LIFE AS COMMERCE CAMPAIGN

THE SOCIAL IMPACTS OF CERTIFIED TIMBER PLANTATIONS IN SOUTH AFRICA AND THE IMPLICATIONS THEREOF FOR AGROFUEL CROPS

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June 2007
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Cover detail – craftwork produced by members of a women’s sewing group organised by the Manning Road Methodist Church in Durban

Note: The views expressed in this report are the views of the author and do not necessarily represent the views of the Global Forest Coalition
1. Timber plantations in South Africa

A brief history and background

Since the early twentieth century, consecutive South African governments, together with their subsidiary structures, as well as timber industry players, have pursued the planting of large-scale monoculture alien tree plantations in those areas where sufficient rainfall and adequate soil quality could sustain their growth. Originally the intentions were to: (a) supplement South Africa’s limited natural timber resource to fill local needs, and (b) reduce the need to import timber that was more expensive.

During the last thirty years this scenario has changed and the local timber industry now seeks to expand exports of timber and timber products so as to increase its profits. This move away from the earlier goal of national self-sufficiency was first motivated during the apartheid era when the government was faced with increasing isolation, and political pressure from the rest of the world through economic sanctions, and needed to create an inflow of foreign currency. Although the political situation in South Africa has now more or less normalised, this export-driven economy mind-set has remained.

The South African economy has become locked into an inflation-devaluation spiral that has encouraged the export of raw materials. This has largely been due to the artificially high earnings generated as a result of greater overseas demand, together with the low value of the local currency in relation to major foreign currencies. This was exacerbated by the much lower cost of investing in South Africa by foreign multinational corporations. As a result, Euros and other major currencies have had greater value in South Africa for many years, making resources, commodities and labour that were already inexpensive by international standards, available to foreign investors and traders for even less.

In recent times there has been an emphasis on expanding pulp and paper production, and during the past 30 years the production of pulp has more than doubled in response to increasing demand for paper products in industrialised countries. In addition to this, there is also a recently established woodchip export-industry that also exports plantation timber in a basic unbeneficiated form, mainly to Japan. Woodchip exports total over three million tonnes per annum, and together with exports of roundlog, pulp, paper, board and timber used for furniture manufacture and building construction makes South Africa one of the bigger producers internationally (about number 15).

The total area of land under managed timber plantations in South Africa is reportedly somewhere between 1.34 million and 1.8 million hectares, depending on the source, with the timber industry claiming the lower figure. According to the latest information from the FSC (Forest Stewardship Council), the area under certified plantations extends to 1 551 470 hectares, and as this is said to cover more than 80% of all managed timber plantations in South Africa, the total area could then be over 1.9 million hectares. In addition to formally managed and/or licenced plantations there is a further informal area estimated to be in excess of 1.6 million hectares covered by ‘feral’ plantation trees. This issue presents a challenge in that the timber industry has not taken responsibility for the rehabilitation or management of these plantations, and the government has had to pay for the eradication of the unmanaged trees that impact on river catchments, through a poverty relief employment programme called “Working for Water”.

As responding to Climate Change becomes more urgent, the muted response from the timber industry has been to argue that its plantations contribute to atmospheric carbon sequestration, and this is being used as an excuse to justify their further expansion.
Timber plantations and pulp mills are both an integral part of the pulp and paper industrial production process, and their impacts must be viewed in combination to obtain a more accurate understanding of their overall negative effects.

The problems plantations cause

South Africa’s land, water and environmental resources are undervalued in comparison to those in consumer countries, and the purchase or consumptive use of South African resources therefore makes for very profitable dealings for multinational corporations. It might be hoped that at least a part of these profits would go back to the communities owning the land and water being exploited by the multinational corporations involved. However this is evidently not the case, because expanding industrial timber plantations only seem to produce more poverty, disease, dispossession and disempowerment than previously experienced by affected communities. To add insult to injury, other largely unrecognised or ignored secondary and cumulative impacts worsen the situation, but the South African government has continued to support plantation expansion by the timber industry. The FSC has legitimised this situation by certifying over 80% of South Africa’s timber plantations as ‘responsibly managed, economically viable and socially and ecologically sustainable FORESTS’, which is far from the reality.

The prospect of a rise in demand for agrofuels, as global energy consumption grows and fossil fuel resources decline, can only mean greater pressure in the future to increase the area of land under cultivation. This in turn will cause more of the same negative impacts that have already been inflicted on people and places by ‘certified’ timber plantations. The government has announced plans to establish another 200 000 hectares of timber plantations on community land in parts of the Eastern Cape province. Another 3 million hectares has been ‘earmarked’ for the large-scale cultivation of genetically engineered maize and canola for ethanol and bio diesel production. Though it is claimed that the biofuels produced would be used to meet a 4,5% target in South Africa, it seems that there are plans to export to Europe as part of a trade agreement.
Certifying plantation problems

The timber plantation industry in South Africa subscribes to FSC certification as a way of achieving its own ‘self-regulation’! The government department responsible for regulation of the timber industry, the Department of Water Affairs and Forestry (DWAF) has welcomed this, citing their department’s lack of HR capacity as justification.

The claimed benefits of FSC forest or timber plantation certification have been widely promoted both by the industry and some international NGOs that support FSC.

When first established in 1994, it was not envisaged that the system would one day serve to justify a forest and timber plantation model that perpetuates all the problems that it was supposed to have solved. In the South African context, FSC certification of timber plantations has granted respectability to a number of negative aspects of timber industry operations – both historical and current, that include:

- Community displacement, land dispossession, and social disruption.
- Destruction of biodiversity resources and the natural landscape.
- Impacts on water resources, drying out wetlands and aquifers.
- Pollution of rivers and streams and wetlands with pesticides, oils and fertilisers.
- Contamination and compaction of soil within plantation areas.
- Accelerated soil loss on site and increased downstream erosion.

In effect, FSC certification of socially and environmentally destructive plantations also legitimises the negative health, environmental and social impacts produced when timber is processed at polluting pulp, paper and sawmills that are usually very close to water resources and human settlements. There has been a growing awareness of how the excessive fossil-fuel derived energy consumption and high greenhouse gas emissions of timber processing contribute to global climate change. In combination, the full spectrum of negative impacts generated during the entire ‘life-cycle’ of production, consumption and disposal of the products and waste generated by the timber industry has very serious implications for the health and welfare of all life on Earth.

The first FSC ‘forest’ certification in South Africa was awarded in 1997. SA now has a higher percentage (80%?) of certified plantation area than most countries.
A case study - Hans Merensky Holdings

The South African NGO Coalition, Timberwatch, has begun work on case studies of timber plantation and processing subsidiary companies of Hans Merensky Holdings (HMH), with certified operations in Limpopo province - Northern Timbers (15 000 ha.), as well as in southern KwaZulu-Natal province - Singisi Forest Products (69 526 ha.). Northern Timbers’ plantations have been certified since 2000, and the Singisi Forest products’ plantations since 2003, with SGS Qualifor being the certifying body in both cases. The decision to focus on HMH was taken after several complaints had been received, but also in view of the fact that 42,6% of HMH shares belong to the Industrial Development Corporation (IDC). The IDC is a government-owned structure under the Department of Trade & Industries (DTI) within the same national government that recently undertook to sell off its plantation holdings in order to be able to fulfill its role of impartial regulator, without the conflict of interest of being a player in the industry too!

Timberwatch was invited to participate in the re-certification audit of Northern Timbers at the end of 2005. Questions submitted to the auditors were not satisfactorily answered – and perusal of documentation on the re-certification audit revealed some glaring inaccuracies. In January 2006 Timberwatch members visited the area to view plantation operations and natural forests, photographed examples of poor plantation practices, and interviewed local environmental stakeholders. In April 2006 an international group of NGOs including Timberwatch called on FSC to de-certify a number of controversial plantations globally including all South African plantations.

Singisi Forest Products

As part of a government asset restructuring exercise, HMH purchased the state-owned plantations in the southern KZN / Eastern Cape provinces for an amount reported to be R45 million (approx. 5 million Euros) in 2001. In effect, the state assets involved, which included 30,000 ha of standing timber as well as all equipment including three sawmills, was simply transferred from one government organisation – the DWAF owned company SAFCOL, to the IDC/Dept of Trade & Industries via its 42.6 % stake in HMH. This agreement appeared to be linked to the sale of 42.6 % of HMH to the IDC for the sum of R55-million. In other words, assets of one government department were transferred into the control of another using a process that was intended to recoup state capital and transform the role of government from being a player in the timber industry to being one of an impartial regulator. However, instead of achieving those objectives, the process appears to have only created an illusion that the assets involved have been privatised.

What does this mean?

It seems that HMH has taken on the role of a government entity, much along the lines of the national telecommunications operator, Telkom, and the energy supply utility Eskom, where in both cases there is a history of state interference through subsidisation. The sale of state-owned plantation assets to HMH in 2001 was conditional upon obtaining FSC certification, and this meant that there was probably inordinate pressure on both the certification body and HMH to ensure that certification was awarded.

What the likely implications of the HMH case are for agrofuel crop production is not clear at this point, but what does seem obvious is that the land and water resources that presently belong to Eastern Cape/ southern KZN rural communities are being targetted for both large-scale timber plantations and agrofuel crops, that cannot be the most environmentally appropriate or beneficial land uses for the affected communities.
2. The social impacts of timber plantations

Land tenure and poverty

Under apartheid many South African communities were removed from the rural land they had occupied for generations. Typically it was from land with high agricultural potential, which was then appropriated by the state for inclusion in what was known as ‘White South Africa’. Land in some of the best-watered and most fertile parts not already in the hands of white farmers or companies, had been allocated to the state forestry department and classified as “State Forests”. After elections in 1994 and the installation of an ANC government, a restructuring process resulted in the bulk of the plantation areas on previous state forest land being sold to industry consortiums. Previous state plantations employees and the surrounding communities have been allocated small token shareholdings in the ‘empowerment’ consortiums established by timber industry players such as Mondi - Siyaqhubeka (http://www.siyaqhubeka.co.za) and Hans Merensky Holdings - Singisi (http://www.merensky.co.za)

Legislated land restitution processes have been hailed as a solution to the inequities that resulted from forced removals, but it appears there are many obstacles to achieving meaningful outcomes. The first of these is presented by the reality that previously disadvantaged people who had been dispossessed of their land, and their descendants, are in most cases no longer experienced in farming and environmental management as were the original communities. It has been found that most re-settled communities are therefore unable to farm profitably, and this leads to indebtedness and disillusionment.

This resettled family is from the Sabokwe community near Richards Bay, which was previously evicted to make way for pine plantations. They complain that the land they now have is far too little to build homes, grow food or keep cattle.

Other problems arise from inadequate or poor management of the land restitution processes by government agencies. It is obvious that the beneficiaries of land claims are often not properly supported in terms of training and mentoring. In the case of successful claims on land that is under timber plantations, the problem is exacerbated by the fact that timber growing is a long-term enterprise, and one that provides very little direct employment as such. As a consequence, successful land claimants will have little option but to lease their restored land heritage back to the timber companies (who will already have been compensated handsomely through government payouts for the land). This gives the timber companies the upper hand in negotiating agreements that primarily benefit themselves, and would be negotiated for the longest possible period and at the lowest possible cost. This scenario effectively denies land claimants a choice in terms of alternative land-use options, and limits the possibility of the community ever being able to take up farming on their own land. Within this scenario the re-instated
landowners might at best expect to be given some temporary seasonal employment as contract labour on the plantations that they ‘own’.

In effect the land remains the property of the timber companies, despite full payment of the agreed purchase price by government on behalf of the affected community. These large capital injections create a perverse opportunity and the financial resources needed for timber companies to expand their growing operations even further, thus leading to even more environmental destruction and degradation in previously stable communities.

FSC certification of such timber plantations can only perpetuate the existing inequitable relationship between the timber industry players involved, and affected communities. Both the direct and indirect negative social impacts arising from a situation like this are such that they negate the very spirit of FSC’s stated social objectives.

There should be a lesson here for rural landowners who might be tempted to sell or lease their land out to bio-fuel companies. Even out-grower schemes can effectively alienate people from their land, as is the case with community wood-lot plantations.

Since the mid 1980’s there has been a global trend towards the outsourcing of labour-intensive aspects of the plantation timber production model. In South Africa the timber industry has openly admitted that the main motive for replacing permanent employment of workers was to cut costs. This was to result in a number of negative consequences for plantation workers: Loss of job security, together with all the normal benefits of direct employment - medical assistance schemes, insurance, pensions, housing, bursaries, and opportunities for in-house training and career development, led to considerable disadvantages and economic losses by worker communities while the timber companies benefited exponentially. Another reason for the move to contract employment / labour outsourcing was clearly the desire on the timber industry’s part to avoid having to deal with any labour union action that could threaten productivity and therefore profitability.
Before this transition took place, considerable effort had already been made to eliminate or reduce the use of labour in the field through the use of expensive mechanical technology that could replace hundreds of workers with single machines. Using toxic herbicides to control other plants and weeds in plantation areas was also a cost-effective alternative to manual methods that had provided work for many people.

The plantation industry still sticks to its dubious claims that timber plantations create new employment and uplift rural communities, but this is clearly far from the truth. It is well known that other agricultural activities, even sugarcane, provide employment for many more people than timber plantations do. Most job-losses are experienced when individually owned and managed mixed farming enterprises are replaced with timber plantations, and this is compounded by the reduction in worker wages that results. Large-scale agrofuel crop cultivation on community land is unlikely to be any different.

Outsourcing labour – the contract labour system passes responsibility for health and safety down to often poorly resourced sub-contractors that cannot afford to provide even basic protective clothing like gloves and masks to their workers.

Health and gender issues

The prevailing ‘certified’ timber plantation model used in South Africa and in many other lesser-developed countries is responsible for a wide range of negative impacts that can contribute to workplace injuries and poor worker health. The impacts extend beyond the workplace into the homes and communities of workers through linkages that evolved as a part of colonial governance and as an effect of corporate money-lust. The United Nations International Labour Organisation (ILO) has rated forest and timber plantation work as being one of the most dangerous, but in combination with the effects of the poor social conditions caused by the contract labour system used in the timber industry, it is even more harmful. Without going into detail, it can be seen that many impacts are largely hidden from or ignored by society, with government also seemingly unwilling to remove its blinkers. The disruption of community life caused by plantations both through displacement and evictions, and particularly the contract labour system, is responsible for family breakdown; increased alcoholism, drug use and crime; the proliferation of sexually transmitted diseases including HIV AIDS; as well as perpetuating a cycle of poverty that entrenches poor nutrition, inadequate education, and illness. Women make up a large part of the workforce employed in timber plantations, but their involvement is usually confined to menial physical tasks like weeding or bark stripping. At the same time these women have to take responsibility for home management, child rearing, and numerous related tasks. In the case of out-grower schemes, especially when the male household head is absent, women must bear the additional burden of responsibility for protecting and managing the woodlot, often receiving little reward as in most cases the
income from the sale of the wood often goes directly to the man, who is usually the legal beneficiary of the out grower agreement.

Displaced families often end up living in shack settlements like this one near KwaMbonambi in KwaZulu-Natal called Slovoville

3. Conclusions and possible solutions

Future needs

The historical processes by which traditional rural communities in South Africa have been systematically stripped of ownership of their natural heritage, and their cultures diluted, need to be reversed. Many people have assumed wrongly that this reversal already took place in the post 1994 period and that South Africa now has a thriving economy where infrastructure and public facilities are abundant and general living conditions are improving constantly. The reality on the ground indicates otherwise, and it takes little more than a visit to one of the numerous informal slum settlements on the periphery of South Africa’s major cities or towns to see how displaced rural communities have been socially and economically marginalised. Most of the people who inhabit these slum settlements have recently abandoned their country homesteads in the old tribal homelands and moved to the cities in search of a perceived better life. In effect they abandon their cultural values, their traditional knowledge, their affinity with nature and a vastly healthier lifestyle to that which they find in the slums. To add insult to injury they are exposed to a wide range of social ills such as sexually transmitted diseases including HIV-AIDS, and to crime, gambling, alcohol abuse, and drug-addiction. In many respects the social conditions that are now found when people move to the cities are considerably worse than those that existed under the apartheid regime pre-1994. It can be argued that the wave of migration we are seeing is a transitional phase, and that people are merely taking advantage of the relative freedom of movement that is now possible, and that conditions will stabilise in the future. These kinds of arguments cannot possibly be justified in the light of what is happening in the rural areas from where these poor people have migrated. Industrial agriculture, which includes the two main activities of sugarcane and timber cultivation, is forcing its way into the areas where traditional communities formerly had the opportunity to exercise their traditional and cultural lifestyles. The more timber and sugarcane encroaches into these areas the less land there will be for grazing of livestock, cultivation of traditional food crops, and harvesting of natural materials and medicinal plants that have supplied all the basic needs of these people in the past. What impacts even further on these communities is that in many cases machines are replacing manual labour. This, together with the use of outside contractors who have the appropriate equipment to undertake the work, creates
a situation where only limited employment opportunities are available to the local people on whose land these agricultural activities take place.

The natural environment suffers enormously at the hands of timber tree cultivation. Cattle and goats are forced to graze and/or browse in sensitive marginal areas such as stream banks, wetlands, and steep slopes where people would normally never have taken them. The insatiable thirst of fast-growing plantation trees impacts on available surface water, causing streams and wetlands to dry out thus depriving communities of free access to natural water. Often streams that would normally have run year-round become seasonal and then only contain water during the rainy months. Historically the grasslands of the eastern region of South Africa have also played an important role in contributing water supplies for cities and towns that are situated downstream of the grassland catchments. The net result of the loss of the natural services provided by grasslands and other naturally vegetated areas, is that expensive dams have to be built to offset the impacts of the water consumed by timber plantations in the catchments.

The future prospect of having even greater expanses of this country ruined by vast monocultures, especially genetically engineered agrofuel crops, must be avoided.
The implications for growing large-scale agrofuel crops

The model proposed in terms of a South African national biofuels strategy document recently released by the government, appears to be based on the same large-scale industrialised approach that is being used in countries like the United States and Brasil.

This model is based largely on the North American developed system of high input mechanised and automated production that also requires large applications of chemical fertilisers and pesticides. It is also sustained largely through the intensive use of agri-chemicals and fuel derived from fossil-carbon substances like oil and coal. This alone represents a major problem in terms of the emission of greenhouse gases. Within industrialised countries in Europe as well as in the United States, large subsidies have been necessary to make this system viable, and this distorts the market situation for any new producers. However, because of the great power and influence of industrialised countries over developing nations in the global south, the corporate entities involved, with support from their governments, would like to expand their markets and sphere of influence and control over the land and resources of countries like India, South Africa, Mocambique and Paraguay. In countries like Brasil, Australia, Canada and Argentina, the industrial agriculture model has already become well established, although there is considerable resistance from international community based farmer and peasant organisations such as Via Campesina.

Industrialised nation governments envisage the large-scale production of agrofuels as a means to be able to continue increasing their energy consumption to ever-higher levels, rather than moving towards more sustainable energy-efficient solutions. Clearly this type of approach cannot be maintained beyond the medium term, and even so will only perpetuate the ongoing one-way flow of resources from the south to the north.

How could certification affect the situation?

This report has attempted to illustrate how the highly acclaimed system of certification used by the FSC has failed to recognise and to resolve the fundamental weaknesses that are inherent to the large-scale industrial production of timber and timber products. It is most probable that if and when such a certification system is applied to a similar model being used for the production of agrofuels, or biofuels in general, certification would fall down in much the same way as it does with forests and timber plantations.

What would it be certifying?

Certainly not an environmentally compatible economy or a sustainable society! Rather, it would be legitimising the ongoing injustice of the inequitable exploitation of people and the natural environment. It would be certifying the destruction of natural ecosystems, the pollution of soil, air, water and life. It would be certifying the concentration of wealth and power in the hands of a few!

If the agrofuel production model is fundamentally flawed it will not achieve its climate-change mitigation objectives. But should the South African government adopt a different philosophy and understanding, that allows it to re-invent its approach to the challenge of truly sustainable biofuel and timber production, things could be wonderfully different.

At the other end of the scale we find the consumption model, and this is where the main problem lies. FSC certifies clear consciences for the paper gluttons of the world. If a similar agrofuel production model was certified using FSC-like standards and criteria, it would only serve to deliver absolution to the energy gluttons of the world!
This article raises many questions. Not least, were the affected landowners able to make free informed choices? Or were they under political pressure to agree to this arrangement? Also, is the biofuel to be produced for export or local use?

Is there a solution?

The prevailing view of decision makers in South Africa appears to be that continuing to exploit natural resources and people through the imposition of industrialised country norms and standards can solve our economic problems. However, there is still a degree of sanity amongst others, notably church groups and NGOs who believe that a new development paradigm is needed to overcome the present poor state of affairs. It will never be possible, let alone advisable to try to completely reverse the situation, because people’s needs have changed and there are now many more mouths to feed than in pre-colonial southern Africa. Some community-based organisations have adopted an approach based on the principles of sustainability, whereby it could be possible for many more people to enjoy quality living conditions whilst living off the land than is presently the case. There are hundreds of highly specialised development organisations that work both in the rural and urban environments helping to develop people’s capacity to feed themselves and to maintain their own health while developing self-respect and pride in the fact that they are not slaves to the industrial machine. Opposing the use of genetically engineered food crops is one way in which people can assert themselves.

It is clear that people in rural communities still need to develop a greater capacity for developing sustainable self-employment. Also, the importance of respecting traditional values, that include taking responsibility for the stewardship and wise use of natural resources at people’s disposal must be emphasised. Reinstating these values is key to reversing the current disastrous trend towards converting unspoilt community lands and natural areas into monotonous industrial landscapes devoid of natural plant and animal diversity and people.
A role for Civil Society

The Timberwatch coalition was formed in 1995 in order to monitor the environmental and social impacts of industrial timber plantations in South Africa. Timberwatch has identified the processes and trends in timber production that have destroyed people’s livelihoods and environments in South Africa. Specifically, Timberwatch believes that the primary objective should be to create awareness amongst affected communities in order that they may understand which forces are dictating the decline in their fortunes. There is a need to encourage and to pursue the re-establishment of a wide range of sustainable land-uses that can enable marginalised rural communities to use their land and other natural resources in ways that will not threaten their or their children’s future livelihoods. In addition to many existing projects that do provide training in agricultural practices, crafts and other skills development, there is also a need to develop capacity in sustainable community forestry. It appears that these skills have been lost over time and the over-utilisation of forest products has led to the demise of many thousands of hectares of South Africa’s scarce natural forest resources. People living in the rural areas can be encouraged to implement a programme to restore forest vegetation where it no longer exists due to historical economic and social pressures, and to protect remaining natural forests and woodlands.

Another world is possible! www.timberwatch.org.za

Need more information?

Civil Society
TOWARDS A SOUTHERN AFRICAN NGO POSITION ON BIOFUELS
Opening Pandora’s box: GMOs, Fuelish Paradigms and S. Africa’s Biofuels Strategy
http://biosafetyafrica.net/portal/DOCS/biofuels_and_GMOs.pdf
Declaration presented at UNFCCC negotiations, Nairobi, November 2006: "Biofuels - A Disaster in the Making"

Media
Cosatu shoots down biofuels plan -
Prospects for Biodiesel in S. Africa – http://www.parallaxonline.net/biofuel.html

Government
Department of Minerals and Energy
USDA South Africa biofuels report