

**Looking at Globalisation
from below:
Forestry labour in
Mpumalanga, South Africa**

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An atypical research in the SA context

- 2-year grant from IFAS: time and no pressure on delivery
- Active reliance on partners (TRAC-MP, ANC, etc.) and will to interview *all* stakeholders
- Focus on workers and contractors (interviews) so as to understand how the evolution of forestry affects those whose voice is never heard
- In MP, contact with workers was difficult at first, but made possible thanks to the help from the union (FAWU) and of the translator

Themba's story

- A young, slender Swazi who has been working in forestry for 6 *days* as a stacker – “6 days is like 6 years”
- Each stack is 2 x 2 x 1(m), roughly 100 logs. He received no training and has to make 6 stacks per day, carrying the 3-metre logs with his hands – “it is so tough, it will have an impact on my body”
- He works from 6 am till 5.30 pm but can only do 4 stacks, thus losing a third of his daily wage – “we are cheap labour with no I.D. so they abuse us”
- He came to work in SA in order to pay for his schooling (1800 R p.a.), so that his parents would not have to sell their remaining 4 heads of cattle – “I want to marry my girlfriend [= 17 heads of cattle] and become a lawyer”

Globalisation is driven from below

- New wave of globalisation since the late 1970s, which is in part a response to the growing weight of shareholder finance: profits needs to be *foreseeable*, hence a focus on value-creating activities
- Rapid movements of capital and technology are its main *features*
- But its main *drivers* are **micro** economic, namely re-organisation of production and management *within* firms:
- Lean production replaces scientific organisation, both internally (flexibility) and externally (outsourcing)
- This change has a global impact which is felt at the local level, especially when countries adopt policies that favour internal “market regulation” (of education, health, labour relations – or research)

Outsourcing as an economic strategy

- Outsourcing means replacing labour arrangements (to carry out a task within a firm) with a contract given to a service-provider
- It is advocated for all non-core activities to increase efficiency: specialisation + ownership
- As the competition for “clean” profit intensifies, the scope of “non-core” activities broadens
- If any activity can be outsourced, it is not efficiency that is sought but profit – at any cost?

Outsourcing as a social phenomenon

- Change in productive organisation is an object of conflict; outsourcing does not impact all employees in the same way
- Some employees are able to negotiate and minimise losses, a few can even gain (ex, in forestry, of highly skilled consultants)
- But, for the majority, outsourcing causes a casualisation of employment – employers are ever smaller, when not fake “self-employment”, fewer bargaining options
- Outsourcing transfers the exposure to economic risks from companies to contractors and, often, to employees
- When employment is the dominant source of livelihood, there are deep social consequences involved

How can research help to understand outsourcing?

- Need to move away from Business & Anti-globalisation ideologies to understand how outsourcing operates in different circumstances
- Outsourcing is a business process regulated by the market: its operation can be highlighted by looking at the bargaining power of its different stakeholders and how they interact
- According to R. Morkel (Mondi), outsourcing will work if (a) responsible industry (b) qualified contractors (c) effective regulation – how does forestry compare to this wish list?

Let's talk about trees

- Commercial forestry (CF) in SA is close to being fully outsourced; very few growers still run operations
- Government (DWAF) is in the process of selling all its plantations (private sector and communities) and claims it wants to regulate the sector, but it does not have the capacity to do so at present
- There is a very wide range of contractors and subcontractors, but most seem to struggle to make a living, even large and experienced ones
- Growers are by far those who benefited most from the process. Yet, they express dissatisfaction with outsourcing; Mondi and Sappi openly wonder if they should re-insource

Accounting for the crisis in CF

- Growers have pushed the outsourcing logic to its extreme; a formerly closely monitored economic activity has been transferred to external agents who are only monitored (and paid) on production
- Contractors struggle to negotiate rates (and contract durations) that would allow them to turn into sustainable businesses (in KZN, estimated annual bankruptcy rate for 2004 is 40%). Many of the more qualified foresters have left forestry, which increasingly attracts people seeking to make quick money
- Fire-fighting capacity, invasive species spread control, productivity and some downstream value-chain activities have suffered. There are worries for the pulp mills in the medium-term – will they receive enough timber?

Forestry workers: as bad as it gets

- Forestry used to be seen as good employment in rural areas; this has changed with outsourcing and many South Africans have left the sector (in MP)
- Employment has become very casual, especially for workers employed by contractors working on plantations owned by individuals: often no contract, poor protection against unfair dismissal (injuries, etc.)
- Interviews reveal that workers feel that their employers do not pay them what they should; they do not understand how some can end up with 15-20 R/day
- Widespread evidence of under-nutrition, accounting for difficulty in achieving set tasks, along with
- HIV/Aids prevalence rate estimated at 35%

Selected quotes from workers

- (xx) are tsotzis, they pay contractors and contractors don't pay us, but they don't care when we tell them
- The task is so difficult and so unfair, how are we supposed to support a family if they take away so much from our wage? [this chainsaw operator, the elite of forestry workers, makes an average of 40R/day]
- They told me "Be careful when you get injured, they will never pay for you, it's your own business"
- Employers are abusing us, we need a union so badly
- Contracting is good; if Sappi and Mondi come back, I will lose my job because I am an illegal migrant

Selected quotes from (xx)

- South Africans are lazy; to find workers, we have to use foreigners or to go to very poor rural areas
- Why has productivity dropped? Because of government [child support] grants; workers prefer to stay home until they have spent the money. You have to understand African culture
- The growers strangle us with their rates; it's a take it or leave it situation. So, of course, we survive by cutting labour costs and the workers suffer
- The core of this business is monitoring labour processes; if you don't watch your productivity very closely, you can be out of business in a month time. My workers are like my children, they do a great job for me and I am very proud of them

What to do?

- Making outsourcing work requires ensuring that contractors become more profitable and that workers' situation improves substantially
- Technical recommendations abound and are sometimes relevant but they will not achieve change unless the issue of conflicting interests and relative bargaining power is tackled upfront
- Contractors and workers need to organise to defend their interests more effectively; if they succeed, the changes they will ask for will benefit the sector as a whole
- DWAF will have a crucial role to play in helping contractors and workers to organise. Its draft poverty-reduction strategy is however more preoccupied with NGO-type development than with the core issues facing the sector. Close collaboration with Dpt of Labour will be necessary
- Environmentalists' concerns are utterly alien to workers. If the former are willing to compromise their demands based on equal and fair discussions with the latter, they may constitute a strong progressive ally

Perspectives for forestry workers

- Unionisation is a crucial condition for the improvement of the situation of workers; the current rate is insufficient and sometimes meaningless
- Employers view unions with defiance but the situation can change if unions step in to deal with specific problems – arson, AIDS, negotiation with growers
- Union capacity will have to be built to mobilise workers (who are casual, hence vulnerable) and to intervene in policy discussion. Their understanding of the economics of the sector is so far insufficient
- Given the weakness of unions, they will have to build good relationships with key stakeholders (DWAF, contractors, etc.) and potential allies (NGOs, environmentalists, etc.)
- The crucial issue in forestry, as long as it will be labour-intensive, will be the setting of tasks: task = productivity monitoring = rate = contractor profit AND worker survival
- To deal with this issue, a broad value-chain forum should be created, as each stakeholder is deeply concerned