House Foreign Affairs Committee Tom Lantos Human Rights Commission

Promoting Labor Rights in the Cut-Flower Industry

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Chairman McGovern, Chairman Smith, and members of the Commission, thank you for the opportunity to submit a statement on labor rights in the cut-flower industry in Colombia. The Solidarity Center appreciates the continued leadership of this Commission in advocating for robust international labor protections and drawing attention to the struggles of the most vulnerable workers. The mission of this Commission to promote, defend, and advocate for internationally recognized human rights norms is much needed.

The Solidarity Center is the largest U.S.-based international worker rights organization helping workers attain safe and healthy workplaces, family-supporting wages, dignity on the job, and greater equity at work and in their community. Its programs are based on the fundamental principle that working people can, by exercising their right to freedom of association and forming trade unions and democratic worker rights organizations, collectively improve their jobs and workplaces, call on their governments to uphold laws and protect human rights, and be a force for democracy, social justice, and inclusive economic development.

Since 2003, the Solidarity Center in Colombia has collaborated closely with the unions and labor groups to advance freedom of association, collective bargaining, and rule of law. Regarding the US-Colombia Trade Promotion Agreement (TPA) of 2012, the Solidarity Center provided key information to stakeholders that fed directly into the labor side agreement, The Labor Action Plan (LAP). Today, the Solidarity Center's programs in Colombia reinforce the LAP by supporting the protection of workers' collective rights across the LAP's five priority sectors (cut-flowers, mining, palm oil, sugarcane, and ports).

Colombia's cut-flower industry was developed in the 1960s by U.S. and Colombian entrepreneurs interested in growing and exporting cut-flowers year-round in a country with low wage costs and optimal climatic conditions. Gradually, the bilateral trade in cut-flowers grew, taking advantage of the free access to the U.S. market under the Andean Trade Preference Act (ATPA) of 1991 and the Andean Trade Promotion & Drug Eradication Act of 2002. By 2000, Colombia had become the number one exporter of cut-flowers to the US, generating significant foreign dividends and thousands of jobs for mostly women workers.

¹ This testimony was written by Daniel Hawkins on the basis of a research report into the Colombian cut-flower industry, *"Estudio entre Pétalos y Derechos"*, developed by Corporación Defens and the Solidarity Center in 2024.

Bilateral trade and the integration of the U.S. and Colombian cut-flower supply chain have expanded significantly. However, numerous scandals regarding working conditions have revealed the darker side of this increasingly prosperous market. Cut-flower workers work long hours in precarious conditions without adequate industrial security and occupational health and safety protections.² These violations persist because employers discriminate against workers who attempt to unionize, creating a climate of intimidation that unlawfully denies workers their rights to freedom of association and collective bargaining.

During negotiations on the bilateral trade agreement, the cut-flower industry, along with other key export oriented sectors, faced scrutiny into its association with social dumping, namely unfair labor practices that undermine domestic labor laws and create a "race to the bottom" in wages and working conditions. The question about whether cut-flower corporations in Colombia were attaining unfair competitive advantages due to practices that undercut core labor standards led to the development of the TPA's labor chapter and the LAP.³ The LAP does not include monetary or commercial sanctions for non-compliance. It lays out a work plan and monitoring mechanism to track the progress of the Government of Colombia in improving labor authorities' enforcement capacity, ending and punishing anti-union violence, formalizing labor relations, and eliminating unlawful labor outsourcing practices, while protecting workers' right to freedom of association.

Colombia's cut-flower industry continues to grow and consolidate its position as the world's second biggest exporter and the main supplier of cut-flowers to the U.S. market. For the roughly 200,000 workers employed, directly and indirectly, in this industry, conditions are poor. Workers continue to be denied their right to unionize and collectively bargain in good faith. Major corporations continue the practice of hiring temporary workers for core business activities, contrary to national law⁴ and international commitments. Some firms sidestep their labor obligations by formally fragmenting their business registrations within and across their operations despite coordinating production, sales, and distribution. This scheme enables companies to effectively function as a business consortium, reaping the benefits without shouldering any of the costs, as shown in numerous labor complaints the Solidarity Center has helped develop.

There is a dire need to offer cut-flower workers another chance. As noted in the recommendations, Congress should collaborate with the U.S. Trade Representative and the Departments of State and Labor to revitalize the Labor Action Plan with more specific commitments and establish mechanisms for effective monitoring and oversight of progress under the LAP.

² "Working conditions for flower packers and coffee pickers in Colombia. Results of field research (2015) on the impact of sustainability certification". Sanne van der Wal, Mark van Dorp (SOMO), Daniel Hawkins & Natalia García Guzmán (Escuela Nacional Sindical). July 2016 (updated September 2018). https://www.somo.nl/wp-content/uploads/2018/10/case-study-Working-conditions-of-flower-packers-and-coffee-pickers-in-Colombia.pdf

³ The LAP was signed by Presidents Obama and Santos in April 2011. The LAP included 37 measures across ten topics.

⁴ For example, Law 1429 of 2010, specifically article 63, prohibits labor outsourcing via any modality that affects the constitutional, legal, and benefits-related rights enshrined in current labor standards.

Colombia: social dumping and anti-union practices

Due to the quality and diversity of its flowers, Colombia's cut-flower industry is the world's second-largest exporter, trading with over 100 countries and selling a total of 310,000 tons in 2023, worth \$2.8 billion. The industry is Colombia's second-largest agricultural export, after coffee, accounting for 15% of the agricultural GDP and 10% of non-mining and oil exports. Furthermore, it contributes to 28% of formal employment in agriculture.⁵

Currently, approximately 95% of production is exported. The US market is by far the biggest destination, purchasing approximately 81% of all exports.⁶ This bilateral trade in cut flowers has been one of the focal points of success of the US-Colombia TPA, with several Colombian-based cut-flower firms gradually expanding and consolidating their incursion into the US cut-flower supply chain.⁷

The effort to protect against social dumping under the FTA is related to the fact that, in addition to the more than 200,000 jobs generated in Colombia's cut-flower industry, it is estimated that the US retail flower market employs approximately 77,000 workers directly⁸ and up to 125,000 along the industry's supply chain.⁹ The respective workforces in Colombia and the US are low-paid and precarious.¹⁰ Although the bilateral trade agreement promotes an environment of economic integration, the persistent labor issues in Colombia highlight the need to translate the spirit of the labor provisions (Chapter 17) into tangible and real improvements for cut-flower workers, thereby opening up more possibilities for improved wages and working conditions for cut-flower industry workers in the US.

A major employer: the cut-flower industry as driver of agricultural productivity

The cut-flower industry has provided a lifeline to predominantly female workers on the urban-rural divide, offering them more job stability and a guaranteed wage level. This sector, which is concentrated in the plains of Bogota and the outer Eastern region of Medellin, generates approximately 110,000 direct jobs and a further 90,000 indirect ones; 60% of the workers are women (and 55% of them, single-mother households).¹¹ Moreover,

 $florists \#: \sim: text = The \%20 work force \%20 of \%20 Retail \%20 florists, woman \%2C\%20 and \%2029 \%25\%20 men.$

⁵ Information obtained from statistics from Asocolflores: https://asocolflores.org/ (sourced, 12th September 2024).

⁶ https://www.ica.gov.co/noticias/ica-colombia-exporta-flores-san-valentin-2024 (sourced, 20th August 2024).

⁷ The Colombian cut-flower industry has grown consistently across most important production metrics: export levels, sales revenue, an increase in the area devoted to flower production, and productivity per hectare. According to the Ministry of Agriculture and Rural Development, between 2017 and 2023, the area devoted to planting flowers grew by 28.3%, increasing from 8,181 hectares to 10,500, while production grew by more than 32%, from 246,118 tons to 325,000. https://sioc.minagricultura.gov.co/Flores/Documentos/2021-06-30%20Cifras%20Sectoriales.pdf (sourced, 12th Sept 2024).

https://sioc.minagricultura.gov.co/Flores/Documentos/2021-06-30%20Cifras%20Sectoriales.pdf (sourced, 12th Sept 2024).
⁸
https://datausa.io/profile/naics/retail-

florists#:~:text=The%20workforce%20of%20Retail%20florists,woman%2C%20and%2029%25%20men (sourced, 15th April 2025).

⁹https://asocolflores.org/es/un-embarque-de-flores-de-colombia-fue-el-primero-en-ingresar-a-los-estados-unidos-hace-10anos-bajo-el-tlc/ (sourced, 20th August 2024).

¹⁰ Estimated annual salary for US retail florist workers came to less than half of the national medium wage of \$64.683 (2022). https://datausa.io/profile/naics/retail-

¹¹ Asocolflores 2023: https://drive.google.com/file/d/1RIj7S4yVqhn9Ka92G9HZlcQSU9sdyL1O/view (10th Aug. 2024).

it is the most labor-intensive of any of Colombia's major agricultural commodity industries, with roughly 14 workers hired for every hectare, compared to less than two per hectare for the country's other major export products (banana, coffee, palm oil, and tobacco).¹²

Another factor differentiating the cut-flower industry from other agricultural commodities is its heavy dependence on a few key dates of massive international customer demand, especially Mother's Day, Valentine's Day, Thanksgiving, and Christmas. According to Asocolflores, these four days alone demand 24% more formal and direct jobs in the sector.¹³ These high-demand production peaks have led to a dependence on short-term labor outsourcing practices and pressure on the permanent workforce to work extra shifts and hours in the lead-up to these special occasions. Such market-led pressure has created tension regarding labor compliance.

In Colombia, the International Labor Affairs Bureau (ILAB) of the Department of Labor (DOL) funded numerous projects in the LAP's priority sectors. ILAB's programming in the cut-flower sector aimed to educate workers on their labor rights and support them in organizing and bargaining collectively. ILAB also supported the Colombian Labor Ministry in enhancing its efforts to enforce labor rights. Nonetheless, almost fifteen years after the announcement of the US-Colombia LAP, there has been limited progress on unionization and collective bargaining in the cut-flower industry. The lack of progress is a result of employers' extreme anti-union behavior and a lack of effective government oversight.¹⁴ The unilateral termination of all ILAB projects without warning and en masse generated confusion and desperation among unionists in the cut-flower sector because their unions lost the limited support they had been receiving from the Solidarity Center, Corporación DEFENS, and the International Labor Organization (ILO).

Whereas unionization has risen in the palm oil, mining, sugarcane, and ports sectors, in the cut-flower industry, unions remain fragmented and constrained. Although some unions have a small presence at several of the industry's biggest firms, they have not been able to affiliate at least a third of all direct employees, a prerequisite for a collective bargaining agreement to cover the entire workforce. For example, the National Union for Cut-Flower Workers (ONOF) has been unable to affiliate more than 55 workers across the cut-flower sector, despite reforming its statutes to permit unionization among workers across multiple firms. This union is present in five leading export firms,¹⁵ all of which have implemented collective pacts to constrain the union's growth. The use of collective pacts by management has been an effective practice against workers exercising their freedom of association rights.¹⁶ To counter companies' unlawful reliance on collective pacts, ONOF and its trade

¹² Rodolfo la Rota, 2023: op cit., p.213.

¹³<u>https://procolombia.co/sala-de-prensa/noticias/la-floricultura-colombiana-rinde-homenaje-las-madres-y-empodera-las-</u> <u>mujeres-como-pilar-del-desarrollo-sostenible</u> (sourced 12th March 2025).

¹⁴ Escuela Nacional Sindical. 2021. *El Plan de Acción Laboral en los cinco sectores priorizados: Después de 10 años, ¿qué ha pasado en términos de la protección de los derechos del trabajo?* Ediciones Escuela Nacional Sindical; Medellín.

¹⁵ Jardínes de los Andes, Amancay SAS, Mountain Roses SAS, Mercedes SA, and Flexport de Colombia SAS.

¹⁶ While listed as a formal collective agreement by Colombia's Labor Code, collective pacts are often used unlawfully; they are developed by management without following legal procedures, including a formal negotiation process with elected worker-

union center, the CTC,¹⁷ with support from the Solidarity Center and Corporación DEFENS filed five labor complaints before the Labor Ministry in early 2024.¹⁸

The firms in question have used the mechanism of collective pacts to sideline ONOF and its leaders, undercutting CBA-related benefits by offering additional incentives to nonunionized employees. Furthermore, on multiple occasions, firms have refused to negotiate lists of demands presented to them by bargaining commissioners or to implement legally binding CBAs or arbitration agreements. These practices are clear examples of anti-union discrimination and should be investigated and punished by labor inspectors.

Unfortunately, while Colombia's labor inspection system has grown in recent years, with the Ministry of Labor listing the number of inspectors at 1,259 for 2024,¹⁹ less than half (567) have been hired as permanent inspectors, compared to 565 provisional inspectors. Furthermore, despite recent progress in the number of inspection visits, it is challenging to prompt investigations and gauge the timeline for each internal administrative process.²⁰ Most labor inspections focus on occupational safety and health issues (4,769 for 2023), a priority for cut-flower workers because many use agrochemicals and are exposed to ergonomic-related illnesses. Nonetheless, while inspection visits and preliminary investigations have increased, the investigation process is often inconclusive. This is exacerbated when considering that even once firms receive formal fines for labor rights violations, the coercive collection process can legally take up to ten years.²¹

Creative corporate practices used to sidestep labor formalization and collective bargaining processes

In addition to the well-worn practice of implementing non-union collective pacts to constrain union growth, some major cut-flower firms have developed intricate strategies to formally divide their businesses into smaller entities that are subject to less oversight and fewer regulations. This was highlighted in a research project, financed by a recently terminated ILAB grant, and undertaken by the Solidarity Center and Corporación DEFENS into one of Colombia's leading cut-flower firms. This firm is, in practice, structured and organized as a business consortium (referred to as a *Grupo Empresarial*), with the same family members dividing their shares heterogeneously across the five nominally separate firms, while also listing the same accountants, tax auditors, and firm address.²² Additionally, research into the business registry of many of the labor outsourcing firms²³

representatives. In many cases, as a means of deterring workers from unionizing and enjoying collective bargaining agreements, the collective pacts offer more benefits than the respective CBA (or the laudo arbitral, arbitration agreement).

¹⁷ The Confederation of Colombian Workers (*La Confederación de Trabajadores de Colombia*).

¹⁸ These labor complaints have not advanced beyond the preliminary stage of investigation.

¹⁹ Colombia Post Accession Reporting. Report by the Colombian authorities. 147th Session of the Employment, Labour and Social Affairs Committee (ELSAC). 9-10 April 2025, p.77; 84.

²⁰ According to the Ministry of Labor's Report to Congress for 2024, the labor inspection system undertook 9,303 visits during 2023, 21% more than originally planned. See: Informe de gestión del MinTrabajo del año 2023. P.44.

²¹ Colombia Post Accession Reporting. Report by the Colombian authorities. Op cit., p.88.

²² Jardines de los Andes SAS, Amancay SAS, C.I. Calafate SAS, Valmar Productora SAS, and Bicco Farms SAS.

²³ The following are the main outsourcing firms used by the five cut-flower firms: Serviarevalo Integral y CIA S.A.S., Red de Talento Humano SAS, Apoyo y Soluciones Temporales, Temporal Service SAS, Tu Alianza.

used by these five nominally separate cut-flower firms showed a major, and worrying, overlap in shareholders. The overlap brings into doubt any true separation between the core business of cut-flower growing and trading firms and the labor outsourcing firms they "hire" to offer short-term and indirect workers to cover the peak production periods already mentioned. Furthermore, even though direct employees are hired specifically by one of the five cut-flower firms, interviews with workers reveal that they are often ordered to move across functions and farms by their supervisors, which implies operational coordination across these firms.

For example, in interviews undertaken in mid-2024 by SC and our partner, DEFENS, workers made the following troubling revelations:

Worker 1: "I have gone to Calafate, to Noria, and Condado, Amancay."²⁴

Worker 2 of Amancay: "I was loaned twice for a week in Calafate (...) in the post-harvest."

Worker 3 of Bicco Farms: "Yes, that's right, I worked in Lusama, a farm here in Facatativá and three months ago I was transferred to the Cartucho farm."

Worker 4 of Jardines de los Andes: "Yes Mister, I started in quality control, and I turned out to be an assembler, a sorter, and an "anchadora", which is like doing bouquet work."

Even though the workers had employment contracts with a specific company, the common responses demonstrate that rotation among different companies (or farms) is a common practice, putting workers in a kind of labor-business carousel that violates labor law. This situation exposes workers to multiple risks and denies them their rights to equal pay, safe working conditions and the ability to expand the bargaining unit.

These same interviews offered insights into how these firms also cut benefits or dismissed workers due to supposed economic pressures:

Worker 2 of Amancay: "Always (...) they reduce a lot of staff sometimes for economic reasons because in the low seasons they don't do well ... That's what they always say."

Worker 3 of Bicco Farms: "... sometimes they say that this is why they cut the staff, because sales are low and there is no money to cover all salaries, so there may be layoffs."

Worker 5 of Jardines de los Andes: "To say something, we had seniority bonuses and all that was taken away from us, they took away a few cultural weeks that we also had, they took everything from us, due to budget issues. They tried to take away the... that is, they manipulated us and reduced our lunch when we arrived at a negotiation, ... they offered us the kind of lunch that practically, it wouldn't even feed a child; the company treated us bad, because we did not accept what they offered us."

In the first two statements, the workers refer to efforts by their supervisors to impose an hourly rate for a standard full-time work shift that should be paid on a monthly basis. This

²⁴ Calafate, Nora, Condado, Amancay are all different farms.

proposal was countered by administrative actions before the Ministry of Labor. In the last statement, it is evident that the employer cut a benefit negotiated in a CBA, downgrading the lunches given to union members. We can see that the companies in the group have unilaterally worsened working conditions and illegally cut CBA benefits as a form of punishment for unionists.

What is most concerning when these businesses illegally subcontract, is that they leave workers exposed to labor practices that would be deemed unlawful if labor inspectors undertook investigations based on the "reality" of the labor relations instead of the formal separation of these firms. Numerous Colombian and multilateral organizations have ordered Colombia to unmask fraudulent labor relations that occur due to unlawful labor practices.²⁵ Until Colombia's labor inspection system begins concrete investigations into how collective pacts are set up by employers to constrain unions and their CBA coverage and how firms integrate operations (with direct and outsourced workers) even while maintaining a legal separation between them, cut-flower workers will continue to face onerous working conditions and a denial of their fundamental rights at work.

Recommendations

Congress has an important role to play in ensuring the U.S. and Colombian governments live up to the LAP's promises. To that end, Congress can improve the lives and working conditions of cut-flower workers in the U.S. and Colombia by adopting the following recommendations:

- It is only through collective action that workers can attain decent working and living conditions and their organizations can hold authorities accountable to implement labor law and protect core labor standards effectively. To concretely advance worker rights in Colombia, the Departments of State and Labor, and the U.S. Trade Representative should engage the Government of Colombia around labor abuses in the cut-flower sector and demand full compliance with the TPA and the LAP.
- Congress' leadership is critical to protect ILAB and ensure its mandate is fulfilled. The Administration's sudden and complete termination of ILAB's portfolio undermined Congress' long-standing commitment to Colombia's workers. Without the continued support and engagement of the U.S. Government and Congress, the incremental progress made to date under the LAP will be jeopardized. Congress should provide continued funding in the Fiscal Year 2026 Labor, Health and Human Services, Education, and Related Agencies (LHHS) bill for ILAB's labor capacity-building efforts to support cut-flower workers and the thousands of workers in the LAP's other priority sectors, and other key sectors of bilateral trade where labor violations may be taking place, to grow membership and develop collective bargaining processes. Gutting

²⁵ See, for example: OECD. 2018. Accession of Colombia to the OECD: Formal opinion of the Employment, Labour and Social Affairs Committee. 21-22 March 2018; Paris. Also, see: the notes from the ILO's High Level Tripartite Commission, invited on a mission to Colombia by the national government, between the 14-18th of February 2011: https://normlex.ilo.org/dyn/nrmlx_es/f?p=NORMLEXPUB:13100:0::NO::P13100_COMMENT_ID%2CP13100_LANG_CODE:26986

https://normlex.ilo.org/dyn/nrmlx_es/f?p=NORMLEXPUB:13100:0::NO::P13100_COMMENT_ID%2CP13100_LANG_CODE:26986 36%2Cen

ILAB's resources and staff will weaken the Bureau's ability to monitor and enforce the labor standards contained in the U.S.-Colombia TPA.

- Similarly, the termination of State Department and USAID programs that support global labor rights, such as the Global Labor Program, takes away a key tool to combat the erosion of labor standards globally, leaving workers more vulnerable to antidemocratic governments. U.S. foreign assistance programs impact workers by strengthening fundamental labor rights, including freedom of association and collective bargaining, by expanding worker voice and agency, and by improving worker safety and health. Congress should provide robust funding in the Fiscal Year 2026 State, Foreign Operations and Related Programs (SFOPs) bill for the State Department's labor capacity-building and labor diplomacy.
- In Colombia, trade unionists face high rates of violence²⁶ and persecution. The termination of State Department and USAID programs that support human rights defenders means labor leaders under threat have lost protection and access to justice. Congress should restore funding for programs that protect the lives and rights of trade unionists in Colombia.
- Congress should maintain the labor attaché program that includes a position based in Bogota. Directed by ILAB, this role is significant because it monitors and supports the host country's compliance with the labor provisions of trade agreements and preference programs. In Colombia, the labor attaché serves as a resource to the host country on its obligations under the Labor Action Plan, conducts research and reporting on progress in implementing the Labor Action Plan, and works closely with civil society to promote improvements to labor rights and compliance with labor standards.
- Looking to the future, Congress should work with the Administration to enhance trade enforcement tools that ensure workers rights are protected as negotiated in our trade agreements. In Mexico, the Rapid Response Labor Mechanism (RRLM) under the United States-Mexico-Canada Agreement (USMCA) charts a new course for labor rights enforcement, allowing claims to be filed against specific facilities for failing to comply with domestic freedom of association and collective bargaining laws, leading to enforcement action. The legal protections afforded by the RRLM have led to the establishment of independent, democratic labor unions that effectively combat entrenched company unions. The Commission should explore how future agreements with the government of Colombia could incorporate elements of the RRLM under the TPA with Colombia to enhance enforcement and prevent unfair trade.
- Congress should pursue opportunities to meet with counterparts in Colombia, such as through congressional exchange programs, to establish relationships and identify opportunities to advance shared interests around labor standards, democracy, and trade.
- Congress should conduct oversight to ensure U.S. multinational corporations doing business in Colombia are upholding labor rights and that recalcitrant companies are held accountable.

²⁶ According to a recent Colombian government document to the OECD, between 2017 and 2024, 128 Colombian trade unionists were murdered, 37 of them being leaders of their respective organizations. See: Colombia Post Accession Reporting. Report by the Colombian authorities, op cit., p.128.

Thank you for the opportunity to discuss the labor rights situation in Colombia's cut-flower sector and to share important perspectives from our union partners. The Solidarity Center remains committed to supporting efforts that center workers in trade policy and leverage trade to advance labor rights. We urge the U.S. government to continue utilizing tools, including trade agreements, to pressure governments and companies to uphold labor rights in their supply chains.