

The Impacts of Stakeholder Consultation in the FSC Certification Process on Sustainable Forest Management in South Africa

Colleen Crawford Cousins

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About this report: This report is one of a series prepared as part of a collaborative research project on instruments for sustainable private sector forestry in South Africa. The reports in this series are listed below.

Instruments for sustainable private sector forestry, South Africa – report series

Overview and synthesis

- Mayers, J., Evans, J. and Foy, T. 2001. *Raising the stakes: impacts of privatisation, certification and partnerships in South African forestry*. This report draws on all the studies below and widespread consultation in South Africa. It analyses the impacts to date of privatisation, certification, outgrower schemes and company-community partnerships and presents conclusions and a set of options and next steps for all the main stakeholder groups.

Redistribution of opportunities and assets in forestry

- Khosa, M. 2000. *Forestry contracting in South Africa*. This study of trends in outsourcing and contracting in the South African forest industry seeks to deepen understanding of the national context within which contracting is an increasing practice, and examines possible options for outsourcing.
- Heyl, L., von Maltitz, G., Evans, J. and Segole, R. 2000. *Issues and opportunities for small-scale sawmilling in South Africa: an Eastern Cape case study*. This report describes the scale, structure and market niche of the small sawmilling subsector, with a focus on the Eastern Cape Province.
- Horn, J. 2000. *The role of small-scale sawmilling in household and community livelihoods: case studies in the Eastern Cape*. This study focuses on the livelihoods of small-scale sawmillers in the Eastern Cape, using a case study approach.
- Bethlehem, L. 2001. *Bringing democracy to the forests: developments in South Africa's forestry policy and legislation*. This paper describes the policy and legislative changes in the forest sector, and sets recent initiatives in the context of a drive towards sustainable and equitable forest management.

Forest certification in South Africa

- Frost, B., Mayers, J. and Roberts, S. 2002. *Growing credibility: impact of certification on forests and people in South Africa*. This is an overview of all the certification studies with additional supply chain analysis.
- Scott, D. 2000. *Environmental aspects of the forest management certification process*. This report by a member of FSC certification audit teams examines the audit inspection instrument and provides commentary on how it is used.
- Clarke, J. 2000. *Social and environmental aspects of the forest management certification process: a discussion of social assessment components in South Africa*. This report, drawing on audit experience, tackles the ability of FSC certification and the certification process to improve the wellbeing of workers and communities dependent on plantations.
- Hamman, J. 2000. *Forestry certification: social aspects*. Also by a member of FSC inspection teams, this report analyses the composition and focus of the audit teams and highlights issues which can compromise the positive impact of certification.

- Dunne, N 2000. *The Impact of Environmental Certification on the South African Forest Products Supply Chain*. This study traces the route of FSC certified timber from mill to market, seeking to understand the impact of certification on traders and retailers in South Africa and the UK.
- von Maltitz, G. 2000. *The impacts of the ISO 14000 management system on sustainable forest management in South Africa*. This is a study focussing on one company's decision to adopt ISO accreditation, comparing the impacts of the ISO system with those of FSC certification.
- Crawford Cousins, C. 2000. *The impacts of stakeholder consultation in the FSC certification process on sustainable forest management in South Africa*. Focussing on the Stakeholder consultation process within FSC certification, this report highlights key assumptions about the efficacy of consultation.

Outgrower schemes and community-company partnerships

- Zingel, J. 2000. *Between the woods and the water: tree outgrower schemes in KwaZulu-Natal - the policy and legislative environment for outgrowing at the regional level*. This report discusses the environment surrounding trends in outgrower development, both past and future.
- Cairns, R. 2000. *Outgrower timber schemes in KwaZulu-Natal: do they build sustainable rural livelihoods and what interventions should be made?* Focussing on case studies of outgrower households, this examines the role played by schemes in rural livehoods.
- Ojwang, A. 2000. *Community-company Partnerships in forestry in South Africa: an examination of trends*. This is a broad overview of types of partnerships in Southern Africa, with comparisons between forestry and other sectors.
- Andrew, M., Fabricius, C. and Timmermans, H. 2000. *An overview of private sector community partnerships in forestry and other natural resources in Eastern Cape*. Focussing at a provincial level, this report captures partnership trends in the Eastern Cape, drawing on five case studies.
- Sisitka, L. 2000. *Private sector community forestry partnerships in the Eastern Cape: the Lambazi case study*. This case study examines the relationships between stakeholders and actors in a corporate-initiated scheme
- Cocks, M., Matsiliza, B. and Fabricius, C. 2000. *Private sector community forestry partnerships in the Eastern Cape: the Longweni woodlot case study*. This report examines community preferences and options for the use of a woodlot in the context of opportunities provided in the forest restructuring process.
- Sisitka, L. 2000. *Private sector community forestry partnerships in the Eastern Cape: the Umzimkulu case study*. This is a study of a corporate-community joint venture project in a part of the province that has good afforestation potential.
- Cocks, M., Matsiliza, B. and Fabricius, C. 2000. *Private sector community forestry partnerships in the Eastern Cape: the Manubi woodlot case study*. This study examines issues around partnerships and joint forest management around a state-conserved indigenous forest
- Ham, C. 2000. *The importance of woodlots to local communities, small scale entrepreneurs and indigenous forest conservation*. Comparing issues and opportunities arising around two woodlots, this study highlights the relative importance of government-planted woodlots to different community interest groups.

Copies of the CD containing the above reports can be obtained from:

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Background

This study contributes to the CSIR-IIED South Africa Country Study which is part of IIED's *Instruments for Sustainable Private Sector Forestry* project (see South Africa Country Study Work Plan: July 1999 to May 2000).

Objectives

To understand **key issues in the stakeholder consultation process** undertaken as a component of the process of forest certification under the Forest Stewardship Council (FSC), and to understand the **nature of the impacts that stakeholder consultation has on forest management in South Africa.**

Key assumptions

The key assumptions of this study as conceived are: If certification is to become an effective instrument in the development of socially, economically and environmentally sustainable commercial forestry

- good stakeholder consultation is essential
- good stakeholder consultation will have a positive impact on forest management practices
- stakeholders themselves, as currently identified in recent forest management certification processes in South Africa, will have useful contributions to make regarding the redesign of the process.

Core issue statement

In the FSC forest certification process, stakeholders are consulted about their opinions over the quality of forest management practiced by a particular company. They are asked to raise their issues and concerns relating to a number of criteria identified by the certifying body in accordance with the FSC Principles for sustainable forest management. A stakeholder is considered to be any individual or organization who has or who may have an interest in how a company manages its forestry activities.

Experience to date in certification in South Africa suggests that there are a number of issues relating to the stakeholder consultation process that should be assessed in order for the process to be improved, both to the satisfaction of the companies and stakeholders as well as to the ultimate benefit of the overall quality of forest management practices.

The objective of this study is twofold:

- a) to elicit opinions and perspectives from stakeholders on whether or not the current stakeholder identification and consultation process is adequate for capturing a fully representative range of stakeholders' issues in the certification assessment;
- b) in consultation with stakeholders, to elicit and discuss stakeholders' opinions on how the consultation process may be modified and/or improved, and what the resulting impact of modifications may be on companies' forest management practices.

As a researcher without any prior knowledge of the forestry sector, this has been a challenging assignment involving a steep learning curve. The possible advantage for the study is that the encoded nature of the discourse of the forestry certification debate has meant that I have had to interrogate what may seem obvious to a more enlightened and experienced individual. My method, then, has had to be reflexive: I have made a virtue of the difficulties I have had in locating "stakeholders", and in understanding the logic of FSC certification as currently practised in South African forestry.

Method

I reiterated the methodology of the original “stakeholder consultations” by working from a list of people theoretically available by phone in institutional settings. I planned to contact and interview by phone and fax as many people as I could in the time allocated to the study – ten days - who had already been interviewed, either by phone or in a meeting, in an FSC Certification audit by a social consultant from the following groups: forest management (Human Resources/Environmental managers), worker representatives (trades unions), labour contractors, Non-Governmental Organisations which work directly with affected communities or which represent the public interest in land rights, environmental justice or public health, appointed or elected members of Local Authorities previously consulted, local officials of relevant government departments such as the Department of Land Affairs and any other interested individuals.

After an interview with a social consultant who had used the fax method to contact stakeholders and had received only one reply, I decided to concentrate on the phone.

I reasoned that those individuals who had had spoken to a social consultant by phone or at a meeting would have a better chance of remembering the original interview and thus responding to my questions. As in the original round of interviews, I did not attempt to interview community members living adjacent to forests, labour tenants, traditional authorities and worker representatives such as shop stewards on site.

In the event, the pattern of response was grotesquely skewed: forest management, contractor management, forest consultants and academics responded promptly and eagerly, while I spent many (mainly unsuccessful) hours trying to contact anyone who was not white, male or part of the regulatory or managerial classes. While in part this may have been because the research period happened to coincide with a run of public holidays extreme even by South African standards (many people took the opportunity for leave) I was struck by how difficult it was to re-access the representatives of trade unions and local and provincial government officials (0) on my lists by phone. The unions (see below) have fallen on hard times; considerable changes of personnel seem to have taken place in local and provincial government departments in two years. Where previously interviewed individuals still retained their jobs in provincial departments they tended to be telephonically elusive (0 response). Only the forest managers, labour contractors and the various consultants I contacted were easily accessed by phone.

Only one of my respondents was female; only three were black. Each person I interviewed had high recall of the original interview or process, and was extremely knowledgeable (or at least opinionated) about the FSC Certification process. Most offered remarkably convergent views on “stakeholder consultation” and its place in the FSC certification process. Most wished to discuss, not how the consultation process could be improved, but their views on the wider issues raised by the certification process in the national and international context. The discussion that follows my findings on the four main “stakeholder” themes has been guided by these interviews. I spent most time with the social consultants, a bias I acknowledge.

Learning from stakeholders’ inputs:

- ***The social consultants (5)***

“The greens don’t care about people, the social stuff is just chucked in”.

The bias of the social consultants interviewed was unambiguously popular. They are in favour of the application of national legislation which protects the new rights of

workers. They are against the casualisation of forest labour. They tend to perceive management as defensive and grossly out of touch with “what is going on in the compound”. Their insights are gained by conversations with environmental NGOs, trades unionists and land activists. They are uneasy with the forest management, “the men in suits”, and identify with the progressive and reconstructive ethos and elements within South African society.

The social consultants’ critique is based on the current difficulty of using the FSC Certification process as currently practised in South Africa as a developmental tool for forest management. In the view of one consultant, FSC certification should help South African commercial forests become “learning organisations”; learning to become more socially, economically and environmentally “sustainable” (read socially and environmentally responsible). That is, certification, which is currently a “must-do”, needs to become a “want-to-do”.

They identified a number of problems which have militated against the use of the process as a socially developmental tool. They perceived the composition of the auditing teams as biased towards foresters and environmentalists rather than social specialists (forest management, on the other hand, perceived the auditing teams to be strongly biased towards social issues). They were critical of the methods by which “stakeholders” were recruited and the methods by which information was elicited; and they recognised that the pressure of time on the auditing team (time is money) privileged louder, more accessible, English speaking voices amongst identified “stakeholders”.

Most importantly, they point out that the FSC Principles (and the Qualifor check list) are a set of broad principles which by their very nature are insensitive to local context. There is no current agreed national baseline (negotiated and accepted norms and standards) against which to audit compliance, non-compliance or progress towards compliance with the principles. Thus the process is not in fact an audit. It is more like an examination without a curriculum, where the examiner has to pass/fail on a judgement call, inviting resistance rather than internalisation from management.

In the absence of agreed local interpretations of standards negotiated with real stakeholders, there is great pressure on the social consultant to compress a number of roles and processes. Whatever the quality of information garnered by zealous interviewing (and the evidence is that it is of necessity poor and partial, see above) in the end a defensible position has to be taken by one team member under enormous time pressure. S/he has to synthesise and interpret a mountain of diverse information garnered in a brief period which “represent” the views of a range of diverse actors. This representation will not be put to the test of public report back, but instead will be the subject of a confidential report, the property of the forest company.

In other words, *however broad the interview process*, where there is no agreed baseline negotiated by real stakeholders, the analytic moment is particularly poor and particularly pressured – funnelled through one individual who will, on the morrow, be under attack from the examinees, the “men in suits”. The bias here will be towards a conservative, legalistic, cautious, well defended outcome based on compliance with national legislation (itself a site of struggle as the many cases under consideration by the CCMA demonstrate). Surveillance visits will reiterate the original problems with the process. Because of the non-negotiated nature of the exam questions and the consequent element of personal interpretation, forest management will tend to see the social assessment as an unwarranted intervention by non-expert outsiders (“A lot of greenies and sociologists!” “It’s overdone!”) into an area already fraught with

dissension, poor productivity and uncertain markets. They may be tempted to challenge any CARS presented. Most importantly, the ethical intention of the FSC certification process (“want-to-do”) is likely to be lost.

As an auditing tool, the certification process is a form of summative evaluation. It is not the role of the social consultant to suggest how issues can be “closed out”. While formative evaluation attempts to refine and improve a chosen strategy as it unfolds, and encourages interpretation, integration and ambiguity, summative evaluation is the use of a simple pass/fail threshold model, in this case imposed by a consortium of international interests. While it may be an important element of a development strategy, an audit is not a development tool in and of itself and cannot substitute for the development of national standards and a national forest development strategy.

- **Forest management (4)**

“It’s the greens in Europe, they don’t know a thing about how a plantation forest is run.”

Two respondents from forest management said that while they personally preferred ISO 140001 as a management tool, in order to access important European markets FSC certification was essential. “Our customers are asking for FSC”. But the market has two faces; Brazil has only one certified forest because its important markets in the Far East “don’t give a damn about certification”, and the costs of certified change cannot safely be passed onto the consumer. “How much more are people going to pay for a green box of matches?”

However, managers suggested that certification had “helped to get stakeholder consultation going” in the sense that companies are now required to keep lists of stakeholders, minute the meetings with stakeholders such as unions, and formally keep records of disputes raised and resolved. Meetings with local community members tended to be issue-based (complaints raised on both sides) in a range of formal and informal meetings. “Certification doesn’t specify *how* to interact” – in other words there are no specific outcomes expected – the process of interaction is what is required – “social processes are now in place”.

Managers pointed to the problem of “different interpretations of the same principles and criteria by different individuals”. “We have our own standards – these were not set up in a consultative process”, was a common statement. One manager voiced his frustration with FSC standards on the environmental side (where the shoe pinches); heavy rains had made roads impossible to use according to the standards, causing job losses at the mill downstream. ISO, he said, was more useful in improving environmental performance – “in the event of this type of scenario, what are we to do? What’s the back-up plan?” He was highlighting the inflexibility - “a blunt tool” – of a pass/fail threshold system “in the real world”, where financial benefits for good environmental management can’t be realised in the short term.

Invitations to name “stakeholders” produced lists without strategic prioritisation – customers, neighbours, DWAF, provincial and national government, the World Wildlife Fund, other ENGOs. “The social side [of an audit] is overdone! You’ve got to try and look at it from the other side...” Another manager conceded that FSC had highlighted the need to develop a code of ethics for contractors. However, criteria and principles needed to be widely debated and agreed upon.

- **Labour Contractors (2)**

“Is the North trying to get producers from the South to compete for markets by setting higher and higher entry qualifications? What about our people here who need jobs?”

“Where is the money going? Are the companies hoarding the bucks? Companies don’t pay the rates.” Contractors realise their operation is part of a cost cutting exercise and feel squeezed from both ends. Labour legislation is then “someone else’s problem”.

A contractor representative highlighted the need for the development of contractor standards: "Our agenda is to have high standard contractors in place so that the companies have to pay decently. Many contractors subcontract again, so that control of standards is difficult." However, there are processes in place to develop the management capacity and technical expertise of contractors: “Greater weight is given to our own industry developed audit [than to FSC].”

Contractors agreed that the power of organised labour has been significantly weakened by the fragmentation and proliferation of the unions. However, union officials continue to “help sort out” labour problems. “For example, there’s a chap called [X]...I can’t think of his union’s name...he’s quite constructive”.

“Not much has happened” since the Certification processes. However, “[Health and] safety is starting to move...”

- **Unionists (3)**

“The old line has gone...there are too many cockeyed unions...The new line speaks about education and lots of workshops...After 25 years in the Union, I am being workshopped by schoolboys!”

The unions active in the forestry and plantation sector during the 1980’s now have a very different profile. Proliferation and fragmentation has occurred in some provinces; breakaway groups have formed independent unions - one trade unionist referred to them as “sweetheart unions”. The “struggle for positions” between CEPPAWU and SEPPAWU, both COSATU affiliated unions, has stalled their obligation to merge in 1999, leading to stasis on the ground; no subsidy will be forthcoming from COSATU until the merger is complete. One experienced unionist has lost his office as a result and is operating out of his car. The proliferation of contractors in any case makes worker organisation extremely difficult: “SAPPI uses 24 individual contractors; MONDI has over 30...they have undermined the power of the workers...” Worker membership has sunk from “about 35 000 in the 80’s to about 18 000 now...”

The loss of union muscle is graphically portrayed by what is reported to be the average wage in forests now, in 2000, compared to the mid-80’s.¹ In 1983, in KwaZulu Natal, in the first flush of worker organisation, “we fought for R13.50 a day in Hans Merensky...the highest in Natal”. By 1995, the daily wage was R35. “When Mondi closed down [in KZN] the people became afraid to join the union...now in 2000 we are starting again – from R11, sometimes R15 a day...the best contractor pays R23 per day. Some companies pay only R9 per day...remember you also have the individual farmer with 7,10, 13 people...If you work for Mondi or SAPPI regularly you can earn between R750 and R900 per month...the government should set a minimum wage.”²³

¹ “The Labour Research Services’s *Survey of Bargaining Indicators for 2000* says the highest-paid executive directors are in Sappi (total remuneration of R5 020 000), industrial group Barlow (R3 255 556) and CG Smith (R2 271 429)...” Business Report May 9 2000.

² The huge loss in actual earning power from 1983 to 2000 experienced by forest workers is sobering in terms of what this represents for the sustainable development of rural areas, their capacity to generate a tax base, and the implications for local

On the FSC process, the unionists “on the ground” were dubious: “Work shops achieve nothing”, said one. “They depend on overseas money. We need to win the contractors and re-organise on the ground. In the 1980’s the union (SAPPAWU) had the power to call the meeting. Today the management calls a meeting when they want one. If the certification assessors were to call a meeting at which both the union and the forest management were present, we wouldn’t have the power to hold them to anything. It’s not our meeting”. However, said another, given the circumstances, it might be a useful way to “get the ball rolling” if the FSC assessors were to arrange a meeting between management and worker representatives and officials to discuss the issues raised by the audit.⁴

However, a unionist now active in a national consultative structure (further up the chain) was far more positive or at least politic about the FSC process: “My view is that the certification process is a good step, in that it may help bring about the normalisation of standards. The country as a whole should benefit...workers certainly don’t benefit much, at the moment only the companies are making the money... ISO is just a business thing.”

“Government must play a leading role in bringing together and facilitating all stakeholders to draw up a set of national standards”. Consultation at every step of the way is important for standard setting, but at the moment “consultation is haphazard”. The main issues of neglect are the lack of a living wage for forest workers and the serious health and safety issues which currently exist in forests. “Truck transport is very unsafe. Workers need safety clothing – many contractors and subcontractors don’t provide helmets.”

Theme 1: The process of stakeholder identification in the assessment process

- Because of the confusion about the term “stakeholder” (see below) anyone and everyone can be a stakeholder in anything in South Africa. People seemed in general eager to be consulted. The social consultant who had made a particular effort to consult widely (and had spent two weeks more on identifying ‘stakeholders’ than the contract covered) spent much of her time explaining to individuals outside forest management what the certification process entailed and its potential strategic importance. Clearly forest certification was news for many “stakeholders”, particularly unionists and local authorities. Information is power. It was clear from my attempts to contact people that race, class and language form significant communication barriers in a process originating from the North, administered by whites and paid for by forest management. While one consultant did not see it as his job to do “popular education”, another did. Stakeholders were given an opportunity to identify other interested parties who in their view should have been consulted in the process, and in the case of one consultant at least, leads were followed up. There was no evidence that “stakeholders” took it upon themselves to contact other parties themselves to alert them to the process underway, but it

authorities hoping to deliver and sustain a range of services (electricity and water, education and health) to rural people.

³ Various wage determination processes are currently ongoing with discussions between COSATU, various arms of the state and other stakeholders having understandable difficulty on agreeing what a realistic, implementable minimum wage would be given these circumstances. In 1992 the Poverty Datum Line was said to be around R1 600 per month.

⁴ This is a far cry from the one-on-one interviews with unionists which are presently carried out by social consultants.

would have been more likely that NGOs who are well networked might have done so.

- The original stakeholder lists were supplied by the companies. One consultant commented that in the main these lists were lists of company suppliers, and were totally inadequate. In some cases appointments were set up with various individuals for the social consultants by the companies; in others the team did their own stakeholder identification and set up their own interview schedules. Currently the National Lead Assessor is responsible for this task.

Theme 2: The consultation process – broad stakeholder scoping of opinion

- Stakeholders were contacted in the first place by phone and fax. They were given a standard information set in English (appended), and invited to make written submissions. Only one or two written replies were ever received. Phone follow ups and subsequent phone interviews and/or meetings were subsequently arranged where possible with people who proved accessible. It is clear from both my own experience and the reports of the assessors that forest company management is far easier to access than trade unionists or local government officials. To access individuals without institutional position requires strategic fieldwork and a budget. Most interviews and meetings were with individuals, although one assessor also held a couple of focus group meetings.
- Interviewees do not readily admit ignorance. Feedback to me was of the “situated knowledge – where the shoe pinches” variety - for those who are neither professional foresters or members of the consulting classes, the SGS Qualifor list and the FSC certification process itself were clearly not issues before the social assessors first raised them. However, strong opinions on company practices, the role of government, perceptions of the current international context etc were voiced by all respondents. This paper reports perceptions rather than facts or evidence.
- The stakeholders I interviewed all had strong opinions on the certification process as a whole. Because of the relative weakness of all other “stakeholders” except government, stakeholder consultation was not seen as an important process within certification itself, but as vital to the setting of national standards, minimum wages and basic standards for contracted labour. An assessor said of the consultation process as a whole: “it might be inadequate, but at least we’ve gone through the motions... we’re doing the best we can.”

Theme 3: The consultation process –stakeholders immediately affected by companies’ operations

- As we have seen, the methods used and the tight time requirements of certification (time is money) meant that despite sincere efforts to consult as widely as possible, in the main only individuals accessible on the phone identified within institutional settings could be easily accessed by (white) social consultants within a tight budget and time frame. Communities living adjacent to or on company estates, traditional authorities, and labour tenants and their families are, on the whole, not accessible, even if they are considered to be interested and affected stakeholders.
- While company management pointed to various consultation processes (“formal and informal fora”) they are involved in with neighbouring farmers and labour contractors (for example the Forestry Forums in Kwazulu Natal) the trade unionists at least perceived meetings with management as “sporadic and haphazard”. In the case of neighbouring communities and

traditional authorities, meetings are arranged as problems arise: beehive robbing, illegal grazing and gathering, and arson are the most common items on the agenda (“We told them we are going to have to impound their cattle if this carries on.”) One unionist (see above) commented on the one way flow of power that is involved: “In the 1980’s the union (SAPPAWU) had the power to call the meeting. Today the management calls a meeting when they want one. If the certification assessors were to call a meeting at which both the union and the forest management were present, we wouldn’t have the power to hold them to anything. It’s not our meeting”.

Theme 4: Learning from stakeholders’ inputs

- Stakeholders other than company management had no idea how their inputs were used by the certification assessment team and the company since the assessments form part of a confidential report owned by the company. While the company being assessed has the right to invite whoever they wish to the final meeting, there is no formal process to keep the stakeholders that were interviewed informed about ongoing debates around the points they raised or to feed back the final outcomes of the assessment process to interviewees - or indeed any requirement that the company should do so. This is a result of the confusion between “consultation” and “extraction of information” (see below) where there is no national framework to hold accountability and transparency.
- Most respondents thought that the certification process was a “good thing” (despite various reservations, see below) because it had highlighted important issues and helped to raise company consciousness about their most important (and currently fairly powerless) stakeholders, their labour force. Some respondents felt the tool helped to give more weight to “affected” rather than “interested” parties and that access to (or shut off from) important international markets offered the possibility of strategic leverage by forest workers. With the exception of forest management most stated however that “not much” has happened so far as a result of the certification process.
- The issue of *contractors and contract labour* has been highlighted by the dawning understanding that it is neither the company nor the contractors who are being certified, but the forest management unit. One manager acknowledged the need to develop contractors “on the social side” as well as to train them and the workers they employ in better environmental management, as his company currently does in response to the demands of certification.
- The consciousness of *health and safety issues* (dangerous practices in trucks, the need for protective clothing etc) in the forests had improved over the last couple of years, possibly as a result of assessment processes. One trade unionist said, rather cynically, “Deaths in the forest don’t make (Company X) look good over there.”
- Follow-up assessments checking on Corrective Action Requests are subject to the difficulties described below in a process which tries to both set and audit standards at the same time. CARs are often so vaguely worded that it is, according to a social assessor, just as difficult to assess them the second as the first time around.
- There are no formal opportunities for stakeholders to raise concerns to assessors outside or after the formal assessment process if they feel that issues are not being dealt with by companies or if new issues come to light. However, one farmer in an unhappy lease arrangement with Mondi is reported to have used the leverage afforded by the FSC certification process

- to appeal to SGS, which took action on his behalf. Thus the opportunity for leverage exists – if you know how to access it.
- Despite reservations about the strength of the unions on the ground, the trade unionists suggested that the assessment process might usefully host meetings between forest management and forest unions in order to “get the ball rolling” and to improve companies’ understanding of pressing labour issues.
 - Albeit for different reasons and with different interests at stake, all those I interviewed recommended the setting of national standards in a consultative process facilitated by government as essential if certification is to be an effective mechanism for improving learning and practice by forestry companies, rather than a simple threshold standard for access to certain markets.

The stakeholder debate within the broader context

Behind the highly encoded concept “stakeholders” lies a particular reading of the changing global context for “sustainable forest management”, as well as which interested and/or concerned parties should be involved as decision makers and/or beneficiaries (“stakeholders”) of “sustainable forest management.”

One version of these changes is briefly described by the Canadians Cote and Bouthillier (1999). They see forest certification processes as a force for decentralisation: the move away from state regulation of forest management (the “traditional relationship between government and the private sector”) towards the inclusion as negotiating partners, decision makers and beneficiaries of “new groups who wish to be directly involved in forest management” (ibid). The authors see this potential erosion of the power of government and private shareholders as both promising and threatening; promising greater benefits for “Native people, NGOs and local administration”, but threatening new conflicts as well as the weakening of the “interests of society as a whole” (the democratically elected government’s role as arbiter of conflicting interests) as well organised minorities (ENGOS?) take the space afforded by the certification process to press their claims on the private sector and the state. In this reading “new partnerships” for forest management are seen to be in formation, and stakeholders are self identified.

Desperately seeking stakeholders

Politics is the way in which multi-layered struggle over the allocation of scarce resources between those who do not face each other as equals in society is conducted. Where “stakeholders” are defined as “those who won’t be left out”, the political nature of the term is immediately clarified,

In South Africa the increasingly widespread use of the neutral word “stakeholder” masks vast differences in institutional and situational power between distinct interest groups which may or may not have a legitimate interest (or the power to force participation) in forest management of the type envisioned by the authors and backers of the FSC certification process. Thus the word itself obscures rather than clarifies the political nature of the debate. If forest ownership and management, labour contractors, trades union shop stewards, government departments, neighbouring farmers, rural “communities” and various NGO’s and activists are all “stakeholders”,⁵ where are the lines of convergence of interest? Are the interests of all interest groups equally legitimate? What weight should the desire of labour contractors for low wages and unregulated conditions carry against the desire of forest management to contract out the spiralling costs of a permanent labour force, or

the desire of the unions to maintain and extend the rights and privileges of workers with permanent jobs and the expectation of improved housing and social benefits, as laid down in new national legislation? What weight should the question of the international competitiveness of South African wood products and the making of profits for shareholders carry with regard to the question of local livelihoods in poor rural areas? Does FSC certification have a politics? Whose (social) interests is the tool designed to serve? "Stakeholder identification and consultation" in this context is a "site of struggle" in itself.

Within this context, the use of the word "consult" similarly fudges issues of power. To "consult" implies a process of consensus building between interested and concerned parties which will lead on to a negotiation with a practical outcome, that is, with consequences. Individuals, groups or organisations may indeed be interested or concerned for one reason or another in the quality of forest management practised by a particular company, but their capacity to force a consultation and then a negotiation with a forest company depends on the power the individual or group is perceived to have or is able to exercise. A social assessor who conducts a semi-structured interview with an interested or concerned individual, whether by fax, phone or in a meeting, is not "consulting" that individual, she is extracting information, a research activity, in order to use such information in the evaluation/leverage opportunity offered by the FSC certification process. The power exerted by the auditor to force such a confrontation (with practical consequences) lies within the authority vested in her by the certification process, and what it threatens or promises.

The politics of FSC Certification

Sustainable forest management is the process of managing forests to achieve one or more clearly specified objectives of management with regard to the production of a continuous flow of desired forest products and services without undue reduction of its inherent values and future productivity and without undue desirable effects on the physical and social environment. (ITTO, Criteria and Indicators for Sustainable Management of Natural Tropical Forests, 1998).

This cautious and unexceptional definition of SFM is quoted in the *Sustainable Forestry Handbook* (SGS 1999). However, the *Handbook* itself presents certification as an environmental activists' tool, designed to bring international and popular pressure to bear on both governments and national forest ownership in order to bring about certain changes in the management of important global resources which affect large numbers of people. In this reading, forest organisations need to address "social issues" and "consult stakeholders" for ethical and legal reasons (it's the right thing to do); because it's good business practice (the efficiency argument); because they have to (in response to growing external pressures); and because forest management should contribute meaningfully to "sustainable development". The important stakeholders here are the wretched of the earth; those whose lack of any resource benefit from the forest may lead to the increase of social conflict and immiseration and, ultimately, speed the destruction of forest resources.

Irrespective of the stakeholders' power and resources, a forest organisation is likely to experience problems if it ignores or violates stakeholders' rights (ibid,p163)

The underlying ethos would seem to be a variation of the increasingly powerful neo-liberal orthodoxy that

...social and political compromise and reduction of social conflict necessarily imply the most promising possibilities for “win-win” solutions for state, labour and capital (Barchiesi, Weekly Mail and Guardian, April 28 to May 4 2000).

Strategy: the market as marriage broker

The key point is that at present, certain European markets can only be accessed via FSC certification. For the forest companies this is the certification carrot. Within the FSC vision, however, is a strong ethical component and an explicit appeal to a partnership model. Within the context of “globalisation” and “modernisation” can private forest management be made more “sustainable” (read economically viable and profitable, environmentally sound, and socially responsible) by a combination of national legislation and international agreements which rely for their efficacy on “the market” and the engine of economic growth? What are the trade-offs of this strategy? Does forest certification see itself as helping to arrange the green and leafy version of the marriage between efficiency and equity?

This strategy sits uneasily with current South African evidence that for one extremely important group of stakeholders, the forestry labour force, equity is the trade-off. At the level of state economic policy, the old efficiency arguments, initiated under the Nationalist government in the 1980s, have been retained and developed in the last five years by the new policy makers: the key theme is greater reliance on “free market forces” to allocate resources.

In South Africa wealth in the form of resources and the labour power of rural people, extracted over time from the rural areas, has flowed to urban areas, just as wealth has flowed and continues to flow from the poorer countries to the richer ones. The market, then, has traditionally acted in South Africa as an important mechanism for the *generation of poverty* - through the loss of livelihood sources – as well as for the generation of wealth. If poverty and wealth generation are dynamic and interrelated processes, the generation of wealth is not in itself the answer to the problem of poverty. Economic growth requires that natural resources and labour be obtained as cheaply as possible. If South Africa needs to “develop”; from whence must the cheapest resources be extracted? Traditionally, from the rural areas, in the form of human labour power. This means that while economic growth may take place – in pockets – it is likely to be at the continued or increased expense of the forest labour force.

If the current average contracted forest worker’s wage in Kwa Zulu Natal as reported by a SAPPWU trade unionist in April 2000 (see below) can be considered an important indicator of economic marginalisation, the forces of economic competition are currently intensifying rather than alleviating poverty and exploitation, while the state has struggled to enforce structural changes designed to promote equity. Recent legislation aimed at enhancing workers’ rights and establishing the security of tenure of both farm and plantation workers (the Labour Relations Act, the Basic Conditions of Employment Act, the Employment Equity Act and the Extension of Security of Tenure Act) seems to have had the negative and unanticipated consequence of hastening the rush of both farmers and plantation forest management towards the outsourcing of labour to private and competing contractors. There is overwhelming evidence that this practice – widespread wherever labour is perceived to be “unskilled”, cheap and potentially out of control (and by no means restricted to the forestry and agricultural sectors)⁶ has significantly decreased workers’ wages,

⁶ This trend is evidenced across all sectors. The University of Cape Town has recently outsourced its cleaning and support services. The same people now work in different uniforms at the same job for half the pay.

weakened the bargaining power of trade unions, and bequeathed the problems of quality control, productivity and labour management to small businesses forced to compete with each other for the contract. The difficulties of significantly improving the ethical, partnership, qualitative aspects of “sustainable” forest management under these conditions are significant.

In a study of the possibilities for equitable change on deciduous fruit farms in the Western Cape du Toit casts some light on this particular difficulty when he observes of the trend towards the use of “casual” contract labour:

Contract workers - with no connection to the farm on which they work, and little loyalty to the contractor - are much more likely to be alienated from the farm as enterprise. In a context where the white farmer and his concerns are regarded fairly coolly with cynicism, hatred and resentment, productivity suffers and quality declines. For this reason, many farmers decline to go the full way down this road, emphasising at the same time the need to develop a core of committed and motivated workers...Where genuine improvement and “worker empowerment” has taken place, it is based in part on considerations of worker motivation and business rationality - but it is also powerfully influenced by arguments that (1) have a very marked *ethical* content and (2) ...the construction of the enterprise as a *joint* endeavour, and the labour contract as something that involves much more than the labour-cash nexus.... Cost-cutting has its costs. Where the “moral contract” has been severed, this frees both parties - and the “weapons of the weak” can be deployed to disastrous effect. At [Farm X], the “command and control” style of management has produced a labour process which appears...in many ways quite *out of control*, with workers goofing off, smoking marijuana, overfilling pick sacks with bruise-sensitive varieties, “dummying” bins, and fighting with one another about the use of farm equipment. Less obviously, the lack of an open management style and the absence of a culture of information sharing, delegation and communication routinely produce a range of logistical snarl-ups and small daily disasters that do more to harm productivity and bin-rates than can be rectified by hard bargaining on piece rates (du Toit, 2000).

Who really benefits?

While individuals interviewed tended to see the interests served by certification differently, there was remarkable convergence that the new class of “international regulators” were the immediate beneficiaries of the process. The expense of the FSC certification process, and the perception that most of the money involved in paying for it went straight out of the country is negatively viewed.

Conclusions

- *Certification should not make things worse for workers and neighbouring communities*

For both South African forest management and forest labour, the trend is downhill. Primary producers are receiving less and less of the cut. Profits are made higher up in the increasingly vertically integrated production chain. Out grower schemes and the current South African wage determination debate around possible minimum wages for agricultural and plantation workers illustrate some of these issues. Both forest management and labour are under pressure to become more efficient in order to successfully compete internationally. Globalisation, however, is a contradictory process. What are the interventions which certification could realistically make which might help to increase stakeholder participation in order to challenge growing inequity in the forestry sector, without closing down markets and losing jobs?

- *“Forestry stakeholders” need to be developed before they can be meaningfully consulted*

At whatever forestry bargaining table, organised (and recently disorganised) labour has little muscle in the year 2000. “Neighbouring communities” have even less. Certification processes have to acknowledge these realities. “Weapons of the weak” come into play when interest groups are poorly organised and therefore cannot negotiate meaningfully. Wild cat strikes in industry and arson in the forest sector are the indicators of a lack of viable stakeholders with whom to negotiate. Identifying *and developing* local negotiating partners or “stakeholders” in a complex local politics should be a pressing concern for forest management, and a requirement for forest certification. In the longer term, maintaining stable conditions for investment and extraction requires investment in rural civil society now. There are many opportunities for NGOs to work in neighbouring communities adjacent to forests, to identify and develop real stakeholder groups and projects, funded by partnerships between the forest company, the state and international donors interested in sustainable forest management. Certification should include requirements for a plan for such ongoing institutional development in neighbouring communities. (The Lubombo Spatial Development Initiative, for example, is an obvious partner for Mondi and an international donor in such a venture).

- *Forest companies need to set criteria for their contractors*

An important impact of the stakeholder consultation under review was the identification of the poor labour conditions encouraged by the unregulated use of contract labour in the forests. Forest companies might be required to develop their contractors on the social front (as some have done on the technical side by designing training courses on ecologically sustainable practices which they require contractors and their workers to attend). They might be required to set criteria and standards below which (wages, health and safety practices) contractors may not win the contract to work in certified forests.

- *Certification provides an incentive for dialogue between interested and affected parties at the national level.*

National self-regulation (the development of a national checklist) is necessary before a meaningful social audit can be carried out in a forestry management unit. A range of interviewees identified the need for a set of stakeholder negotiated national standards for the forestry sector. Implicit in this call is the notion that because these standards would be “more realistic” they would not suffer the same fate as recent labour and land rights legislation which is proving difficult to implement and seems to have had unanticipated negative consequences. (For example, ESTA is seen as hastening the exit of permanent farm workers from farms and having accelerated the trend towards off farm contracted labour, while labour legislation is currently under review to make it more “flexible”- Cape Times, 27 July 2000). Legislation which is perceived as “worker friendly” is difficult to implement where workers are weakly organised and where attempts at national regulation are taking place within an international environment of deregulation and fierce competition for survival.

- *Only clearly defined agreements can be audited*

In the current process design, the social consultant will have only two days to audit a forest company – far less time than in the first round (two weeks). Rather than the unfocused “consultation” (research) process described above, it might be best to specifically focus, using an experienced labour lawyer, on a locally agreed checklist for concrete indicators of compliance or non-compliance with existing national land and labour legislation within the forest management unit. The missing step at present is the agreement between management and auditor, beforehand, on what these

concrete indicators are (best negotiated in a national process, see above). This is a small contribution to the encouragement of socially sustainable forestry, but better than nothing.

- *Certification provides a potential space for international surveillance and leverage* Policy speak such as “ We are tweaking our models in favour of the poor”⁷ may obscure a realistic view of the limitations of the power certification has to intervene in the development of meaningful participation by “stakeholders” in forest management in South Africa. The move towards more imaginative solutions and greater stakeholder participation will need the involvement and self organisation of groups of interested and affected people quite outside the scope of the certification process itself, though the “space of international surveillance” promised by an international certification process may well provide an important source of leverage in future struggles over the forest resource.

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⁷ From a presentation at the Findings-Discussion Workshop. Kwalata Game Ranch, Hammanskraal, 14-16 may 2000