



## International Flower Workers Day February 14, 2015



### While flower companies get tax breaks, workers have to pick up their slack

In Colombia there are approximately 400 companies that produce cut flowers for export, occupying about 17,000 acres of land. Seventy-three percent of these farms are in the Bogota Savannah, 24 percent in the province of Antioquia and 3 percent in the central area region of the country. Colombia is the second largest flower exporter in the world whose major recipients are the U.S. (76 percent), Japan (4 percent) and the European Union, with annual total sales valued at more than \$700 million. In 2013 the industry experienced 1.2 percent growth in production, 4.4 percent growth in exports and 4.3 percent growth in acreage.

All of the above illustrates once again that the Colombian flower industry is successful in spite of adverse climate conditions related to climate change, the revaluation of the peso and international competition. One of the reasons that the industry remains so strong has to do with the unconditional supports that Colombian governments have historically provided to export companies, particularly as related to tax exemptions that the flower sector enjoys.

We are referring specifically to the exemption from the industry and trade tax that companies normally must pay as commercial businesses. The flower industry does not pay such taxes to the municipalities in which they are located, which means they are denying them crucial income that could be reinvested in the region to improve quality of life for residents, especially the flower workers that live there. Another benefit that the flower growers' association enjoys is an exemption from the 8.5 percent minimum in healthcare contributions and the refund of Value Added Tax (VAT) on agricultural supplies.

For their part, flower workers earn the Colombian minimum wage of 644,000 pesos (about \$275 USD) monthly, which is not enough to cover basic necessities. Their health is affected by increased production: in the 1990's a flower worker was typically responsible for 40 flower beds; that number has since increased to 70. Antiunion practices across the sector also impact workers. This is all in addition to the well-known social-environmental impacts incurred by the intensive use of agrochemicals and high water consumption (5.746 cubic meters per hectare per year) that takes away from the water supply fit for human consumption.

In stark contrast to the benefits that companies receive are the workers that form the base of the pyramid of activities required for flower production, who must pay a Value Added Tax for all goods they purchase. Furthermore, the women and men that work in the flower industry do not actually receive any real benefits from the taxes they pay because the Colombian government is not sufficiently concerned with improving labor and living conditions for the workers in this successful export sector.

If the government makes such an effort to save and incentivize companies, why doesn't it do the same to address the social and economic crises that workers face, being as how they are fundamental to the industry's profits? If flower companies actually paid taxes it would be possible for communities, municipalities and flower workers to all benefit from additional social services and other improvements. Corporate Social Responsibility Campaigns that companies have developed are not enough, since they are voluntary and their main motivation is to improve company image.

This is an issue of tax justice. The government should take the necessary measures to demand companies to pay taxes to municipalities, which should be oriented to improve quality of life for the men and women that make this wealth possible.

***No more tax exemptions for flower companies! Long live the dignity of flower workers!***

***Celebrate International Flower Workers Day: Because we are more important than thousands of flowers!***