AT WHAT COST

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AT WHAT COST _ Sugar:
Haitian Sugar Cane Workers in the Dominican Republic

The livelihood of Dominican sugar workers rests uneasily on the crumbling edifice of American sugar subsidies. The US artificially inflates its domestic sugar prices through a system of quotas, tariffs, and favorable loans for domestic producers. This system encourages American sugar firms to overproduce and dump their products on the world market. As one would expect, the price of sugar in the US has traditionally held at about twice the price of the world market—the American price is inflated, and the world's deflated.

This system actually benefits the Dominican sugar industry to some extent. Although Dominican sugar producers would be uncompetitive at the (deflated) world market price, they enjoy low-tariff access to the (inflated) US market. In fact, Dominican sugar exports to the US are second only to Mexico, which recently went quota-free under NAFTA.

Yet, as NAFTA signifies, US sugar protectionism is under tremendous pressure for change. The European Union is in the process of winding down its own parallel system. This means dangerous long-term uncertainty for Dominican sugar. Although the Dominican Republic managed to negotiate a slight quota increase in its 2004 free trade agreement with the United States, these preferences are likely to erode over the long term.

This is old news for Dominican sugar, of course, which has seen production fall from 1.2 million tons in 1982 to just over 500,000 tons last year. The industry has made some attempts to diversify—it now has a small quota allocation with the EU and is moving into ethanol production. In the meantime, the men and women who cut sugar cane will continue to face downward pressure on their already meager wages.

These laborers hand-cut one to three tons of sugar cane every twelve-hour day in order to earn about $2.50. They live in company shanty-towns known as bateyes, which often lack sewage systems, running water, and electricity. As almost exclusively undocumented Haitian immigrants—despite many having lived in the country for decades or even having been born there—cane cutters are continually under threat of arbitrary arrest and deportation. They seek out this misery to avoid even worse threats in Haiti, where last year 46 percent of the population was undernourished and 78 percent survived on less than what $2 could buy in the US in 2005.

Paradoxically, the United States is both ensuring the viability of the Dominican sugar industry and condemning its workers to their labor. The injustice of the system is underscored by how simple it would be for the United States to alter it dramatically for the better. In the short run, the US could reduce its tariffs on sugar-cane-based ethanol, or it could simply increase Dominican sugar quotas. These fruits of these improvements could be made to be felt by more than just the owners of sugar companies by setting them as conditions for improved labor standards.

To take just two examples, the US could insist that Dominican lawmakers revise a highly questionable interpretation of the constitution that deprives the children of migrant laborers of citizenship rights. Or the US could demand that the minimum wage for cane cutting be raised by 75 percent, so that it matches the minimum wage for other farm workers. Manifest in these reforms would be an acknowledgement that the US is benefitting from the suffering of Dominican workers, and that the precarious situation they face is the result of decades of American policy.

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