Forestry Certification
Social aspects

Johann Hamman

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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 Segoale, 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:
Forestry and Land Use Programme, International Institute for Environment and Development,
3 Endsleigh Street, London, WC1H 0DD, UK.
Tel: +44 207 388 2117 Fax: +44 207 388 2826 e-mail: forestry@iied.org
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Tel +27 12 841 3640 Fax: +27 12 841 2689

ACRONYM LIST

CAR	Corrective Action Request
CSIR	Council for Scientific and Industrial Research
FMU	Forest Management Unit
FSC	Forest Stewardship
IIED	International Institute for Environment and Development
SABS	South African Bureau of Standards

1. Introduction

The IIED and CSIR have embarked on a joint study on Instruments for Sustainable Private Sector Forestry. In terms of this study, a sub-study on the experience of persons involved in the certification process was commissioned. Being on these persons so sub-contracted, this report is submitted in fulfilment of that contract.

Please note that large parts of this narrative[1] will be in the first person. This will allow the person editing and integrating the various documents to "quote" as if part of a personal interview.[2]

I was contracted as a 'social expert' by SGS Forestry and the SABS. My experience as an auditor is limited to:

Forest Management Unit	Type	Certification Body
Natal Timber Co-operative	Main Assessment	SGS Forestry
African Charcoal (Natal)	Follow-up	SGS Forestry
SAPPI (Mpumalanga)	Main Assessment	SGS Forestry
SABS	Accreditation	FSC
Natal Timber Co-operative	Trial Main Assessment	SABS

This document will follow the outline of the 'Draft terms of Reference' circulated via electronic mail in December 1999.

2. The Assessment Team

2.1 Composition and Skills

The ideal assessment team should include a (former) professional forester, an environmentalist familiar with but unconnected to the industry, and a social scientist familiar with forests or the dynamics of rural South Africa. For SGS Forestry I have always been in the same assessment team, the only exception being when we included an extra person for the SAPPI assessment. The SABS assessment team was new. Although the lead auditor was not a forester, the environmental expert was a forester. I have not worked with non-South African auditors, so I cannot comment on the relationship between these.

My experience of the technical side of forestry is obviously minimal, having been trained in law. However, my experience as a labour and land lawyer, specialising in the agricultural sector, allowed me to pick up on the issues facing rural people and rural communities living in the forest without difficulty. Although I was fairly ignorant of the technical side of forestry practice, it was also fairly obvious that the trained foresters were not sensitised to social and labour issues. The result is that a real risk arises that social issues can become marginal in the assessment process. The forester and the environmentalist can talk to each other, even debate issues vigorously, but both can be oblivious of issues relating to labour rights or land tenure.

This risk is exacerbated when the social expert is new to an experienced team. The regular absence of absolute standards on the social component of the checklist (as

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[1] 'I know very well how little reputation is to be got by writings which require neither genius nor learning, nor indeed any other talent, except a good memory and an exact journal' Jonathan Swift *Gulliver's Travels* 341 (Penguin edition).

[2] 'I know likewise, that writers of travels, like dictionary-makers, are sunk into oblivion by the weight and bulk of those who come last, and therefore lie uppermost.' Swift, the next sentence.

compared to, e.g., the 30-metre exclusion zone) means that the inexperienced social auditor is reluctant to raise major CARs.

A second problem that arises in the South African context is the concentration of ownership in the forestry sector. On the one hand this has the advantage that, for competitive reasons, the boards of the forestry companies have decided to follow the route of certification, with the result that large tracts of forests have been brought up to FSC standard and under independent auditing. However, this also means that the forestry expert on the team would have worked for that company or it's competition. In such a highly concentrated industry this can lead to suspicion and allegations of non-objectivity, affecting the forestry company's perception of the whole team. The SABS environmental auditor was employed by SAPPI, but NTC assented to his presence (probably believing that it would be better than not having a forester on the team).

The social auditor role is further complicated by the number of languages spoken in South Africa. Rural people are often not proficient in English, and the auditor then has to rely on his or her ability to speak the local language or the services of a translator. Not only does a lot get lost in the translation, the loss of the nuances of the answer prevents the auditor from pursuing new avenues of questioning. Company representatives are often very keen to provide the translation services, and to add their own comments of the answers provided by the persons being interviewed. This can be very intimidating to respondents.

Related to the question of language is the question of race. South Africa's political history has been characterised by colonialist dispossession and racial exclusivity in political decision-making. The effect of this on rural communities is still very evident. White interviewers are treated with suspicion, particularly when they are investigating the social component of the audit. Furthermore, some of the issues are still very contested, particularly land tenure.

When the South African forestry sector expanded rapidly, a large number of former cattle farms were bought up and afforested. In many of these farm the previous occupants were labour tenants (a labour arrangement whereby a family member or members have to provide unpaid labour to the owner in return for access to land for grazing and ploughing). With these labour tenants surplus to their needs, or their presence constituting a fire hazard, many persons were dispossessed or their traditional lifestyle disrupted. The arrival of the timber companies is still resented in many areas.

The questions posed by and the style of interviewing of a white auditor must take cognisance of this factor. The social auditor must therefore show enough of an understanding of the social issues, history and tradition in order to solicit candid answers.

A different set of suspicions arise when conducting the interviews with management personnel of the forest company. Labour and land tenure legislation are very recent phenomena in South Africa. When these were introduced, the industry associations actively campaigned against it. This created a discourse and industry perception of government as meddling and interfering in labour relations (which of course it was). The defiant rhetoric of the time resulted in a slow and reluctant implementation of these laws. A weak state, unable to enforce its own legislation, did not help to speed up the implementation process. Forestry managers, being technical foresters, are often also not adequately trained in or predisposed to human resource management.

Thus the auditor is immediately treated as a meddler, and managers react with worry to the prying of the social auditor. Although this is true with regard to forestry management and environmental aspects of the audit, the forester seems to be more uncomfortable responding to the social auditor. The skill levels required to gain and maintain the trust of the forest management is very high, and the same racial factors play a role in this process.

In my own experience I have shied away from 'best practice' or 'wish list' audits, simply because they are subjective, therefore difficult to measure and difficult to communicate beforehand to the parties. Rather, the assumption is made that the South African Constitution and social legislation promulgated by the post-1994 government reflects the values of our society. Thus I believe that a social auditor should have at least a working knowledge of labour law (including health and safety legislation) and land tenure legislation, and as I mentioned earlier, an understanding of the history of the particular way in which rural South Africa developed. The latter is missing from, e.g. the SGS *Qualifor* checklist section on rural and indigenous people's rights.

Related to experience and mindful of the general problems relating to race, language and social class mentioned above, is the appearance of neutrality and objectivity. Social auditors should not have a history of regular employment or consultancy for any stakeholder in the sector (except, perhaps, government). The vagueness of some of the social criteria can easily allow a perception that the auditor is biased for or against the owner of the specific forest management unit to be fostered. Therefore: no socialising with any stakeholder during the audit. The pressure from forest managers to 'discuss the days' field trip in a more informal setting' is constant and immense, particularly difficult to say no to after a hot day in the sun. Acquiescence to such a request will compromise the dignity of the process and raise false expectations.

I have had it reported to me that some companies prefer a non-South African person to be part of the auditing team. I presume this is to lend an 'international' stamp of approval to the process. From the ambiguous comments raised by the South Africans that I have worked with, foreign auditors' experience of the process was of immense value, but that the depth of analysis during the actual audit not necessarily so.

Another tightrope to be walked is the auditor's desire to lecture on matters, particularly his or her pet subject (this is a favourite way to create the impression of great knowledge, and thereby obfuscate your ignorance on other matters contained in the rest of the checklist). First, advice falls in the realm of consultants, not auditors. That is what they get paid for. Second, advice generates the risk that the forest managers may actually implement it, and that a subsequent audit may find that corrective action to be inadequate.

Yet an informal and efficient way to administer the checklist is to engage in a technical discussion with the management, interrogating them (in a positive way) on issues raised by the checklist. Persons from a stronger academic background seem to be able to achieve this balance or detachment more easily.

2.2 Team Stability

I have not been part of a repeat visit to a specific forest. I have, though, audited NTC twice on be half of different certification bodies. A repeat visit has the advantage of spending less time getting acquainted with the company, its personnel and

personalities and much more time doing the actual audit. In the light of the cost of the certification exercise, this is a real advantage.

I would guess that, on a repeat visit, the company would already be certified and that a lot of the suspicion and fear would have been replaced by a more trusting relationship. This poses its own danger: the relationship can become too cosy with the result that the auditor sacrifices diligence.

3. The Consultative Process

3.1 Stakeholders

The stakeholder consultation is normally done by the lead auditor. Companies are asked to identify and submit a list of stakeholders at the various levels of operation of the company. Inevitably, they identify their clients, nature conservation bodies and local authorities as stakeholders.

As far as I am aware, stakeholders are invited to submit their responses by return of fax. It has been reported that this method is unsatisfactory, since many organisations fail to respond. In other cases it may be unrealistic to assume that all stakeholders have access to telephone and fax lines.

During the actual visit the lead auditor would provide the various 'experts' with the responses from the parties who have replied. Opportunity is scheduled for further consultation with those parties or others who are available.

The same issues involving race and language mentioned above will arise during the consultative process.

3.2 Company Personnel

Most companies have a staff member dedicated to and driving the FSC process. This person is normally the host for the period of the assessment. Opening meetings are held with senior management and the managers of the forest management units to be certified.

At Head Office level the following persons are interviewed:
- Head of personnel / human resources manager
- Human resource staff
- Financial manager
- Legal officer (if any)

At the forest level the forest manager and foresters are interviewed. Meetings are also held with representatives of the labour force, contractors and their employees (if any) and forest residents (if any).

4. The Decision-making Process

4.1 Communicating CARs

The debate about the status of the CAR (major / minor) is limited to the assessment team. Before the closeout meeting the team would deliberate and formulate CARs. Despite the 'objective' nature of the decision-making process, the possibility for subjectivity remains a constant threat. The decision whether a specific issue requires

corrective action and on the seriousness of the non-compliance is taken by consensus, with the 'expert' leading the discussion on that issue. Even where the other members of team do not have any specialist knowledge on an area, the process of motivating your decision to your colleagues and their interrogation of the issue is crucial in arriving to a defendable decision.

SABS does not share the major / minor CAR system. Their approach is that any non-compliance that violates one of the FSC principles precludes certification. How this differs from the major / minor CAR categorisation must still be explained.

The findings are then communicated at a formal closeout meeting where the senior management and the forest management will be present. Although debate is not supposed to ensue, company representatives (particularly environmentalists) always want to debate issues. One would have expected social issues to be the contentious ones, but this is not the case. It appears that for every approach in the environmental science, three others vie in its claims to be the true road to environmental enlightenment.

It is the perceived effect of non-certification (particularly in this highly concentrated industry) that raises the stakes at the closeout. Auditors tend to forget that the company had decided to follow the FSC route (commendable in itself) and have actively changed their systems and practices in their attempt to conform. The CAR report-back creates an impression of an excessively critical process, since no space is allowed to compliment where practices are of a high standard.

The time-frames for corrective actions are fairly standard, depending on the severity of the non-compliance.

4.2   Information Availability and Gaps

The labour relations and health and safety criteria are normally well documented and easy to verify. However, very little evidence can be found to meet the criteria around community consultation and communities' benefit from the forest.

4.3   Consistency

As mentioned above, the certification also has a subjective component. Thus any assessor can reach different conclusions (major / minor) on essentially the same facts or on a set of facts not to far apart on the continuum. Having audited for two assessment agencies, I know that different agencies will certainly produce different outcomes. It is possible that SGS will issue a major CAR, thereby precluding certification, while the SABS may be more likely to proceed with certification.[3]

As an adjudicator in other forums (independent arbitrations, the industrial court and the CCMA), I know from experience that the best guarantee of consistency and protection against capriciousness is the threat of review or some form of appeal. The systems used by the accredited certification bodies all have internal appeals, but no external or third party scrutiny (not at a local level).

Another step toward ameliorating the inconsistency would be the introduction of a set of South African criteria and indicators against which companies can be audited. This would encourage similar or comparable checklists, and companies will know what criteria they will be audited against.

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[3] I presume that the names will be removed during editing, this comment for _your_ information only.

4.4 Favourite CARs

To reformulate this question: where do CARs come from? The answer lies mostly in the practice of using contractors in the forests. All three major CARs that I have issued stemmed from the fact that the *contractors* did not comply with the FSC principles. Thus the company seeking certification would have adequate systems and practices, but some of the contractors operating in the forest management unit do not. Companies seeking certification fail to realise that it is the FMU that is being certified, not the company.

On the social side, the most common problems relate to health and safety, as well as basic legal requirements on contracts, etc. Other areas of concern are stakeholder consultations, social responsibility requirements and tenure security legislation. These seem to be viewed as nuisances which, if ignored for long enough, will disappear.

4.5 Example

Independent contractors are, by definition, not subject to the day-to-day supervision of the landowner. Often these contractors would not have written employment contracts, not work to the stipulations of the Basic Conditions of Employment Act, flout health and safety standards and fail to make payments to the Workmen's Compensation Commissioner and the Unemployment Insurance Fund. In other words, be in breach of every single labour statute in the books. Such unlawful and illegal activities fall foul of the FSC principles, but companies are shocked when a major CAR is issued and claim that they have no control over the contractor's internal affairs. The point is, these affairs are not internal if they take place on a forest management unit that is applying for FSC certification.

A simple mechanism to correct this is to bind the contractor by agreement that the contractor would adhere to the legislation and standards and in general, to FSC principles. Breach of this agreement then leads to suspension and cancellation of the contract, with appropriate penalty clauses added to mere cancellation. Regular monitoring and inspections forms part of the management plan.

4.6 New Legislation

I am not aware of any new legislation that will have a significant impact on forestry companies. It is possible that:
- a wage determination for forestry is coming;
- South African criteria and indicators will be developed; and
- training centres for the industry will be formed, funded by the skills levy.

5. The Learning Process

The assessment or audit is merely a step in the process of changing the way forests are managed. This fleeting moment loses its impact for both parties over time. I would like to see some structured communication forum where companies that are certified can share ideas with each other and with certification teams. This will keep the information in the loop and hopefully lead to a better assessment and better practices.

There have been proposals around a local group to act as a country FSC Forum, and this idea should be supported. Often the company FSC advocate is not in the most

powerful or resourced position. Such a forum could lower the cost of acquiring information. It can also serve as a point of interface with stakeholders.

I am concerned that the fundamental *ethical* component of certification is being lost. To many persons in forestry companies, FSC certification is seen as a minimum standard to which they grudgingly and half-heartedly conform because of the perception that they will lose markets if they do not. Like a driver's licence is necessary to satisfy a traffic officer but has nothing to do with your driving ability or indeed with the car that you drive, certification is regarded as something that is needed for European and North America market access, but the relation between it and good forestry management practice is lost. In other words, the financial sensibility is there, but the sense of the system often escapes foresters.

This forms part of a much broader debate around standards and development. There are many who believe that standards are luxury goods, by-products of successful development. It is argued that South Africa, being a developing country, can ill afford the luxuries of rights and standards. On the other side it is argued that development is only possible through the adoption of standards, which form the foundation of all future development.

It is not for me to choose sides in this debate. Our legislature has clearly signalled that it supports the latter perspective by providing for the development and adoption of South African criteria and indicators. If such a process can be inclusive, it can serve to create a climate of trust between all stakeholders, and help us to gain the true spirit and philosophy of the certification process.

The emergence of a second certification body has the opportunity to lower costs to producers, opening the way for smaller growers to also acquire certification. However, it also generates the risk of the lowering of the hoop as these bodies compete for work. Again, a national set of standards will prevent this from becoming a material problem.

The certification process still has a long way to go before the prescribed practices become the standard (as in 'typical', not 'measurement') and the values of the system become fully internalised.