

Oil palm jobs contribute substantially to rural employment

According to the latest quarterly National Household Survey taken by DANE, as of the end of September of 2011 the unemployment rate in Colombia was 9.7%. This implies that as of that date there were 2.2 million unemployed persons, 139,000 less than in September of 2010, when the unemployment rate was 10.6%, equivalent to 2,335,000 unemployed persons. What makes this newsworthy is that the unemployment rate has dropped to a single digit for the first time in 16 years.

Even though these figures are positive for the Colombian economy, it is worth remembering that also according to DANE, 42.7% of the unemployed who are outside the town centers are agricultural workers. In these circumstances, labor-intensive sectors such as the oil palm industry acquire special importance, given that 47% of the industry's costs in the agricultural stage are labor-related.

According to forecasts, by the end of the year the oil palm agro-industry will have created nearly 50,000 direct jobs and 75,000 indirect jobs, both well paid. Comparatively speaking, while oil palm day workers in Indonesia make between 4 and 5 dollars, and in Malaysia between 7 and 9, in Colombia they make between 22 and 24 dollars.

In an attempt to get a better picture of the employment situation in the industry, Fedepalma contracted a study with Fedesarrollo. The study's results and conclusions show the main features of employment in the industry and its related activities, in aspects of relevance to the workers and the communities where the industry is present.

The main results of the study show that working for the oil palm industry (either hired directly or through Associative Work Cooperatives (CTA) or other types of arrangements) generates higher income, more formal employment, and consequently a better quality of life

than comparable activities. In this regard, it should be noted that formal employment offers innumerable benefits to employees, including: optimal work and salary conditions, social security benefits and occupational health practices, among others.

In fact, the quality of life scores of the households of oil palm workers are 20 points higher (on a scale of 0 to 100) than those employed in similar activities in the same region. A total of 39% of the employees of oil palm companies say they have good possibilities of developing a career in the field and to be promoted to a job with more responsibility. Additionally, 63.7% say their work is stable and that they feel satisfied with their pay, which allows them to improve their quality of life in terms of opportunities to study, stability, access to public services and housing conditions, among others. This is because 40.3% of them have permanent work contracts, which provide job stability and security.

Regarding social security, being involved in the sector increases the probability of receiving healthcare and pension benefits in 50.8 percentage points. A total of 83% of oil palm workers said they were affiliated to a pension fund, whereas only 28% of workers in other sectors are affiliated; 78% are affiliated to family compensation funds; 88% are affiliated to the contributive healthcare regime through a healthcare provider organization (EPS); and 86% are affiliated to an occupational risk management company.

Equally important, working for the oil palm industry is associated with 20% higher pay, and 72% of those interviewed say the industry makes a positive contribution to the development of their municipalities.

These results indicate that the satisfaction level of workers in the industry, in terms of income and quality of living, is higher than that of other agricultural activities. The industry is therefore clearly important for agricultural employment, as demonstrated by Fedesarrollo.

However, it should be acknowledged that the averages reported in the study include workers who receive wages that are below what is required to ensure acceptable living standards for themselves and their families. There are also producers that are not complying with Colombian labor and social security legislation, particularly small and mid-size producers who sometimes do not fully value the importance of having formal and well paid labor.

It is therefore necessary to continue improving industry results and to close existing gaps, because if the Colombian oil palm industry is to be differentiated by anything in local and international markets, it should be by its high added value associated with social and environmental factors, in order to make the industry sustainable.

That is the reason why, the industry is currently imple-

menting the rules required by of the Roundtable for Sustainable Palm Oil (RSPO). Making the effort in terms of fair and well paid employment worthwhile depends on the commitments industry members, both large and small, make in this regard, in order to give Colombia a differentiating condition of the order it deserves as the fourth largest palm oil producer in the world, in terms of its compliance with international labor and social security standards, which is a requirement in order to access new markets.

Moving forward, oil palm growers face big challenges on the labor front in order to continue consolidating the social dynamics generated by oil palm in Colombia. The industry currently covers over 400,000 hectares spread out in some 108 municipalities, where it has arrived creating jobs and improving the living standards of their communities.