 2011, 50,000 were located in San Lorenzo and Eloy Alfaro and the rest of the registered crops (170,000 hectares) were located in Quinindé and La Concordia. There is little industrial production in Esmeraldas, with the exception of the refinement and processing of palm oil and palmetto.

Violence in the Border Region

Many of the Colombian refugees who have fled to Esmeraldas and other areas of Ecuador bordering Colombia have done so to escape violence enacted by guerrillas, paramilitaries, and criminal groups. However, violent criminal groups have begun to follow refugees into Northern Ecuador and prey on migrant communities, increasing their vulnerability to loan sharking, debt collection, and contract killing.

There have been reports that the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia - FARC) have established a permanent presence in Ecuador, where FARC fighters have reportedly adopted civilian dress and begun blending in and living in border communities. According to Insight Crime, the FARC was more active in the Ecuadorian border region in 2012 than ever before, and routinely crossed between Colombia and Ecuador. The FARC reportedly used Ecuador as a base of operations in order to obtain supplies, medical services, weapons, ammunition, and explosives. It has also been reported that the FARC was promoting the cultivation of drugs in Ecuador and was selling drugs to Mexico’s Sinaloa Cartel in the Ecuador border region. Since a Colombian military air raid on a FARC camp in Ecuador in 2008 killed the FARC’s leader, Ecuadorian troops have increased border patrols and destroyed FARC encampments in Ecuadorian territory. In 2012 alone, 19 members of illegal Colombian armed groups were arrested, 19 bases and nine hideouts were eliminated, and more than 170,000 coca and 3,000 poppy plants were destroyed. In August 2013, Ecuadorian troops fought with a Colombian group believed to be the FARC, resulting in the deaths of one Ecuadorian officer and five Colombians.

The notorious Rastrojos, one of Colombia’s most powerful drug trafficking organizations (DTOs) and criminal syndicates, have also made their way into Ecuador. Police intelligence indicates that the Rastrojos have come to dominate all drug trafficking routes through Ecuador, which has become an important transit point for Colombian cocaine. The Rastrojos are especially active in Esmeraldas and Santo Domingo de los Tsáchilas, as well as other provinces.

Colombian loan shark organizations have reportedly offered contract killing services in Ecuador. These loan sharking operations run “oficinas de cobro” (debt collection offices) that mirror criminal organizations in Colombia and use violence to collect on debts.
According to a United Nations High Commissioner on Refugees Representative, in 2011 alone, assassinations of 15 refugees in the province of Esmeraldas corresponded with “an increased presence of illegal armed groups along the border, ... operat[ing] in the region and foster[ing] systemic human rights violations.”\(^\text{35}\) There have been increased reports of busts of loan shark networks comprised of Colombians operating in Ecuadorian territory.\(^\text{36}\) On August 14, 2013, Ecuadorian police arrested 38 people, including 30 Colombians who ran an illegal loan operation that charged usurious interest rates. Later that month, Ecuadorian authorities arrested another 18 people linked to a loan sharking operation that was accused of being involved in 15 murders.\(^\text{37}\)

**Palm Oil**

**Palm Oil Production Worldwide**

The rapid rise in demand for palm oil worldwide has mostly been fueled by increased demand for vegetable oil in Asia, as well as global demand for biofuels.\(^\text{38}\) Global demand for vegetable oil rose from 25.57 million metric tons (MT) in 1970 to 144.76 million MT in 2010, of which palm oil constituted 34 percent.\(^\text{39}\) Land cultivated for palm oil production increased from 1.55 million hectares in 1980 to 12.2 million hectares in 2009. During this time period, production jumped from 4.5 million tons to 45 million tons, 75% of which was traded on the international market. Currently, 50 million tons of palm oil are produced annually.\(^\text{40}\) While Malaysia and Indonesia have traditionally dominated palm oil production, African and Latin American countries are emerging as important palm oil producers.

Palm oil is primarily used in food for human and animal consumption.\(^\text{41}\) It is the world’s most-commonly used vegetable oil, sold in its raw form as cooking oil and used in processed foods such as baked and fried goods, concentrated foods, condensed milk, and animal foods.\(^\text{42}\) In fact, palm oil can be found in about half of the products in supermarkets in Western countries, though due to labeling regulations in the U.S., many of these goods are simply labeled as containing “vegetable oil.”\(^\text{43}\) Palm oil is also a key ingredient in soaps, detergents, candles, cosmetics, glues, lipstick, ink, vitamins, and machinery lubricants.\(^\text{44}\) The production of processed foods by transnational food manufacturers has contributed to the growth in the demand for palm oil. The World Bank estimates that by 2050 the demand for palm oil will double with the increased consumption of processed foods in emerging economies.\(^\text{45}\)

In 2012, the U.S. consumed 2.7 billion pounds of palm oil, about 2.2 percent of the world total, and annual imports are steadily increasing.\(^\text{46}\) Although consumption of palm oil tripled in the U.S. between 2007 and 2012, the U.S. is a small consumer compared to Asia and Europe. This is due both to a tradition of palm oil use in Asia and Europe and to increased access to cheaper corn, soybean, and rapeseed oil in the U.S. EU countries consume approximately 10.2 percent of palm oil, and Asian countries including India, Pakistan, and China use palm oil primarily for cooking. Population growth in Asian countries has thus contributed significantly to the rise in demand for palm oil.\(^\text{47}\)
The increased domestic consumption of palm oil in developing countries has coincided with an increase in demand for biofuels, as forecast by the UN Food and Agriculture Organization (FAO). This growing global demand for biofuel is part of what lies at the root of the explosion of the production and global trade of oil palm: it is cheap, widely available and delivers high yields per hectare.\textsuperscript{48} Many European countries, alongside other developed nations, have promoted national investments in green fuels to phase out harmful petrochemicals, providing USD 20 billion in subsidies annually.\textsuperscript{49} Although the use of biodiesels remains relatively small, recent figures have shown that biodiesel use is rapidly increasing. From 2000 to 2010 the use of biodiesel in Europe increased by a compound growth rate of 38.4 percent. The demand for oil palm will likely further increase as scientific innovations increase efficiencies in both the production and use of biodiesels.\textsuperscript{50}

Most of the world’s palm oil supply is grown in Indonesia and Malaysia. The two countries supply nearly 85 percent of the world’s oil palm supply, making palm oil an integral part of their export economies. In 2012, Malaysia produced 18,202 thousand metric tons of palm oil and Indonesia produced 25,900 thousand metric tons. In 2010, palm oil was their largest agricultural export, comprising 4.3 percent of Malaysia’s GDP and 1.4 percent of Indonesia’s GDP. The palm oil industry employs as many as 3.5 million workers from the two countries.\textsuperscript{51} The U.S. imports nearly 90 percent of its palm oil from Malaysia, while the EU imports about 32 percent from Malaysia and 54 percent from Indonesia.\textsuperscript{52} Indonesia and Malaysia will likely continue to be the largest international suppliers of palm oil; however, there has been a significant increase in palm oil production in Latin America and Africa.
Palm Oil Production Process

African palm grows in tropical climates near the equator. It can only thrive in areas with average annual temperatures between 25 and 28 degrees Celsius, at altitudes of 0-500 meters above sea level, and in areas with over 1,800 mm of rainfall per year. Despite its high yield, it is a relatively expensive crop to plant, so assuring appropriate climatic conditions is essential for profitability.

African palm trees take only three years to reach maturity and the trees are productive for approximately 20 years. The oil palm tree has an extremely high yield compared to other oil crops. The tree averages three or four harvests per year and requires relatively low maintenance, making African palm an attractive and cost-effective alternative to other oil crops, which along with increasing demand for palm oil, has driven farmers and agribusiness to plant palm on a massive scale.

To begin planting palm oil seedlings, land is cleared and prepared for plantations. This process may include removing wild vegetation and previously cultivated crops, tilling, and irrigation. African palm saplings are planted in a greenhouse for nine to ten months and are then re-planted in plantations. The planted crop is commonly sprayed with Paraquat or other chemical pesticides. Once mature, after three years, palm fruits are manually harvested from the palm trees using long sickles. Within 48 hours, harvested palm fruits are collected to be shipped to mills for processing.

To begin the extracting process, palm fruits are sterilized via steam in large pressurized containers. The sterilization eliminates bacteria and halts the breakdown of oils within the fruit. Fruits are then removed from bunches and placed into large threshing drums, while the empty bunches are set aside to be used as fuel for the milling process. Individual kernels go through a press digester. This divides the fruit oil from the fruit solids, which are called press cake and are shipped to a special facility that separates the palm nut from its fibrous cake, which is then recycled as fuel for the crushing process. Once the palm fruit is split, the kernel is separated via a winnowing system.

Most palm oil is refined by physical rather than chemical processing because it is less complex, less expensive, less polluting, and more efficient. Palm oil is degummed by acids, then bleached and deodorized, creating refined palm oil, palm kernel oil, and fatty-acid distillates. Oil palms undergoing chemical processing are treated with alkaline sodium hydroxide to neutralize the oils prior to being bleached and deodorized, creating neutralized palm oil, palm kernel oil, and soap stock. The oil can be again processed to produce varying densities of derivatives that can be mixed in with other vegetable oils.
Supply Chain

The various levels of the palm oil supply chain include producers, processors, exporters, importers, agents, wholesalers, re-exporters, retailers, and specialized retailers. The control of the global palm oil trade rests in the hands of a relatively small number of companies that dictate nearly all the buying and selling of the commodity. Large palm companies usually operate their own diverse network of plantations, mills, and refineries and sometimes operate as global palm oil brokers as well.

Once palm oil is imported into developed nations, it is often sold by refineries and traders to other commercial businesses such as food service operators and packaged goods manufacturers. Palm oil is then processed into derivatives such as stearin, olein, and oleochemicals to be used in a number of food and nonfood products. Very few companies openly report their use of palm oil. However, a number of prominent international cosmetics, food, and consumer goods companies have acknowledged using thousands to millions of metric tons of palm oil per year.
Labor Force

African palm production, that is cultivation and harvesting, is an extremely labor intensive activity and provides for most of the jobs within the palm oil industry. Although it differs from plantation to plantation, one worker is generally needed for every 25 acres of land. Despite the low ratio of workers to land and advances in technology and efficiency, most jobs on palm plantations are provided by extremely large estates that require a large number of workers.68

Work on palm plantations is primarily carried out by unskilled workers. Due to their isolation, most estates must hire temporary workers during peak harvest and are reliant on outsourced labor. Labor brokers on company payrolls often lure men, women, and children with enticing offers of high wages, easy work, and promising living conditions.69

There are reports that the palm oil industries in both Malaysia and Indonesia actively violate labor rights. Migrant workers are forced into debt by profiteering labor brokers. Even local workers have been victims of exploitative labor practices and an increasing number of smallholders fall into a trap of unfair loan agreements.70 Children have also fallen victim to numerous labor rights violations within the palm industry, spurring the U.S. Department of Labor to list the palm oil sector as one of the worst offenders for forced and child labor.71

Palm Oil Production in Ecuador

African palm was introduced to Ecuador in 1953, where it was first planted in La Concordia and Quinindé, Esmeraldas and Los Colorados, Pichincha.72 It was not until 1967 that large-scale African palm production began to expand and cultivation grew beyond 1,000 hectares.73 According to recent government reports, 60 percent of the African palm trees planted in Ecuador were Híbrido Tenera INIAP trees, which produced an average of 25 tons of palm oil per hectare per year.74

Between 1993 and 2012, Ecuador’s palm oil production increased more than 350 percent. In 1993, Ecuador produced 152,537 metric tons of palm oil. By 2012, Ecuador produced 539,498 tons.75 In 2006, Ecuador became the second-largest palm oil producer in Latin America, after Colombia.76 In 2010, Ecuador surpassed Colombia (whose African palm sector had been struck with a disease) to become the largest palm oil producer in Latin America.77
## Ecuador: Production, Consumption and Surpluses of Palm Oil

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (mt)</th>
<th>Consumption (mt)</th>
<th>Surplus (mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>152,537</td>
<td>152,537</td>
<td>0</td>
</tr>
<tr>
<td>1994</td>
<td>174,413</td>
<td>168,011</td>
<td>6,402</td>
</tr>
<tr>
<td>1995</td>
<td>185,206</td>
<td>167,972</td>
<td>17,234</td>
</tr>
<tr>
<td>1996</td>
<td>180,337</td>
<td>156,354</td>
<td>23,983</td>
</tr>
<tr>
<td>1997</td>
<td>203,308</td>
<td>185,584</td>
<td>17,724</td>
</tr>
<tr>
<td>1998</td>
<td>198,495</td>
<td>179,799</td>
<td>18,696</td>
</tr>
<tr>
<td>1999</td>
<td>267,246</td>
<td>198,088</td>
<td>69,158</td>
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<tr>
<td>2000</td>
<td>222,195</td>
<td>197,540</td>
<td>24,655</td>
</tr>
<tr>
<td>2001</td>
<td>224,195</td>
<td>198,815</td>
<td>25,380</td>
</tr>
<tr>
<td>2002</td>
<td>238,798</td>
<td>199,508</td>
<td>39,290</td>
</tr>
<tr>
<td>2003</td>
<td>261,932</td>
<td>200,203</td>
<td>61,729</td>
</tr>
<tr>
<td>2004</td>
<td>282,152</td>
<td>200,798</td>
<td>81,354</td>
</tr>
<tr>
<td>2005</td>
<td>339,952</td>
<td>201,258</td>
<td>138,694</td>
</tr>
<tr>
<td>2006</td>
<td>352,120</td>
<td>204,039</td>
<td>148,081</td>
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<tr>
<td>2007</td>
<td>396,301</td>
<td>211,277</td>
<td>185,024</td>
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<tr>
<td>2008</td>
<td>418,380</td>
<td>209,675</td>
<td>208,705</td>
</tr>
<tr>
<td>2009</td>
<td>428,594</td>
<td>201,485</td>
<td>218,109</td>
</tr>
<tr>
<td>2010</td>
<td>380,301</td>
<td>209,840</td>
<td>170,461</td>
</tr>
<tr>
<td>2011</td>
<td>472,988</td>
<td>211,949</td>
<td>261,039</td>
</tr>
<tr>
<td>2012</td>
<td>539,498</td>
<td>213,600</td>
<td>325,898</td>
</tr>
<tr>
<td>2013*</td>
<td>470,000</td>
<td>215,000</td>
<td>255,000</td>
</tr>
<tr>
<td>2014**</td>
<td>490,000</td>
<td>215,000</td>
<td>275,000</td>
</tr>
</tbody>
</table>

*Provisional  **Estimated

Source: FEDAPAL. Does not take inventories into consideration

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*Provisional  **Estimated
Source: FEDAPAL. Does not take inventories into consideration

Source: Fundación de Fomento de Exportaciones de Aceite de Palma y sus Derivados de Origen Nacional

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Palm Oil Exports

In 2014, Ecuador was the top palm oil exporter in Latin America and one of the top ten palm oil-exporting countries in the world. Ecuadorian palm oil is used domestically for cooking oil and soaps, as well as increasingly for biodiesel. Exports have grown exponentially over the past 20 years. Exports first took off in 1996, during which 22,908 tons of palm oil was exported, primarily to Mexico (80 percent) and Europe (20 percent). These exports generated USD 11 million in revenue. Three years later, in 1999, the revenue generated by palm oil exports more than doubled to USD 22.8 million. By 2008, Ecuador was producing approximately 450,000 tons of palm oil, about 200,000 of which were consumed domestically and 250,000 of which were exported.

Evolution of Palm Oil Exports 2004 – 2014 (metric tons)

*Provisional Estimate
**Projected
Source: Fundación de Fomento de Exportaciones de Aceite de Palma y sus Derivados de Origen Nacional

In 2012, Ecuador was producing 539,498 tons of palm oil, 213,600 tons (40 percent) of which were consumed domestically, and 325,868 (60 percent) of which were exported. In 2013, Ecuador was expected to consume 43 percent of the 540,000 MT of palm oil produced in the country, and to export the remaining 57 percent. Palm oil production was boosted by a September 2012 government decree requiring a mix containing at least five percent biodiesel in fuel sold in Ecuador, creating domestic demand for an additional 180,000 MT of Ecuadorian palm oil per year. As a result of this law, while palm oil production and domestic consumption continued to increase, palm oil...
exports fell slightly from 276,091 tons worth USD 301 million in 2012 to 213,288 tons worth USD 208 million in 2013.88

The two largest importers of Ecuadorian palm oil are Venezuela and Colombia. In 2013, 32 percent of Ecuadorian palm oil exports went to Colombia and 27 percent to Venezuela.89 While exports to Venezuela have decreased due to economic decline in the country, exports to Colombia have increased due to crop illnesses affecting that country’s oil palm production.90 In 2008, 99 percent of Colombia’s palm oil imports came from Ecuador. Much of this palm oil was shipped overland from the Ecuadorian province of Esmeraldas to the neighboring Colombian department of Nariño.91

Ecuador also exported smaller but significant amounts of palm oil to other countries, including European countries and the United States. In 2011, the most current year for which the FAO provides statistics, Ecuador exported 249,764 tons of palm oil worth USD 302 million to Brazil, Canada, Chile, Colombia, the Dominican Republic, France, Germany, Haiti, India, Mexico, the Netherlands, Panama, Peru, Spain, the UK, the U.S., and Venezuela. While the largest percentage of exports went to Venezuela (35 percent) and Colombia (19 percent), significant amounts were also exported to Germany (16 percent), Peru (nine percent), and the Netherlands (seven percent). In 2011, Ecuador also exported 7,461 tons of palm kernel oil worth USD 14.6 million to Argentina, Brazil, Colombia, the Dominican Republic, Germany, India, Peru, the UK, the U.S., Uruguay, and Venezuela. The largest importer was Germany (28 percent), followed by the UK (18 percent), and the U.S. (five percent).92 In 2011, Ecuador was the fourth-largest source of palm oil for the U.S. market.93

Geography of Production

Because African palm thrives in warm tropical regions, its cultivation has spread throughout Ecuador’s lowlands, primarily Esmeraldas, followed by Los Ríos, Pichincha, Santo Domingo, and Sucumbíos & Orellana.94 In 2005, an ANCUPA study found that 207,285 hectares of African palm were planted in the provinces of Bolívar, Cotopaxi, Esmeraldas, Guayas, Los Ríos, Manabí, Francisco de Orellana, Pichincha, and Sucumbíos, as well as the zones of La Concordia, Las Golondrinas, and Manga del Cura. Eighty-three percent of this land (171,952 hectares) was concentrated in the bloque occidental (Western block) of Ecuador. Thirty-nine percent of all land planted with African palm (79,719 hectares) was concentrated in Esmeraldas, followed by 16 percent (34,201 hectares) in Pichincha.95

From 2006 to 2010, the amount of land planted with African palm increased from 174,883 hectares to 248,199 hectares (an increase of 42 percent). The increase was much more drastic in certain provinces. For example, in Esmeraldas, which already dominated palm production, the area planted with palm increased by 69 percent to 152,679 hectares. In Sucumbíos and Orellana, the area under cultivation for palm oil increased 75 percent to 24,102 hectares. In Santo Domingo, the area planted with African palm increased 11
percent from 2009 to 2010 alone to 16,364 hectares. On the other hand, from 2006 to 2010, the area planted with palm decreased to 16,871 hectares in Pichincha.96

**Area Under Cultivation for Palm Oil by Province-2010 (in Hectares)**97

<table>
<thead>
<tr>
<th>Province</th>
<th>Area Planted</th>
<th>Area of Production Age</th>
<th>Area Harvested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Esmeralda</td>
<td>152,679</td>
<td>117,274</td>
<td>116,898</td>
</tr>
<tr>
<td>Los Ríos</td>
<td>31,276</td>
<td>24,801</td>
<td>24,004</td>
</tr>
<tr>
<td>Sucumbíos y Orellana</td>
<td>24,102</td>
<td>19,642</td>
<td>19,571</td>
</tr>
<tr>
<td>Pichincha</td>
<td>16,871</td>
<td>13,066</td>
<td>13,060</td>
</tr>
<tr>
<td>Sto. Domingo</td>
<td>16,364</td>
<td>15,099</td>
<td>14,708</td>
</tr>
<tr>
<td>Guayas</td>
<td>4,195</td>
<td>3,094</td>
<td>3,080</td>
</tr>
<tr>
<td>Cotopaxi</td>
<td>1,280</td>
<td>935</td>
<td>935</td>
</tr>
<tr>
<td>Manabí</td>
<td>1,237</td>
<td>1,084</td>
<td>1,070</td>
</tr>
<tr>
<td>Bolívar</td>
<td>155</td>
<td>155</td>
<td>155</td>
</tr>
<tr>
<td>Imbabura</td>
<td>23</td>
<td>23</td>
<td>23</td>
</tr>
</tbody>
</table>

Several factors contribute to Esmeraldas’ preeminence in Ecuadorian cultivation of African palm. Its border with Colombia facilitates exports to the neighboring nation, which has become one of the principal buyers of Ecuadorian palm oil, and provides access to a workforce made up of Colombian refugees.98 Esmeraldas also boasts ideal climactic conditions for cultivation. MAGAP statistics from 2011 indicated that there were 220,000 hectares of African Palm under cultivation in Esmeraldas, 50,000 of which were located in San Lorenzo and Eloy Alfaro and 170,000 of which were in Quinindé and La Concordia.

**Crop Failure**

At the time of this research, a fungus had reportedly begun killing many of Ecuador’s African palm trees, especially in San Lorenzo, Esmeraldas, bordering Colombia.99 The MAGAP has identified the fungus as "Pudrición del Cogollo," a member of Fusarium family – the same fungus that has wrought havoc on the Colombian department of Nariño, bordering San Lorenzo, Esmeraldas.100 This fungus turns palm fronds yellow and causes them to die; no cure has yet been developed. It reportedly spread into Ecuador through imports.101 Reports from 2011 indicate that in Esmeraldas, 4,000 hectares of African palm had been killed by the fungus, 572,000 African palm trees had been infected, and 220,000 additional hectares were in danger. The government established check-points and sanctions in an effort to contain the fungus in Northern Esmeraldas.102

An expert interviewed by Verité researchers reported that one can view the spread of fungus on the ground when flying over Colombia to Ecuador. He also reported widespread belief that aerial fumigation taking place in Colombia to eradicate coca crops was killing off additional African palm trees and other crops in Ecuador.

The spread of the fungus and the loss of large swaths of African palm is troubling because it puts added pressure on plantation owners to make up for economic losses. It also
creates increased competition for a shrinking number of jobs among desperate workers in Northern Esmeraldas, including Colombian refugees, who are among the most vulnerable to exploitation. As plantation owners cut labor costs to offset lower profits, workers increasingly accept substandard conditions or agree to jobs without knowing details of their conditions of work.

ANCUPA

ANCUPA was founded in October 1970 in order to support and represent palm oil producers’ interests, increase productivity, and promote sustainable production through economic and social development and responsible environmental practices. ANCUPA reportedly focuses on six priority areas: research, palm oil processing plants, communication, financing, administration, and the environment. According to experts interviewed, ANCUPA carries out research on the scale of palm production, illnesses affecting African palm, and ways to combat these illnesses and otherwise increase production. ANCUPA communicates its findings through publications and workshops provided to palm growers. ANCUPA has also begun to offer palm growers support in obtaining their environmental permits. Members of ANCUPA pay the Association a small fee for each ton of palm oil they produce.

By 2013, ANCUPA was comprised of over 7,000 palm producers, 87 percent of which were “small-scale producers” with less than 50 hectares, according to ANCUPA. ANCUPA also had over 40 palm oil processing plant affiliates.
Palm Oil Producers

In 2005, an ANCUPA study grouped palm growers into eight different categories based on their size. The study found that plantations ranging from zero to ten hectares constituted 41.8 percent of palm growers and occupied 6.9 percent of the land on which African palm was cultivated; plantations ranging from 11 to 20 hectares constituted 21.1 percent of growers and occupied nine percent of the land; plantations ranging from 21 to 50 hectares constituted 24.2 percent of growers and occupied 23.7 percent of the land; plantations ranging from 51 to 100 hectares constituted 8.4 percent of growers and occupied 8.7 percent of the land; and plantations with over 100 hectares constituted 4.5 percent of growers, but occupied 41.7 percent of the land.\(^\text{106}\)

ANCUPA defines all palm growers with less than 50 hectares of land as “small-scale producers” engaging in “family agriculture.” According to ANCUPA’s most recent estimates, 87.1 percent of growers fell under this category (42 percent had one to ten hectares, 21 percent had 11 to 20 hectares, and 24 percent had 21 to 50 hectares). However, this large group of small-scale producers only occupied 39 percent of the land on which African palm was grown, while a much smaller number of large-scale growers controlled the remaining 61 percent of land. Growers with 51 to 100 hectares constituted eight percent of growers and occupied 19 percent of land; those with 101 to 200 hectares constituted eight percent of growers and occupied 15 percent of land; those with 201 to 500 hectares represented one percent of growers and controlled one percent of the land; and those with over 500 hectares represented less than one percent of growers, but controlled 18 percent of the land.\(^\text{107}\) In 2009, MAGAP reported that 100 producers owned 25,000 hectares of land on which African palm was grown (an average of approximately 250 hectares per growers).\(^\text{108}\)

ANCUPA representatives interviewed by Verité indicated that small-scale producers constituted the vast majority of growers affiliated with ANCUPA. However, almost no experts or workers interviewed reported a preponderance of small-scale palm producers. They instead reported that in some cases numerous members of wealthy families each owned adjoining small plots of land on which hundreds of hectares of African palm was grown, and which in practice operated like large plantations. One possible explanation for this phenomenon is that the only plantation owners required to pay government taxes are those with more than 25 hectares of land.

Percentage of Land Owned by Different-Sized Palm Oil Plantations (in hectares)-2013\(^\text{109}\)
According to statistics published by ANCUPA, a small number of companies dominated palm oil production and exports. Eighteen African palm growers (of the over 7,000 African palm growers affiliated with ANCUPA) that grew palm on over 500 hectares of land represented less than one percent of all growers, but controlled 18 percent of the land on which African palm was cultivated. There were just 11 growers with over 1,000 hectares of land, but they controlled 13 percent of all the land on which African palm was grown. Furthermore, just seven companies exported 300,344 tons of palm oil from Ecuador in 2012, representing 56 percent of Ecuador’s 539,498 tons of palm oil exports during that year. One of those seven companies alone exported 98,132 tons of palm oil in 2012 (almost 20 percent of all exports), and another company exported 81,271 tons (15 percent of exports).

There have been some efforts to promote small-scale African palm cultivation. For example, in 2009, MAGAP provided 80,000 African palm plants to 200 families in San Lorenzo and Eloy Alfaro, Esmeraldas so that they could each plant three hectares of African palm. With each hectare in Northern Esmeraldas producing about 30 tons of palm fruit at about USD 100 per ton, this would allow each family to earn about USD 9,000 per year before expenses, principally fertilizer, which can cost USD 2,500 per year. The cost of labor and the cost of land, which ranges from USD 3,000 to USD 12,000 per hectare for small plots of land in areas appropriate for palm cultivation, further cut into profits for impoverished Ecuadorian families.

<table>
<thead>
<tr>
<th>Range</th>
<th>Total Land</th>
<th>%</th>
<th>Number of Palm Growers</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 10</td>
<td>19,800</td>
<td>7%</td>
<td>2,940</td>
<td>42%</td>
</tr>
<tr>
<td>11 – 20</td>
<td>25,457</td>
<td>9%</td>
<td>1470</td>
<td>21%</td>
</tr>
<tr>
<td>21–50</td>
<td>67,885</td>
<td>24%</td>
<td>1680</td>
<td>24%</td>
</tr>
<tr>
<td>51 – 100</td>
<td>53,743</td>
<td>19%</td>
<td>560</td>
<td>8%</td>
</tr>
<tr>
<td>101 – 200</td>
<td>42,428</td>
<td>15%</td>
<td>210</td>
<td>3%</td>
</tr>
<tr>
<td>201 – 500</td>
<td>25,457</td>
<td>9%</td>
<td>70</td>
<td>1%</td>
</tr>
<tr>
<td>501 – 1000</td>
<td>14,143</td>
<td>5%</td>
<td>17</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>1000+</td>
<td>36,771</td>
<td>13%</td>
<td>11</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>282,856</td>
<td>100%</td>
<td>7000</td>
<td>100%</td>
</tr>
</tbody>
</table>

87.1% are small-scale palm growers who have less than 50 hectares
In order to allow poor families to obtain land on which to plant African palm, MAGAP, in cooperation with the National Finance Corporation (CFN) and the Agricultural Workers’ Union (UTENAC), is seeking to provide small-scale producers with up to USD 18,000 in credit, as well as training, in order to help them to develop sustainable palm plantations.\textsuperscript{116} It is important to note the riskiness of these investments for small-scale producers. It has been reported that while African palm cultivation is extremely profitable for many large agricultural companies, it is not a profitable business for small-scale producers.\textsuperscript{117} As Verité has documented in the Guatemalan palm sector, finance programs such as this can therefore lead to situations in which small-scale producers become indebted and lose their land and original capital.\textsuperscript{118}

\textbf{Processing Plants}

Most of the fruits of palm grown in Ecuador are processed industrially to produce palm oil. This palm oil is used domestically to make vegetable oil used for frying, as well as palm oil derivatives for products such as soap. In addition, the increasing demand for palm oil for agro-diesel has fueled increased production of palm oil-based agro-diesel in Ecuador.\textsuperscript{119}

In order to attract growers, some processing plants reportedly offer better prices and other value-added services, such as transport and handling of palm fruit and lower penalties for the delivery of sub-standard product. In theory, these practices facilitate competition, as palm plantations are able to choose the processing plants to which they sell their palm fruit. However, an expert interviewed by Verité researchers reported that in practice, the processing plants meet to set prices in order to avoid competition.

The small-scale producers who do exist may face particular difficulty when selling their product. A representative of a palm oil processing plant interviewed by Verité reported that he preferred to purchase palm fruit from large plantations. The few small-scale producers he encountered generally did not have the knowledge or training necessary to deliver their palm fruit under the optimal conditions.
Labor Force

The harvesting of palm fruit is the task requiring the highest number of workers, seasonally. This is especially true for smaller farms. Generally, the larger and more technologically sophisticated a plantation is, the lower the number of workers per hectare.\(^{120}\) Palm oil has become one of the largest drivers of the Ecuadorian economy, creating many new jobs especially in Esmeraldas.\(^{121}\) In 2009, the industry generated a total of 168,667 agricultural and industrial jobs, 76,667 of which were directly tied to palm oil production and 90,000 indirectly.\(^{122}\) However, the palm oil sector has also brought land concentration, environmental damage, and human and labor rights violations against the workers that it employs.\(^{123}\)

Root Causes of Vulnerability to Exploitation

Workers in Verité’s investigation experienced or were at risk of debt bondage, deductions for food and accommodation, inhumane living conditions, and excessive working hours for little to no pay. Many local workers in Verité’s investigation were employed under conditions that, though exploitative in regards to incompliance with legal wage minimums and health and safety standards, did not involve coercion. However, among some local workers and a disproportionately high number of Colombian refugees, forced labor indicators included the threat of exclusion from future employment, heavily armed security guards, non-payment of wages, violence, and the threat of deportation.
Colombian Migration to Ecuador

Long-running armed conflicts and violence in Colombia have forced many Colombians to escape over the border to neighboring Ecuador, where they have hopes of living a peaceful life and being able to support their families. Once in Ecuador, however, these refugees face a number of problems, including segregation in marginalized and dangerous border areas and lack of legal status. Outside of fishing and low-skilled labor on palm plantations, there are few job opportunities for migrants, especially those of African descent, who face discrimination. This situation can result in extreme exploitation, rising to the level of forced labor, on Ecuador’s palm plantations.124

Forced displacement

In 2013, the Internal Displacement Monitoring Center (IDMC) reported that Colombia was the country with the largest population of displaced persons in the world. In 2012, Colombia registered 4.9 million displaced people (about one in every ten Colombians). In 2012 alone, 230,000 Colombians were displaced, 9,000 families were forced to leave their homes, and there were 137 mass displacements (more than double the amount from 2011). Troublingly, the actual number of displaced people is probably much higher due to backlogs in registering displaced persons.125

Much of the displacement in Colombia stems from its long history of conflict and violence, linked to drug trafficking organizations (DTOs), criminal groups (bandas criminales or BACRIM), the military, paramilitaries, and rebel groups, such as the Revolutionary Armed Forces of Colombia (FARC), which have been wreaking havoc since the early 1960s.126 According to the IDMC, displacement in Colombia was caused by armed conflict between security forces and guerrilla groups in rural areas; gang and DTO infighting in urban areas; intimidation of community members and leaders; and forced recruitment for armed conflict and illegal mining. The greatest number of mass displacements in 2012 were caused by BACRIM, and there was an increase in urban displacement due to turf wars between these groups. Despite the weakening of guerilla and paramilitary groups, displacement continues to be a growing problem in rural and urban areas due to the emerging power of BACRIM and DTOs. The highest levels of displacement were registered in the departments of Antioquia, Córdoba, Nariño, Cauca, and Valle del Cauca, the last three of which are bordering or close to Ecuador.127

In 2014, the United Nations Office for Coordination of Humanitarian Affairs (OCHA) reported that 2,600 indigenous Colombians were displaced from 27 communities in the Western coastal areas of Choco due to fighting between the National Liberation Army (ELN) guerilla group and the Urabeños, a right wing paramilitary organization linked to drug trafficking.128

According to the NGO Consultancy for Human Rights and Displacement, over 20 percent of internally displaced persons (IDPs) in Colombia were Afro-Colombian.129 In a recent ruling, the Constitutional Court of Colombia indicated that Afro-Colombians and members
of indigenous groups were at an 80 percent greater risk of becoming victims of forced displacement as a result of the internal conflict. In 2010, a UN official stated that members of indigenous groups were extremely vulnerable to forced displacement and violence. In 2010, the ILO noted that indigenous and Afro-Colombian leaders in particular were vulnerable to threats, stigmatization, harassment, and violence as a result of their work to defend the rights of their communities.

Paramilitaries and guerillas have often denied Afro-Colombians and indigenous communities access to their communal lands. Massacres, murders, land grabs, and forced recruitment, including of children, carried out by soldiers, guerrillas, and criminals has led to the displacement of hundreds of thousands of Colombians, especially Afro-Colombians and indigenous peoples. Some have been able to return to their homes under the protection of human rights organizations, but many have become refugees in other neighboring countries such as Ecuador.

Colombians who fled from areas of the country affected by armed conflict or the proliferation of organized crime to other areas of Colombia faced a high level of discrimination. People born in violent zones of the country, such as San Vicente del Caguán, Arauca, Bolívar, and Putumayo (bordering Ecuador) have found it hard to obtain jobs when they reveal their place of origin. In particular, large numbers of Afro-Colombians and indigenous persons have encountered difficulty finding decent jobs in other parts of Colombia, contributing to emigration to other countries, especially Ecuador.

Both Afro-Colombians and members of indigenous groups, regardless of whether they were displaced, have been discriminated against in Colombia, further contributing to displacement. Approximately 76 percent of Afro-Colombians (who comprised 22 percent of the national population) earned less than the minimum wage in 2008. The U.S. Department of State reported that the regions dominated by Afro-Colombians ranked last in social investment by the government, and Afro-Colombians were three times more likely to go without any education. Indigenous communities were similarly disadvantaged, suffering the highest national poverty rates and lacking many government services. The ILO reported in 2009 that both Afro-Colombians and members of indigenous communities, especially those with darker skin, faced workplace discrimination.

**Migration to Ecuador**

The UN Special Rapporteur on Contemporary Forms of Slavery reported that Colombian immigrants in Ecuador were comprised of a mix of both documented and undocumented economic migrants, along with asylum seekers. According to the Special Rapporteur, Colombian migrants to Ecuador were also subjected to sex and labor trafficking by transnational organized crime groups.
In June 2015, over 121,000 Colombians were refugees or living in “refugee-like situations” in Ecuador, according to the UNHCR, though official statistics likely underestimated this population.\textsuperscript{140} Between 1999 and June 2014, Ecuador received an estimated 176,000 requests for refugee status from Colombians, but only 60,500 people received refugee status.\textsuperscript{141} As of 2014, 98 percent of those who received refugee status were Colombians, most of whom had fled violence.\textsuperscript{142} Estimates indicate that an average of 1,000 Colombians attempted to enter Ecuador and apply for asylum each month.\textsuperscript{143} An April 2012 UNHCR estimate indicated that 1,200-1,500 Colombians crossed over into the province of Esmeraldas alone each month.\textsuperscript{144} According to in-country experts interviewed by Verité, asylum is granted to only approximately ten percent of these asylum seekers.

Many of these refugees flee their lands with little money, forcing them to migrate to marginalized areas. According to the UNHCR, almost two-thirds of Colombian refugees live either in poor areas in Quito or in impoverished and often dangerous border areas such as Esmeraldas, San Lorenzo, Ibarra, Tulcan, or Lago Agrio.\textsuperscript{145} While the government is able to protect refugees to a certain extent in cities, government authorities’ capacity to protect refugees has been much weaker in border areas.\textsuperscript{146}

\textbf{Map of Main Destination Points of Colombian Refugees\textsuperscript{147}}

\begin{center}
\includegraphics{map_of_colombian_refugees.png}
\end{center}

\textit{Source: Asylum Access}

\textbf{Laws on Immigration and Asylum}

Before a tightening of legal regulations for refugees and asylum seekers in recent years, Ecuador had come to be known as a country friendly to immigrants and refugees. According to Jesuit Refugee Services, Decree No. 3301 of 1992 granted individuals fleeing to Ecuador due to violence or human rights violations the right to asylum, in accordance with the Cartagena Declaration. In June 2008, Ecuador’s president, Rafael Correa, abolished visa requirements for all foreigners visiting Ecuador for no more than 90 days.
Furthermore, a new Constitution passed in October 2008 voiced support for the rights of "recognition of the right to migrate," "universal citizenship," "freedom of movement," and "progressive end to foreign status." It promoted a new regional paradigm that prioritized the protection of human rights ahead of border security. Soon after the removal of visa requirements, immigrants from a number of countries began to arrive in Ecuador, some of whom intended to remain in Ecuador, but many more of whom intended to migrate north to the United States and were using Ecuador as a jumping off point. These included immigrants from Latin American countries such as Haiti and Cuba, as well as immigrants from faraway countries in Africa and Asia.

However, a number of laws passed since this time weakened protections. In 2012, Ecuador included additional restrictions in its asylum system. According to the UNHCR, Decree No. 1182 of 2012 eliminated a broad definition of the Cartagena Declaration, requiring that Ecuador protect all refugees fleeing violence and human rights abuses. Instead, it only allowed authorities to approve asylum applications of individuals fleeing persecution due to their race, religion, nationality, social group, or political opinion. According to a 2014 Migration Policy Institute report, in 2012, following the Decree No. 1182, only 1,543 (9.2 percent) of 16,952 asylum applications were approved, a rate much lower than the 25 percent approval rate in previous years. There were reportedly almost 15,000 pending asylum applications in 2014. This decree also reduced the maximum window of time for filing asylum claims at the Refugee Directorate from 180 to 15 days. After a backlash from immigrant rights supporters, Ecuador’s Constitutional Court ruled that the decree violated the Constitution and extended the period to 90 days. The Court also re-instated a definition of refugees in line with the Cartagena Declaration.

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According to the UNHCR, due to a lack of knowledge of this requirement among recent arrivals, mistrust of government authorities, and a lack of transport to Refugee Directorate offices, a large number of refugees were not able to file asylum claims on time and thus became undocumented. These individuals were forced to either go back to the violence and poverty from which they were fleeing, or to work in the shadows of the
underground economy, where they were subjected to discrimination and exploitation, including in the palm sector, where a representative of the Ministry of Labor interviewed by Verité reported that undocumented immigrants had been detected. The UN Special Rapporteur reported that “when the immigration and humanitarian situation of persons in need of protection remains invisible, it fuels their exploitation in slavery-like situations. Their vulnerability has been reported to be used by employers in the banana, flower and palm oil industries.”

The UN Special Rapporteur on Contemporary Forms of Slavery also reported in March 2014 that changes in new visa regulations required that refugees go through interviews in order to obtain visas. The first location for these interviews was Quito, but many refugees were unable to secure transportation. In response, the government established additional locations elsewhere; however, it remained difficult for asylum seekers to get from the border areas to the provincial capital of Esmeraldas, where new arrivals must register. In many cases, the process could take approximately seven months. Many Colombians have to work long hours and do not have enough money or time off to take long trips to process their visas.

**Case Study – Female Asylum Seeker in the Palm Sector**

A female migrant from Colombia interviewed by Verité researchers reported that she had initially been able to obtain provisional refugee status and a work permit. This permit allowed her some benefits and facilitated finding work that paid rates higher than what undocumented immigrants earned. However, when she married and had children, she lost this status.

This woman shared that she direly needed legal assistance in order to re-obtain refugee status and a corresponding work permit, as she feared losing her job and benefits, and the process to obtain the visa was very long and complicated. There were 20 steps for obtaining the visa, she said, and it had taken the entire prior month to complete only the first.

According to an in-country expert interviewed by Verité, there was a great deal of confusion over the nature of the new visa system, especially among uneducated, newly-arrived refugees from Colombia. Under the new system, while an asylum-seeker was awaiting approval, he or she was provided with provisional status, in the form of a “carnet de solicitante” (“petitioner’s card”), which had to be renewed every three months. While refugees possessing this card legally had the same right to work as those with full refugee status, there was a lack of awareness of this right, which was taken advantage of by employers. Furthermore, in order to obtain social security benefits in Ecuador, workers had to use a number that was only provided on “cédulas” (national identification documents) provided to Ecuadorian nationals, but not to refugees. This resulted in refugee workers either being denied social security benefits or having to obtain fictitious numbers, though experts interviewed also reported efforts to provide refugees with numbers compatible with the social security system.
If authorities deemed that immigrants were indeed fleeing persecution based upon the above-discussed criteria, they could be awarded full refugee status and provided with a “carnet de refugiado” (“refugee card”), which would be valid for only two years. When Colombians migrated to Ecuador for economic reasons or were denied visas due to the narrow eligibility requirements, short timeline, or exhaustive process, they could seek legal status under Decisión 545, which applied to citizens of all countries in the Andean region. While it provided immigrants with the right to work and reside in Ecuador, it did not provide them with the same protections as refugees. Another problem was that many refugees who obtained asylum under the looser requirements of earlier legal regimes had to then reapply and go through the interview process, as their refugee cards had expired. If their application was denied, even if they had been living legally in Ecuador for years, their visa could be taken away. The UN Special Rapporteur on Contemporary Forms of Slavery reported that Afro-Colombian refugees faced discrimination in the issuance of visas based on both their race and nationality.\textsuperscript{161}
Case Study – Colombian Refugee Fleeing Violence

Mateo was a 25-year-old Afro-Colombian palm plantation worker. He had fled violence in Colombia to take refuge in Ecuador.

Mateo had been recruited to fight with the Colombian military against the FARC. One day, his unit was ambushed by guerillas who killed all 13 other soldiers in his unit and shot him in the shoulder and left hand. The guerillas thought they had killed him. After they left, he picked himself up and wandered around for two days in the jungle, until he met a farmer. The farmer advised him to leave, since he would be forcibly recruited by the guerillas or killed for refusing to fight for them, and gave him a little bit of money, a small bag of food, and some clothing.

Mateo staggered through the jungle until he was able to make it to Ecuador. A Colombian family in Ecuador took pity on him and gave him food, shelter, and medicine at no charge and nursed him back to health. After two and a half months, when he was finally healthy enough to travel, he decided to solicit asylum, as he was told by neighbors that he had to do so within the first three months of being in Ecuador. He spent the little money that he had on transportation to the refugee office, but there he was told that he had needed to apply within 15 days of arriving in Ecuador due to changes to the law.

Without the possibility of obtaining asylum, he decided to work without papers, since people in the town told him that a palm plantation was hiring undocumented workers. When he went to solicit the job, he was told about his obligations and the payment. He accepted due to his need to earn money, and the fact that it was the only option available to him.

When the first payday came, he brought a record of his hours worked to the office and a calculation of what he should be paid. However, the amount that he was paid did not even equal half of what he was initially promised. He was not provided with a pay slip and was simply given cash and a paper with the total amount paid scrawled on it. When he complained to a supervisor, he was told that his food and housing had been deducted, which was not mentioned at the time of hire. He was also told that if he did not like the job, he could leave, as many other workers would be willing to take his place for the same pay.

Mateo continued working on the plantation under these precarious conditions. The pay was very low, and much lower than what Ecuadorians were earning on the same plantation. However, he simply did not have any other employment options, and due to his lack of legal status, he was afraid to ask authorities for help. He said that he felt betrayed by the asylum system.
Internal Displacement and Land Grabs

While displacement of Colombians and the consequent migration to Ecuador creates vulnerability to exploitation among Colombian immigrants, internal displacement due to land grabs by palm plantations can also create a captive labor force among local workers. Forced displacement and land grabs have been linked to palm oil production around the world.162

Verité has documented this phenomenon in Guatemala, where there were numerous reports of displacement and land grabs related to palm companies. Subsistence farmers who sold their land due to coercion, deceit, pressure, or offers of large up-front payments had few options afterward other than working for the palm companies that had obtained huge swaths of land. The loss of land for subsistence agriculture and a lack of other employment opportunities created a local labor force that either had to continue working on palm plantations under poor conditions or move out of the area to search for work.163

A 2013 study carried out in a number of countries across the world, including Ecuador, by the Movimiento Mundial por los Bosques Tropicales (World Rainforest Movement-WRM) documented the ways in which palm plantations contribute to displacement, deforestation, and human rights abuses. A case study on Ecuador showed that palm companies have implemented three strategies to acquire land for plantations in the country: obtaining government concessions in the Ecuadorian Amazon, with financing from the Inter-American Development Bank; buying up land directly or through intermediaries; and acquiring ancestral lands from indigenous communities riddled by internal conflicts.164
Land grabs in Ecuador have been facilitated by the government’s historical refusal to respect the cultural values and tribal customs of indigenous and Afro-Ecuadorian groups. Indigenous groups have encountered difficulty obtaining formal land titles, while titles to long-inhabited regions have been granted to palm oil companies without regard for their current residents. Communities granted formal land titles for communal lands have been forced to name only one head of household, undermining tribal communal values and leaving the rest of the community vulnerable to economic choices that one person could make for personal gain.\textsuperscript{165}

The study found that companies and intermediaries used deceit to convince individuals and communities to sell their land. In some cases, they promised to carry out infrastructure projects, such as the construction of roads or schools, electrification campaigns, and the provision of teachers. In many cases, according to the study, these promises were not kept. In Guatemala, Verité found that the construction of palm plantations actually reduced the number of schools in some areas, as palm companies bought up land on which schools had been built and then tore down the schools. In other cases, palm plantations bought up land traversed by public roads. They sometimes closed off these roads, leading to drastic increases in transit times to public services and hospitals.\textsuperscript{166}

The WRM study also found that companies in Ecuador promised lucrative employment opportunities on the plantations in order to gain the trust of the locals. However, these jobs often did not materialize.\textsuperscript{167} In Ecuador, Colombian refugees constituted a cheap, disposable workforce willing to work for illegally low wages. Their presence on plantations also discouraged local Ecuadorian workers from complaining about substandard wages, since they realize they could be easily replaced by other workers willing to work for less.

In addition to deception, some land buyers used coercive means to get landowners to “voluntarily” sell their land. These included threats and forcible eviction carried out in coordination with security forces and local governments. Some activists have reportedly faced persecution, including criminal charges brought against them, obstruction of their land registrations, and intimidation by private security guards and assassins.\textsuperscript{168}

In San Lorenzo, Esmeraldas, which borders Colombia, land purchases in recent years have increased drastically. Much of the land has been bought up by intermediaries, who then sell the land to palm companies at an inflated price. In other cases, especially around Ricaurte, San Lorenzo, the palm companies buy the land directly. In this way, palm companies have come to own over 60,000 hectares of forestland, according to the WRM study.\textsuperscript{169} This can result in a cycle of land speculation and skyrocketing prices.\textsuperscript{170} Individuals who have sold their land to palm plantations then find it impossible to buy a plot of land nearby, forcing them to either work as waged laborers or move out of the areas where they lived.

Indigenous communities are especially vulnerable to displacement. Palm companies have managed to buy up land that has been recognized by the government as ancestral indigenous land, according to Cultural Survival, a nonprofit focused on defending
indigenous people’s human rights.\textsuperscript{171} According to WRM, after being deceived or pressured to sell their land when its value inflates due to the presence of palm plantations, many indigenous groups must leave their ancestral lands. They must move to other indigenous communities, nearby towns, large cities, or virgin forests, which they have to clear to build housing and make a living, creating a lack of wood for building homes and canoes. It also results in the disappearance of traditional medicinal plants, wild fruit, and game, which can lead to malnutrition and health problems.\textsuperscript{172} In Guatemala, for example, a study found that subsistence farmers registered lower levels of malnutrition than waged palm plantation workers who had lost their land.\textsuperscript{173}

Once communities have sold off their land and palm plantations establish a presence on large swaths of land, individuals who decide not to move out of their ancestral areas become dependent upon the palm plantations for work. In addition, even communities that decide not to sell their land are affected by nearby palm plantations that pollute soil and waterways with agrochemicals and deplete scarce sources of potable water.\textsuperscript{174} The lack of usable land for subsistence agriculture coupled with the dearth of alternative employment opportunities make workers in some areas extremely dependent upon palm plantations for their livelihoods.

**Lack of Employment Opportunities**

Ironically, one of the main factors that increases workers’ vulnerability to labor exploitation in the palm sector is the fact that palm generates much less employment per acre than many other crops. In many areas, palm production takes over land previously occupied by subsistence crops or other cash crops that generate employment. This can result in workers vying among each other for a small number of jobs.

In Guatemala, for example, the palm sector generates approximately 21 days of work per acre per year, compared to the 75 days of work per acre for chili peppers, 53 for red/green peppers, 46 for limes, 45 for corn, 36 for yucca, 32 for land planted with both rice and corn, and 23 for beans. In fact, the only sector studied that created less employment per acre was the cattle industry.\textsuperscript{175}

According to experts interviewed by Verité in Ecuador, palm plantations only generate about one job for each hectare of land, much lower than other sectors. In northern Ecuador, especially Esmeraldas, palm has taken over vast swaths of land previously occupied by family-based or subsistence agriculture or other cash crops. As palm supplants other crops that generate more employment per acre, the number of jobs available drastically decreases, while the population continues to grow. This results in rapidly accelerating competition for a limited number of jobs. In areas in which palm has become one of the only sources of employment for unskilled workers, competition for a limited number of jobs can result in workers accepting poor conditions of work.

The palm sector represents one of the only sources of legal employment in Esmeraldas. Many of the existing alternatives illegal activities, such as illegal fishing and mining, money
lending, hired assassinations, contraband smuggling, money laundering, and human trafficking. Interviews carried out by Verité in Esmeraldas found this to be especially true for Colombian immigrants in the northernmost Province of San Lorenzo. In many cases, Colombian immigrants’ only source of legitimate employment apart from the palm sector was the fishing sector, in which conditions were often even worse. Fishermen were often pushed into debt or illegal activities such as drug, human, or contraband smuggling, and also were vulnerable to piracy and getting lost in the open oceans.

Recruitment and Hiring

According to in-country experts interviewed by Verité, palm companies hire workers through labor brokers in order to avoid having to provide workers with benefits. WRM reported that much of the palm sector’s labor force is managed by labor brokers, who are responsible for the recruitment, supervision, and payment of workers in many cases. By outsourcing the recruitment of workers to labor brokers, palm plantations reportedly attempt to avoid direct labor relationships and contracts with workers, thereby allowing them to circumvent labor law requirements such as the payment of overtime, vacation, social security, and bonuses. This also results in a lack of employment stability among workers who are hired on short-term temporary contracts by labor brokers. There are no protections against the non-renewal of contracts. Workers are therefore hesitant to complain about their conditions of work, as they know that their employment status is precarious. While the situation is mutually beneficial both to labor contractors and palm companies, it is detrimental to the interests of workers.
Hiring through labor contractors increases vulnerability among workers in a number of ways. Companies that hire through labor contractors use their murky relationships to workers to shelter themselves from liability for labor violations. Meanwhile, labor contractors are paid according to the number of workers they recruit, in contravention with the law. This incentivizes them to recruit as many workers as possible, and can result in deception regarding conditions of work. Local experts and workers interviewed by Verité reported that labor brokers deceived workers regarding working and living conditions on the palm plantations.

Both local and Colombian workers are recruited and hired by labor brokers. Experts interviewed in Ecuador reported that in Puerto Quito, for example, job seekers wait in a specific park for labor contractors to offer them jobs on palm plantations. One expert interviewed reported that while recruiters generally do not require Ecuadorian workers to pay fees to obtain jobs, since palm plantations pay recruiters of Ecuadorian workers, Colombian workers generally do need to pay recruiters.

A 2010 report by the United Nations’ Special Rapporteur on Contemporary Forms of Slavery, based on a field visit in Ecuador, found that some Colombian workers were directly recruited in Colombia by palm companies, on a contract basis as temporary workers. However, in many cases Colombian workers were recruited in Colombia by labor brokers. Verité interviews with labor brokers in Ecuador indicated that brokers were pressured by palm companies to recruit workers for low wage work, which caused them to recruit Colombians from border areas, who were generally willing to carry out the same work for less than Ecuadorians. Further, most Colombian workers did not demand that they be formally employed and included on payroll, allowing the palm companies to avoid providing them with benefits or health insurance.

Field research indicated that in many cases labor brokers directly supervised the workers that they recruited, decreasing transparency. In some cases, the palm plantation personnel required brokers to dismiss workers whose work was deemed sub-standard. Since workers were technically employed by the brokers, it made it difficult for them to file legal suits against the palm plantations if their labor rights were violated or if they had been wrongfully dismissed. Since labor contractors were largely unregistered, workers also failed in their attempts to track down their official “employers” in order to file complaints.
Case Study – Deceptive Recruitment of Displaced Colombian Workers

Don Carlos, a 56-year-old indigenous Colombian, supported his wife and five children by working in agriculture. After ten years of hard work, he was able to save some money and buy a small piece of land on which he could plant his own crops, which he used to feed his family and sell at market in order to buy additional food, clothing, and supplies. After eight years of working on his land alongside his wife and children, Don Carlos’ bodega, where he stored his crops, was robbed. Soon after, he began to hear people making noise close to his property. His neighbors started acting strangely, and some moved out of the community without any explanation.

One night, he heard a knock on the door. When he opened it, he found five guerrilla fighters. They told him that he had to enlist as a member of their guerrilla group and support them in any way that they required. They also informed him that they now possessed all of the lands surrounding his property and that all of his neighbors had either enlisted or turned their land over and fled. As Don Carlos knew how dangerous it was to refuse or try to negotiate with the guerrillas, he chose not to give a direct answer about enlisting and tried to divert the conversation. Two days later, he started receiving death threats against himself and his family and witnessed the murder of a neighbor who refused to enlist or turn over his land. The threats increased in frequency, with two of his children being directly threatened, and his crops were plundered every night. The pressure became unbearable. Don Carlos and his family were forced to flee the land that they had worked so hard to obtain.

They fled across the border to San Lorenzo in Ecuador, where Don Carlos heard that another one of his neighbors had been murdered along with his wife and four-year-old daughter. They began to look for work in San Lorenzo and surrounding areas, but many of the local businesses refused to give Colombians work. Then he met a recruiter who offered work on a palm plantation to Don Carlos and his two oldest sons, aged 16 and 19. He offered to pay them USD 300 per month, and to provide them with food and decent housing.

However, when they arrived, they were housed in a small room with nine other men and only six small beds. The only drinking water provided by the plantation came from a well infested with insects, leaves, and trash. With no safe storage spaces, some of their possessions were stolen. The costs of the dismal food and housing were deducted from their already sub-minimum wages, contrary to the promises of the labor broker.

One of Don Carlos’ friends left the plantation due to the poor conditions and tried to file a complaint against the plantation, with support from the Ministry of Labor. However, since the labor broker had technically hired and employed him and there were no documents linking him to the palm company, he could not file a suit directly against the company. He instead had to file a suit against the labor broker, who could not be located, since the only information shared had been the broker’s name and telephone number.
Labor Exploitation

Forced Labor and Labor Trafficking

In this section, Verité provides an overview of information on forced labor and human trafficking in Ecuador’s palm sector, as well as information on indicators of each dimension of forced labor: **unfree recruitment, life and work under duress, and impossibility of leaving the employer**. Verité undertook an analysis of the research findings with respect to the indicators of forced labor presented in the ILO’s 2011 publication, *Hard to See, Harder to Count: Survey Guidelines to Estimate Forced Labor of Adults and Children*. According to the ILO’s methodology, in order for forced labor to exist, there needs to be at least one indicator of involuntariness and one indicator of menace of penalty in at least one dimension, and at least one of these indicators must be strong. Each individual case must be assessed using this methodology. Therefore, while the data contained in this section is useful for assessing the risk of forced labor, it cannot be used to determine the scale of forced labor.

High-level experts interviewed by Verité described verified reports of forced labor in the Ecuadorian palm oil sector, especially among Colombian migrants. Workers interviewed by Verité also exhibited a number of indicators of forced labor. The U.S. Department of State has likewise found Colombian refugees and migrants to be subjected to forced labor in palm oil and has noted that Ecuadorian citizens are vulnerable as well.\(^{181,182}\)

Colombian refugees were extremely vulnerable to trafficking in Ecuador, especially in border areas, according to the UNHCR. The UNHCR reported that labor trafficking was especially prevalent in Ecuador’s palm oil and banana sectors, in which Colombian refugees were subjected to poor living conditions, unpaid labor, and a lack of respect for their rights. Colombian refugees lived in isolated areas, lacked legal status, and feared deportation, making them extremely vulnerable to extortion, fraud, and deceit at the hands of human traffickers.\(^ {183}\)

The U.N Special Rapporteur on contemporary forms of slavery carried out a country visit to Ecuador, during which she interviewed experts and workers in Esmeraldas and found “slavery-like labour exploitation” and debt bondage in the palm oil sector. Most of the workers that she interviewed were Colombians, including undocumented immigrants, asylum-seekers, and recognized refugees. Reports indicated that two to three of the ten to 12 palm companies operating in Esmeraldas employed workers who were vulnerable to forced labor.\(^ {184}\)

Unfree Recruitment

The key indicator of unfree recruitment discovered by Verité research was **deceptive recruitment**, a medium indicator of involuntariness. As mentioned above, experts and workers interviewed by Verité reported that palm companies and labor recruiters
deceived workers regarding the working and living conditions on palm plantations. In many cases, labor brokers were paid by the number of workers recruited, incentivizing them to deceive workers in order to recruit the largest number possible. Two focus groups of workers reported that while they were told during recruitment that they would work a maximum of eight hours per day, and some were even given contracts stipulating an eight-hour workday, in practice, they had to work over eight hours per day. In addition, workers reported that they were misinformed regarding their wages and were assigned different positions and tasks than those promised during recruitment. The Special Rapporteur on contemporary forms of slavery also found deception in recruitment. For example, workers interviewed by the Special Rapporteur reported that they were promised USD 300 per month, and some even signed contracts for this amount, but in practice they were paid USD 50 per month.185

**Life and Work Under Duress**

Verité found a number of indicators of work and life under duress. Strong indicators of involuntariness included **forced overtime** and **limited freedom of movement and communication**. Multiple workers interviewed reported that they were forced to work overtime in excess of legal limits, in many cases without pay. For example, an underage Afro-Colombian worker reported that he routinely had to work 11 hours per day for USD 10 per day, below the minimum wage and in excess of legal limits on working hours. Verité researchers also found a number of **limits on workers’ freedom of movement**, including curfews, restrictions on the entrance of vehicles, and the presence of armed guards. Workers interviewed reported that vehicles were not permitted to enter their plantation after 6:30 PM. Workers interviewed also reported the presence of armed guards who controlled the entrances to a number of plantations.

Medium indicators of involuntariness included **induced or inflated indebtedness** and **multiple dependency on employers**. **Induced indebtedness** was a major issue in palm plantations, with the Special Rapporteur on contemporary forms of slavery reporting the presence of debt bondage as a result of debts for food and housing. Workers interviewed by the Special Rapporteur reported that money was deducted from their pay for food and housing. Many workers reported that they did not know the amount deducted due to plantations’ failure to provide them with payroll documentation or an explanation of deductions.186 Workers interviewed by Verité reported deductions of USD 1 per day for housing and USD 55 per week for food from their already low wages. Migrant palm plantation workers were dependent upon their employers for income, food, and shelter for themselves and their families. Thus, leaving their jobs meant not only losing their livelihoods, but also meals and housing for their whole families, which impeded many workers from leaving, even if the conditions on the plantations were much worse than those promised during recruitment. There were also reports that workers in Esmeraldas took out loans from informal money lenders,187 who in many cases charged extremely high interest on the loans.188 There have been multiple reports of hired assassins killing individuals who failed to pay back loans, especially in Esmeraldas, which registered the highest murder rate in Ecuador in 2012.189
Additionally, research identified indicators of menace of penalty. Strong indicators included **denunciation to authorities, further deterioration in working conditions, isolation, and withholding of wages**. Colombian immigrants interviewed by Verité, especially those without full legal status, reported that they were fearful of being **denounced to the authorities** by their employers. The Special Rapporteur on contemporary forms of slavery reported that Colombian asylum seekers’ vulnerability was exploited by employers in the palm sector, who in some cases spread misinformation about labor inspectors, which could stoke workers’ fear of authorities and to prevent them from reporting abuses.¹⁹⁰ Some workers interviewed by Verité reported that punishments included being **assigned harder tasks** than coworkers, reductions of payments, and **withholding of wages**. Many palm plantations were located in extremely **isolated** areas, and Colombian migrants’ legal status, coupled with cultural differences and discrimination, especially against Afro-Colombians, contributed to a high level of physical and social isolation of these workers.

Medium indicators of menace of penalty included **dismissal** and **exclusion from future employment**. Many workers, especially vulnerable workers such as Colombian undocumented immigrants and asylum seekers, reported that they were **threatened with dismissal** if they failed to meet their employers’ demands. Workers and experts interviewed by the Special Rapporteur in contemporary forms of slavery reported that workers’ fear of losing their jobs, coupled with their dire poverty, led them to work long hours for low wages in dangerous conditions. The Special Rapporteur indicated that were reports of workers being dismissed for getting sick.¹⁹¹ Additional, experts interviewed by Verité reported that workers who got sick were **excluded from future employment** as a form of punishment.

**Impossibility of Leaving the Employer**

There were a number of indicators of impossibility of leaving employment. Strong indicators of menace of penalty included the threat of **denunciation to authorities, physical violence, and constant surveillance**. Colombian immigrants interviewed by Verité reported that they were fearful of being **denounced to the authorities** by their employers, which prevented them from leaving their employment in some cases. Workers interviewed also reported that they feared **physical violence** as a result of leaving their employment, either at the hands of criminal and armed groups that operated in border areas in both Ecuador and Colombia, or at the hands of heavily armed guards employed by the plantations. Further, some workers reported that they were subjected to **constant surveillance** by the armed guards who patrolled the plantations. In 2011 alone, 15 Colombian refugees and asylum-seekers were murdered in Esmeraldas, stoking migrant workers’ fear of violence.¹⁹² Experts and workers interviewed reported that San Lorenzo, where a large amount of palm oil production takes place, was especially violent, as it served as a base of operations for guerrilla groups, and that Colombian refugees employed in palm plantations were especially vulnerable to violence, including robberies, assaults, and murders.
Working Conditions

Research by Verité and the UN Special Rapporteur in the Ecuadorian palm industry has exposed severe violations regarding working conditions, including little or no wages or benefits; excessive work hours; discrimination against migrants, Afro-descendants, indigenous persons, and women; and a lack of health and safety protections.

Wages and Benefits

In Latin America, Ecuador boasts a minimum wage second only to Argentina’s.193 The Ecuadorian government has recently prioritized legislating a living wage, increasing the monthly minimum from USD 170 to USD 366 over the last eight years.194 As a result, in 2015, established minimum earnings for an average working family surpassed the cost of a market basket of household goods and services for the first time since 1982.195

Ecuador’s basic minimum wage legally applies to all workers, including agricultural workers and migrant workers, co-existing with regulations that establish additional minimum salaries by sector.196 Compensation by piece-rate, a system of earning in which workers are paid not for their time, but rather by the quantity of work completed, is legal but must match or exceed the minimum wage for comparable work.197 According to the Ecuadorian constitution, workers are also due benefits from the national Social Security program. Employers are responsible for registering all employees, including part-time and day laborers, and for supplementing the Social Security contributions of their workers at rates established by the government.198

At the time field research for this report was completed in 2013, Ecuador maintained a basic monthly minimum wage of USD 318.199 However, a report by Carla Canelas for the United Nations University’s World Institute for Development Economics Research found that the minimum wage increases had only slightly improved wage growth for earners, due to the high percentage of informally employed workers and to the noncompliance demonstrated by many formal employers throughout Ecuador. Those findings are supported by field research by the U.N. Special Rapporteur on the Contemporary Forms of Slavery and by Verité.

Informal versus formal employment

In Ecuador, between 50 and 80 percent of the labor force was informally employed, according to UNU-WIDER’s classification of workers not registered with the Social Security system as informal workers. (Social Security affiliation is mandatory for all formal Ecuadorian workers).200 Employers are less likely to provide a written contract for informal workers and to avoid paying them at or above minimum wage rates, as they are already evading the legal tax system.201 Thus, informal workers are vulnerable to abuses regarding both benefits and wages.
For those workers formally employed, the same report found that there is widespread employer noncompliance with the minimum wage requirements. In Esmeraldas, fewer than 15 percent of workers earned near the minimum wage from 2000 to 2015, regardless of the formality of their employment. In fact, in some cases, workers informally employed earned better wages than those formally employed.²⁰² Canelas concludes that in light of the “high level of noncompliance and the important share of informality” evident in Ecuadorian employment, current enforcement policies and institutions are failing to guarantee workers the compensation due them by law.

Violations of wage and benefit legislation

Field research also found that both minimum wage and benefits legislation lacked enforcement in the palm oil industry. Severe violations were reported by workers as well as by the U.N. Special Rapporteur on Contemporary Forms of Slavery, who found evidence that the wage system is largely unregulated.²⁰³ Many workers, especially migrants, were unaware or misinformed of their rights as mandated by Ecuadorian law and lacked knowledge on how to access their benefits, facilitating employers’ noncompliance with legislation on benefits and wages.²⁰⁴ Many workers also found themselves in vulnerable situations (suffering extreme poverty; subject to discrimination that reduced opportunities for work; lacking legal status or documentation) that limited their ability to demand legal wages and benefits.
Experts and workers interviewed reported that many palm oil workers were paid by piece rates amounting to well below the minimum wage, in violation of the national labor code. Some workers reported receiving a salary of USD 30 per hectare (10,000 square meters), an area of land they could complete in three to six days at best. Others reported receiving as low as USD 50 a month, though they had been promised or had even signed a contract for USD 300. Wages also varied by worker, with those laborers most vulnerable to exploitation often receiving lower pay for the same work. Some Afro-Colombian workers interviewed by Verité were paid only USD 10 for 11 daily hours of work, while their counterparts who were not Afro-Colombian were paid USD 12.

One way employers justified paying lower wages was through wage “deductions” for food, accommodation, and other necessities. Ecuadorian workers interviewed by Verité reported that they were charged 20 percent of their daily pay to eat at the canteen on one plantation. Another worker reported being charged USD 8 for food and USD 1 for accommodation daily, while only earning USD 10 to 15 a day. Colombian workers especially reported drastic pay cuts, receiving daily payments of as low as USD 10 cents for more than 8 hours of work and being told that the rest of their wages had been applied to their food and accommodation costs. Some workers interviewed by Verité also had to pay the contractor who directed their working group, totaling up to an additional 10 percent of their daily pay.

Workers also experienced deductions in undefined amounts for Social Security, although they were unaware of what their benefits were, and in many cases had never been registered in the Social Security system by their employers. Verité and the Special Rapporteur both found that this illegal lack of the Social Security safety net exacerbated poor workers’ situations. Some laborers reported that coworkers had been fired after becoming ill. Another laborer, an Ecuadorian local, reported that after working for his company for 15 years, he was informed one day that the business was being sold that very day to be converted into a banana plantation. The worker immediately lost his job and was never paid the full settlement due to him by law. At the time of the interview, he shared that he was experiencing great difficulty finding work since plantation owners preferred to hire undocumented Colombian workers for less pay.

**Working Hours**

According to the Ecuadorian Labor Code, the working day is 8 hours, for a total of 40 hours a week. Mandatory overtime is illegal, and voluntary overtime must be compensated at a rate of at least 150 percent. In practice, however, work in the palm oil industry requires excessive hours that often go unpaid, according to the Special Rapporteur and Verité’s field research.

Employers were commonly reported to take advantage of the piece-rate system, forcing workers to labor harder and longer hours in order to earn their pay. Workers with no contract had little protection in the face of unenforced labor laws, and violations were also reported even among laborers with contracts. Employers were found to recruit workers under false pretenses: Focus groups of workers in Quito and San Gabriel reported
in interviews with Verité that they had been contracted for an 8-hour workday, but were forced to work overtime for no additional pay, often working 11- or 12-hour days. Since renewal of contracts was not guaranteed, workers did not register complaints for fear of losing employment.

**Child Labor**

Ecuador has ratified all international conventions relating to child labor, including ILO C. 138 on Minimum Age, ILO C. 182 on Worst Forms of Child Labor, UN CRC Optional Protocol on Armed Conflict, UN CRC Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography, and the Palermo Protocol on Trafficking in Persons.\(^{212}\) In addition, laws forbidding the exploitation and trafficking of children exist locally and nationally. Ecuadorian law prohibits the employment of children under the age of 15. In addition, Ecuador sets a minimum age of 18 for hazardous work, which includes in the agricultural sector applying fertilizer or clearing land.\(^{213}\) For children between the ages of 15 and 18, the maximum workday is 6 hours long.\(^{214}\)

Mechanisms the Ecuadorian government has established for enforcing child labor laws include the Interagency Steering Committee for the Elimination and Prevention of Child Labor (IAC), the National Council for Intergenerational Equity, requiring accountability from local autonomous governments, and the Unified Child Labor Registration System (SURTI). Further social programs and governmental policies have been developed to address child labor issues, including targeted efforts to eliminate the worst forms of child labor.\(^{215}\)

Despite these efforts to prohibit child labor, however, in 2008 there were an estimated 662,665 child workers between the ages of 5 and 18 in the country,\(^{216}\) of which about 227,600 were between the ages of 5 and 14.\(^{217}\) Of those working children, 56 percent worked in hazardous conditions.\(^{218}\) Children may forego education in order to help support their families financially: 25 percent of working children in 2012 did not attend school; 64 percent attended some classes but completed only basic education.\(^{219}\)

The majority (71 percent) of working children labor in the agricultural sector.\(^{220}\) In 2012, a full 15.5 percent of children and adolescents in rural areas were working, as compared to 4 percent of urban youth.\(^{221}\) Ecuadorian child workers labor mostly in the banana, flowers, and mining industries, as well as on the streets and in markets. Many children also work in the palm oil industry, risking their lives by handling harmful chemicals and dangerous tools, carrying heavy loads, and working long hours.\(^{222}\)

The global palm oil industry has been named by the U.S. Department of Labor as one of the worst offenders for utilizing forced and child labor. In Ecuador, the Department of Labor and the Special Rapporteur for the United Nations have found evidence of the worst forms of child labor in the industry, noting that indigenous children and Afro-descendant children in the northern region bordering Colombia are particularly susceptible to hazardous work and missed educational opportunities.\(^{223}\) A full 29 percent
of indigenous children were working in 2012, according to Ecuadorian national surveys. A lower percentage of Afro-Ecuadorian children were enrolled in school than the national average.

Both local and migrant children working in Ecuador, especially in the northern border region of this report’s focus, were also vulnerable to the violent context of their surroundings, particularly indigenous and Afro-descendant children. The Special Rapporteur reporting for the United Nations discovered that many children were used for running illegal drugs and other commodities between borders in the north of Ecuador. Children are also exploited through labor placements, often being recruited and transported to other locations in exchange for low wages paid to their families. Many times their parents are forced to “lend” their children to do various types of dangerous and exploitative labor, usually because the parents owe a debt or are desperate for money. According to the Special Rapporteur:

During the time children are lent, they are left at the full mercy of their “tenants” and their parents are unaware of the whereabouts or occupation of their children. While in some instances children have been reported to be “used” as street vendors and farm workers, in others they have been reported to be in domestic servitude or smuggled to neighbouring countries (including Chile, Colombia, Peru and the Bolivarian Republic of Venezuela) for forced labour activities, sexual exploitation and mendicity.

Corresponding government agencies have carried out inspections, issued penalties, and provided shelter and assistance for children found to be in exploitative conditions. However, in 2014, a U.S. Department of Labor report found that enforcement agencies continued to lack proper staffing and training.

**Discrimination**

Root causes of vulnerability to exploitation play a grave role in palm oil workers’ daily realities, leading marginalized workers to accept further exploitative positions or situations. These causes include a lack of documentation or legal status; extreme poverty or lack of alternative opportunities; and subjection to discrimination on the basis of race, nationality, dialect, or gender. The following section details particular issues facing Afro-Colombian migrants and women. Information on how palm oil production affects indigenous and Afro-Ecuadorian communities can be found later in this report, in the section on Damage to Indigenous and Afro-descendant Populations.

**Afro-Colombians**

Article 9 of the Ecuadorian Constitution requires that foreigners be provided with the same rights as citizens. Nevertheless, in practice, discrimination against Colombians, especially undocumented immigrants and those of African descent, is rampant in Ecuador. Colombians are subjected to discrimination based on their race, nationality,
dialect, and legal status. This discrimination forces these migrants into a small pool of less desirable jobs, mainly in the informal sector, fishing, and palm plantations, where they are susceptible to exploitation, due precisely to their lack of alternative employment opportunities.

In March 2014, the Special Rapporteur on Contemporary Forms of Slavery reported a large number of incidents of discrimination, intolerance, and xenophobia against Colombian refugees, especially in the northern border region of Ecuador. According to the UNHCR, in some areas negative stereotypes of Colombian immigrants being associated with crime abound. This has resulted in a lack of integration of immigrants, as well as steep declines in the number of asylum applications approved. An in-country researcher interviewed by Verité concurred with these assessments. She reported that discrimination against Colombians was common, and was more severe closer to the border, with the highest level of discrimination near San Lorenzo, Esmeraldas.

Another expert interviewed by Verité reported that a large number of undocumented Afro-Colombians in the Department of Esmeraldas were victims of discrimination based on race, nationality, and dialect. They were denied access to employment in the formal sector due to this discrimination and were therefore forced to work in undesirable positions in street vending, fishing, and on palm plantations. Many of these workers were self-employed or worked on a contract basis and lacked job stability and benefits. They were therefore vulnerable to labor exploitation, including violations of the terms of employment, underpayment of wages, salary deductions, and verbal, physical, and sexual abuse.

The Special Rapporteur and Verité also found evidence that even many palm oil plantations in Esmeraldas refused to hire Colombians, further limiting possibilities and putting downward pressure on work conditions for desperate job-seekers. According to this expert and workers interviewed, there was a noticeable difference in the treatment of Ecuadorian and Colombian workers on palm plantations. Another expert reported that workers of African descent earned USD 10 per day on the plantations, while others earned USD 12 per day. A group of Colombian workers interviewed by Verité reported that Colombians were not at all eligible for benefits on their plantation.

Refugees International has reported a dramatic rise in xenophobia in Ecuador in response to high-profile cases and surrounding media attention regarding Colombians with refugee visas that were convicted of drug trafficking. Refugees have also been blamed for a recent uptick in crime. This has resulted in employers refusing to provide Colombians with jobs, even if they have visas, and landlords demanding that Colombians meet stringent conditions to rent housing. Colombian children also reportedly face discrimination in schooling.

Ecuadorian palm plantation workers interviewed by Verité expressed stereotypes, rejection, and resentment toward Colombian workers. They reported feeling that Colombians had come to the palm-producing areas to take away their jobs. The presence of Colombian workers resulted in increased competition for jobs and wage deflation, as
employers realized that they could pay Colombians less to do the same work. This also resulted in an implicit threat of dismissal and replacement of Ecuadorian workers for complaining. Ecuadorian workers interviewed also reported rumors of Colombian immigrants robbing or scamming Ecuadorians. In some cases, communities forced all Colombians out when crimes were attributed to particular Colombian community members.

**Women**

Women working in the palm industry face discrimination, leading to income disparities, greater exposure to health risks, and sexual harassment. Employers also often violated laws intended to protect nursing and pregnant women. In some cases, women’s work was trivialized or invisibilized, leading to additional risk of exploitation.

Female laborers were often assigned particular tasks which were perceived as less valuable or requiring less skill and therefore as warranting lower compensation. For example, on some plantations, women commonly worked collecting loose fruit that had fallen from palm branches during harvesting. Women were also responsible for applying fertilizers and pesticides, which while considered lighter duties, actually exposed workers to much higher safety risks. Nursing or pregnant mothers on plantations faced diminished pay or loss of employment if they did not continue to carry out heavy or dangerous work, such as applying fertilizers and pesticides. Pregnant women and their unborn children are especially vulnerable to the effects of these substances. As one local woman shared, “We don’t have protections ... In cases of pregnancies, we women don’t see any benefit from the law. Office workers may have that right, but women like myself that work in rural areas don’t have those rights.”

Women also received lower compensation for similar work. On plantations where workers were paid piece-rates, women could earn less than men as a result of not being able to carry out heavy labor at the same rates as men. Worker interviews indicated that in some cases women earned less even for performing identical tasks. Verité found that when women partnered with their male heads of household to help them meet production quotas, they sometimes did not receive their wages individually or earned a reduced salary, as their incomes were considered supplementary to their partners’. However, in some cases, especially for Colombian asylum-seekers, refugees, and other migrants, women were the sole breadwinners of their households. These women typically had to pay for childcare so that they could work on the plantations, incurring additional expense and making it even more difficult for them to meet their families’ basic needs with lower wages. Women who could not afford childcare had to leave their young children with older children, which could force these older children to drop out of school.
Palm oil plantations often drew the most desperate female workers, including widowed or separated local and migrant women in extreme poverty with families to support. Verité found that this desperation compelled them to endure heavy labor, dangerous exposure to chemicals, low pay, and rampant sexual harassment. Women interviewed by Verité reported a high incidence of sexual harassment on palm oil plantations, and experts interviewed confirmed these reports, noting that the severity of harassment varied for workers based on their immigration status and age.
Case study – Widowed Female Afro-Ecuadoran Worker

Alina was a 30-year-old woman of African descent from the northern region of Ecuador and had five young children. She worked alongside her husband in palm oil harvesting for six years: her husband would complete the tasks requiring the most physical strength, and she would supplement his work by performing tasks requiring greater manual dexterity and meticulousness. Their family lived two hours away from the plantation, so they both took a bus very early in the morning to get to work, while their five children stayed at home alone cooking, cleaning the house, and caring for each other.

After Alina’s husband was killed in their hometown by a criminal who was attempting to steal his wallet, Alina had to continue working in palm oil production in order to support their five children. Since she could no longer work in harvesting with her husband, she was transferred to the pollination area, in which workers are paid by advance. She was unhappy with the wages and the conditions of work on the plantation, but it was the only work in the area.

Although Alina had never been personally sexually assaulted, she believed that she had only been spared because her supervisors knew that she had a husband. She had seen female colleagues forced to put up with obscenities and to provide supervisors with sexual favors so that they would not punish them with harder work for less pay.

Alina observed that women were paid less than men, even for the same activities, such as working in pollination or in greenhouses. However, she was afraid to protest, since in the past the few people who had protested were not allowed to return to work on the plantation. According to Alina, it seemed that businesses in the area must be owned by the same people, since when workers were fired from one place, they were blacklisted from others as well.

Alina noted that Colombians had no right to benefits on the plantation, and there were very few working there, as her plantation had fired many Colombians in order to avoid “problems.” Those Colombians who did work on the plantation were hired by recruiters who covered initial transportation costs and later deducted them from the Colombians’ pay.

When Alina worked with her husband, each of them earned between USD 300 and USD 400 monthly. After he died, she earned less than USD 300 per month, even though her workday began at 5 a.m. and finished at 4 p.m. Further, the commissary on the plantation sold food at high prices through deductions from workers’ monthly pay. Therefore, Alina had to single-handedly support all five of her children with less than half of her prior income.

Her children did not work, partially because the government had been threatening parents who put their children to work. Alina received USD 30 per child for her employers’ mandatory contributions toward her children’s schooling, but noted that on other plantations, parents received USD 100 for each child.
Palm oil plantations often drew the most desperate female workers, including widowed or separated local and migrant women in extreme poverty with families to support. Verité found that this desperation compelled them to endure heavy labor, dangerous exposure to chemicals, low pay, and rampant sexual harassment. Women interviewed by Verité reported a high incidence of sexual harassment on palm oil plantations, and experts interviewed confirmed these reports, noting that the severity of harassment varied for workers based on their immigration status and age.

**Health and Safety**

The Ecuadorian Social Security Institute, Ministry of Labor Relations, and Ministry of Health received approximately 15,000 reports of injuries each year, as of 2011. However, the government has stated that injuries related to work were drastically underreported, and the ILO estimated the true number to be 160,000 injuries each year.236

Palm workers, including men, women, and children, are vulnerable to a wide variety of risks to their health and safety. Workers may face exposure to the sun, injuries from falling palm fronds, cuts from sharp instruments, poisonous snake or insect bites, exposure to toxic herbicides or pesticides, injury from the use of heavy equipment, or transport accidents.237 Researchers reported that workers were rarely provided with the personal protective equipment (PPE) needed to do their jobs safely.

Palm oil production in Ecuador regularly uses 15 pesticides classified by the World Health Organization as moderately or highly dangerous, including endrin, aldrin, dieldrin, and parathion.238 Aldrin and dieldrin have been banned in the United States since 1974 due to the risks they pose to humans and the environment. If a person ingests meat from an animal containing even a trace of endrin, brain damage and malformations are likely to occur.239 Parathion is 16 times more toxic than DDT.240 As a result of exposure to dangerous chemicals, workers and their families face serious medical issues, including but not limited to accidental poisoning, physical injuries, genetic abnormalities in offspring,
and cancer.\textsuperscript{241} One study found that 58 percent of agricultural workers on African palm plantations showed chronic symptoms of exposure to pesticides.\textsuperscript{242}

With education about proper handling of tools and dangerous chemicals, workers could avoid many negative health consequences, according to the UN Special Rapporteur.\textsuperscript{243} However, according to experts and workers interviewed by Verité, employers provided few trainings and protections. Workers reported lacking helmets for their work and being provided boots that did not adequately protect against snake bites. In addition, lack of training and protective gear for employees using agrochemicals resulted in accidental poisoning from insecticides with carbamates, organophosphates, and organochlorine.\textsuperscript{244}

Palm workers who missed work due to illness or injury also risked losing their jobs\textsuperscript{245} and causing their families to fall deeper into poverty.\textsuperscript{246} Extreme poverty and fear of being fired made workers reluctant to refuse to work under unsafe conditions. Many workers were also not eligible for Social Security benefits.\textsuperscript{247} According to the U.N. Special Rapporteur, workers were sometimes unaware of how to access doctors and worked on plantations lacking basic medical services or supplies.\textsuperscript{248}

**Accommodations and Living Conditions**

Multiple palm workers interviewed by Verité reported that they slept on the floor in small, crowded rooms and had no access to potable water, causing many to become ill. Despite the poor quality of accommodations, workers still had to pay for them through deductions from their wages. Workers interviewed reported that USD 15-20 was deducted from their wages per month to pay for sub-standard employer-provided housing.

Some workers interviewed reported that their fear of losing their jobs and lack of other opportunities prevented them from demanding better living conditions. In 2010, the U.N. Special Rapporteur also reported inhumane living conditions for many workers in the palm oil industry. These included overcrowded facilities with up to 30 people sleeping on concrete floors, no access to clean water, and no electricity.\textsuperscript{249}

Additionally, workers interviewed in the area of San Lorenzo reported that violence in the area and the presence of armed criminal groups contributed to unsafe living situations. Refugees and asylum-seekers, who were overlooked by labor inspectors and the police, felt especially unprotected from violence by guerrilla groups.
Damage to the Environment

African palm cultivation is often accompanied by destruction of habitats, contamination of water sources, and deforestation. The harsh environmental effects of palm oil production, already documented throughout Asia, have begun to surface in Ecuador as well.

While palm oil production has the potential to stimulate the economy and provide a pathway to integrate Ecuador into the global economy, environmentalists as well as indigenous peoples who live in regions prime for production of African palm have widely protested the industry. The rapid growth of palm oil has contributed to climate change and the extinction of species through the large-scale clearing of biologically diverse forests, as well as the contamination of water sources and rich soils.

Complete statistics are not available; however, forested areas have been drastically reduced throughout the country. In recent years, 8,000 hectares have been cleared in the San Lorenzo area of Esmeraldas alone. At least 20 native species of trees, plants, fish, and animals no longer exist in the area. In the Chocó region of Ecuador, one of the most biologically diverse areas on the planet with 1,255 endemic species and the highest

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**Case study – Laureano**

Laureano, originally from Colombia, fled his home for fear of being killed or having to enlist with the guerrillas. Upon crossing the border into Ecuador, he found few opportunities to work but was able to secure a job on a palm oil plantation.

Colombian workers were not offered contracts. Laureano earned little in exchange for his six days of work: nominally USD 300 a month, but in practice never more than USD 200. He was told that medical services and Social Security costs were deducted from his pay. However, the one time Laureano required medical attention, he did not have access to these services, as he had never been registered with the Social Security system and had no official identification.

Laureano also experienced terrible living conditions. Twelve people were assigned to sleep on the floor in one small room, with barely enough room to walk. Workers did not have access to potable water. The employer had opened up a well without any safety inspection for minerals, chemicals, or water quality, and many workers became violently ill after drinking this water, losing significant amounts of weight. To survive, he and his fellow workers would set out empty jugs on the patio to collect rainwater for consumption.

Laureano left the plantation, realizing that he had fled the violence in his country only to find himself in another dangerous situation in Ecuador, as he had discovered that Colombian guerrillas had begun frequenting the region, looking for women and supplies, such as food, gasoline, clothing, and medicine.
number of species at risk of extinction, only six percent of the forest remains. In addition, African palm cultivation affects the fishing industry, as catches increasingly come from poisoned waters.

Palm oil production requires clearing large swaths of land and using over a dozen pesticides. When these pesticides enter rivers, they poison wildlife, impacting food sources for the surrounding locals. In addition, many palm oil companies have not obtained permits or followed proper protocols when clearing land: trees in some areas have been bulldozed and left to rot. As a result of the destruction of these lands and a loss of their natural habitat, animal populations have declined.

The destruction of forests and monocultivation of palm oil on a massive scale have been linked to extreme patterns of rain and drought, as soil left exposed to the sun by African palm cultivation is eroded by rains or compacted, interfering with natural water cycles. An expert interviewed by Verité reported that deterioration of the environment caused by African palm occurs even in conservation areas, noting that such damage to the ecosystem is visible from the air.
Harm to Indigenous Communities

The expansion of palm oil production onto lands traditionally held by indigenous peoples has significantly damaged their livelihoods. As African palm cultivation spreads, land grabs and environmental degradation prevent indigenous groups from practicing their traditional ways of life, while a lack of access to infrastructure and educational opportunities as well as discrimination in the workforce leave indigenous people with work on plantations as one of their only options.

The environmental damage described above disproportionately affects the indigenous communities living in areas into which palm oil production has expanded. Palm oil plantations cut down the trees that many indigenous people depend on for their livelihoods, sometimes without notifying communities, as required by international conventions which Ecuador has ratified. Some plantations reportedly do not possess permits to cut down trees, and they may discard the timber, perceiving it as merely an obstacle.

The highly toxic pesticides and chemicals applied to African palm crops make their way into rivers, contaminating fish and drinking water. Indigenous communities use water from the Huashito, Punino, and Payamino rivers which have been contaminated by a nearby oil palm plantation, for cooking and drinking, causing many inhabitants to become sick. Waste from palm oil extraction may also enter rivers, leaving a greasy film on the water and causing diseases in communities that wash in these rivers.
Indigenous peoples face serious problems of discrimination and racist attitudes from those who consider them “backwards and a hindrance to national progress.” As recently as August 2015, lawyers for palm oil companies brought to court by affected communities denied responsibility for environmental destruction and mocked Awá and Afro-descendant communities’ beliefs. In response to such discrimination, indigenous peoples have united to create a resistance effort. Groups such as La Confederación de las Nacionalidades Indígenas de la Amazonia Ecuatoriana (CONFENIAE) have formed in the interest of protecting their rights as native Indians. Despite indigenous people’s efforts and the support of human rights organizations, the palm oil industry’s expansion continues to threaten their livelihoods, and their safety. Violent confrontations related to palm oil expansion have been reported in Oriente.

**Government Enforcement Efforts**

While the government has made significant progress in some areas regarding labor exploitation overall, interviews with workers in the palm sector demonstrated that enforcement of protections is largely lacking for the most vulnerable laborers, particularly Colombian migrants working in rural areas. The Special Rapporteur for the United Nations on Contemporary Forms of Slavery also found evidence of severe abuses and little government oversight in the palm oil industry.

**Enforcement of Labor Law**

Ecuadorian law clearly prohibits forced labor and labor trafficking. Article 66 of the Ecuadorian constitution states that contemporary forms of slavery are illegal, and national law acknowledges the right to personal integrity and a life free from violence. Article 138 of the Labor Code prohibits slavery and slavery-like practices. Organizations and government bodies in Ecuador that work to enforce these laws and prevent unjust forms of labor exploitation of workers in Ecuador include the Defensoría del Pueblo, the Office for Public Prosecution (Defensoría Pública), the Ministry of Coordination for Social Development, the Ministry of Coordination for Internal and External Security, the Ministry of Justice and Human Rights; the Ministry of Government, the Ministry of Tourism, and the Ministry of Foreign Affairs.

A government representative interviewed by Verité in 2013 reported substantial improvements regarding overall labor policies and enforcement since 2007. Regarding worker benefits and pay, employers were required to share 15 percent of profits with employees, and workers were entitled to four separate benefit programs. Before the current administration, the minimum wage had covered only 60 percent of the market basket of goods and services for workers. At the time of the interview, it covered 103 percent, reaching a living wage. The representative also reported that outsourcing of labor hiring and recruitment had been eliminated, despite workers’ reports of the widespread use of labor brokers. Each year, between 70 and 100 unions accepted members, and official unemployment rates were maintained at 3.2 percent. The
government was also working to regulate child labor, legislating a maximum workday so that children who worked could also study, and registering child workers online.

The government representative interviewed reported that the number of inspections had increased dramatically, from under 1,000 each year to 25,000 in 2013. The department staffed more than 350 inspectors and had fined employers a total of USD 10,000 in the previous year for noncompliance. At the time of the interview, the representative reported that all procedures had been automated, including grievance mechanisms and digital inspections with an immediate certification for businesses.

However, Verité research found evidence that the mechanisms the government developed for registering grievances were not appropriate for the poor, rural workers working in the palm oil sector. Workers can report grievances on the web page of the Ministry of Labor Relations, which tracks the number of grievances. However, an expert interviewed reported that the Ministry records the number of grievances by cédula (official identification) number; if a refugee or migrant without a cédula submits a complaint, it remains unregistered. Further, the government web site opened for completing official procedures and submitting grievances, including about child labor, labor exploitation, and trafficking concerns, is largely inaccessible to the average palm oil worker. According to local experts, it was nearly impossible that workers in rural areas would have access to computers, and even less likely that a refugee would have the technical ability to register a complaint online.

In addition, the fear of violence and retaliation remained strong for workers, many of whom had fled violent situations only to face similar situations in Ecuador. For this reason, the anonymity of grievances was of the utmost importance for the viability of the governmental grievance reporting system. A high-level government expert interviewed reported that additional anonymous complaint mechanisms strategically designed to protect workers from retaliation had been developed, but when asked to elaborate on this mechanism, he described the use of Facebook, Twitter, or email – all of which ask the user to provide their name and other identifying information. Further, an undocumented refugee without education and living in a rural area would find it incredibly difficult to rent a computer, open one of these accounts, and begin the long process of filing a complaint.

An expert from a non-profit providing asylum assistance reported that when the organization had encouraged undocumented workers to report violations of their right to benefits to authorities, these workers had expressed great fear of reporting labor abuses. According to this expert, neither labor inspectors nor the police regularly intervened on the behalf of immigrant workers, which left them vulnerable to retaliation and therefore less likely to complain. The organization had carried out an informative workshop for refugees on palm oil plantations, but the palm oil company only allowed migrants with papers to participate.
Enforcement of Anti-Trafficking Law

According to the U.S. Department of State, Ecuador was a Tier 2 country for human trafficking: a source, transit, and destination country for men, women, and children subjected to sex trafficking and forced labor, including in the palm oil sector. The Department named Afro-Ecuadorians, Colombian refugees and migrants, and indigenous persons as particularly vulnerable populations.\textsuperscript{270} The UN Special Rapporteur likewise reported:

Despite the progress made, [...] contemporary forms of slavery persist in Ecuador and are directly related to pervasive instances of discrimination, social exclusion and poverty. They affect sectors of the population that have faced historical wrongdoings, such as Afro-descendants and indigenous peoples, as well as those whose conditions make them the easy prey of exploitation, such as children of impoverished families, asylum-seekers, refugees and irregular and smuggled migrants and women.\textsuperscript{271}

The government has combated child trafficking through strengthening police units, convicting some traffickers, and increasing funds to NGOs providing services and shelter to victims.\textsuperscript{272} However, trafficking continues, as government agencies lack resources to implement anti-trafficking goals.\textsuperscript{273} A new criminal code passed in August 2014 was described by the U.S. Department of State as being “overly broad” and therefore impossible to enforce, as it classified all forms of child labor as exploitative. In addition, adult victims had little access to specialized services because of limited, irregular provision. There have been few convictions of criminals trafficking adult victims, though the government has been brought many cases. Further, there are ongoing investigations of corrupt officials charged with ignoring trafficking, alerting traffickers prior to law enforcement operations, or not properly prosecuting traffickers in a court of law.\textsuperscript{274}

According to a US Department of State Trafficking in Persons Report, in 2013, police referred 145 possible trafficking cases to prosecutors, and authorities initiated prosecutions of 95 alleged traffickers. Authorities convicted 20 traffickers in 2014, and at least four of these convictions were for labor trafficking, compared to 14 sex traffickers and five labor traffickers convicted in 2013. Sentences ranged from four to 16 years’ imprisonment. In 2014, the victim and witness protection program for individuals participating in penal processes (SPAVT) supported 66 victims of trafficking; most were sex trafficking victims. This is a significant decrease from 2013, when police reported identifying 450 potential trafficking victims.\textsuperscript{275}
Corporate Social Responsibility Initiatives

Roundtable on Sustainable Palm Oil (RSPO)

Companies and other stakeholders banded together in 2004 to create the Roundtable on Sustainable Palm Oil (RSPO) in order to promote the increased production and use of sustainable palm oil. The RSPO is a multi-stakeholder initiative that encourages a collaborative approach to address challenges in the palm oil industry, including economic, environmental, community, and social issues. The RSPO seeks to register all industry stakeholders as RSPO members, including producers, buyers, retailers, government groups, finance organizations, and NGOs. Today, the RSPO is widely considered the palm oil industry’s best attempt to manage its effect on the people and places impacted by palm oil production.

<table>
<thead>
<tr>
<th>RSPO Member Categories</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks and Investors</td>
<td>14</td>
</tr>
<tr>
<td>Consumer Goods Manufacturers</td>
<td>557</td>
</tr>
<tr>
<td>Environmental or Nature Conservation Organizations (NGOs)</td>
<td>30</td>
</tr>
<tr>
<td>Oil Palm Growers</td>
<td>140</td>
</tr>
<tr>
<td>Palm Oil Processors and Traders</td>
<td>423</td>
</tr>
<tr>
<td>Retailers</td>
<td>61</td>
</tr>
<tr>
<td>Social or Development Organizations (NGOs)</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total Membership</strong></td>
<td><strong>2,447</strong></td>
</tr>
</tbody>
</table>

Source: RSPO Annual Communications of Progress (ACOP), 2015

In 2005 the RSPO adopted its first set of the RSPO Principles and Criteria for Sustainable Palm Oil Production (P&Cs). The P&Cs serve as the foundation for RSPO certification standards. Their purpose is to define and codify production and management practices that are sustainable and ethical, and that address critical issues identified in the palm oil industry. The critical provisions for social accountability in the P&Cs include:

- Ongoing commitment to transparency
- Legal compliance with national and international law
- Responsible land use and absence of land conflicts
- No diminishment or loss of customary rights without free, prior, and informed consent (FPIC)
- Systems for resolving disputes and achieving negotiated agreements
- Assessments of social impacts
- Implementation of health and safety requirements
- Open and transparent communications
- Assurances of acceptable pay, fair prices, and appropriate training for smallholders
- Recognition of the right to organize and engage in collective bargaining
- Protections against child labor and in favor of women, migrant laborers, and smallholders
- No forced labor or discrimination
Contributions to local development through participatory social and environmental impact assessments for proposed new plantations.

The RSPO has launched a certification system for sustainable palm oil. The RSPO developed standards for environmental and social responsibility, against which growers and millers are audited for certification. The first set of standards developed by RSPO did not include specific criteria against forced and trafficked labor. However, after pressure from organizations, including Verité, the RSPO voted in April 2013 to create a new set of principles and criteria that included stronger provisions on labor, employment, human rights, and business ethics. The RSPO requires companies claiming to sell certified-sustainable palm oil to submit to third-party assessments to confirm “legal, economically viable, environmentally appropriate, and socially beneficial management and operations.”

Nestlé and Unilever, responding to consumer pressure, were among the first major companies to commit to purchasing a significant volume of certified sustainable palm oil (CSPO).

There are currently eight RSPO members in Ecuador; the following six had memberships at the time of Verité field research.

- ANCUPA (Asociación Nacional de Cultivadores de Palma Aceitera), Oil Palm Growers
- Comercializadora Internacional Ciecopalma S.A, Palm Oil Processors and Traders
- Industrial Danec S.A., Palm Oil Processors and Traders
- Industrias Ales C.A., Palm Oil Processors and Traders
- La Fabril S.A., Palm Oil Processors and Traders
- Natural Habitats Group, Oil Palm Growers

Tracking

The Union of Concerned Scientists has recently begun publishing reports on top U.S. products and companies’ level of commitment to “end the destruction of forests and carbon-reach peat swamps associated with their use of palm oil.” In many cases, companies that source palm oil do not know where it comes from, let alone the conditions under which it is produced. Though these studies do not include information on labor practices, these and other efforts to track sources of palm oil are extremely important so that companies can understand their supply chains and the labor risks to which they may be exposed. The following charts share information collected in these studies.

Rainforest Alliance

Companies associated with the palm oil sector are becoming increasingly interested in obtaining certificates of sustainability. Wal-Mart, for example, has taken the initiative to stock its shelves with products that are certified by the Rainforest Alliance, an
international nonprofit organization that works to conserve biodiversity and ensure sustainable livelihoods. Until recently, Rainforest Alliance certified only coffee, but in 2008 it widened its efforts to other crops such as palm oil and cacao, thanks to a project financed by Swiss aid.\(^\text{284}\)

Rainforest Alliance standards are based on the ten principles established by the Sustainable Agriculture Network. A third-party, the Inter-American Foundation of Tropical Research (FIIT), audits compliance with these principles. The ten principles are:

1. A social and environmental management system, which should include a training program.
2. Ecosystem conservation, which should involve identifying, protecting, and restoring all natural ecosystems through a conservation program.
3. Wildlife protection.
4. Water conservation, including waste reduction.
5. Fair treatment and good working conditions for workers, including direct hiring, salaries and benefits at least equal to the legal minimums, and a commitment to adherence to national laws.
6. An occupational worker health and safety program to reduce and prevent accidents, including training and adequate equipment.
7. Good community relations and contributions to local economic development through training and employment to prevent negative impacts on the areas, activities, or services that are important to local populations.
8. Integrated crop management (ICM), which minimizes the use of chemical products.
10. Integrated waste management.\(^\text{285}\)

**Conclusions and Recommendations**

Verité research found human rights and labor risks related to Ecuador’s palm sector, including unethical recruitment and hiring practices; indicators of forced labor; wage and hour violations; child labor; discrimination against women and minorities; environmental damage; and inadequate grievance mechanisms. Esmeraldas was the province with the highest concentration of serious labor and human rights risks linked to the palm sector, according to Verité’s findings.

Labor and human rights violations, including forced labor and human trafficking, can persist deep in supply chains, hidden even from social compliance and government enforcement programs. Long, complicated supply chains and deception by actors within them make these risks difficult to identify and address. Policies can have the unintended effect of worsening coercive practices by employers and third party labor recruiters, exacerbating worker vulnerability. This complex situation demands new and strategic ways for approaching supply chain due diligence. It is essential that the Ecuadorian government and companies that purchase palm oil take steps to combat labor and human rights abuses in the production of palm oil in Ecuador. Verité has drafted the following
recommendations for the government of Ecuador, as well as palm oil producers and buyers.

Recommendations to the Government of Ecuador

1. Take measures to improve the capacity of the Ministry of Labor to detect labor law violations in the palm sector by:
   a. providing labor inspectors with financial incentives to carry out inspections in the agricultural sector and in remote locations and for detecting labor law violations;
   b. setting standards for the amounts of fines corresponding to specific violations in order to combat corruption and favoritism;
   c. increasing the amount of fines for labor violations and for failing to submit reports on compliance to the labor inspectorate to dissuasive levels;
   d. improving systems to ensure that labor brokers are complying with legal requirements and are not engaging in deceitful or coercive recruitment practices;
   e. taking measures to ensure that the number of active labor inspectorate staff engaged in inspections in each province is adequate for the number of inhabitants;
   f. inspecting plantations in which labor law violations have been reported; verifying compliance with minimum wage requirements, including among workers who are paid a piece rate; and
g. improving worker grievance mechanisms, including by developing grievance systems that are accessible to workers with low levels of literacy and a lack of internet access and by ensuring that grievance systems allow workers to report violations anonymously.

2. Take measures to more effectively detect cases of forced labor and labor trafficking, prosecute perpetrators, and assist victims by:
   a. training government officials, such as labor inspectors, police, health care workers, prosecutors, and judges on detecting indicators of forced labor and labor trafficking;
   b. establishing a system to report cases of forced labor and labor trafficking to appropriate authorities for prosecutions of offenders;
   c. training police, prosecutors, and judges on laws that can be used to convict and sanction exploitative employers and labor brokers complicit in the crime of trafficking in persons;
   d. training police and prosecutors on interviewing victims, collecting evidence, and building successful cases against employers, labor brokers, and complicit public officials;
   e. establishing a system to refer victims of forced labor and labor trafficking to government and NGO service providers;
   f. strengthening psychological, social, and health assistance programs to ease survivors’ reintegration into society and prevent discrimination and reduce vulnerability to re-victimization;
   g. creating and distributing information on labor rights, forced labor, and labor trafficking to workers in the agricultural sector;
   h. providing victims of forced labor and other form of labor exploitation with free legal assistance and witness protection, as necessary;
   i. developing mechanisms to protect immigrants who are victims of labor exploitation, including ensuring that victims are not deported;
   j. creating systems for compensating survivors of forced labor and labor trafficking; and disseminating data on the number of victims of forced labor and labor trafficking identified and disaggregating this data by gender, country of origin, and location where victimization occurred.

3. Implement measures to protect Colombian immigrants, including refugees and asylum seekers by:
   a. more efficiently processing applications for refugee status and asylum;
   b. extending the window of time during which migrants must apply for refugee status from 90 days to at least 180 days;
   c. carrying out public awareness-raising campaigns to reduce discrimination against Colombian immigrants;
   d. strengthening outreach to vulnerable populations of Colombian immigrants, along with systems to detect human and labor rights abuses committed against Colombian immigrants; and
making financial, legal, and job training services available to Colombian immigrants.

Recommendations to Palm Oil Producers and Buyers

1. Design and carry out effective supply chain assessments to identify non-compliances with corporate or multi-stakeholder codes of conduct by:
   a. strengthening assessment protocols to cover labor and human rights risks identified in the palm sector;
   b. identifying all suppliers throughout the supply chain;
   c. extending assessments to supply chain “locations” where the risk is greatest; and
   d. focusing on sub-contracting arrangements and business relationships that may include third-party labor providers.

2. Design and implement training and capacity building programs in order to enable relevant staff and workers to better understand the risks associated with palm oil production and institutionalize knowledge and expertise within the company and across its supply chain by:
   a. developing collaborative training programs that involve suppliers and stakeholders to generate joint understanding and engagement on key issues and strengthen important supply chain and stakeholder relationships; and
   b. training workers to inform them of their rights in order to enable them to better defend themselves in the face of vulnerability, both individually and collectively, and give them the confidence to raise and resolve grievances.

3. Develop and make available to workers and community members credible grievance mechanisms to provide them with an outlet to lodge complaints and give them recourse if their rights are violated by:
   a. designing confidential, effective and trustworthy grievance mechanisms that account for the unique circumstances of migrant workers;
   b. developing grievance mechanisms that are broad enough in scope and mandate to handle problems that may arise during recruitment or migration before the worker arrives at the workplace;
   c. ensuring that grievance mechanisms are accessible to all workers and community members;
   d. creating a “feedback” loop that flags key or recurrent issues and promotes continuous improvement in employment relations; and
   e. effectively addressing grievances.

4. Engage in policy advocacy and stakeholder dialogue on a local, national, and international level in order to address risks linked to palm oil production by:
   a. advocating for legal reforms in countries in which palm oil is produced in order to reduce the risk of human and labor rights violations;
b. joining CSR initiatives, such as Rainforest Alliance and the RSPO, which represents an important framework for promoting multi-stakeholder action against abuses; and
c. adhering to existing standards and advocating for improved standards to protect against labor and human rights risks.

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Endnotes


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