



COFFEE STAIN



COFFEE WORKERS IN THE STATE OF MINAS
GERAIS, BRAZIL AND SUPERMARKETS'
CORPORATE SOCIAL RESPONSIBILITY

OXFAM BRASIL REPORT

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Historically, respect to human rights came late to rural Brazil, where they remain fragile. Several decades passed before rural workers were included in the country's labour law framework known as CLT (The Consolidation of Labour Laws). Most cases of modern slave labour in Brazil are linked to agriculture. Rural workers' wages and family farmers' earnings are low, placing most of them among the poorest income groups. However, these are essential people who did not stop working during the coronavirus pandemic and continued to produce food to be sold at the largest supermarkets in the country and abroad. In recent years, coffee production in Brazil has been addressed in numerous documents including allegations about poor working conditions for rural workers. Informality, poverty and slave labour are recurrent problems. Oxfam Brasil is once again looking into the situation of coffee in the country, with a special focus on Minas Gerais – the main producing state. With the increase in large supermarkets and other large corporations' economic power and influence in food supply chains, we call on these actors to conduct a deeper analysis of the coffee supply chain in Brazil and establish corporate policies and mechanisms to safeguard the rights of the rural workers involved.

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This report was written by Gustavo Ferroni and includes contributions from Oxfam Brasil colleagues Jorge Cordeiro, Luiz Franco, Maitê Gauto and Katia Maia, researchers from the Inter-Union Department of Statistics and Socioeconomic Studies (Dieese) Fernando Junqueira, Patricia Costa and Patricia Pelatieri, and journalists from Papel Social Manoela Bonaldo and Marques Casara. Layout by Brief Comunicação and proofreading and copy desk by Eros Camel | © Camel Press.

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This document is not meant to offend or attribute offensive facts to any of the persons and companies mentioned, nor to their legal representatives or partners. It aims solely and exclusively at fostering debate on the topic presented, namely, working conditions of rural workers in Brazilian coffee production.

Cover photo by Tatiana Cardeal/Oxfam Brasil.

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BITTER COFFEE by Carmen Faustino¹

*That morning,
The sip of coffee came down hot
Burning in the sun
Strong taste of blood and asphalt...
In the favela, a bullet is never lost
It found the Black Woman
who failed to feed her children
just to become a bag on the streets of the postcard
Everything is recorded; the scene is strong, put it
on the air!
However, while the colour of the skin is almost
the same as the floor,
It doesn't arouse any feelings
Neither justice nor commotion
The deep cry of the family
Didn't spill during prime-time soap opera
Her children's cries of pain
Didn't echo in the big houses of south Rio
The news continue...
They say it's a good year around here
Foot on the ball, finger on the voting machine
Tourists and candidates going up the hills*

*Taking photos and hugging the children
It tastes like goal, caipirinha and beer

A nice speech and a little flyer with the candidate's
face
Keep up the image, guarantee the election...
But there in Morro da Congonha, it's a year of
mourning
The family's heart is broke
Her body and her life banalized on the screen
Wounds screaming while voices fall silent
A black women, racism and social invisibility...
And now, the sip of coffee
In the mouths of Cacau's children
It goes down bitter as bile
Strong taste, of longing and salt.*



INTRODUCTION

Each day, millions and millions of people drink coffee all over the world – 94 billion cups are consumed every year only of Nescafé.² The global coffee market is worth US\$ 200 billion a year.³ That is a lot of wealth. However, not all parties involved in coffee production share the benefits of that wealth. In this report, we show that rural workers in the state of Minas Gerais are far from having a decent life while working with coffee.

For a long time, several organizations have been warning about the problems and rights violations faced by Brazilian coffee workers. Over the last few years, and even over the last few decades, numerous complaints have been made and studies have been conducted. However, even with all these complaints and different efforts seeking to debate the coffee supply chain, the problems persist.

In 2016, working conditions on Brazilian coffee farms hit the headlines in international media after three reports were published. In March, Danish Non-Governmental Organization (NGO) Danwatch⁴ exposed cases of child and slave-like labour in coffee plantations that supply complex global trade networks – linked, for example, to coffee processing giants Nestlé, from Switzerland, and Douwe Egberts, from the Netherlands.

A month later, a report released by US-based international humanitarian agency Catholic Relief Services (CRS) and NGO Repórter Brasil⁵ provided more details on the situations that characterize slave labour caught by federal inspectors in coffee – forced labour, strenuous working hours, debt bondage, and degrading working conditions. In October of that year, Finnish NGO Finnwatch, together with Repórter Brasil and other organizations, launched a study⁶ on working conditions on coffee farms located in Brazil, India and Honduras, whose beans are exported to Europe.⁷

In December 2016, Repórter Brasil published a new report⁸ pointing out labour problems such as informality, fraud in mandatory benefits, payment below the legal minimum wage, dangerous transportation, and other unhealthy practices on farms. These issues affect a much larger universe of workers than slave labour but can be considered the gateway to more serious violations. The report shows that these problems were present on coffee farms certified with labels such as UTZ, Rainforest Alliance, Nespresso AAA Sustainable Quality™ Program, Starbucks C.A.F.E. Practices and Certifica Minas.

Going back 17 years, Oxfam International itself, together with Dutch organization Koffie Coalitie, Brazil's labour confederation CUT, the Social Observatory Institute, and the Brazilian Confederation of Agriculture Workers (Contag) published a comprehensive study on conditions of workers and family farmers in Brazil's coffee industry. In general, the result is similar to the problems detected by other studies: small farmers without support or collective organization being exploited by large producers, informal wage workers, lack of personal protective equipment (PPE), labour violations (irregular discounts on wages), lack of proper housing and transportation, and reports of slave-like labour.⁹



The coffee supply chain is complex and its actors range from countless companies such as supermarkets, coffee brands, roasters, cooperatives and farms, to rural workers. Companies seek to respond through initiatives, covenants and especially certification, but a traceability problem persists in the supply chain. Producers include family-based, small and medium farmers, and large landowners. When the product leaves the farms, which can be small or large, the coffee is usually combined either at roasters and processors or at cooperatives or traders dedicated to exports. From there, it goes to industries in Brazil or abroad, which sell it to supermarkets. Therefore, the origin of the coffee is lost in these “nodes,” making it difficult to trace it back to the farm and guarantee chain of custody to separate what is responsibly produced from what has been “stained” by rights violations.

This report by Oxfam Brasil aims to contribute to the debate on the causes of inequality in the country and the role that large corporations in food supply chains – such as supermarkets – can play in the effort to combat those causes. We seek to help all actors involved in the coffee supply chain to find the best solutions so that rural workers can have a decent life.

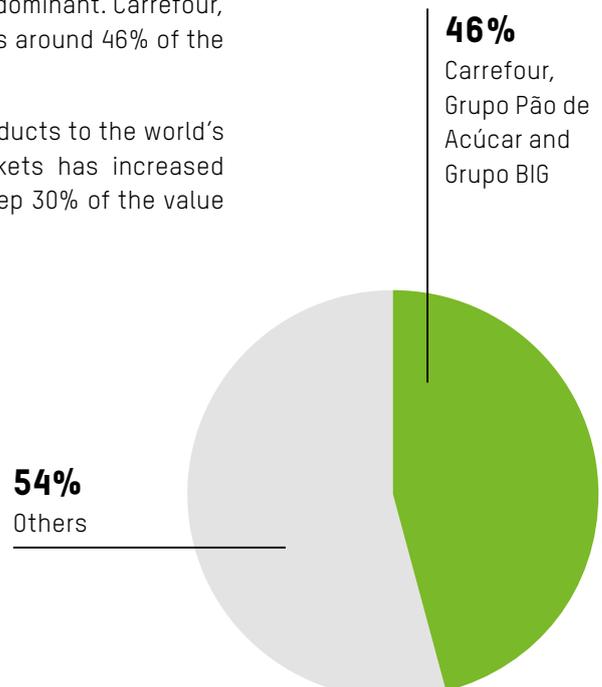
In no way do we seek to cause any damage to the coffee produced in Brazil. As happens in all sectors, examples of good practice live side by side with persistent problems. We believe that decent labour and income for the workers involved must be an essential contribution of any sector – such as coffee – to the economy.

COFFEE AND SUPERMARKETS

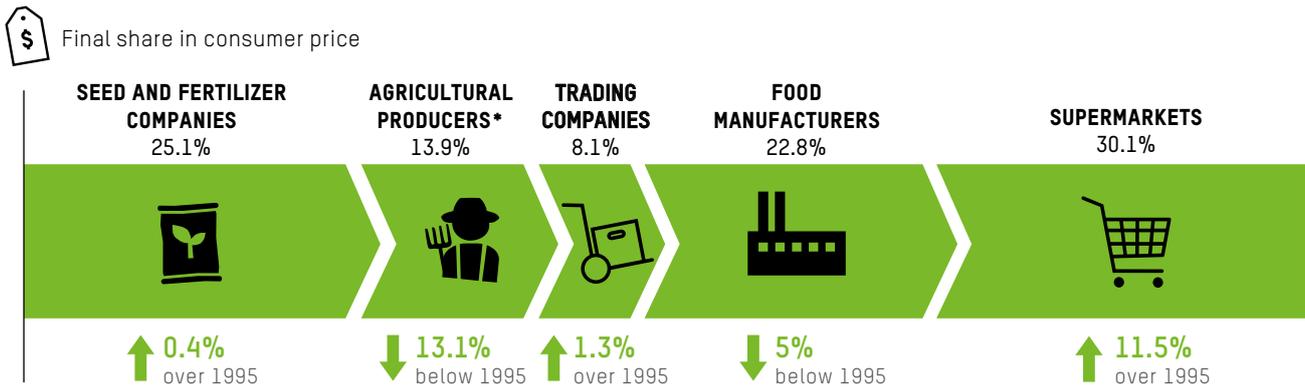
When we enter a large supermarket anywhere in the world, we are surrounded by a wide offer of food products. There are countless types of cereals and grains, yogurt in all sizes and flavours, oils, breads, fruits, vegetables, meats, shelves full of spices and countless breakfast products, especially coffee. Although it seems that consumers have a wide choice, the reality is that food supply chains are highly concentrated in the hands of a few companies and brands, which can influence the chains from the origin of the products.¹⁰

Supermarkets are also part of this increasing concentration. Large chains dominate the food retail industry in the main countries of the world.¹¹ Recently, the Brazilian food sector has become even more concentrated when, on March 24, 2021, Carrefour Brasil announced the acquisition of Grupo BIG Brasil SA (Grupo BIG), consolidating its leading position in the Brazilian market and becoming even more dominant. Carrefour, together with Grupo Pão de Açúcar and Grupo BIG itself, controls around 46% of the sector.¹²

In 2018, Oxfam analysed 12 global chains that supplied food products to the world’s leading supermarkets. It found that the weight of supermarkets has increased considerably in the previous two decades and that they now keep 30% of the value created, on average.¹³



VALUE SHARE BY LINKS IN SELECTED SUPPLY CHAINS



[*] Small and large.

Source: Adapted from A. Abdulsamad and G. Gereffi (forthcoming). Measurement in a World of Globalized Production. Durham, N.C.: Duke Center on Globalization, Governance and Competitiveness. Research report commissioned by Oxfam America (USA).

Note: Data at global aggregate level, 1995-2011.

Large supermarkets control the retail sector in their countries and therefore have achieved a dominant role in global food supply chains. In addition to selling unprocessed and third-party products, they also work with the so-called “private labels.” That is, they develop and market their own food brands.

This is the case of coffee, where supermarkets act as the main sellers to consumers of other companies’ brands and also sell their own (private) brands.

As shown in Oxfam Brasil’s Behind Your Shopping¹⁴ report, the largest supermarkets in the country – Carrefour, Pão de Açúcar and Grupo Big – must adopt better corporate policies and practices regarding respect for human rights in their supply chains, which fall far short of best practices when compared to other large supermarkets in the world.

In the case of the coffee supply chain, such responsibility is twice as important because, in addition to selling third-party coffee brands, these large supermarkets have their own brands.

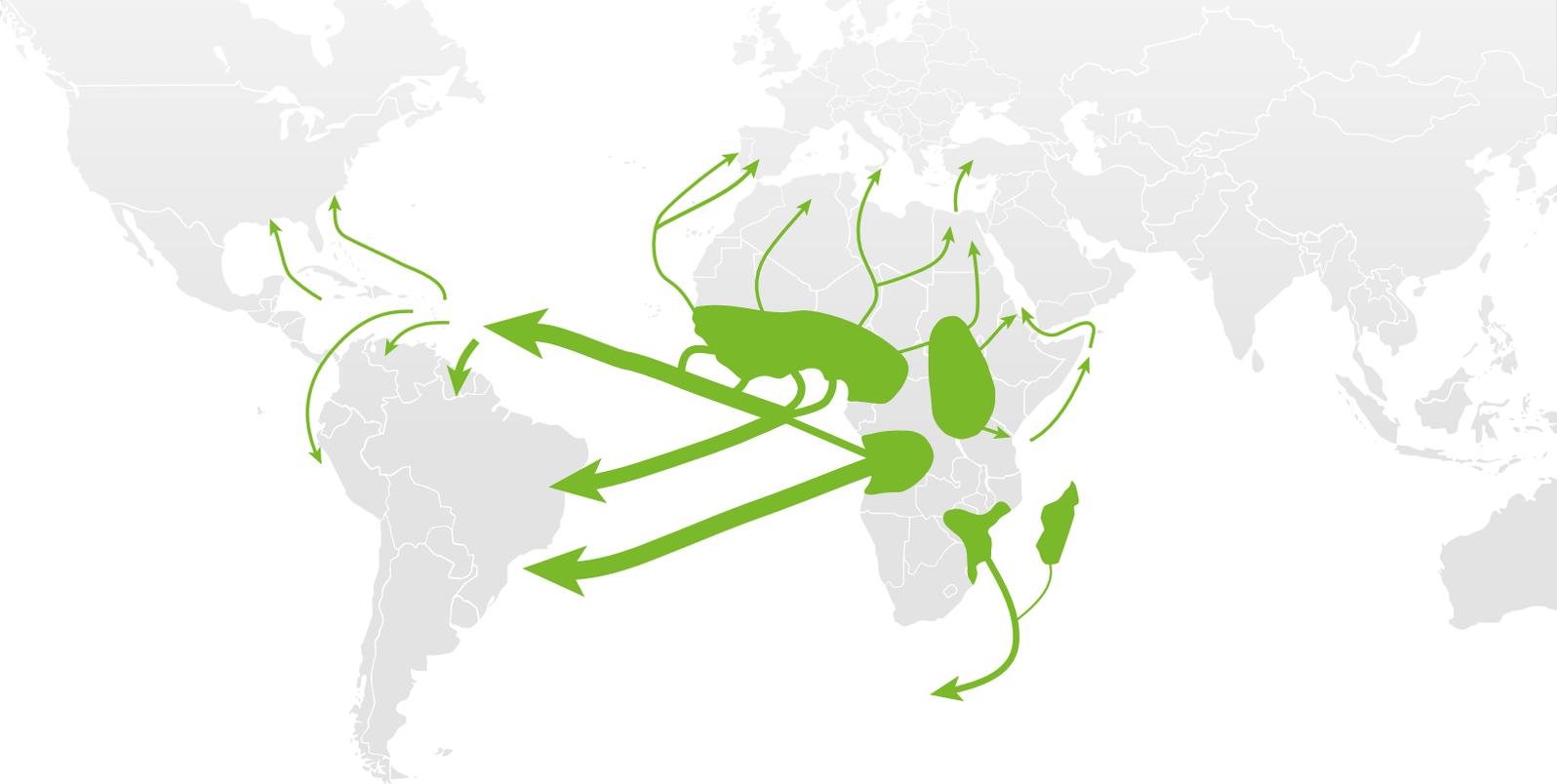
The supermarket industry is very important for the country, contributing more than 5% of its Gross Domestic Product (GDP) and providing around 1.8 million direct jobs.¹⁵ While 2020 was a challenging year for society as a whole, including supermarkets, it is undeniable that the industry was able to face the coronavirus pandemic and that its scenario was good for sales. With emergency aid and other government measures that boosted consumption, according to global information, data and measurement company Nielsen Media Research, the sector saw a rise in sales revenues of around 10% in 2020 until November 15, especially fresh perishable food, with a 22.9% increase, and processed food, with 16.8%.¹⁶



BRAZIL: THE LEGACY OF SLAVERY AND COFFEE

Brazil's economic and social formation is connected to rural oligarchies, coffee production, and slavery. In colonial Brazil and after independence, exportation of sugar cane and coffee were two major economic drivers. Their production was based on large plantations and slave labour. The great coffee cycle in Brazilian history took place between 1800 and 1930. In that same period, the country gained its independence (1822) and became a monarchy, stopped the trade in enslaved Africans (1850), proclaimed the end of slavery (1888), became a republic (1889), went through a coup (1930) that took away the coffee oligarchy's control of the Presidency, and defeated a counter coup staged by the same coffee oligarchy (1932). The country's industrialization and modernization took off exactly when the coffee cycle ended and its oligarchies were ousted from power – they continued to be very strong but without total control of the Federal Government.¹⁷

MAP OF THE TRADE IN ENSLAVED AFRICANS



Source: Macmillan Encyclopedia of World Slavery.

During the 19th and early 20th centuries, coffee was the Brazil's main export commodity and its interests played a central role in the trade of enslaved Africans – even after the country signed treaties that provided for its end (1815, 1826 and 1831)¹⁸ – and in its delay in abolishing slavery completely. Brazil was still a colony and was subject to the treaty signed by Portugal and England in 1815, which supposedly abolished enslaved Africans trade. Then, in 1826, the Brazilian Empire (already independent) signed a treaty with England that was also supposed to abolish that trade. A law enacted in 1831 criminalized all those involved in the enslaved trade and freed all kidnapped Africans brought to the country in that condition. However, until 1850 (when the Eusébio de Queirós Law was enacted), the clandestine traffic in enslaved Africans continued strong. Thousands of Africans were kidnapped and brought to Brazil illegally – even under the Empire's slavery regime.

The period from 1800 to 1850 was marked by an increase in the trade in enslaved Africans, with the beginning and consolidation of Brazil's coffee cycle. The arrival of a large influx of enslaved African in the first half of the 19th century caused a major increase in agricultural production. It was in that period, driven by slavery and helped by the collapse of or political changes in competitors, that Brazil became the New World's largest coffee producer.¹⁹

"Coffee was the driving force behind the stunning growth of the enslaved population of Brazil in the 19th century and U.S. nationals were a prime motor pushing Africans across the Atlantic. As the taste for this beverage grew among refined palates in Europe and North America, the demand for slaves grew accordingly, particularly among the coffee farmers of the Paraíba Valley."²⁰

The strength of slavery in Brazil's history is linked to the development of the coffee economy – both in the country and in the world. Brazil was the last country to end slavery, 388 years after it began.

The historical relationship between coffee and slavery has directly influenced contemporary Brazil. As professor Silvio Almeida puts it, today's racism is the result of a historical and political process, and the legacy of traditions that were built into the social structure itself. Structural racism demands "profound changes in social, political and economic relations" (ALMEIDA, 2019).²¹ When analysing current inequalities, we must reflect on how they were created and reproduced. The role played in society by rural workers – in this case, coffee workers – and their social vulnerability status seems to be no accident or coincidence.

"The viability of systemic reproduction of racist practices lies in the political, economic and judicial organization of society. Racism is concretely expressed as political, economic and judicial inequality. (...) as a historical and political process, racism creates the social conditions so that, directly or indirectly, racially identified groups are systematically discriminated against" (ALMEIDA, 2019, pp. 33 and 34).²²

Therefore, when looking at the current situation of rural workers in Brazil (and coffee workers in Minas Gerais), its roots must be considered. It is no coincidence that contemporary rural labour coexists with systemic poverty and human rights violations, and that the majority of rural workers are black people.²³

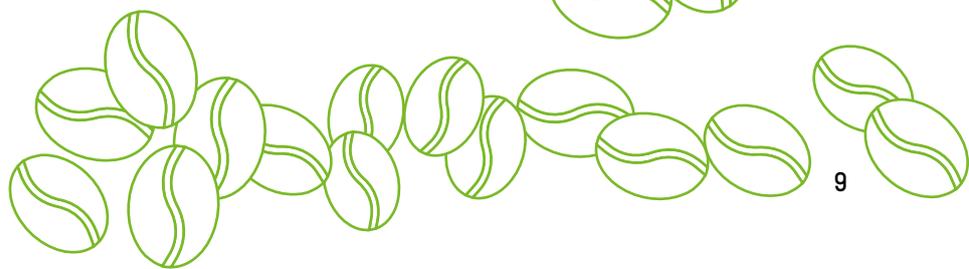




Photo by Tatiana Cardeal/Oxfam Brasil.

RURAL WORKERS: WAGES, INCOME AND DIGNITY

Providing workers with living wages and decent labour is crucial to ending the state of extreme inequality in which we live. Our economy creates inequalities and, even during a crisis such as the coronavirus pandemic, wealth concentration has not been reduced.²⁴ Such concentration appears to be built on the backs of low-paid workers, often women, who receive low wages and do not have their rights respected. Unfortunately, even if they are working, many people around the world remain poor, indebted and struggling not to fall into extreme poverty. In the scenario prior to the pandemic, more than half of the world's population lived on US\$ 2-10 a day.²⁵ According to estimates by the International Labour Organization (ILO), even before the pandemic, around 40 million people experienced modern slavery in the world.²⁶

It would be no different in Brazil, since our country is very unequal and workers are those who suffer the most. However, not all of them face the same challenges: rural workers are one of the best illustrations of this system that creates inequality, not only today but also historically.

This is reflected in how rights came later and incompletely to Brazilian rural workers – the country's legal framework known as Consolidation of Labour Laws (CLT), enacted in 1943, did not include rural workers. The first law regulating rural labour came only in 1962 when Congress passed the Rural Worker's Statute.²⁷ And it was only in the 1988 Constitution that they were levelled with urban workers and achieved the same rights. It is also reflected in the permanence of serious rights violations that pervade the rural world, with slave-like labour and child labour being the worst issues. In addition, rural workers live in permanent vulnerability as their work is temporary (during harvest), conditions are very harsh and wages are extremely low.²⁸

The historical perspective is very important, since contemporary Brazil cannot be understood without considering the legacy of its formation throughout the 19th and 20th centuries. Today, when we look at government inspection data on slave-like labour, it is no coincidence that industries with high numbers of workers rescued from slavery include sugarcane, livestock, and coffee.²⁹

Brazil is a peripheral country, that is, it is not part of the core of the world economy. Nevertheless, it is linked to central economies, especially as a supplier of low value-added commodities and products. This relationship is based on dependence, and that is why changes in the central markets of capitalism have an impact on Brazil and the dynamics of our economy are linked to those of central markets, especially with regard to workers' situation. The so-called "overexploitation of labour" occurs in peripheral and dependent countries, that is, when wages paid to workers are lower than the value of their labour, preventing them from surviving, reproducing and playing a normal role in society as a group.³⁰

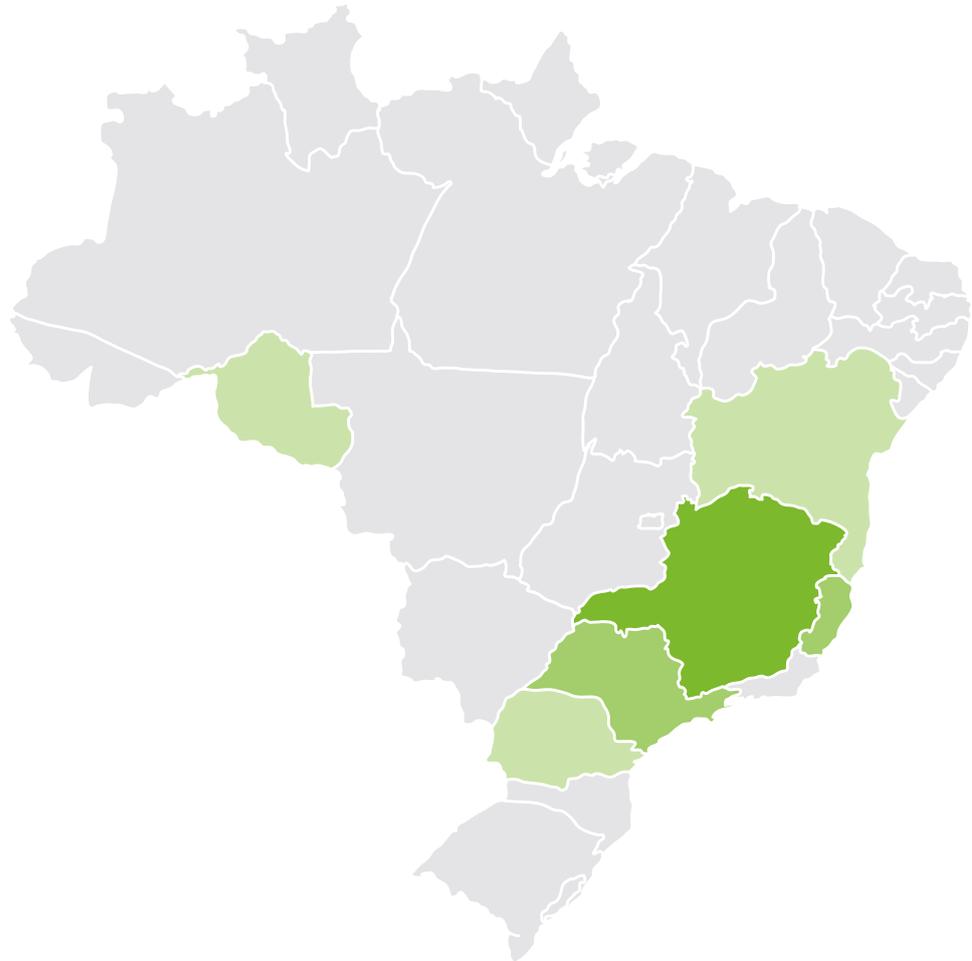
These are structural elements under which labour relations occur in Brazilian rural areas. It is important to keep these questions in mind when analysing the difficulties faced by rural coffee workers in Minas Gerais.



COFFEE IN MINAS GERAIS

In Brazil, coffee is produced mainly in the states of Minas Gerais – the main producer –, São Paulo, Espírito Santo, Paraná, Bahia, and Rondônia. The analysis of the coffee supply chain in 2019 shows that most formal establishments involved in the activity were concentrated in that state – a 60.4% share. Then came the state of São Paulo, with 16%, and Espírito Santo, with 12.4%. These three states accounted for 88.8% of all formal establishments with some activity related to the coffee supply chain.

BRAZIL'S MAP



Both in Brazil and in Minas Gerais, the largest coffee producers in terms of volume are non-family establishments, that is, agribusinesses. In the country as a whole, 70.9% (10,900 tonnes) were produced by this type of establishment. The percentage was similar in Minas Gerais, reaching 70.3% (1,900 tons). On the other hand, looking at establishments involved in coffee production, the picture is inverted, with the number of family farming establishments surpassing non-family ones. This inversion reflects Brazil's land concentration dynamics. Employer agribusinesses, which receive more investments, resources and support,³¹ control more land and produce more, but most rural establishments are small – often very small – and try to survive in a system that does not favour them. In Brazil, in 2017, a total of 12,889 establishments turned to coffee plantation. Of these, 9,491 were family-based rural production units, that is, 73.6%. For the State of Minas Gerais, this proportion was also similar, reaching 74%, that is, 6,389 establishments out of a total 8,636.³²





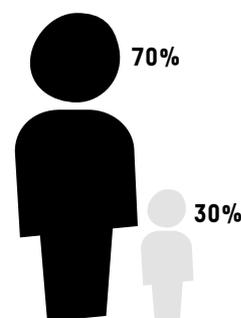
Photo by Tatiana Cardeal/Oxfam Brasil.

In December 2010, the average income of all workers formally employed in coffee plantations in the state of Minas Gerais was R\$ 1,560.23, while the average wage was R\$ 1,602.55 for men and R\$ 1,307.93 for women. That is, women earned 82% of men’s wages.³³

According to data from the 2017³⁴ Agricultural Census conducted by the Brazilian Institute of Geography and Statistics (IBGE), most Brazilian rural employees – about 53% – are “black” or “brown” (*pardo*).

In Minas Gerais, most people – about 70% - living in rural areas and employed in agriculture, which includes coffee workers, are black, and 41% have no formal contract. In terms of average nominal income for rural dwellers employed in agriculture, black people without formal contracts earn about 12% less than non-blacks.

The coffee supply chain in Minas Gerais had 62,444 formal employees in December 2019. Almost all of them – 84% – worked in “coffee farming.”



PERCENTAGE DISTRIBUTION OF FORMAL EMPLOYEES IN THE COFFEE SUPPLY CHAIN BY SUBCLASS OF ECONOMIC ACTIVITY AND SEX

MINAS GERAIS, 2019

CNAE (NATIONAL CLASSIFICATION OF ECONOMIC ACTIVITIES) 2.0 SUBCLASS	WORKERS' SEXES (%)		
	MALE	FEMALE	TOTAL
Farming	85.6	14.4	100.0
Processing	84.2	15.8	100.0
Roasting and grinding	69.3	30.7	100.0
Manufacture of coffee-based products	69.6	30.4	100.0
Wholesale trade of coffee beans (green coffee)	81.0	19.0	100.0
Wholesale trade of roasted, ground and instant coffee	65.8	34.2	100.0
Total	84.2	15.8	100.0

Source: Ministry of Labour and Employment (MTE)/Labour Secretariat - Annual Social Information Report (Rais), on December 31, 2019.

Prepared by Inter-Union Department of Statistics and Socioeconomic Studies (Dieese).³⁵

Looking at the classification based on occupations rather than number of formal employees, the highlight is the occupation of “General farm worker,” which accounted for 29.5% of the jobs created in coffee in Minas Gerais. The second largest occupation was that of “Tractor driver,” with 12.9%.

Four occupations account for more than half of formal jobs in the coffee supply chain: “General farm worker,” “Tractor driver,” “Multitask farm worker” and “Coffee farm worker”. Together, they account for 65% of formal jobs.

DISTRIBUTION OF FORMAL EMPLOYEES IN THE COFFEE CHAIN BY OCCUPATION AND SEX

MINAS GERAIS, 2019

OCCUPATIONS ACCORDING TO CBO (BRAZILIAN CLASSIFICATION OF OCCUPATIONS) 2002	MALE	FEMALE	TOTALS	
			ABSOLUTE	PERCENT
General farm worker	15,850	2,585	18,435	29.5
Tractor driver	7,963	78	8,041	12.9
Multitask farm worker	5,776	1,307	7,083	11.3
Coffee farm worker	5,793	1,257	7,050	11.3
Office assistant	682	1,010	1,692	2.7
Truck driver (regional and international routes)	1,201	7	1,208	1.9
Production line feeder	737	138	875	1.4
Administrative assistant	383	425	808	1.3
Livestock worker (bovines for slaughter)	607	55	662	1.1
Farm exploration supervisor	589	31	620	1.0
Total 10 occupations	39,581	6,893	46,474	74.4
Other occupations	12,996	2,974	15,970	25.6
Grand total	52,577	9,867	62,444	100.0

Source: Ministry of Labour and Employment (MTE)/Labour Secretariat - Annual Social Information Report (Rais), on December 31, 2019.

Prepared by Inter-Union Department of Statistics and Socioeconomic Studies (Dieese).

Note: The selected coffee activities are: Processing; Wholesale trade of coffee beans; Wholesale trade of roasted, ground and instant coffee; Farming; Manufacture of coffee-based products; Roasting and grinding.

GENDER INEQUALITY

Most workers employed in rural areas – the so-called “hired rural workers or rural wage workers” – are men. According to the 2017 Agricultural Census, 4 million workers were employed in those areas and only 477,000 were women.

Such inequality is also reflected in Minas Gerais’s coffee production. In 2019, 84.2% of formal workers in the coffee supply chain were male. In “Coffee plantation,” this percentage was 85.6%. The largest female participation was seen in “Wholesale of roasted, ground and instant coffee” (34.2%) followed by “Coffee roasting and grinding” (30.7%) and “Manufacture of coffee-based products” (30.4%).

In the classification by occupation, there were 18,435 formal agricultural workers in 2019. Of these, 15,850 or 86% were male workers. When we look at the second classification with the highest number of formal workers – “Tractor Drivers” – men also prevail with 99%.

Men not only hold most jobs in Minas Gerais’s coffee supply chain but also had the highest income compared to women’s real average income. On average, men received a real average income of around R\$ 1,767.31 in 2019 – 16.2% higher than women’s earnings (R\$ 1,520.37) and 2.2% higher than the average of all activities in the coffee supply chain (R\$ 1,729.05). Compared to the general average, women’s average real income was 13.7% lower.

The presence or absence of women in different occupations related to coffee contribute to illustrate gender inequality and make it real. There are positions where wages are higher than average. In some of these jobs, the presence of women is significantly lower.

Tractor drivers

In the case of coffee tractor drivers in Minas Gerais, wages are above the average in the coffee industry. Even so, men earn 7% more than women on average. The difference may seem small, but there are virtually no women on that job.³⁶

MEN VERSUS WOMEN AS TRACTOR DRIVERS

This is the second job with the highest number of formal employees in coffee in Minas Gerais. No biological difference distinguishes a woman’s ability from a man’s when it comes to operating an agricultural machine. But, in society as a whole, there is a huge prejudice against women “at the wheel.”



Driving cars, machines and other vehicles is associated with masculinity and culturally restricted for women.

Supervisão

Farm supervisors' wages are above the average in coffee. And even in this case, men still earn much more than women – the average real income for male workers in 2019 was BRL 2,704.38 and for women, BRL 1,504.46, that is, a 44.4% gap. The number of women in this occupation is also negligible.³⁷

MEN VERSUS WOMEN AS FARM SUPERVISORS



In our society, leadership and command positions in general are associated with men. The very elements usually associated with the act of leading are those linked to a traditional view of masculinity. There is great prejudice against women occupying these positions – something that is also reflected in the coffee industry of Minas Gerais.

While women usually have the lowest incomes in the coffee supply chain and lower numbers in its different positions, this is not due to lower levels of education when compared to men. In the coffee supply chain in Minas Gerais, in 2019, there was a high proportion of workers with low schooling: 67.9% had not completed secondary education. However, this percentage was higher among men – 69.8%, compared to 57.7% among women.

Another aspect that affects women and helps us to view gender inequality is the so-called “care work” – that is, the work of taking care of one’s family, home, etc. Household work is essential for our society, but it is not socially recognized and has no assigned value. In most cases, it is not paid, despite the fact that people spend many hours on it. Gender inequality built into our society burdens women with care work.

With women’s space in the labour market increasing, they face prejudice, lower wages, lack of access to better jobs, and are burdened with extra hours of household work.

According to Oxfam estimates, in the pre-pandemic scenario of the novel coronavirus, women at the base of the economic pyramid devoted 12.5 billion hours every day to unpaid care work around the world.³⁸ According to calculations, this work would add at least US\$ 10.8 trillion to the global economy.

In the rural world of Minas Gerais, the situation is no different. Rural women workers also face these challenges. On average, they spend 26.9 hours per week on household chores (care work)³⁹ – 150% more than the average men.

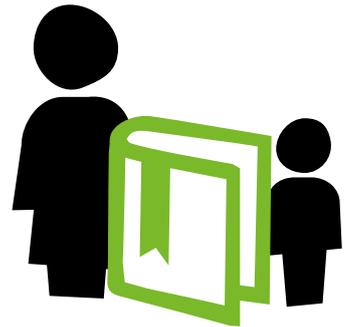




Photo by Tatiana Cardeal/Oxfam Brasil.

INFORMALITY AND SLAVE-LIKE WORK

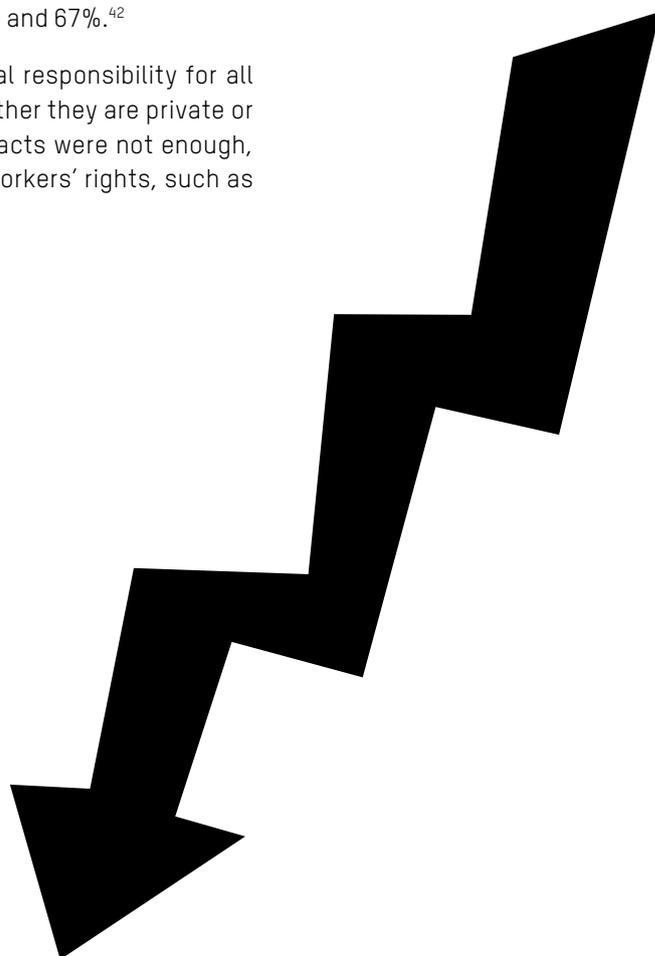
Rural wage earners are among the poorest labourers in Brazil. In addition to the historical legacies of slavery and the late recognition and levelling of their rights with other workers, they face high power asymmetry vis-à-vis their employers. Unfortunately, given the nature of rural work, employment relationships are often short and based on harvest seasons. Every year, workers are hired for a set period and then fired. Such intermittence, together with the lack of other job opportunities, places them in a subordinate position marked by dependence and weaker bargaining power regarding rural employers, resulting in lower wages (usually agreed at the minimum wage level) and potentially silencing them when it comes to demanding their rights.

The sector also suffers from high informality. Having a formal work contract (Labour and Social Security Card, known as CTPS) makes a big difference in the lives of Brazilian workers, especially those who earn the lowest wages. It provides them with a series of important guarantees, such as savings under the Time of Service Fund (FGTS), paid maternity leave and in cases of illness, accidents, marriage, childbirth, etc., access to the welfare benefits of the National Social Security Institute (INSS), registration of the terms of employment to ensure compliance, basic job stability and unemployment insurance, among others. In addition, it provides access to other private services that recognize workers' income, such as bank credit, housing finance, etc. For all these reasons, formalizing employment relations through contracts is an essential part of workers' dignity and decent work. Formal workers are included in the system, which is essential for the emotional, material and physical health of Brazilian families.

In Brazil, 62.4% of people who work informally are in smaller towns.⁴⁰ In the case of rural workers, informality is around 60%.⁴¹ In the Minas Gerais coffee sector, in turn, informal workers were 58.2% in 2019. However, this percentage increases during harvest, that is, the proportion of jobs with formal contracts decreases. This is important since most jobs are created during harvest season. In this case, higher job creation would be accompanied by higher labour precariousness (informality). During harvest, which goes from May to September, informality varied between 66.8% and 67%.⁴²

Combating informal labour must be an essential part of social responsibility for all economic and political actors committed to decent work, whether they are private or public entities. If all the benefits of formal employment contracts were not enough, informality is also the gateway to more serious violations of workers' rights, such as slave-like labour.

Between 1995 and 2020, 2,808 people were rescued from slave-like labour in Brazilian coffee plantations. The last few years have seen high numbers of workers rescued – that is – found by inspection operations. According to data from the Department of Labour Inspection, most rescues in coffee plantations take place in the State of Minas Gerais, which accounts for almost 100%.⁴³



WORKERS RESCUED FROM SLAVE-LIKE LABOUR IN COFFEE FARMING IN THE LAST THREE YEARS

BRAZIL AND MINAS GERAIS

YEAR	WORKERS RESCUED IN COFFEE FARMING IN BRAZIL	WORKERS RESCUED IN COFFEE FARMING IN MINAS GERAIS
2018	210	109
2019	106	105
2020	140	140

Source: Ministry of Labour and Employment (MTE)/Secretariat of Labour Inspection (SIT) – Inspection Information and Statistics Panel.

Finally, in addition to robbing workers of the dignity that comes with decent work and being the gateway to more serious violations, informality undermines the structure of employment relations, weakening workers' collective organization and union representation.

Improving rural workers' wages and working conditions depends to a large extent on increasing their relative power and position for bargaining within food supply chains. Therefore, workers' collective organizations to defend their interests – unions – play a key role in it. Workers' right to collective organization to negotiate is recognized by Brazil's 1988 Federal Constitution, by the various ILO Conventions, and by the 1948 United Nations' Universal Declaration of Human Rights, of which Brazil is a signatory.

A study conducted in 2017 by the ILO and British independent organization Ethical Trading Initiative (ETI)⁴⁴ on global supply chains and working conditions pointed out that where unions were strong and had collective agreements, wages were higher and working hours were shorter.

There are 335 rural unions in the state of Minas Gerais. According to Brazilian legislation, only one union can represent a certain category of workers within a municipal territory. Considering the municipal and inter-municipal level, only 49.6% of the municipalities have rural unions, that is, workers in more than half of the municipalities in the state do not have unions.⁴⁵

While collective bargaining in rural areas can also be conducted by workers' federations and confederations, low union coverage at municipal level can affect that process. Lack of union coverage also hinders direct assistance to rural workers, inspection of working conditions, and workers' mobilization to discuss their rights.

When we look at the presence of collective bargaining instruments in Minas Gerais, there are reasons for concern. There were 108 Collective Agreements in 2018, 109 in 2019, and only 52 in 2020 – the first year of the coronavirus pandemic.

The lack of collective instruments puts rural workers in coffee and other crops in Minas Gerais at greater risk of having their rights violated. According to NGO Repórter Brasil, some producers in southern Minas Gerais are hiring accounting firms to draw up standard letters for workers to cancel their union membership and demobilize.⁴⁶

It is very important that the actors involved in the coffee supply chain – whether they are intermediaries, certifiers, audit firms, coffee producing companies or supermarkets – demand that their suppliers at farm level sign robust collective agreements with rural workers' unions, federations or confederations.



THE STORIES BEHIND YOUR COFFEE

MARIA

The stories portrayed here express opinions and experiences of the workers interviewed and records made by the labour inspector of the Ministry of Economy rather than Oxfam Brasil's views.

Maria (name changed to protect the worker's identity) is a rural worker from northern Minas Gerais. She has two children, a 15-year-old girl and an 8-year-old boy. Throughout her life she had to migrate to different parts of the state where there were more opportunities to earn a living. In 2017, while working on a coffee plantation during harvest, Maria was rescued by federal labour inspectors, since they considered that she was being subjected to slave-like labour.

Maria was not paid properly, had no work contract, and had to pay for her protective equipment, clothes, food and transportation. At the plantation, there was no place to eat or toilet to use, so she had to relieve herself and eat her meals in the middle of the field. She says that working conditions were extremely harsh. People would start at 5 am, before sunrise, and work until 6 pm, stopping only to eat. Everything Maria consumed during her working hours had to be purchased and prepared by herself. She had to cover her expenses in the farm using the money she received from the *Bolsa Família* welfare program. Due to the lack of a suitable place to store food, the meals she prepared often went bad. Her children always accompanied her and, on the farm from which she was rescued, they could not study and they missed two months of school. There, Maria was under "debt bondage."



Photo by Tatiana Cardeal/Oxfam Brasil.

WORKING TO NOT SURVIVE – WAGES AND DIGNITY IN COFFEE

People who work producing food in rural Brazil usually earn around a minimum wage. When they manage to make just above that, it takes tremendous physical effort and productivity-based payments – which can often put workers' health at risk.⁴⁷ They also suffer from the intermittent nature of rural employment, which is temporary and follows each agricultural crop's harvest season. Therefore, if rural workers are formally employed and have their rights respected, their wages are guaranteed for some time – usually not for the whole year.

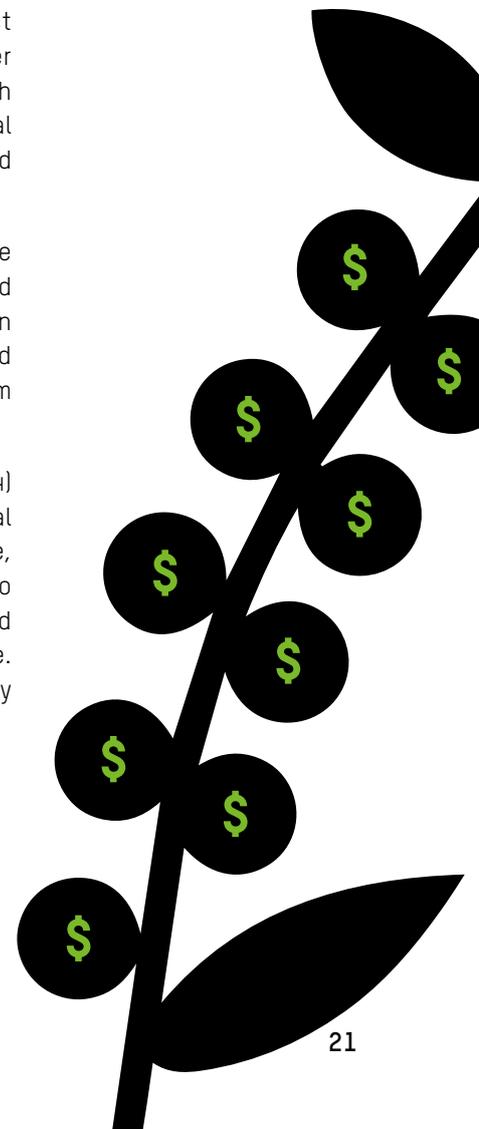
Therefore, the policy to gradually increase the minimum wage had an extremely significant impact on these people's lives. Between 2002 and 2016, Brazil experienced a period of consistent appreciation of the legal minimum wage. The Federal Government and Congress guaranteed raises above inflation as a way to redistribute wealth, reduce income inequality and especially fight poverty. This policy showed good results and was one of the factors that drove 36 million people out of poverty.⁴⁸ Unfortunately, the minimum wage has been losing purchasing power in recent years and increasing rural workers' social vulnerability.

Another discussion that is gaining ground in the world, particularly in the debate on social responsibility and respect for human rights in food supply chains, is the so-called "living wage." It starts from the recognition that in most cases the minimum wage is not enough to guarantee workers' survival with basic dignity. It is known that the minimum wage, in many cases, does not keep up with the cost of living.

Regarding food supply chains, one of the relevant players in this discussion is the Global Living Wage Coalition (GLWC), which gathers important certifications such as RainForest Alliance, Fair Trade, Iseal Alliance and the Ankers (consultants and researchers working on the subject). This community uses a methodology developed by the Ankers, based on lessons and learning from a number of other methodologies.⁴⁹ They conduct calculations and discussions on how to arrive at a living wage. For the GLWC, in order to guarantee a minimally decent standard of living, wages should cover expenses with food, water, housing, education, health, transportation, clothing and other essential needs, including provision for unexpected events.⁵⁰ The methodology involves field research and secondary research.

In Brazil, Dieese has historically proposed to discuss the value of the minimum wage based on the cost of living. In addition to calculating and debating the Staple Food Package and other living expenses, and publishing numerous studies on the situation of workers in different sectors, Dieese has been calculating the value of the so-called "necessary minimum wage" (living wage) and its long-time gap to the nominal minimum wage for 27 years.⁵¹

Dieese uses as its references what the Brazilian Federal Constitution (article 7, item 4) says about the minimum wage: it must be "capable of meeting [a workers'] basic vital needs and those of his or her family with housing, food, education, health, leisure, clothing, hygiene, transportation and social security, being raised periodically to preserve its purchasing power," and Executive Order 399, which establishes that food expenses of an adult worker cannot be less than the cost of the Staple Food Package. Dieese conducts field research and secondary research to calculate the necessary (living) wage.



BUILDING CONSENSUS AND LEGITIMACY

The methodology used to calculate a basic living wage is important but should not be the main topic of discussion. There is no global consensus on which methodology to adopt. That is why it is very important that companies, certifiers, research and academic institutions as well as other entities that have been focusing on the topic do not fail to build the living wage framework together with those who will be mostly affected by it – workers. It is extremely important to involve rural unions and other organizations representing workers in this debate. It is not possible for organizations and companies to believe that a discussion about what would be a decent wage for a certain group of workers can take place outside their representation. As shown throughout this report, low wages for rural workers are not a technical issue. They are a political, historical and social problem that demands the creation of consensus among actors involved in order to prioritize human rights and the fight against structural inequalities.

Living wages for coffee workers in Minas Gerais

Several calculations have already been made for coffee in Minas Gerais. The GLWC made one in 2015, and then updated and published it in 2018.⁵² In 2020, at the request of Oxfam Brasil, Dieese estimated the living wage using the city of Três Pontas, in southern Minas Gerais, as reference.

NATIONAL MINIMUM WAGE; AVERAGE WAGE IN COFFEE IN MINAS GERAIS; LIVING WAGE PROPOSED BY DIEESE IN 2020; LIVING WAGE PROPOSED BY GLWC IN 2019 AND UPDATED BY OXFAM AND DIEESE IN 2020

BRAZIL AND MINAS GERAIS

Official minimum wage (2020)	R\$ 1,045.00
Average earnings in Minas Gerais's coffee industry according to the Annual Social Information Report (Rais) (2019)	R\$ 1,560.00
Gross living wage as calculated by Dieese using the city of Três Pontas, MG, as a reference.	R\$ 2,600.11

Source: Inter-Union Department of Statistics and Socio-Economic Studies (Dieese) at the request of Oxfam Brasil.

The gap between the average wage actually paid and a value that allows a basic decent life was 41%. Regardless of the methodology used, this exercise is important for recognizing that coffee workers in Minas Gerais face a large wage gap. All actors – both public and private – involved in the coffee supply chain must mobilize and commit to providing the necessary conditions for coffee workers in the state to earn wages that allow them a decent life.



Contribution to the country's economy – an estimate

Is improving rural workers' wages cost or investment? There is a lot of resistance when it comes to increasing the cost of labour for several industries. However, when looking at the situation of coffee in Minas Gerais, we should question anyone who speaks of lower competitiveness or higher costs, after all, profit should not be made at the expense of workers' dignity.

Increasing wages and improving working conditions for coffee workers, in addition to being a human rights imperative, would have positive consequences for the country's economy as a whole. Based on the consumption patterns of Brazilian families, we know that those with lower incomes spend most of their earnings on consumption. In other words, increasing these families' incomes leads to higher consumption rather than savings.⁵³ Therefore, an increase in the total wage bill of coffee workers in Minas Gerais would have an impact on the demand for products and services.

Considering that if all people employed in coffee in Minas Gerais – both wage workers and those in other occupations,⁵⁴ – had their income levelled to the nominal living wage calculated by Dieese (corrected for inflation for 2018, that is, R\$ 1,871.30 – a 19.21% increase over the average value practiced) and were paid that all year round, during harvest season or not, the increase in the total income of coffee workers in Minas Gerais would be 37.09%.

This increase, in turn, would have positive effects on agriculture's contribution to the economy, on the demand side. Using IBGE's 2018 Input-Output Matrix (MIP),⁵⁵ we can estimate the impact of this increase on production, employment and income from economic activities. The idea is to assess the multiplier effect that spreads across the economy as a whole. It is a flow in which the contribution of an industry (in this case, increasing coffee workers' wages in Minas Gerais) to increase demand leads to growth in production in the same proportion, resulting in increments in employment and income expansion. In other words, increasing coffee workers' income in Minas Gerais will increase these families' demand for consumer goods, which means growth in production of goods and leads to increase in jobs and income in other sectors.



The multiplier effects would be significant, with a growth of just over 36,000 jobs in the country and an increase in the value added to the economy of approximately R\$ 1.583 billion, raising the total income mass of working families by R\$ 416 million and tax collection and social contributions by more than R\$ 337 million.

DIRECT, INDIRECT AND INDUCED MULTIPLIER EFFECTS OF INCREASING COFFEE WORKERS' INCOME ON THE BRAZILIAN ECONOMY, 2018

Multiplier effect over jobs (occupations)	36,000 new jobs would be created
Multiplication of added value (AV)	R\$ 1.583 billion added from the contribution of agriculture to Brazil's added value
Wages	R\$ 416 million would be added to the country's total income mass
Taxes	R\$ 247 million in taxes would be collected
Social contributions	R\$ 90 million would be collected

Source: Prepared by Inter-Union Department of Statistics and Socio-Economic Studies (DIEESE) based on the Input-Output Table 2018, of the Brazilian Geography and Statistics (IBGE), Brazil.



THE STORIES BEHIND YOUR COFFEE

CARLOS

The stories portrayed here express opinions and experiences of the workers interviewed and records made by the labour inspector of the Ministry of Economy rather than Oxfam Brasil's views

Carlos (name changed to protect the worker's identity), 32 years old, was born in northern Minas Gerais. He is married and the father of a five-year-old boy. He saw coffee harvesting as an opportunity to earn money to support his family. In 2020, he travelled to the south of the state with a fellow harvester to do seasonal work. It was his first time harvesting coffee, and he was rescued from slave-like labour.

Upon arriving at the farm, he realized that he would be isolated, without being able to communicate with his family. "When we got there, we saw the house where we were going to stay, in a secluded place in the middle of the coffee field, on a hill," he says. The house had two bedrooms but served as a shelter for nine other people. There was only one bathroom for everyone, with a broken toilet. As the rooms were already occupied, what was left for Carlos to sleep in was a corner of the living room. With no mattress, he was helped by others who found an old, discarded mattress that was cut in half. Carlos got one half while the other half went to another worker. The water provided in the house for drinking, cooking and bathing was untreated and came from a nearby stream.

Carlos arrived at the farm with no money, and no structure was provided by the employer, who also discounted several items from workers' wages. Therefore, they had to count on solidarity by other workers and borrow money from those who were already there, so they could pay for protective equipment and some food. "If it wasn't for the boys who already had some money and helped us, we'd have nothing to eat, because we had no money," he says.

Inside the lodge there was also equipment such as portable harvesting machines and other products, for example, gasoline. The employer discounted the costs of electricity in the house from the workers' pay. In the coffee plantation, there were no toilets or a place where workers could have their meals or rest. To drink water at work, they had only three thermoses for collective use, which they bought themselves.

"I feel like someone who is not worth much in their eyes. For them, we are like disposable. We go there, do the job they want, and that's it," Carlos concludes.





Photo by Tatiana Cardeal/Oxfam Brasil.

THE RESPONSIBILITY OF COMPANIES OPERATING IN THE COFFEE SUPPLY CHAIN

In 2011 –ten years ago – the UN recognized (not for the first time) companies’ huge potential for causing direct and indirect impacts on human rights. As a result of a process that took several years and involved public consultations with a wide range of actors, including the private sector, the UN has endorsed a detailed set of responsibilities applicable to all companies, called the UN Guiding Principles on Business and Human Rights (UNGPR). Under these principles, states are reminded of their **duty** to protect people from human rights abuses – including those committed by companies and business enterprises. Companies are **responsible** for respecting human rights in their direct and indirect operations, and a series of mechanisms are proposed for that. Today, the Principles are widely referenced in certification standards, audits, safeguards and socio-environmental criteria adopted by multilateral institutions, pacts and initiatives aimed at companies, public policies, and national and regional legislation.

No large corporation today can claim not to be aware of the UN Guiding Principles. However, their acknowledgement and the search for their implementation are unfortunately not common for the different actors involved in the coffee supply chain. Recently, Oxfam Brasil demonstrated how the largest Brazilian supermarkets are lagging behind in this regard, especially when it comes to the most critical food chains for human rights.⁵⁶

The UN Principles state that companies must have **human rights policies and due diligence processes** in place to monitor and prevent risks. This means that they must “know and show” that they respect human rights (Principle 15).⁵⁷ In response to these requirements placed by the UN Principles, many companies have published specific human rights policies and protocols detailing their due diligence processes.⁵⁸ In addition, large companies that are part of food supply chains have pointed to the most critical chains for human rights and the risks present in them, in addition to making specific commitments regarding these situations.⁵⁹

The need to know and show, and the due diligence process as set out in the UN Principles, preclude the idea that companies may claim they were not aware of impacts on human rights in their operations and supply chains. The guidelines on responsible retail purchasing of ETI, an alliance of UK-based companies, NGOs and unions dedicated to discussing and monitoring the situation of workers in supply chains, say that companies in this sector must make public commitments to promoting human rights in their supply chains and develop clear policies to uphold them.⁶⁰

* * *

“BEFORE THEY BUY THE PRODUCT, THEY SHOULD RESEARCH IT CLOSELY; THEY SHOULD LOOK, YOU KNOW? AND THEY SHOULD CONSIDER NOT ONLY THE CONSUMERS’ SIDE, BUT ALSO THE WORKER’S. IT’S BECAUSE OF THE WORKERS THAT THEY’RE BEING SUPPLIED THAT PRODUCT. IT’S THROUGH WORKERS. IF IT’S NOT FOR US, WHO WILL HARVEST THE COFFEE IN THE FIELD, WHO’LL TAKE IT FROM THE MIDDLE OF THE COFFEE PLANTATION TO THE LOADER, THROW IT ON THE TRACTOR SO IT CAN GET TO THE COOPERATIVE. THERE’D BE NO COFFEE. IF IT’S NOT FOR US, IT WON’T GET THERE. SO I THINK BOTH THEY AND THE FARM OWNERS SHOULD LOOK AT US WITH OTHER EYES.”

* * *

Carlos’s answer when asked what he expects from companies and supermarkets that sell coffee. He is a coffee worker who was rescued from slave-like conditions by labour inspectors from the Ministry of Economy in 2020.



Photo by Tatiana Cardeal/Oxfam Brasil.

Another highlight of the UN Principles is the idea of **risk**. When it comes to risk in terms of human rights and businesses, they say that assessments should go “beyond simply identifying and managing material risks to the company itself, to include risks to rights.”⁶¹ In other words, it is a question of considering the risk of people, such as rural coffee workers in Minas Gerais, having their rights violated. The due diligence process must consider the risks faced by these people and establish prevention, mitigation and remediation. This is very important, as it rejects contractual provisions with suppliers as a sufficient action – after all, they only serve as a legal precaution for the company and do not change the lives of those at risk at all.

In Brazil, the concept of joint responsibility has been applied by the Labour Prosecution Service and the Federal Prosecution Service in cases of human rights violations in the supply chains of large companies. The UN Principles also include this dimension, which they call complicity. In this case, **complicity** would concern those companies that are seen as beneficiaries of abuses committed by others (Principle 17).⁶²

Transparency remains a core challenge to meet the UN Principles. However, it is not about an obligation to produce reports, as many companies interpret it, but rather about structured disclosure of concrete information on topics relevant to human rights, direct operations and supply chains.⁶³ In terms of food and agricultural commodity supply chains, opacity and lack of traceability are major challenges. Here, the practice of **disclosing suppliers** up to farm level, which has already been adopted by certifiers and several large companies,⁶⁴ becomes a key element. Disclosure encourages proactive action in terms of respect for human rights by both buyers and suppliers.

Without this type of transparency, companies cannot expect to comply with other provisions set forth in the UN Principles, such as the need to create mechanisms to receive complaints and a process to respond to them. For example, how could rural coffee workers in Minas Gerais submit complaints to buyers without knowing their names?



An important process in the debate on corporate social responsibility, sustainability and ESG (environmental, social and governance) criteria is the definition of **materiality**. That is, which themes are most relevant both for society's stakeholders and for those that are most significant for the company's business. In general, companies seek to create a matrix where each axis indicates the various priorities. The intersection of what is most important in each axis is what should be prioritized.

The first issue to be considered by companies is the primacy of human rights. Fighting the risk of serious rights violations such as working in slave-like conditions must be a top priority – regardless of relevance to the business as a whole. If only a small part of the operation and its revenue is related to coffee, but there is risk or existence of serious violations in that part, it should be a priority.

The second issue to consider is how stakeholders' priorities were collected and systematized. It is extremely important to listen to what those groups that are at the beginning of food or agricultural commodity supply chains, that is, in rural areas, have to say. However, producers' expectations should not be compared with those of workers, family farmers, communities and indigenous peoples. As the UN Principles on Business and Human Rights put it, its implementation must take place with special attention to "groups or populations that may be at heightened risk of becoming vulnerable or marginalized."⁶⁵ It must be recognized that we live in a highly unequal society and that such inequality is about power. As discussed throughout this document, rural workers suffer from historically constructed disadvantages and exclusion, and the process of engaging companies with them must take this into account.

In the case of coffee in Minas Gerais, an effort must be made to engage and dialogue with rural wage-earners' unions. Therefore, the dialogue must include special, attentive listening that seeks to compensate for the position in which the country's structural inequalities place these workers. While working conditions are a core topic for certifications, environmental auditing standards, corporate policies on responsible sourcing, sustainability and human rights, the fact is that rural workers and their representation – rural unions – are often excluded from governance processes under those instruments.

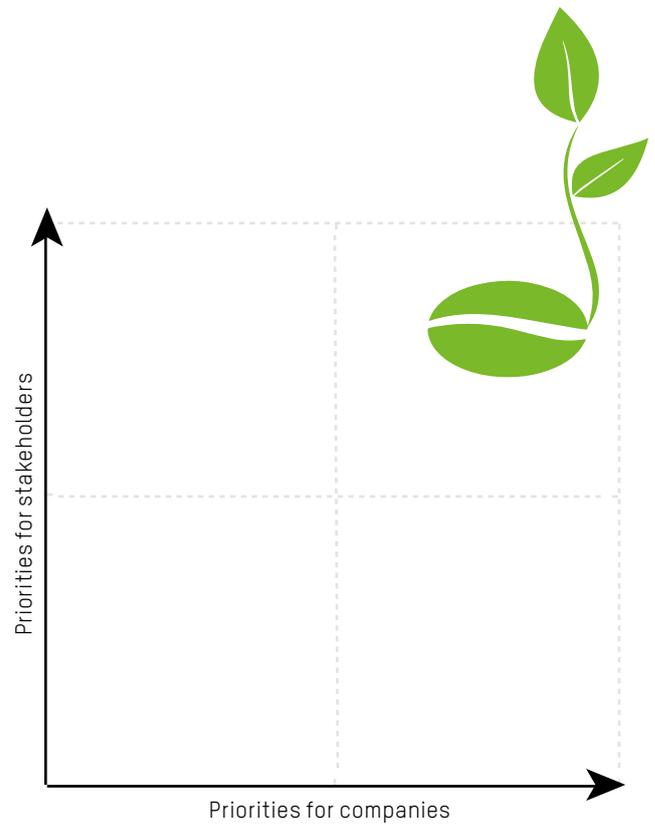


Photo by Tatiana Cardeal/Oxfam Brasil

COMPLEXITY AND CHALLENGES TO RESPECTING HUMAN RIGHTS IN THE COFFEE SUPPLY CHAIN

Brazil's coffee supply chain is long and complex. Large foreign companies and supermarkets source coffee from processors and roasters that buy it from exporters, which, in turn, buy it from cooperatives or other intermediaries that collect coffee beans from various farms. Sometimes the links are more direct, for example, large cooperatives that export coffee produced by their members. In domestic coffee supply chains, in turn, supermarkets or large corporations usually source coffee from processors that bought it from cooperatives or other intermediaries. In some cases, supermarkets buy inputs for their private label coffee directly from producers or cooperatives.

With rare exceptions,⁶⁶ there is no transparency about the coffee supply chain. And as inputs go through different levels, it becomes difficult to know and guarantee that the product is free from human rights violations, even when some traceability measures have been taken.

In the case of Minas Gerais, we find coffee cooperatives with thousands of members, some of them reaching 15,000, including small and large producers. Many of these cooperatives are part of supply chains of large corporations and supermarkets. Saying that the coffee originates in a particular cooperative does not guarantee workers' decent conditions in production. It is necessary to get to farm level.

For example, several European and US supermarkets⁶⁷ told Oxfam that a certain cooperative in their supply chains denied links with producers/farms that were caught by labour inspections with workers in slave-like conditions and included in the so-called "Dirty List" (a register of employers who have subjected workers to slave-like labour⁶⁸). However, Oxfam found evidence of a farmer who claimed, in court, that he had delivered coffee to this cooperative in the period he was caught in 2017. And we found another case, in 2020, where the cooperative itself acknowledged that the producers caught were members. That cooperative also supplies coffee to a large Brazilian supermarket.

Another cooperative with which Oxfam Brasil got in touch and is part of the supply chains of European supermarkets told us that the producer caught by the inspection had had its membership suspended. And a third one, also part of European supermarkets' supply chains, told us that although the workers rescued were on one of its members' coffee farms, the part of the area where they were found had been leased to another producer, and therefore the members would not suffer any consequences. Finally, another cooperative we contacted told us that it had not realized that one of its members had been caught and included in the Dirty List, and that they would investigate the fact and start a process that would be taken to the institution's board, which would then define whether it would suspend the producer or not.

Many of these cooperatives have policies on "zero tolerance against slave labour," as do most of the large companies and supermarkets involved in the coffee supply chain. However, the implementation of so-called "zero tolerance" is not well defined and leaves numerous gaps, as shown in the examples. Also, the Dirty List is mostly used for reference only. This means that a producer may be excluded only after being caught by the Ministry of Economy's labour inspectors. That is, actions are taken after the violations, and only in cases found out by the government inspection, with no prevention or proactivity.



The Dirty List is a very important tool, but unfortunately the resources for the operations carried out by the Secretariat of Labour Inspection of the Ministry of Economy have been scarce for a while. According to the Institute for Applied Economic Research (IPEA), the number of labour inspectors⁶⁹ should be virtually quadrupled to cover the country. And, in the midst of the novel coronavirus pandemic, the budget for inspections shrank by 40%, reaching its lowest level in ten years.⁷⁰ Companies, cooperatives and supermarkets in the coffee supply chain cannot rely solely on the Dirty List.

Cooperatives, coffee companies, supermarkets and other actors in the supply chain should take proactive and preventive actions rather than waiting for government inspections and the updating of the Dirty List. Furthermore, the range of situations that fall under zero tolerance policies for slave labour must be specified and disclosed, including zero tolerance for factors that can be the gateway to slave-like labour, such as informality, discounting expenses on PPE, food and housing at the farms, and zero tolerance to employers who are not part of collective agreements.

A similar situation often occurs in the case of socio-environmental labels aimed at agriculture. When a certain producer or farm is found violating certification rules and workers' rights, if the violation did not occur in the certified area itself, the label is usually maintained. This situation has already generated numerous protests by civil society organizations.⁷¹

A POSITIVE EXAMPLE FROM ANOTHER INDUSTRY

While zero tolerance policies are not well implemented in coffee and open the way for dubious situations, and agricultural certifications allow a farm to be certified even when its owner is involved, there is a positive example in cases of slave labour,⁷² which comes from the textile industry.

Abvetex is a certification created by the Brazilian Association of Textile Retail. In its application, it defines that even if more than one CNPJ (National Corporations' Register number) operates in the same location and even if there is no link or corporate relationship, all companies operating there must be audited. In other words, if different sewing workshops operate in the same area, they must all be audited, even if only one requests certification. In addition, this certification also requires compliance from certified companies' subcontractors or suppliers.

This example is very important in the case of rural producers and zero tolerance policies on slave labour. Transposed to a farm, this type of application would mean that the entire farm should be audited, not just an area as is often the case. It would also eliminate any duality over partial leases on the area, and the entire property should comply with the standards. Finally, it would also mean that a farm that receives products from another farm should ensure that the former complies the same standards.

Source: General Regulations of the Abvetex Program.⁷³



FINAL CONSIDERATIONS

In the struggle to feed their families, people living close to poverty face the highest exploitation and marginalization caused by power imbalances in the food production system. But those who believe that these people who work planting and harvesting our food do not fight, do not mobilize and do not seek change, are wrong. They react and claim their rights all the time, but the challenges are enormous. Rural wage workers create unions to secure more jobs and better working conditions. Small farmers create cooperative associations and work in family farming unions. Communities organize, create associations and join rural social movements. Any party interested in respecting human rights in food production should dialogue and listen to movements, unions and different organizations of the most vulnerable groups in Brazilian rural areas.

Companies involved in the coffee supply chain, such as food and beverage corporations that own coffee brands, supermarkets that sell third-party coffee and have their private labels, and other companies such as coffee roasters and cooperatives, should seek to implement the UN Guiding Principles on Business and Human Rights and, with this, provide decent jobs and decent lives to wage coffee workers in Minas Gerais.

As mentioned at the beginning of this document, many organizations have already published studies on the situation of coffee workers in the last 15 years. In 2004, Oxfam, together with partner entities, published a comprehensive study on coffee production in Brazil. Unfortunately, some recommendations made in that study are still valid for companies in the coffee supply chain:

“Coffee roasters make clear commitments with respect to guaranteeing the rights of workers involved in coffee production, including rural wage earners, establishing effective monitoring mechanisms. Specifically, signing agreements with labour unions that promote and apply codes of conduct towards their suppliers with regard to compliance with labour legislation, better wages, safe and adequate transportation, good quality accommodation for housing and protective materials and equipment for the risky and unhealthy work” (OXFAM, 2004, p. 59)⁷⁴.



Based on the overview presented in this study and following the campaign being developed by Oxfam on the role of supermarkets in food supply chains and the rights of rural workers, we recommend that supermarkets, coffee companies and cooperatives:

- Adopt human rights due diligence policies and approaches, establishing strategies to identify, prevent, mitigate and remedy human rights violations in key food supply chains. These documents must be open to the public;
- Disclose, on a regular basis, suppliers in the supply chains of their coffee brands – down to farm level;
- Publish documents specifying the scope of their zero tolerance policies regarding slave-like labour, defining that its suppliers cannot be involved with cases of slave labour in any way – regardless of being on the same property, whether by subcontracting or through third-party supply;
- Adopt zero tolerance towards informality and not being part of collective agreements, discounts on wages related to expenses with PPE, food, housing, and the presence of middlemen when hiring workers;
- Establish unannounced audits at coffee supplier farms during harvest season;
- Establish meaningful dialogue processes with rural wage workers' unions and encourage their suppliers to support union activity on farms during harvest;
- Making living wage commitments for wage coffee workers.

Photo by Tatiana Cardeal/Oxfam Brasil.



NOTES

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