# Corporate Social Responsibility in the South African forestry industry – a Western Cape perspective

by

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# CORPORATE SOCIAL RESPONSIBILITY IN THE SOUTH AFRICAN FORESTRY INDUSTRY: A WESTERN CAPE PERSPECTIVE

Theodore Sass

## KEY WORDS

1. Corporate Social Responsibility
2. South African Forestry Industry
3. Well-being
4. Social Capital
5. Sustainable Forest Management
6. Skills development
7. Tripartite relationships
8. Forest Certification
9. Exit Strategy
10. Poverty

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# DECLARATION

I, **Theodore Sass**, hereby declare that this thesis entitled *"Corporate Social Responsibility in the South African forestry industry: A Western Cape perspective"* is my own work, that it has not been submitted before for any degree, or examination in any other university or college, and that all the sources I have used or quoted have been indicated and acknowledged as complete references.

**Theodore Sass**

Signed:…….. Date:…….

# DEDICATION

This thesis is dedicated to my Heavenly Father who guided and strengthened me throughout my research and to my beloved mother, Maurine, to my partner, Viola, and to all my family and friends in Lavistown, Cape Town. This thesis is also dedicated to all those individuals who use their knowledge and skills to assist the most vulnerable people in society.

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# ABBREVIATIONS AND ACRONYMS

AIDS – Acquired Immune Deficiency Syndrome

ANC – African National Congress

ASFF – Africa Sustainable Forestry Fund

BBBEE – Broad-based Black Economic Empowerment

CPI – Corruption Perception Index

CPIH – Cape Pine Investment Holdings

CSI – Corporate Social Investment

CSM – Cape Sawmills

CSR – Corporate Social Responsibility

CTR – Cape Timber Resources

DAFF – Department of Agriculture, Forestry and Fisheries

Department of Water Affairs and Forestry

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EC – European Commission

FSC – Forestry Stewardship Council

GDP – Gross Domestic Product

GEF – Global Environmental Fund

HIV – Human Immunodeficiency Virus

ILO – International Labour Organisation

JSE – Johannesburg Stock Exchange

LSE – London Stock Exchange

MAI – Mean Annual Increment

NTFP – Non-timber Forest Products

NYSE – New York Stock Exchange

OECD – Organisation for Economic Co-operation and Development

PCI&S – Principles, Criteria, Indicators and Standards

RDP – Reconstruction and Development Programme

SADC – Southern African Development Community

SAFCOL – South African Forestry Company

SFM – Sustainable Forest Management

SFRA – Streamflow Reduction Activity

SPSS – Statistical Product and Service Solutions

TNC – Transnational Company

UNCED – United Nations Conference on the Environment and Development

# ABSTRACT

Globally plantation forestry plays a pivotal role in terms of timber production, ecological services and maintaining local livelihoods. In South Africa commercial forestry occupies a relatively small portion of the total land area, but contributes significantly towards the national GDP. Forestry had been labelled as a streamflow reduction activity. Thus further afforestation is not possible. It is of paramount importance that plantations are managed on a sustainable basis in order to meet future timber demands. However, sustainability goes beyond the replenishment of natural resources or economic prosperity and also includes social responsibility.

Corporate Social Responsibility (CSR) initiatives are a means for companies to maximize the positive contribution their operations can make to the promotion of fair work practices and ecological sustainability. Plantations are mostly located in rural areas and often reflect the only form of local employment. Often employees are at risk of economic exploitation and high risk of injury while little scope for economic and educational betterment exists. CSR incorporates people, planet and profit. It is important to fulfil the basic needs of the workers in order for the company to realize environmental and economic prosperity. It is the aim of this study to highlight the essential role of people in insuring the long-term sustainability of the Western Cape plantations.

The primary aim of this study is to investigate the over-all well-being of forestry workers in the Western Cape plantations. In order for people to reach the over-all goal of the organization, they first need to satisfy their basic needs. More often than not this is the case with forestry workers. Some of the issues that negatively impact on their over-all well-being are:

- Their working environment and conditions
- Lack of investment in resident / neighbouring communities
- Lack of adequate stakeholder consultation
- Poor standards of worker accommodation

If companies wish to be sustainable, they need to address these issues that forest workers are being confronted with. The secondary aim of this study is to explore CSR initiatives that could address these issues in the Western Cape plantation villages.

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This study deploys a mixed approach, using both qualitative and quantitative methods. Data were collected through the distribution of structured questionnaires, interviews, meetings, company documents and reviewed literature. The research shows that the social issues that confront forest villages include poor sanitation facilities, lack of home ownership, poor state of worker accommodation, lack of extramural activities, substance abuse and relatively low remuneration rates. The company also faces challenges with regards to the implementation of its CSR programme.

This study makes several recommendations which are based on the findings. One such recommendation is a tripartite approach to CSR. Here a tripartite approach refers to the partnership between the company, Government and civil society.

# CHAPTER ONE

# INTRODUCTION

## 1.1 General introduction

According to Carrol (1999) the concern by businesses for society can be traced back centuries ago. However, according to Carrol (1999), it was only during the previous century that we observed literature being published on corporate social responsibility (CSR). Although the subject of CSR has been published in many countries, the United States of America have the most published literature on the subject (Carrol, 1999). The author defines CSR according to a four dimensional CSR pyramid model, which states: companies should take economic, legal, ethical and philanthropic responsibilities. Economic responsibility means that a company should be economically profitable. Legal responsibility means companies should follow the laws and regulations of local, state and federal Governments. Ethical responsibility means companies should follow the moral standards of the communities in which they operate. Philanthropic responsibility means that companies should provide charitable donations to support the society where they operate (Carrol, 1991).

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Though many definitions exist for CSR, I make use of Smit and Njenga's (2007:5) definition that defines CSR as,

> "*...the accountability of companies, to both shareholders and stakeholders, for their utilization of resources, for their means of production, for their treatment of workers/consumers, for their impact on the social and ecological environment in which they operate and for the way in which they exercise their legislative and fiduciary duties."*

The authors describe corporate social investment (CSI) as "*...the way in which companies care for the well-being of the social/ecological environment of the communities in which they operate."* They state that Corporate Citizenship incorporates CSI and CSR to eventually lead to a sustainable future for humanity and our planet.

Other important principles of CSR not contained in the definition above include its voluntary implementation and the ability of companies to go the extra mile in terms of legal requirements to address social needs. As CSR is not legally imposable, companies have the liberty of prioritizing and implementing CSR projects as outlined by their respective codes of practise (Du Toit, 2009).

Globally the plantation forestry industry plays a pivotal role in maintaining local livelihoods. In addition, non-timber forest products like fodder, medicines, fuelwood and recreational values are crucial to the survival of many people around the world (Siry, et al., 2005). Thus it is of principal importance to manage plantations on a sustainable basis, as this industry also supplies nearly 25% of global industrial roundwood[1] production (Brown, 1998).

Out of concern for the impact of human socio-economic activities, two important international events took place: the United Nations Conference on the Environment and Development (UNCED) was held in Rio de Janeiro in 1992 (Bethlehem, 2002) and a decade later, the Johannesburg Summit in 2002. Although not all the countries at this summit signed the Earth Summit treaty (Reilly, 1992), 178 countries vowed to manage their forests on a sustainable basis in order to meet the social, economic, ecological, cultural and spiritual needs of people, now and in the future. In line with its international obligation towards sustainable forest management (SFM), South Africa developed its National Forestry Programme in 1997 (Bethlehem, 2002).

As a result of UNCED, Agenda 21[2] document was compiled that contained the Forest Principles. The Forest Principles are a non-legally binding set of principles of global agreement on the sustainable management of all forest types. In light of this the development of the Forestry Stewardship Council (FSC) was established. (Scotcher, 2006).

The FSC is a global certification system that was established as a legal entity in Mexico in 1994. Its (FSC) mission is to promote environmentally appropriate, socially beneficial and economically viable management of the world's forests (FSC, 2012). Although other forest certification bodies exist, (Mayers, et al., 2001) SGS is the main forest certification body in South Africa and is responsible for FSC auditing (Ham, 2004:24).

[1] Industrial wood in the rough (sawlogs and veneer logs, pulpwood and other industrial roundwood) and in the case of trade, chips, particles and wood residue

[2] A referendum and schedule for environmental protection, drafted at the United Nations' Earth Summit of 1992

Although certification is voluntary in nature, a major driving force behind it was the benefit of having access to new export markets and maintaining access to existing markets in terms of exporting forest products (Ham, 2004:24). Consumers around the world are demanding wood and fibre products from forests that are managed on a sustainable basis (Scotcher, 2011).Certification is thus potentially a very powerful tool for positive change, for example in improving working conditions. However, if worker representatives are marginalised from the process it will be difficult for them to take advantage of these opportunities (Clarke, 2000:5).

## 1.2 Research justification

As it is of pivotal importance to equally pursue the economic, environmental and social aspects of SFM (Dyer, 2007), this research necessitates an assessment of the over-all well-being of forestry workers in the selected forest villages in South Africa. The study will therefore focus on the over-all safety, threats and security issues confronting the working environment of forestry workers. The overall mental and social well-being of forestry workers will also be considered.

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### 1.2.1 Poverty

As indicated by Carnegie 1 (Grosskopf, 1932), in South Africa, the *poor white* problem was highlighted and successfully addressed. The *poor white* phenomenon was associated with white people in rural areas (and urban areas) where agriculture, cattle farming and forestry was practised. The major contributing factors to the success in the eradication of white poverty, was the support from the then Government of the day and it was accompanied by relevant legislation (Fourie, 2006).

In South Africa, the apartheid system saw black people evicted from certain areas (Platsky & Walker, 1985) and it also hindered them from accumulating certain resources (Carter & May, 2001). Although apartheid was not the sole agent in terms of poverty creation, its policies exposed millions of people to poverty through separate development, anti-urbanisation, forced removals, Bantu education, the crushing of organisations (Anti-

apartheid political organisations and movements) and destabilisation (use of sabotage units) (Wilson & Ramphele, 1989). Furthermore the family and social values of society have deteriorated and violent crime has escalated to worrisome levels (Miles & Jones, 2009).

At present South Africa has an unemployment rate of 25.2% (StatsSA, 2011) and almost half of its population live on about R500 a month or less (Anon, 2011). In the rural areas where forestry is practiced, the levels of poverty is usually the greatest and livelihood opportunities are limited (Wunder, 2001). May (1999:5) defines poverty as the *"inability of individuals, households or entire communities to command sufficient resources to satisfy a socially acceptable minimum standard of living"*

People can be poor due to a lack of assets, finances or other constraints that hinder them from utilizing their current assets. Time can provide people with the opportunity to acquire basic necessities as well as expose them to negative impacts. Negative impacts like the Exit Strategy in the South African forestry industry (De Beer, 2012) can push people further into poverty (Carter & May, 2001).

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Hoddinott (2000) found evidence that households that border on the poverty trap are more unwilling to trade assets than those positioned well above it. A possible explanation for this scenario lies in the income generating potential of assets. Little, et al. (2005) found that in Kenya households were able to retain assets due to diversified income sources. Krishna, et al. (2004) concluded that in order to escape poverty, a process of sequential acquisition of assets is required. Poverty often leads to poor health that in return inhibits the escape from poverty. In South Africa Adato, et al. (2004) observed that poverty rose from 27% in 1993 to 43% in 1998. Of the 25% who experienced poverty, almost all of them became persistently poor in terms of an asset poverty line analysis Of the 10% of households who rose out of poverty, less than 50% became persistently non-poor (Barrett, et al., 2007).

In the book, *Understanding and Reducing Persistent Poverty in Africa,* the authors explore the principles of the asset poverty line. Depending on a family's assets, their resilience to poverty is determined. Stochastic (transitory) poverty is temporary and is more often than not a consequence of temporal decreasing income. Escape from this type of poverty is more likely when accompanied by a higher level of assets. Should the decreasing income be accompanied by lowering levels of assets, the person would enter into structural

poverty (Barrett, et al., 2007). Structural (persistent) poverty refers to constant poverty over more than five years (May, 2012). During their research in KwaZulu-Natal (South Africa) Clarke and Isaacs (2005) concluded that forestry contracting was not able to lift the majority of forest workers out of persistent poverty or prevent them from further falling into poverty.

The Truth and Reconciliation Commission (TRC) was established in South Africa during the late 1990's to bring about reconciliation and a democratic transition after apartheid. The process involved redeeming oneself from human rights violations during the apartheid era. Should the Commission find that perpetrators were truly remorseful, a possibility of amnesty from prosecution existed. The Commission argued that most South African businesses benefitted during the apartheid era in terms of trading with the State to paying low labour costs. Although the Commission suggested in its report that such businesses compensate the victims, the process was not successful as the then President, Thabo Mbeki, argued that civil action against corporations would not contribute to the well-being (Mbeki, 2003) of the country. Advocate Penual Maduna, then Minister of Justice, shares this sentiment by stating that these corporations invested in post-apartheid South Africa and would thus benefit all South Africans. If we take into consideration the mass level of poverty experienced in South Africa, the majority of the population are still victims of apartheid (Fig, 2007).

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### 1.2.2 BBBEE[3]

The newly elected democratic government of 1994, the African National Congress (ANC), recognizing the need to address poverty through economic growth adopted the Reconstruction and Development Programme (RDP). The RDP was later replaced with Black Economic Empowerment (BEE) due to its poor implementation and compliance measurements (Babarinde, 2009). BEE was also deemed to be problematic as its objective was to see black people own and manage companies. This approach would see a few individuals gain vast amounts of wealth while the poor masses remained unempowered (Milovanovic, 2010;McGrath & Whiteford, 1994). Ngwenya (2007) found this to be the case. The author refers to Ernst and Young's[4] report that indicated that

[3] Broad-based Black Economic Empowerment
[4] Auditing firm operating in South Africa

"…*60% of the value of the total BEE deals concluded in 2003 valued at R42.2 billion accrued to just two companies controlled by Patrice Motsepe, Cyril Ramaphosa and Tokyo Sexwale."*

Roets (2013) points out that according to Section Two of the Constitution of the Republic of South Africa, no one should be discriminated against due to their race. The author claims that this is precisely what is happening when white citizens cannot get employed or have to adhere to different requirements at tertiary institutions due to their race. He proposes that a policy should be created when a citizen qualifies for BBBEE status according to their income.

Thus BEE was replaced with the BBBEE. The BBBEE objective was to increase access to ownership, management positions, skills development and supply chain opportunities for historically disadvantaged South Africans. BBBEE could be achieved by companies through their CSR initiatives (Ramlall, 2012). However, the South African government admitted that BBBEE was also unsuccessful and provided the following reasons:

- The country's speed of economic transformation has been disappointingly slow
- The percentage of Black-owned companies registered at the JSE is low
- The percentage of Black and female managers occupying the top and middle management levels of organisations is too low
- Only a few individuals have benefited from BBBEE (The Office of the President, 2010)

Campher (2013) argues that if it was not for BBBEE, there would not exist a black elite in South Africa. It was only through relevant legislation that this was possible as the previously white-owned businesses were reluctant to relinquish power (Michie & Padayachee, 1997).

#### 1.2.2.1 The BEE Scorecard

At present, compliance with the BEE Act is measured according to a standard BEE scorecard. The scorecard determines if an organization qualifies as a level one contributor or a non-compliant contributor. An organization is measured against the following criteria:

- The level of black ownership and control
- Employment equity
- Skills development
- Preferential procurement
- Residual element

It is in this residual element that CSR and BBBEE are sometimes stated as being synonymous (Kloppers & Kloppers, 2006). This residual element is divided into CSI and industry initiatives respectively. Both types of initiatives hold a weight of five points each and it is recommended that organizations spend 1.5% of net profit after tax on each (Skinner & Mersham, 2008).

There are a wide range of CSI initiatives and these include support of health and HIV and AIDS programmes in the community or education and training. Development programmes for youth, black women, disabled people constitutes also reflect the type of CSI initiatives that have been adopted. Where beneficiaries of these initiatives are based in rural areas or urban areas undergoing development, a bonus point is rewarded to such an organization. Non-monetary contributions like staff training community members have also been welcomed. It should be noted that companies can fail to honour their social responsibilities and still be viewed upon as outstanding contributors in terms of the scorecard. Hypothetically it would be possible for a firm to score enough points on the other sections of the scorecard to qualify as a significant contributor, even if it neglects its social responsibility (Kloppers & Kloppers, 2006).

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According the Section 12 of the Broad Based BEE Act, industries in South Africa should draw up their own transformation charters (DWAF, 2007). The South African Forest Sector Charter was published in 2009. Its main objective is to promote BBBEE in the South African forest industry (DTI, 2009). The current focus of the charter is more on black ownership and management and issues like HIV and AIDS, poverty and other social issues are not being addressed (Isaacs, 2012). These social issues will be discussed in Chapters Two of this thesis.

In their approach to CSR many South African companies remove the "*responsibility*" from corporate social responsibility and replace it with corporate social investment. This can be attributed to their averseness to assume some sort of responsibility for compliance with

apartheid (Fig, 2005). Fig further argues that an increase in the reporting standards, as required by BBBEE and King 3, will not lead to an increase in ethical standards among companies. Ramlall (2012) is of the view that "…*a paradigm shift is needed on the part of business, government and society."*

Millennium Development Goal (MDG) 1 involves a reduction in the proportion of people living in extreme poverty by half between 1990 and 2015 (UN, 2012). It further calls for a "global partnership for development". Although the South African Government signed this document and thus committed to achieve the outlined objectives (Miles & Jones, 2009), it needs the private sector and civil society to be successful in terms of its implementation (Hamann & Acutt, 2003). One possible way of addressing inequality, poverty alleviation and the achievement of the MDG's is through the implementation of corporate social responsibility (CSR) initiatives (Kloppers & du Plessis, 2008).

Due to the legacies of apartheid, the key to approaching CSR lies in the ability to create trust between companies, Government and civil society. Companies should become more proactive and create mutually beneficial situations (Ramlall, 2012). In terms of tripartite CSR partnerships, these partnerships should go beyond opposition and confrontational politics (Hamann & Acutt, 2003). It is important that tri-partite partnerships be based on merging skills, experiences and resources (Leisinger, 2007).

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Companies can only adhere to the principles of sustainable development when they offer poor people resources and technology to escape the poverty traps that they find themselves in (Kolk & van Tulder, 2006). Business leaders need to commit to the upliftment of people, the protection of the environment (Visser, 2005) and implement sincere CSR initiatives (Ramlall, 2012).

As part of the Economic Report on Rural Impoverishment and Rural Exodus conducted by the Carnegie Commission, Grosskopf (1932) argues the following:

- People be trained in the economics of housekeeping and upbringing of children
- By building clinics in rural areas, the company can contribute to job creation by training and employing local people
- Poor housing can often negatively influence family life
- Quality education in schools can also contribute to schools becoming social centers through which learners can satisfy their need for recreational and social interaction

- There exists a lack of career guidance that informs community members about employment opportunities

He concludes that more prosperous citizens should be educated with a better sense of their duties and obligations to the less fortunate.

Clarke (2000:5) is of the view that the FSC is weak on social issues and *"…that a set of standards and code of practice governing social aspects of industrial forestry operations in South Africa be developed/ negotiated by all stakeholders."*

The author contributes this weakness of FSC on social issues to the fact that,

> …*the internal systems for managing social impacts and social standards and code of practise elements of the process have not been adequately developed in the South African forest industry, and therefore the auditing cycle is severely compromised. (*See Figure. 1)

Ham (2004:24) shares this sentiment and states that "…*social certification standards are still weaker than and not as well understood as environmental compliance*." Certification has enormously contributed to SFM. However, more attention needs to be paid to show how certification can appropriately address social issues and how it can benefit small and medium enterprise (Mayers, et al., 2001).

This study contributes to these debates and argues for a code of practice that could inform the social aspect of industrial forestry in South Africa. It is beyond the scope of this study to redefine or contribute to the definition of CSR or CSI.

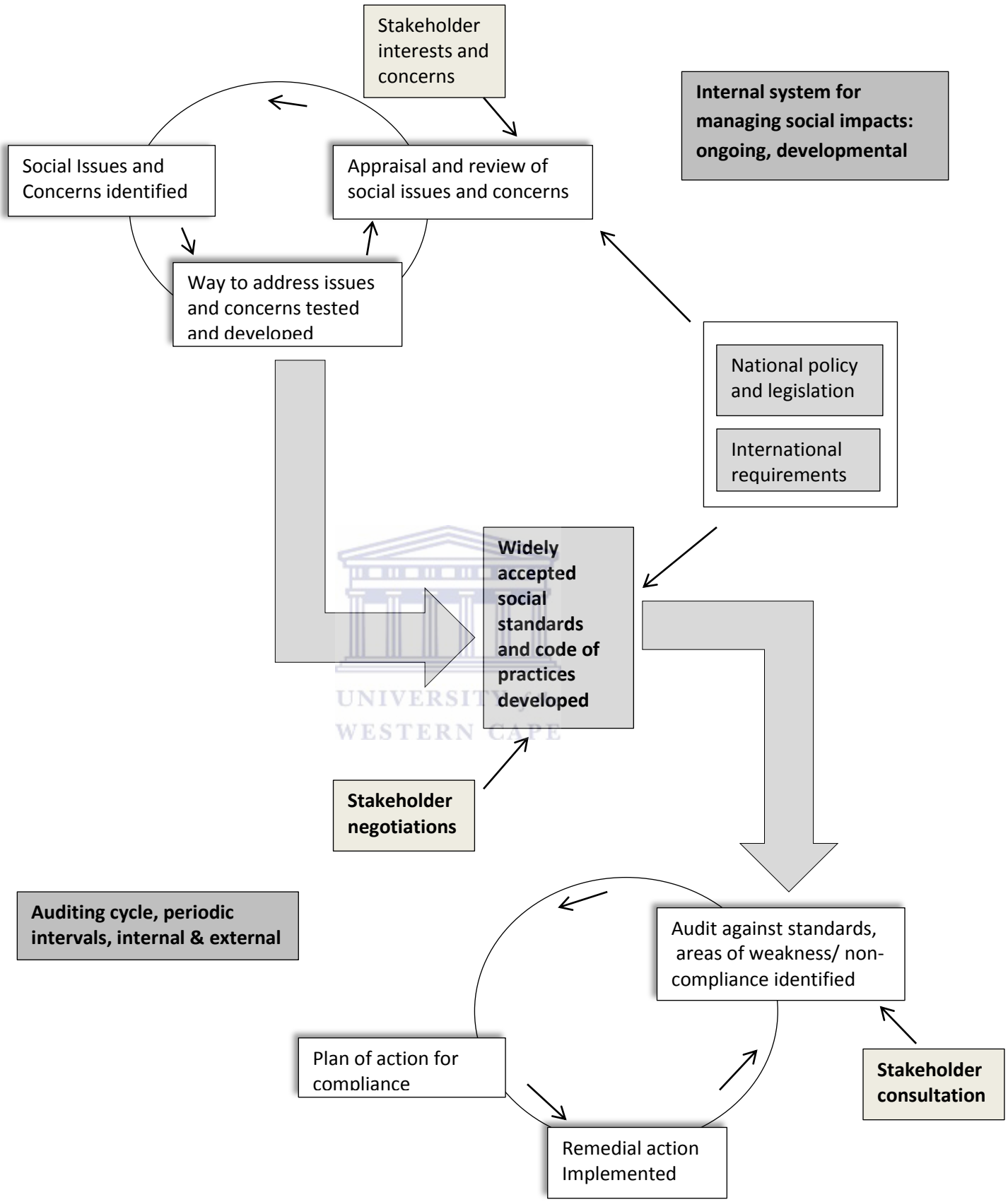


**Figure 1: Process for ensuring adequate social standards are met and maintained within a forestry enterprise (Adapted from Clarke, 2000:5).**

Clarke (2000:3) explains Figure 1 as follows:

> *"What I have attempted to illustrate in the diagram is that certification is a part of an overall process for ensuring that social standards are met and maintained within a forestry enterprise. There is need for an internal system for managing social impacts within the organisation (top cycle in the diagram), in which social issues are identified and ways to address them are tested and developed on an on-going basis. This provides the basis for a set of standards, and code of practice to be negotiated (core of the diagram). Only then is there the necessary basis for auditing (lower cycle in the diagram). My contention is that internal systems for managing social impacts and the social standards and code of practice elements of the process have not been adequately developed in the South African forest industry, and therefore the auditing cycle is severely compromised. Ideally, certification auditing should confine itself with the lower cycle of the diagram, in which the task of the auditor or assessor is to check compliance with a set of standards and established code of practice. However, where these standards are lacking the task of the assessor becomes confused with other elements in the overall process."*

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## Research objectives

The primary aim of this study is to investigate the over-all well-being of forestry workers in two Western/Southern Cape plantations. The secondary aim of this study is to explore tripartite CSR partnerships that could address these issues in the plantation villages in the Western- and Southern Cape in order to understand how these initiatives are positively contributing to the well-being of forestry workers and their communities and if not, how they might better adjust their strategy so that it has a positive impact on the well-being of forestry workers.

## 1.4 Research questions

The research questions that would assist me in reaching the stated objectives include:

- What are the current issues that affect the safety and security of forest workers

- What is the physical and emotional state of forest workers
- What are the challenges faced by the forestry industry in meeting their CSR objectives

## 1.5 Methodology

A structured questionnaire was administered to forest workers in the respective forest villages. The questionnaires were completed during face-to-face interviews. Qualitative data was also collected through semi-structured face-to-face interviews to better understand the challenges that the Company is currently facing. The quantitative data was analyzed using SPSS[5]. Conclusions and recommendations were made based on the outcomes of this research.


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## 1.6 Thesis Structure

The structure of this thesis will take on the following format:

- Chapter One: The introduction provides information on the background, research justification, research objectives and a brief overview of the methodology
- Chapter Two: The history of the South African forestry industry is investigated. Current challenges (in particular concerns of HIV and AIDS, Outsourcing, Water Use and Land Reform, Forest Certification, Exit Strategy, Sustainability and Social Issues) facing the industry form part of the literature review. The chapter also investigates the principles of CSR and its pros and cons
- Chapter Three: The methodology that was utilized is discussed in this chapter
- Chapter Four: The results obtained from the data collection and –analysis is presented in this chapter
- Chapter Five: Here the results are interpreted and recommendations are made on how the enhancement of the social aspects of CSR can positively contribute to SFM

[5] Statistical Product and Service Solutions (Software used for statistical analysis)

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1 Background

The South African commercial forestry industry was established in the 19th century. The plantations were to make the country self-sufficient in terms of timber production and they also served as a substitute to the use of indigenous tree species (Van der Zel & Brink, 1980). Another reason for the establishment of plantations was to provide employment, especially to *poor whites* after the First World War (Tewari, 2001).

Due to climatic constraints, Pine and Eucalypt species were the dominant exotic species being experimented with in local plantation forestry. Later *Acasia* species was also introduced to act as a stabilizer for drift sands in the Cape (Burgess & Wingfield, 2001). Today the national plantation species distribution is as follows: Pine 51%, Eucalypts 40.4%, Wattle (*Acasia)* 8.2% and 0.4% other (Godsmark, 2010).

Over the years, since the 20th century, the forestry industry has undergone considerable changes. The State established plantation forestry as private investors did not want to invest in forestry due to its high cost of capital equipment, high finance costs and relatively high transport costs (DWAF, 1997). One downside of the State owning the plantations was that they could sell timber at which ever price they chose. By the 1970's the private sector owned about 70% of local plantations and the remainder belonged to Government (Louw, 2004a). This led to the closure of many sawmills, as they did not receive timber at government subsidized prices, and could not afford to pay market related prices (Ham, 2011b).

The State privatized its portion of the forest industry in the form of the South African Forestry Company (Ltd) (SAFCOL) in 1993. SAFCOL was tasked with the management of government's commercial forestry resources (Venter, 2001). By 1998 the State sold its plantations and the former homeland plantations was returned to the then Department of Water Affairs and Forestry (DWAF). The plantations were sold, but the land was leased from the State (Mayers, et al., 2001). SAFCOL remains a holding company with interests

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in all major forestry practising provinces (Louw, 2004c). Figure 2 indicates private owned plantations in South Africa.

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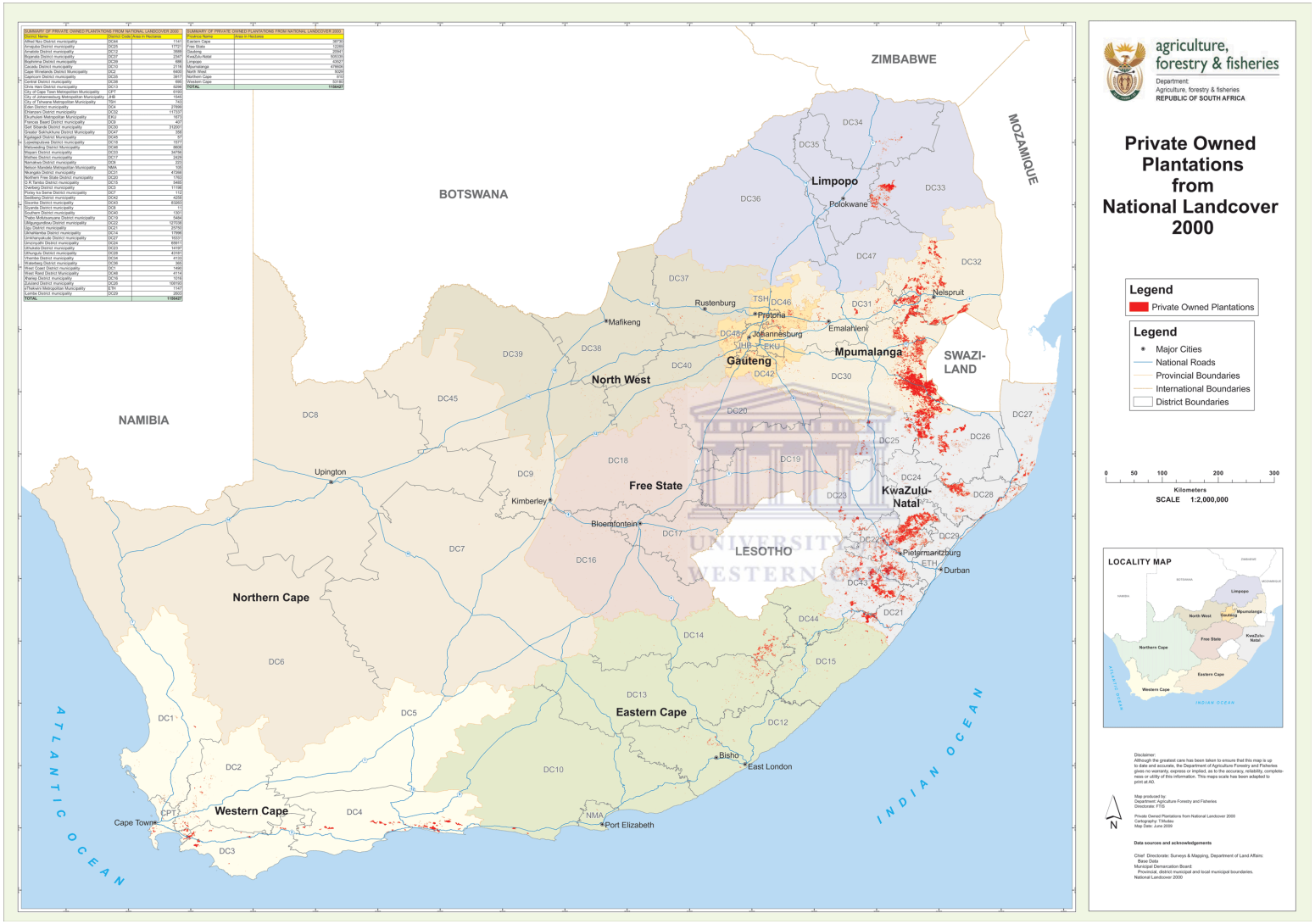


**Figure 2: Private owned plantations in South Africa (DAFF, 2013).**

At present the industry occupies about 1.3 million ha of land, contributes 1.2% to GDP, provides 66 500 direct and 371 000 indirect jobs (Godsmark, 2010). It should also be noted that the South African timber industry is worth approximately R40 billion annually and that it had to shed 12 500 jobs since 2008 (Mdluli, 2011).

Through all the change in administration and legislation, South Africa is still a world leader in the commercial plantation industry. Current challenges facing the industry include HIV and AIDS, protection (Louw, 2004c), land reform, water use, global competition, regulations, certification, outsourcing and privatisation (Jacobson, et al., 2008). The next section of the chapter will consider these issues.

## 2.2 HIV and AIDS and Outsourcing

Nationally plantation forestry is important in terms of timber production and ecological services. Forestry in South Africa is more often than not practiced in rural areas and plays a pivotal role in the livelihoods of these forest communities (Dyer, 2007). The national commercial forestry industry is controlled by a few companies. These companies are dependent on contractors to ensure that their silviculture, harvesting operations and other tasks are carried out (Clarke & Issacs, 2005).

Initially the South African forestry industry employed contractors in order to save the company money in terms of labour costs, equipment costs and the issue of not dealing with labour unions directly (Louw, 2004b). However, Khosa (2000) is of the view that the outsourcing process in the South African forestry industry is a case for concern due to the following reasons:

- The poor quality of work provided by some forestry contractors due to lack of equipment or experience, or due to the employment of workers without necessary skills
- Failure to adhere to accepted operating standards and occupational health and safety standards. One grower suggested that "some subcontractors are not competent, reliable and trustworthy". Another grower claimed that

"contractors are not competent of doing the work. Most of them do not oblige to normal rules and regulations"

- Payment of low wages to workers employed by contractors
- Lack of job security among workers employed by contractors
- Social problems in some of the forest villages
- Lack of worker benefits such as pension provisions, maternity leave and health care

Clarke and Isaacs (2005) share in this concern due to the following:

- Forestry workers lack bargaining power
    - Workers are not organised or represented
    - There is a gap in private sector self-regulation mechanisms
- Forest workers' health at risk
    - Workers at risk of being undernourished and dehydrated
    - Certain types of work and task system result in excessive levels of musculoskeletal and cardiac strain
    - Lack of access to medical facilities and basic amenities
    - High rate of HIV/Aids

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The relationships between growers and contractors are not of a healthy nature (Louw, 2006). Clarke and Isaacs (2005) attributes this deteriorating relationship to:

- Lack of viability of forestry contracting
    - Contractors have little independence from the companies they service
    - Mismatch between level of risk and profit margins allowed for in rates
    - Contractors lack financial and management expertise, information and tools
    - Contractors lack access to affordable credit
    - Grower-processer's lack of social accountability

About 35% of the entire forest worker population are infected by HIV (Basson, et al., 2009). The HIV infection rate is rife in rural areas where contractors are responsible for forestry practises (DWAF, 2005). The loophole in mitigating the HIV and AIDS pandemic lies in the fact that companies are not directly responsible for workers and that it is up to the contractor themselves to provide solutions to the HIV and AIDS pandemic in the workplace. Although the HIV and AIDS statistics are different among provinces and companies, research indicates that only a small portion of the entire forestry workforce are covered by companies in terms of health benefits pertaining to the pandemic (Gow & Grant, 2012).

In the past private companies or the State provided healthcare and recreational facilities to the forest workers in rural areas. The State often argues that it cannot provide these healthcare facilities to rural forest workers due to staff or financial shortages (Clarke & Issacs, 2005).

The living arrangements in forest villages are a major contributing factor to the high incidences of HIV and AIDS. In many areas workers stay in lodgings where their family is not allowed and their partners and children are at home in distant villages. It was also found that there is a correlation between higher income and HIV and AIDS infected workers. HIV positive workers have a higher income than their HIV negative counterparts. As income rises, so does the amount of sexual partners forest workers interact with. Another reality is that due to low wages, some workers (especially women) partake in "survival sex[6]" (Basson, et al., 2009).

As has been indicated, forestry is a very labour intensive industry. Thus with the increase in HIV and AIDS infections productivity will decrease, absenteeism increases, more supervisor time is required, production is disrupted, there is a loss of worker morale, and a loss of cohesion and experience. In cases where highly mechanised systems are in place for forests operations, one can expect a high cost of retraining skilled staff (George, et al., 2009)

The FSC advocates improved working conditions, but HIV and AIDS do not form part of its checklist (Ham, 2004:24).Although the forestry company have no legal

[6] Sex for financial/other compensation

obligation towards the forest workers employed by contractors, they do have a moral requirement towards them as they are pivotal to production (Gow & Grant, 2012).

## 2.3 Water Use and Land Reform

Commercial forestry is practised in areas with an average rainfall of 800mm and is site/species dependant. Areas meeting this requirement in South Africa are quite limited. Hence plantation forestry only occupies about 1.3 million ha of land (Shackleton, et al., 2007).

With the passing of the National Water Act (Act No. 34 of1998), forestry was classed as a streamflow reduction activity (SFRA). A new Afforestation Permit System was put in place along with a water licence requirement to further establish commercial plantations. The costs of complying with this new legislature coupled with the waiting period for an afforestation permit severely limits further afforestation (Louw, 2004c).

Another factor that negatively influenced the industry was the delineation of riparian zones. This meant that less land could be afforested (Hinze, 2004).The delineation stated that trees could not be planted closer than 30 m of a stream and 50 m of a wetland (Ham, 2004:24). The reasoning behind this delineation of riparian zones was to limit the influence that deep rooted crops like trees will have on the saturated zones of riparian areas. This was also done in an attempt to decrease the evapotranspiration rate of crops (Committee, 2002).

The reasons for the State deciding to lease the land to private investors was that it (the State) could oversee community access to land, environmental management, change in land use and to facilitate land tenure and land claims according to National legislation. Successful claimants have the option of restitution, compensation or receiving payment from leases (Bethlehem, 2000).

The land claims process can be a tedious process. This is often due to research that needs to be conducted with regards to claims on land. Other issues that lead to a delay in the land claims process include:

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- Historically claims on privately owned land and claims for financial compensation had been prioritised as these assisted in spending the budget
- Conflict amongst beneficiaries
- Claims on unsurveyed state land
- Claims on communal land (occupied)
- Claims on invaded state land
- Long term leases on state land
- State owned entities and municipalities demanding market related prices for land (Sizani, 2012)

The land claims process in the industry led to a decrease in investor confidence. The problem with restitution of land is that many times the claimant does not want to engage in forestry activities and the land is “lost” to other less economical feasible activities (Ham, 2011a). In cases where the claimant does decide to continue with forestry, they often lack the support, knowledge and skill to make a success of it (Mulder, 2012).

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## 2.4 Forest Certification

More than 80% of plantation forestry in South Africa is FSC certified (Scotcher, 2006). The country boasts 120 Chain of Custody certified operations, which cover the entire logistics chain from plantation to retail outlet. This makes South Africa the country with the highest percentage of certified forests (Scotcher, 2011). Apart from the market related benefits, other reasons for forest certification included:

- Demonstrating environmental commitment
- Improving internal systems and efficiency
- Staying ahead of the game
- Dealing with supply chain pressure
- Responding to environmental and social criticism
- Anticipating certification becoming an industrial standard
- Complying with increasing investor scrutiny (Mayers, et al., 2001)

With such a vast area of FSC certified plantations, Scotcher (2006) finds it peculiar that the South African forest industry do not have a set of local FSC standards. The UNCED motivated countries were to draw up management plans[7] that would see that their forests and woodlands are managed on a sustainable basis (UN, 1992). Countries around the world embarked on principles, criteria and indicators to monitor their progress in terms of sustainable forest management (SFM).
South Africa is also a signatory to UNCED and as part of its National Forest Act of 1998 defined the following:

- Forests: A natural forest, a woodland and a plantation
- Principle: A fundamental truth or law as the basis of reasoning Principles are the broad goals of sustainable forest management
- Criterion: Broad forest values that society seeks to maintain. Criteria define a principle and provide the basis of assessing whether the goals for sustainable forest management are being achieved
- Indicator: A measure by which a criterion is judged. Indicators are quantitative or qualitative variables, which can be measured or described. They provide verifiable measures of change in a criterion over time
- Standard: A defined measure that an aspect or component of forest management must achieve to be sustainable. Standards represent a minimum measurable level of objectives and targets for management that must be obtained in order to achieve sustainable forest management (Bethlehem, 2002)

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As most of the operations in the South African forestry industry are outsourced (Khosa, 2000), FSC certification is an important instrument for 3rd party auditing in terms of a forestry company's oversight role. According to FSC principles, the certificate holder (forestry company) is responsible for operations in the specific forest management unit and that operations should be in line with national legislation. The implementation of these principles, are hindered through the implementation of labour legislation among contractors (Clarke & Issacs, 2005).

[7] Means of monitoring if an entity is operating according to standards demanded by the global market

Some of the major challenges associated with forest certification pertain to community-owned plantations and the economic viability of small-growers operating on small areas of plantations (Scotcher, 2011).

Hence a proposal was submitted to the FSC with a layout of a National Forest Certification Standards for South Africa. This National Forest Certification Standards for South Africa would be stakeholder-driven, relevant to local conditions and would be aligned and integrated with the FSC Principles, Criteria, Indicators and Standards (PCI&S) (Scotcher, 2011). The adoption of such a set of standards would serve as a guide to SFM (RSA, 2002). The proposed plan for a revised certification plan stipulated that it should:

- Be aligned with the draft PCI&S for Sustainable Forest Management of Natural Forests and Plantations in South Africa, prepared for the Committee for Sustainable Forest Management and DWAF
- Comply with existing applicable legislation
- Take into account existing best practice documents
- Take into consideration any certification body forest management standard check lists for South Africa
- Include indicators and criteria that are cost effective and efficient
- Be compatible with local ecological, social and economic circumstances
- Be designed for forest management practices, not forest types
- Be in full compliance with the FSC Principles and Criteria (Scotcher, 2006)

Final agreement within the SDG[8] on all the reformatted indicators and verifiers was completed at the end of January 2012. There was final agreement that the standards would be applied as follows:

**Plantation Forest Standard:** *For all plantation forests greater than 1000 ha*.

[8] Standards Development Groups

i. Indicators would apply to all plantation owners or managers where the individual different forest management units are larger than 1000 ha and are generally spread over a large area (in the region of approximately 25000 ha and up to 350000 ha) and in some cases over more than one province. Such plantation forests may be certified under one certificate, or up to five different certificates.

ii. Plantation forest management units totalling in excess of 1000ha but managed or owned by a private landowner are sometimes excluded from indicators and these are identified under each indicator. This would be under circumstances where typically the landowner or manager would be a farmer that relies on timber as the prime source of income with a total forest management area in excess of 1000 ha but not exceeding 25000 ha or relies on timber and other crops combined as the prime source of income with forest management units on the landholding in excess of 1000 ha.

**SLIMF[9] Forest Standard:** *For all plantation forests less than 1000ha*
Typically this would be small timber growers with management units of anything between 0.2 ha up to 1000 ha. Growers would not normally rely on the forest products as their main source of income but would comprise mixed farming units with income from timber on an infrequent, but not annual, basis. This standard requires the same levels of infield performance as the Plantation Forest Standard, but does not require detailed record keeping such as would be found on a large forest enterprise covering many forest management units (Scotcher, 2012).

The FSC South African Standard is still on going. The FSC has recently revised the Principles and Criteria (P&C). The drafted South African Standard now needs to be aligned with the new P&C's. To make things more complicated, there is also a process to put in place Generic Indicators (GI) and the South African drafted Standards needs to be aligned with these. The process has been continuous throughout 2013 (Clarke, 2013d).

[9] Small and low intensity managed forests

## 2.5 Exit Strategy

In 2000 some of the plantations that belonged to SAFCOL were phased out due to it not being economically viable. These plantations are located in the Southern Cape, Western Cape and KwaZulu-Natal. The importance of SFM had been recognised by Government. Hence a sustainable lease form part of the forest privatisation process. The objective of the sustainable lease was put in place to realise the long-term economic, social and environmental benefits from previous State-owned plantations. The Exit Strategy dictates that companies affected by it, cannot replant plantations, but that natural regeneration is allowed. The process will be concluded by 2020 when all affected plantations should be clearfelled (Boshoff, 2012). In 2005 a lease agreement was signed between the then Department of Water Affairs and Forestry and MTO Forestry. The lease agreement was made up out of three sub leases, namely a sustainable, exit and Cecilia/Tokai lease (Clarke, 2013) See Table 1.

**Table 1: Lease agreement signed between DWAF and MTO in 2005 (Adapted from Clarke, 2013a)**

| ***Type of lease*** | Sustainable lease | Exit lease | Cecilia/Tokai lease |
|---|---|---|---|
| ***Duration of lease*** | 70 years | 20 years | 19 years |
| ***Area (ha)*** | 57 717 | 59 802 | 956 |
| ***End of lease*** | 2075 | 2020 | 2024 |
| ***Plantations: Boland*** | Jonkershoek | Grabouw<br>Kluitieskraal<br>La Motte | Tokai<br>Cecilia |
| ***Plantations: S/Cape*** | Garcia<br>Kruisfontein<br>Lottering<br>Witelsbos<br>Longmore | Jonkersberg<br>Bergplaas<br>Buffelsnek<br>Homtini | |

Government argued that these plantations were not economically viable and that by utilizing this land for conservation, agriculture or housing would be a "*better*" option.

As the decision was based on MIA[10], Dr. Ben Du Toit[11] points out that there was no management plan to increase the MIA through "*intensified silviculture, fertilisation and tree improvement."* He further argues that the Exit Strategy threatens sustainable timber supply and that in the end only informal/small sawmills would benefit from its implementation. Capepine argues that the conservation agencies are not able to manage this additional forestry land as part of their responsibility. The company further argue that they are in the best position to productively utilize the land for forestry. Some of the concerns of the Exit Strategy in the Western and Southern Cape include unemployment and timber shortages. DAFF through a statement by Dr. Moshibudi Rampedi revealed that *"an oversupply of timber was evident as some operations have closed due to the global economic crisis*" (SA Forestry Magazine, 2012).

### 2.5.1 The Reversal of the Exit Strategy

In 2008 the decision was reversed as a result of recommendations made by the Vecon report in 1996 (SA Forestry Magazine, 2012) that saw 22 500 ha from the Southern and Western Cape not forming part of this Exit Strategy (De Beer, 2012). Job security and the inclusion of BBBEE partnerships in future ownership of forestry land was cited as the main objectives for the reversal of the initial Exit Strategy. Dr. Ben Du Toit recommends the further reversal of the Exit Strategy due to the following reasons:

- As our population size increase so does the demand for timber
- Fynbos conservation will add little conservation value
- Agricultural crops are not commercially viable due to the presence of acidic, sandy soils
- Forestry is green through carbon fixation and creates jobs (SA Forestry Magazine, 2012)

[10] Mean Annual Increment
[11] A senior lecturer in the Department of Forestry and Wood Science at Stellenbosch University

## 2.6 Sustainability

As our population size increases, so does the demand for timber and non-timber forest products (NTFP) (Edwards, 2000). Hence, the National Forests Act Principles Section 3 (3) states that, "... (c) forests must be developed and managed so as to....(ii) sustain the potential yield of their economic, social and environmental benefits ..." (Scother & Everard, 2001). It is thus important that plantations be managed on a sustainable basis in order to adhere to this Act (Owen, 2002).

In the past sustainability in terms of forestry practices used to refer to site viability only (Olbrich, et al., 1997). However, sustainability encompasses the social, economic and environmental aspects that constitute the Triple Bottom Line[12] (TBL) (Savitz & Weber, 2006:18).

Thus in order for the industry to be sustainable it is of fundamental importance to not only focus on economic returns, but emphasize the environmental, social and cultural dimensions of forestry (Breen & Mander, 1995).

As this research focus is on the social aspect of SFM, there will be a more in-depth focus on social issues that confront forest workers.

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## 2.6 Social Issues

Ramphele (2012) cites Richard Wilkinson and Kate Picket as stating in *The Spirit Level: Why Equality is Better for Everyone*: "If we are to gain further improvements in the real quality of life, we need to shift attention from material standards and economic growth to improving the psychological and social wellbeing of whole societies."

Although people globally experience similar social issues, Clarkson (1995:93) is of the view that "*...a particular society determines what a social issue is and a representative Government enacts appropriate legislation to protect social interests."*

[12] People, profit and planet

De Beer (2012) found the latter to be the case when she was comparing the dependency of forest workers on commercial forestry in the Western and Southern Cape in South Africa. Although workers were employed by the same company, workers in the Western Cape would be less influenced by the effects of the Exit strategy as their Southern Cape counterparts. She concluded that if the Exit Strategy is not further reversed in the Southern Cape, forestry unemployment would be rife by 2020.

Social issues in South African forestry were only prioritized as part of company's agendas when pressure was applied by community based organizations, Non-Governmental Organizations, labour organizations and "social" consultants. Another reason for prioritizing social issues was the fact that there was a demand for certified timber abroad. In order to adhere to the principles of certification, SAFCOL had to become demonstrably more socially responsible (Mayers, et al., 2001).

As labour issues are an important facet in terms of sustainable forest management (Clarke, 2000), I wish to highlight some important legislation pertaining to worker rights in South Africa:

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- The Labour Relations Act 66 of 1995 (regulating *inter alia* organisational rights, centralised and non-centralised bargaining, strikes and lock-outs, dispute resolution, dismissal, unfair labour practices and business transfers)

- The Basic Conditions of Employment Act 75 of 1997 (regulating *inter alia* working hours, leave, termination of employment, wage-regulating measures in non-organised sectors, etc.)

- The Employment Equity Act 55 of 1998 (regulating *inter alia* the prohibition of unfair discrimination and the implementation of employment equity plans, including affirmative action measures)

Other relevant legislation includes the Occupational Safety & Health Act 85 of 1993, the Compensation for Occupational Injuries & Diseases Act 130 of 1993, the Skills Development Act 97 of 1998, the Unemployment Insurance Act 63 of 2001 and the Employment of Educators Act 76 of 1998 (Du Toit, 2009).

Article 23 of the South African Constitution, acknowledges the right of workers to strike if all the relevant processes pertaining to the strike were followed

(RSA, 1996b). The South African workforce has access to bargaining councils, the Council for Conciliation, Mediation and Arbitration (CCMA) and Labour Courts. Despite these avenues workers often resolve to violent strikes. Sharp (2012) argues that the violent strikes can be attributed to decreasing trade union membership and the low participation of workers in strikes. He further states that on average 1.2% of the total South African workforce make use of the services provided by the CCMA and Labour Courts. Of these 0.7 % has reasonable arguments that see rulings in favor of the employees.

Labour issues in South Africa have a direct impact on our economy. With the recent mining and farmworkers strikes, economists warn of the weakened rand and withdrawal of investments (Hart, 2012). These wildcat strikes can lead to unemployment (Schussler, 2012). This is a worrisome phenomenon, as South Africa has an unemployment rate of 25.2% (StatsSA, 2011).

Bell (2012) argues that employers should be aware of deteriorating working conditions as reports and surveys are available. Bell (2012) refers to the work of Jeanette Clarke who is a forestry social assessment specialist who regularly informs state departments and the FSC on current social conditions in the South African forestry industry. He is of the view that although Clarke, (2012) did not directly state it in her article, its heading in SA Forestry magazine "*Spectre of Marikana looms over forestry*" should be an eye-opener for the South African forestry industry.

According to Clarke (2000) some of the issues that negatively impact on the over-all well-being of forest workers are:

- Their working environment and conditions
- Lack of investment in resident / neighbouring communities
- Lack of adequate stakeholder consultation
- Poor standards of worker accommodation

In 2012 South Africans was shocked by the alleged killing of 34 striking mineworkers at Marikana Mine (Rustenburg) by police. The Association of Mining and

Construction Union (AMCU) challenged the National Union of Mineworkers for membership and currently have the largest membership at the mine. This striking action led to a 22% wage increase for mineworkers at Lonmin[13]. As the company suffered financially, it will embark on retrenching 100 to 150 managers (Mathews, 2013).

Another mining company facing financial difficulty due to strike action is Amplats[14]. Due to the costs incurred resulting from strike action in 2012, the company proposed a plan to close some of its operations and cut 14000 jobs. This announcement was met with outrage from trade unions and Government (Stoddard, 2013).

The spate of striking workers also manifested itself in the Western Cape during 2012. It started in De Doorns and later saw farmworkers from Wolseley, Swellendam, Grabouw, Somerset West, Prince Alfred Hamlet, Robertson and Ceres participating. Farms were set alight and infrastructure was destroyed during the strikes (Cloete, 2012). The workers demanded better working conditions and a minimum wage of R150 per day as opposed to the R69 that they were receiving. The Minister of Labour, Mildred Oliphant, set the new minimum wage for farmworkers at R105. Many farmers argue that they will not be able to afford to pay the new minimum wage and will have to cut jobs. The Minister indicated that farmers who experienced financial difficulty can apply for exemption or financial aid from Government and that the new minimum wage would be effective from 1 April 2013 (Paton, 2013). The new minimum wage for forestry workers came into effect from 1 April 2013. (See Table 2) (Labour, 2013)

**Table 2: New minimum wage for forestry workers (Adapted from Department of Labour, 2013)**

| Minimum rate for the period | | | | Minimum rate for the period | | | |
|---|---|---|---|---|---|---|---|
| 1 April 2013 to 31 March 2014 | | | | 1 April 2014 to 31 March 2015 | | | |
| Monthly | Weekly | Daily | Hourly | Monthly | Weekly | Daily | Hourly |
| R2 229.32 | R514.50 | R102.90* | R11.43 | 100% of Farm Worker's wage | | | |
| *For an employee who works 9 hours per day | | | | | | | |

[13] Producer of Platinum Group Metals (PGM)
[14] Anglo American owns 80% of Amplats

### 2.6.1 Health and Safety

Forestry is among the most dangerous industries globally. This can be attributed to the nature of the industry in terms of location as well as dangerous machinery (van Zyl, 2010).

A cause for concern in the forestry industry is task work. This system is not implemented by all contractors/companies, but involves payment per task completed. Forestry workers are often not able to complete tasks due to different weather conditions (for instance the manual debarking of trees is more difficult when bark is dry), inadequate training, lack of experience and appropriate equipment. This can lead to work-related injuries. The workers are not covered as many contractors do not pay insurance contributions. This results in an inability to execute tasks and in workers being underpaid. In certain contracting companies, workers are paid as little as R300 to R500 per month (Pons-Vignon & Anseeuw, 2009). In cases where workers do not meet their production targets during the week, they sacrifice their Saturdays in order to sustain their income. Workers are not paid for the day where the production target was not met (Clarke & Issacs, 2005). This type of remuneration practise is more prevalent within small-medium contracting firms (Khosa, 2000). The researcher thus wants to point out that there do exist some contractors who offer their employees a decent living wage.

Depending on the type of operation, forestry workers are exposed to tedious tasks on a daily basis. In order to perform their daily tasks employees need to be well nourished and hydrated. Employees often eat at irregular periods and nutrient intake is often not balanced. This can result in the lack of concentration, which in turn can lead to accidents on the job (James, 2006). Inadequate food can be attributed to the combination of poverty and ignorance (Grosskopf, 1932).

Although some forestry companies provide employees with health clinics (Shackleton, Shackleton, Buiten, & Bird, 2007), health clinics are absent in the forest villages that form part of this study. A mobile clinic visits the village, Phillipsville, once a month and the alternative clinics are located in neighboring towns some distance

away (Boshoff, 2012). At Swanebergpark (Kluitjieskraal plantation) the community is served by the local clinic in Wolseley.

### 2.6.1 Housing

Family life can often be negatively influenced by poor housing (Grosskopf, 1932).Clarke and Isaacs (2005) conducted research in KwaMbonambi (KwaZulu-Natal). This is a major pulp rotation[15] plantation area. They observed that the standards of housing in plantations have deteriorated over the years. In areas where contractor labourers are being housed, the houses lack essential amenities like beds. Men and women workers stay separately. Their children often stay in rural villages because they are not allowed to stay in the forest villages. Contract workers pay rent to the contractor that amounts to about 15% of their monthly income. In cases where forest workers constantly underperform due to deteriorating health, they are given 10 days' notice to leave the forest village.

In the Western and Southern Cape forest villages, housing includes brick as well as wooden structures (See Figure. 3 and Figure. 4). Many workers are directly employed by the forestry company. Although the majority of villages are maintained by the company, some villages have been transferred to municipalities. The land on which the forest villages are located belongs to the Department of Agriculture, Forestry and Fisheries (DAFF). Service delivery is the responsibility of DAFF, but the forestry company provides the villages with sanitation removal services and electricity. Not all the villagers in forest villages are working for the forestry company and some work in agriculture or neighboring towns. Forestry worker's electricity is subsidized by 50% through the company (Louw, 2012).

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[15] Timber is used for papermaking

**Figure 3: Brick house in Phillipsvale, Jonkersberg plantation.**

**Figure 4: Wooden house in Swanebergpark, Kluitjieskraal plantation.**

Problems experienced by villagers in the Southern Cape stems from the irregular electricity bills, poor level of maintenance of houses and the current bucket sanitation system (Anon, 2012a). These issues along with the issue of education, skills-

development and the overall well-being of forestry workers will be discussed in more detail in Chapter Four.

#### 2.6.1.1. Description of communities

Jonkersberg plantation is located on the border of the Mosselbaai and George Municipalities in the Southern Cape, South Africa (Figure 6). The plantation is located about 30km North-West from George and accommodates approximately 34 households. The majority of households in the forest village, Phillipsville, are dependent on forestry as an income source and is directly or indirectly affected by forestry operations (De Beer, 2012). Many families have been living in the village for decades, as it was established to accommodate staff of the previous Department of Forestry. A more in-depth description will be given in Chapter Five on the transition of forestry from State-owned to privatization.

Maintenance and service delivery in Phillipsville is provided by the company, however this responsibility was transferred to the Witzenberg Municipality in Swaneberg Park, Kluitjieskraal plantation. According to the housing manager at the company, the service delivery contract for Phillipsville expired in 2010. The company argues that the Department of Agriculture, Forestry and Fisheries should take responsibility for service delivery and that they as the company are doing the community a favour by providing these services. Differences between the two villages are that all houses in Swaneberg Park have flush toilets, tarred roads and are in close proximity to the nearest town Wolseley, 3.5 km away. This affects the access which residences have to amenities like shops, healthcare and education. In Phillipsvale the company provides employees with transport to town at the end of the month. This is free of charge, but if an employee does not have access to a private vehicle, transportation to the amenities may cost as much as R250 per trip. In both villages, people from other industries (agriculture etc.) rent houses from the Municipality or the company in the respective villages. Swanebergpark in Kluitjieskraal plantation have a total of 84 houses (See Figure 5). As indicated earlier the majority of the houses accommodate people not employed by the company. The

forester and office bearers stay close to the company office across from the forest village.

**Figure 5: Arial view of Swanebergpark (Google Earth, 2012).**

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In Phillipsville the forest workers are accommodated in 34 houses (See Figure 6). Office bearers (supervisors, maintenance staff, storemen etc.) are housed in a separate section in the plantation. In the past, two foresters used to be accommodated in one part of the plantation, but since 2012 there is only one forester at Jonkersberg plantation. With the recent restructuring at the company one office bearer gave a reason for not taking a house in the area allocated for him and other office bearers.

*"With the uncertainty in the company, if I get retrenched and I am still living in this current house (Phillipsville), I cannot be evicted. While if I was to live with the other office bearers in an allocated area, I will be forced to vacate house if I'm retrenched."* (Anon, 2012c)

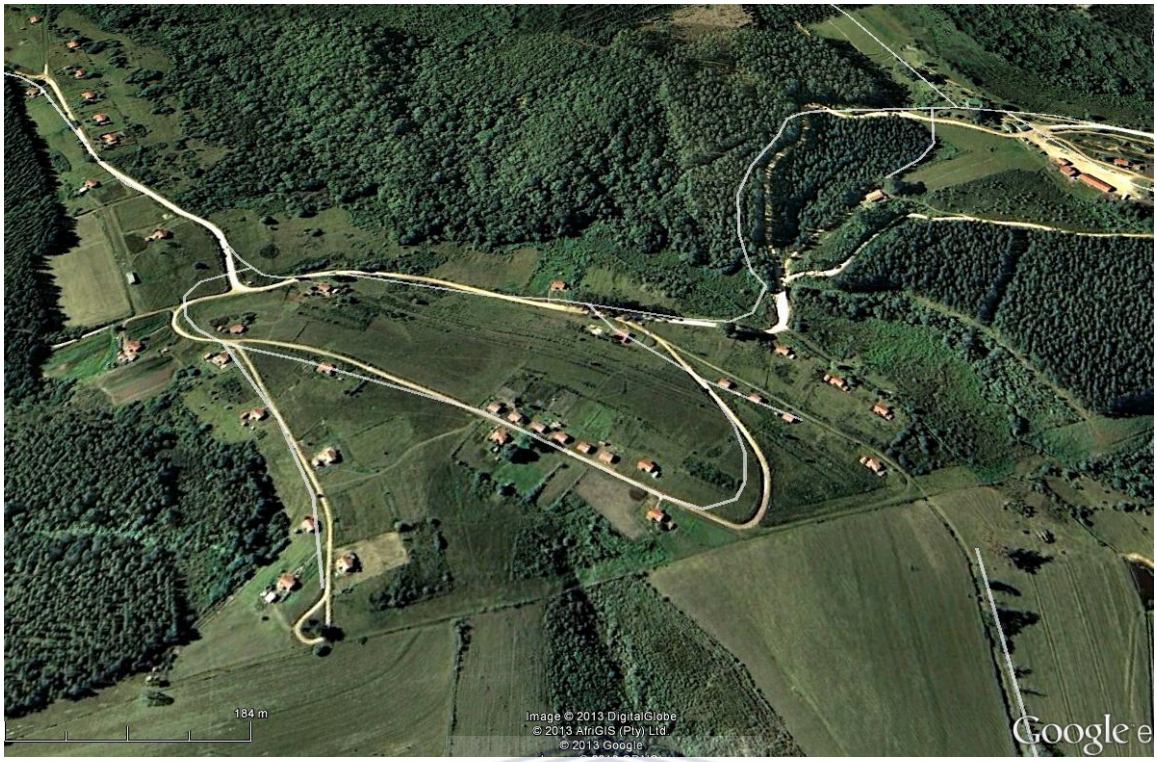


**Figure 6: Arial view of Phillipsville (Google Earth, 2012).**

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## 2.7 CSR

*"In as much as a business wants to obtain benefits from the communities in which it operates, its presence and activities should in turn be beneficial to these very communities in terms of their social and environmental well-being."* (Njenga & Smit, 2007:4).

One way of achieving sustainable development is through the implementation of the principles of CSR. The CSR agenda focus is on the tripartite alliance between private companies, Government and civil society to uplift urban and rural areas (Hamann & Acutt, 2003). Corruption leads to the failure of basic services like healthcare and education with the poor and most vulnerable as its victims. The Corruption Perception Index (CPI) had been developed by Transparency International in 1995. It ranks countries in terms of expert's perception of corruption. It involves business people being assessed by country analysts. It rates a country on

a scale from 0 to 100 where 0 indicates highly corrupt countries and 100 highly clean countries (Transparency, 2012).

Although South Africa ranks 69th out of 187 countries on the CPI (George, 2012), the country has managed to formulate an internationally respected document pertaining to Corporate Governance. It is known as the King Reports on Corporate Governance and was first published by former High Court Judge Mervyn King and other members of the King committee in November 1994 (Hough, et al., 2010). King 2 was published in 2002 while King 3 followed in 2009. Good governance is characterised by discipline, transparency, independence, accountability, responsibility, fairness and social responsibility. Its (good governance) values are fairness, accountability, responsibility and transparency (Esser, 2011), that are each outlined in turn below:

**Discipline**

This pertains to senior management's commitment towards widely accepted standards of correct and proper behaviour.

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**Transparency**

Here the focus falls on the straightforwardness of companies to avail their organization's actions and performance to outsiders. Transparency involves the disclosure of an organization's performance risk and its performance on social and environmental issues is emphasized.

**Independence**

The degree to which conflict of interests are avoided, so as to prioritise the organization's best interests at all times.

**Accountability**

Accountability is the ability to explain and justify one's actions. Boards should be able and willing to disclose and explain their actions to stakeholders. Effective two-way communication and engagement with stakeholders is a prerequisite for accountability. There exists an intra-corporate relationship similar to that of a constitutionally mandated federal system of checks and balances.

It also involves the shareholders' rights to receive, and if necessary query, information relating to the stewardship of the organization's assets and its performance.

**Responsibility**

Responsibility refers to the obligation of the board to take good care of the assets of the company and of the investments and interests of its stakeholders. A responsible board will protect its material assets and its reputation. It will also institute mechanisms that will give its stakeholders recourse, should they be harmed by the actions of the corporation. The duties of individuals and groups within the enterprise may be held responsible for the corporation's conduct.

Thus it also includes acceptance of all consequences of the organization's behaviour and actions, including a commitment to improvement where required.

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**Fairness**

It deals with acknowledgement of, respect for, and balance between the rights and interests of the organization's various stakeholders. As outlined in the King 2 Report, mechanisms like board composition, risk management, directors' duties and internal audits are in place to ensure the four pivotal values of corporate governance are adhere to.

Fairness also refers to the situation where the interests of all stakeholders of an organization are considered. Here the focus is on especially the composition of the board in terms of avoiding any bias in favour of a specific stakeholder. King 2 prescribes that in order to avoid this bias, a mix of executives, non-executives and dependent directors. This principle also applies to gender and race.

**Social responsibility**

It is required that all JSE[16] listed companies, banks, financial institutions, insurance companies, public sector enterprises, departments and agencies adhere to the

[16] Johannesburg Stock Exchange

principles of good corporate citizenship (Hough, et al., 2010). Although CSR cannot be legally enforced, South African Legislation ties CSR with the King Reports through the 2008 Companies Act, the BBBEE and the Labour Relations Act (Esser, 2011). Anon (2012b) is of the view that sustainable development is linked to CSR, corporate governance and business ethics, where the latter refers to the moral and ethical concerns in a company. The World Business Council for Sustainable Development on the other hand views “CSR is an integral part of sustainable development”. It goes on to state that sustainable development as a broader concept with CSR as one of three components of the TBL (Terry, 2010).

Section 218(2) of the Labour Relations Act states that a director of a company can be sued if it was found that he/she did not act in the best interests of that company. In a recent case a judged ruled that the directors of a company did not act as good corporate citizens when they all simultaneously resigned. He argued that the directors did not act in the best interest of the company as stated by the King Reports on corporate governance. Furthermore Section 7(d) in the 2008 Companies Act defines a company as a means of achieving economic as well as social benefits. A separate legislation exists for TNC [17] (Esser, 2011).

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## 2.8 CSR: Legal framework

As being part of SADC[18], South Africa is a signatory of the 2003 Charter of fundamental Social Rights. It emphasizes the rights of workers in terms of trade unions and collective bargaining, the prohibition of discrimination against women in the workplace and the responsibility of the respective Governments to oversee the implementation of these rights. Hence it is required that progress reports be submitted to the Secretariat of SADC. Although the Charter is non-enforceable, it serves as a benchmark for monitoring CSR policies in the SADC countries. Although the respective countries are exposed to political pressure, transnational companies are immune (Du Toit, 2009).

[17] Transnational companies
[18] Southern African Development Community

## 2.9 Transnational companies

In order to become internationally reputable, companies tend to adhere to universal policies and regulatory practices. Some of these include: the United Nations Declaration of Human Rights, International Labour Organisation (ILO), United Nations Global Compact and Global Reporting Initiative (Waiweru, 2006).

In many countries around the world, TNC's have a big influence on the economy and governance of a country. Although their practices are in line with legislation in their country of operation, it is often not in their country where they are listed (Banerjee, 2007). As 390 of the 450 biggest companies in the world are presented in South Africa, it is important to observe their CSR policies. The European Union is South Africa's largest trading and investment partner. The European Commission (EC) identified the ILO Tripartite Declaration as a benchmark for CSR compliance by its members (Du Toit, 2009).

The Sarbanes-Oxley Act (2002) of the United States of America is legislation and saw Anglogold Ashanti, Naspers and Sappi comply with it in terms of international compliance (Hough, et al., 2010).

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TNC's such as Sappi and Mondi play a major role in the South African forestry industry (Ham, 2004:24). Sappi is listed on the JSE and NYSE[19] (Sappi, 2013), whereas Mondi is duel listed. Mondi Limited has a primary listing on the JSE and Mondi plc has a premium listing on the LSE[20] as well as a secondary listing on the JSE. Together these two entities form the Mondi Group (Mondi, 2013).

The company concerned, Capepine's, largest shareholder is the Africa Sustainable Forestry Fund (ASFF) and its interests are managed by the the Global Environment Fund (GEF) (Capepine, 2013).

I will elaborate more on Capepine, its shareholders, its code of conduct and current CSR projects that the company is engaged with, in Chapter Five.

[19] New York Stock Exchange
[20] London Stock Exchange

## 2.10 Shareholders v/s Stakeholders

King argues that "...*shareholders of large companies have changed from wealthy families, to financial institutions and pension funds, making investments on behalf of its investment beneficiaries, who are the ultimate shareholders…"* (Temkin, 2008)

Globally there seems to be a move from focusing solely on shareholder interests towards one that is inclusive of all major stakeholders (Reuvid, 2007). Savitz and Weber (2006:18) share this sentiment by stating that "...*a sustainable company manages its risks and maximises its opportunities by identifying key non-financial stakeholders and engaging them in matters of mutual interest."* Ultimately shareholders might become a sub-section of stakeholders (Ackers, 2009).

The South African struggle for freedom was to ensure that the people shall govern. Yet, almost two decades into our democracy, the South African Government is still imposing legislation on its citizens against their will. One such case is the controversial e-toll system that is scheduled to be implemented on Gauteng freeways. This proposal was met by public outcry as citizens argue that they pay taxes and a fuel-levy to cover the costs of infrastructure development. Globally unsuccessful tolling systems were brought about by the high cost of toll charges and the low public engagement/participation process (Ramphele, 2013).

The Protection of State Information Bill is another unconstitutional piece of legislation that is currently being revised by Parliament. The Bill criminalizes the leaking or provision of state information to the public and could see sentences of up to 25 years being imposed on trespassers. According to Adv. George Bizos, one of the many flaws of the Bill is the absence of a public interest defense clause (Makinana, 2013). In 2012 the Western Cape Government, announced plans to close down 28 public schools, but this amount was then reduced to 17. The reasons cited for the closures of the schools, were found to be irrational and inadequate. The Western Cape High Court judges also found that there was insufficient public consultation and ordered the Western Cape Government to keep the schools open (Anon, 2013b).

With regards to the e-toll saga, the system was heavily criticized by the public. Its launch was delayed by the a few months, but in December 2012 the Supreme Court of Appeal ruled that the e-toll system should go ahead (Duvenage, 2013). With regards, to the “Secrecy Bill”, it was sent back to Parliament in 2013 by President Jacob Zuma for adjustment. Critics are off the view even if two technical sections of the Bill are amended it still would not change the Bill’s content (Anon, 2013).

In all three cases stated above there were a lack of stakeholder consultation. This led to a major outcry and civil actions by the public. Thus if it were not for the active citizenry of ordinary South Africans, many of these decisions that impact on their lives would have gone unchallenged. According to an OECD[21] report policy-making is improved through better relationship with citizens. The Government-citizen relationship could be improved through the provision of adequate information on policies, consultation and active participation in policy-making (Anon., 2001).

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## 2.11 Tripartite relationships

Companies influence society as social institutions (Van Dene, 2004) and thus through partnership forming they can assist in decreasing corruption, fighting poverty, increase the standards of living and address social, economic and environmental issues (Waiweru, 2006).

Companies have important resources that can be utilized for development purposes. Civil society on the other hand possesses indigenous knowledge coupled with their wealth of social capital. This is known as “complementary core competencies”. In order for resource implementation and capabilities to be successful, it needs to be centred on civil society and Government (Hamann & Acutt, 2003).

Prior to engaging in CSR initiatives and forming relationships, it is important to get top management involved (Terry, 2010). CSR should not merely be a side-lined thing that business can do, but form part of a company’s mission statement (Waiweru,

[21] Organisation for Economic Co-operation and Development

2006).This is pivotal as CEO's have a role to play in planning and implementing sustainable strategies. Such an approach is mutually beneficial in that it benefits society and is important for the growth and survival of the business (Terry, 2010). Organizations should strive to align emerging goals of society, local community and emerging corporate goals (Mersham, 1993). These issues like poverty, health and education should be backed by Government (Welsh, 1988).

As part of drawing up an agenda for CSR, one should investigate the underlying power dynamics among companies and stakeholders (Banerjee, 2007). It is thus important that civil society understand their legal and democratic rights (Ojwang, 2000). It is important to address converging/conflicting interests as well as managing conflict within/between stakeholder groups (Hamann & Acutt, 2003). Possible stakeholders could include NGO's, Government, political parties, representatives from industry associations and university extension officers (Panwar, et al., 2006)

Businesses should move away from funding projects. Their time, effort, expertise, ability to innovate and knowledge would be much more valuable to society (de Jongh, 2009). Njenga and Smit (2007) argue that direct investment is not in line with sustainable development. The authors are of the view that this approach is dependent on company profits and should the company experience financial difficulty, then such projects might have to be put on hold.

Companies should strive to align CSR initiatives with those initiatives that are Government priorities (Njenga & Smit, 2007). In order to address the current socio-economic challenges Government influenced legislation and embarked on social engineering exercises (Jones & Miles, 2009). An example of such legislation is the BBBEE Act, No. 53 of 2003. This was done in an effort to advance economic transformation and increase the level of economic participation by black South Africans (RSA, 2012). Another policy that was passed by Government was the Reconstruction and Development Programme (RDP). Its objective was to address the socio-economic challenges through the mobilisation of all South Africa's citizens along with its resources (RSA, 1994). The South African forestry industry could attempt to further the objectives of RDP and ensure that the industry is admired by rural communities affected by its operations (Olbrich, et al., 1997).

By aligning private sector CSR projects with those of Government, one can expect a decrease in the levels of corruption and poverty, an increase in the standards of living of people and also address social , economic and environmental development issues (Waiweru, 2006).

An inclusive approach is needed with regards to the implementation of CSR programmes. Stakeholders should be involved during all phases of the CSR programme. These include development and implementation in order to improve the chance of success of the CSR programme (Horrigan, 2007).

Ojwang (2000) is of the view that through its regulatory, advisory role the Government has got a pivotal role to play in terms of the success of the interaction between the private sector and communities. There is not a one-size-fits-all-solution to issues important to society and CSR should be suited for locals (Panwar, et al., 2006).

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However, Porter (2009) argues that the best CSR strategy involves one where the company's expertise is utilized and it has a business purpose. Njenga and Smith (2007) share this sentiment by stating that a CSI project should be aligned to core business. Smith (2013:1) gives insight to the "alignment-to-core-business-strategy" through two examples:

> *"Does it make more sense for a food retailer to have a conservation project on Table Mountain or does it make more sense to support small shop owners in developing their business skills? Is it more sensible for a mining company to build and maintain schools in communities where it has mining operations or is it more sensible to sponsor a football club?"*

The author further argues that CSI projects that are too far removed from the core business of an organization, are often artificial and unsustainable, even window dressing[22]. Hamann (2008) substantiates this observation, by stating that CSR is becoming dominated by the public relations functions in organizations. The author

[22] The practise of putting up a display to make a business seem better or more profitable or more efficient than it really is

further states that companies are failing to incorporate CSR programmes into their core business. This become evident when one observes how companies:

> "…*refer to their education and health programmes when asked about corporate citizenship, yet these same companies fail to see some of the negative consequences resulting from their core business activities."*

With regards to the implementation of CSI projects, Transnet[23] applies the skills and knowledge of their staff coupled with their expertise in project management to contribute to the sustainability of CSI projects. By linking projects with their core business, the company is of the view that this approach adds value to the project. Their flagship CSI project, the Phelophepa health train, was launched in 1994. Phelophepa 2 was launched in 2012. These two "*miracle trains*" has the potential to offer healthcare to 360 000 patients in rural areas. The trains do not substitute existing healthcare facilities, but rather work in partnership with them. This project is the first of its kind globally and with its fully modernised medical equipped carriages it provides*"… health, oral and vision screening, basic health education awareness and community counselling workshops."* (Transnet, 2013)

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## 2.12 Pros and Cons of CSR

Milton Friedman (1970) stated that "*...the business of business is business".* Many critiques of CSR would end up sharing this view. They argue that CSR has no business benefits and that spending on CSR is diverting resources from the core commercial activity of creating shareholder value. A further critique is that CSR is the responsibility of Government (Terry, 2010).

As had been observed globally, companies portray a caring and responsible citizen image. Companies do this despite great controversy within their organisations. Companies found to do this include Shell with regards to their operations in Nigeria and Enron of America (Banerjee, 2007). More recently in 2010 BP[24], who prides

[23] An integrated freight transport company in South Africa
[24] British Petroleum

itself in CSR initiatives that address climate change, education and community development, was in the media for an explosion at its Deepwater Horizon drilling rig in the Gulf of Mexico that killed 11 people. The company tried to hide this disaster (Tobin, 2010) from the world and when reports about it surfaced, its stock price dropped (Esser, 2011).

In recent years it had become evident that companies like Nike, a signatory to the UN Global Compact[25], make use of "sweat-shops[26]" and child-labour in their production processes in especially Asia (Banerjee, 2007).During 1998 Nike experienced a decrease in share price and sales were also down (Beder, 2002). In South Africa, Tiger Brands who has a CSI programme called Unite against Hunger was found guilty of fixing the price of bread along with Pioneer and Premier Foods. They paid a fine and lost market share due to Pioneer Foods' decreased prices of wheat and bread products. This decreased price of bread was part of the sentence they received for their role in the bread-price fixing scandal (Enslin-Payne, 2011). Clarke and Isaacs (2005) argue that forestry companies' main objective is the maximization of profits. They are of the view that forestry companies invest a small amount of earnings in show-case social problems and recommend that more equitable distribution of profits further up the value-chain should be their aim.

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Sales as well as customer loyalty increases when a company is perceived to be socially responsible (Bhattacharya & Sen, 2004). Customers increasingly demand products produced in a way that is environmentally friendly as well as being socially responsible. It had also been found that CSR can lead to employee retention and attraction as employees can relate to the value-based system of the company. An increase in brand reputation and an increase in worker productivity will also be experienced by socially responsible entities. The latter can be achieved through better working conditions, a decrease in the environmental impact of operations and the inclusion of employees in decision-making processes. In terms of reputation, people tend to support brands associated with good CSR reputations (Waiweru, 2006). Research by Orlitzky, Schmidt, F.L, & Rynes (2003) indicates that there exists

[25] This document requests that companies positively contribute to human rights, labour standards, the environment and anti-corruption

[26] Synonymous to slavery. Workers work long, tedious hours with often lower than minimum wage

a positive correlation between corporate social performance and corporate financial performance. By engaging in CSR initiatives companies can experience higher financial returns.

In a study in Sweden of four forestry companies, Raditya (2009) found that these companies engage in CSR initiatives and that these engagements were influenced by values, performance, and stakeholders of the companies. Stakeholder (communities, customers) consultation is of pivotal importance to all the assessed companies. Different stakeholders are motivated by different factors like price, quality and environmental friendliness. The companies believe that the stakeholder's perception would eventually give the company a competitive advantage.


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## 2.13 Conclusion

Poverty is a harsh reality in South Africa and especially in rural areas. This combined with the high level of unemployment and low skills level among South Africans will ultimately lead to chronic poverty which in turn can lead to other social issues like crime, prostitution and high levels of substance abuse. These social issues pose a threat to sustainable development. Corporate governance could serve as a solution to these social issues.

Although legislation and policies that could address the social issues in the South African forestry industry exists, it is the implementation there of that would serve as a solution. As CSR is a human rights issue, the state has failed its citizens in terms of providing legislation holding companies responsible for the effects of its operations on communities. Due to the voluntary nature of CSR, the majority of South African companies neglected poverty alleviation in communities where they operate. Thus there exists a need for the state to exercise a more facilitating role in terms of CSR (Kloppers & Kloppers, 2006).

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With regards to BBBEE, Government should be more cautious when intervening in the economic demesne. This said in the light that it, the state, should stimulate development as oppose to inhibiting it (Ramlall, 2012). Kloppers and Kloppers (2006) are of the view that CSR should form part of legislation as companies tend to neglect their social responsibilities. The authors advise that this should be achieved in such a way that it does not contribute to the cost of doing business in South Africa.

It is not possible for CSR to address all social issues or the legacies of apartheid, but small feasible change can lead to significant change in the social impact of company's activities. Corporates in South Africa can play an immense role to in addressing the social issues that confront rural forestry communities. This said in the light of their expertise, resources and their willingness to assist their fellow human being.

# CHAPTER THREE

# DATA ANALYSIS

## 3.1 Introduction

In this Chapter the researcher will explain how the data for the research was collected, organized and analysed. The research design, case study approach and interview techniques will also be presented.

## 3.2 Research design

### 3.2.1 Qualitative research methods

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The application of qualitative research methods was initially observed in the natural science to observe natural occurrences. The use of qualitative research methods in the social sciences assists researchers in reviewing social and cultural manifestations (Myers, 1997). Qualitative research is becoming more prominent in social and organizational research. The perspective that it provides in terms of the respondents ideology and its sensitivity to context is of paramount importance in different research fields (Bryman, et al., 1996). Qualitative research refers to research findings achieved via means "*not inclusive of statistical procedures or other means of quantification" (*Strauss & Corbin, 1990:17).

Qualitative research deals with the complex and dynamic aspects of society through clarification, understanding and comparing it to similar situations. This type of research can give better insight into well-researched phenomena or assist in explaining where quantitative methods are insufficient. This ability of qualitative research to better describe certain occurrences is beneficial to both researcher and reader. The design of a certain qualitative study is dependent on the objective of the inquiry and the most useful and credible data (Hoepfl, 1997).

Qualitative researchers practise in an array of disciplines and fields. Here they utilize a range of techniques, methods and approaches. Ethnography, case study research and action research constitute illustrations of qualitative research methods, while interviews, fieldwork and observation are examples of qualitative data sources (Myers, 1997). Among all these, the qualitative interview is the most vital (Myers & Newman, 2007). The talking ability of people, assist researchers in understanding the social behaviour of people in their immediate surroundings (Myers, 1997).

In terms of its flexibility, qualitative research is superior to quantitative research as the researcher alters methods as unforeseen observations are made. As the qualitative researcher makes observations through the eyes of research participants, it is recommended that the researcher be diligently involved. Quantitative- differs greatly from qualitative research as it follows a more fixed approach to measurements and the researcher is less involved during the data collection phase (Bryman, 1984). Qualitative research recognizes that individuals and their experiences are unique to their surroundings and it allows readers to make their own assumptions and form opinions around the authenticity and value of the research (Johnson-Bailey, 2004).

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Where the reliability in quantitative research is instrument-dependant, the researcher becomes the instrument during qualitative research. Hence trustworthiness (Seale, 1999), reliability and validity is of foremost importance to qualitative researchers during the whole research process. This stems from the view that validity determines reliability in qualitative research (Patton, 2002). Furthermore credibility, neutrality, consistency and applicability are used to assess the quality of qualitative research (Lincoln & Guba, 1985). During the course of subsequent research, the authors added “authenticity” (Guba & Lincoln, 1989) as an additional criterion. This addition of criterion was inspired by the argument that research provides insight to complex, temporary agreement of what constitutes reality. Another objective of this criterion was to counteract the believe system that relativism[27] does not substantiate reality (Seale, 1999).

[27] Conceptions of truth and moral values are not absolute, but are relative to the persons or groups holding them

According to Strauss and Corbin (1990), theoretical sensitivity refers to the personal quality of a researcher. The authors further state that theoretical sensitivity is influenced by the researcher's exposure to professional literature and their overall life experiences. Through theoretical sensitivity a qualitative researcher's competency in terms of a qualitative study can be determined (Hoepfl, 1997).

Stenbacka (2001) is of the opinion that reliability as a criterion of qualitative research can be misleading. The author supports this statement by arguing that reliability in terms of quantitative research aims to explain, whereas in qualitative research reliability refers to ability to create understanding. Qualitative research is often critiqued for not being 'scientific' (Seale 2004 in Goldin 2005) due to its validity and reliability. This critique refers to the different application of validity and reliability in naturalistic work (Shenton, 2004). Hammersley (1992) questions the qualitative research approach in terms of the credibility and transferability of the findings. Another critique of this research method by the author pertains to the impact of the investigator on the findings. Triangulation[28] should be utilized during qualitative research to eliminate bias and to increase the researcher's reliability on a specific social issue (Denzin, 1978).

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Although the qualitative interview is of key importance in qualitative research it is not without its complications. In most cases the respondents are strangers and questionnaires are completed in haste due to time constraints. This may affect the reliability of the study. As the researcher is a stranger to the respondent, the respondent may withhold crucial research data, which he/she might consider personal. The research fieldwork departure point is crucial. Depending on where the research commences e.g. management, subordinates or trade union officials, the other group/s may not feel comfortable in participating. In contrast to this, interviewing only management will create a bias. Thus approach only explores the view of the employer and neglects the insights of the employees. The researcher also forms part of the interviewing process and this may alter participant behaviour. As respondents want to come across as knowledgeable, they might manufacture experiences or facts. During the construction of the questionnaire or during the interview, ambiguity in terms of sentence construction might exist. As part of the

[28] "*a validity procedure where researchers search for convergence among multiple and different sources of information to form themes or categories in a study*" (Creswell & Miller, 2000)

overall qualitative interview, respondents might take offence to certain unintended gestures (Myers & Newman, 2007).

As part of quantitative research, experimental methods and quantitative measures are utilized to investigate hypothetical generalizations (Hoepfl, 1997; Marshall, 1996). Another objective of quantitative research lies in *"the measurement and analysis of causal relationships between variables"* (Denzin & Lincoln, 1998:8). Quantitative researchers are tasked with the underlying purpose, prediction, and simplification of results (Hoepfl, 1997). The quantitative researcher familiarise themselves with the research subject and formulate possible theories (Golafshani, 2003). They further strive to define occurrences into common categories that can be extrapolated to other similar situations (Winter, 2000). Probability sampling is the main sampling method in quantitative inquiries (Hoepfl, 1997).

As the focus of quantitative research falls on design, measurement and sample, it calls for planning prior to data collection and analysis (Neuman, 2003). Golafshani (2003) argues that although the quantitative researcher can proof a research instrument's repeatability for internal consistency, it may happen that the instrument itself is at fault.

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Yin (1984) defines case study research as one that encompasses a group of methods with emphasize on qualitative analysis. The author further states that case study research is justified through the study of current events and where behavioural event control is not a necessity. Through the application of case study research, understanding for investigated phenomenon is sought. It further allows for probing questions and observation of the diversity of sampled population. The assumptions from case study research may often be area specific and may not be applicable to other areas (Gable, 1994). Other problems associated with case study research include, controllability, deductibility and repeatability (Lee, 1989).

This study deploys a mixed method, using both qualitative and quantitative methods. The utilisation of such combinations restores order and simplifies complex manifestations during research (Guest, 2012). Denzin & Lincoln (1998) claim that such an approach (mixed-methods) leads to a more in-depth understanding of the

occurrence at hand. Sechrest and Sidana (1995) are of the view that mixed methods can assist in minimising the difficulties that arise from singular methods.

## 3.3 Entry into field

During his undergraduate years (2007-2011), the researcher volunteered at Kruisfontein plantation in Knysna. He also completed his final year Management Plan at this plantation as part of his BSc. Forest and Resource Management at Stellenbosch University in South Africa. During his academic career the researcher also visited other plantations of the company, Capepine. It was during these visits that the researcher felt the need to address the social issues that the forest workers were confronted with.

Initially the aim of the study was to visit the Buffelsnek, Kruisfontein and Bergplaas plantations of Capepine in the Southern Cape. Buffelsnek and Kruisfontein plantations are located in the Knysna area whereas Bergplaas is situated in the George area (See Figure 7). The research would have been conducted through the distribution of questionnaires to forest workers/residents. The researcher intended to have 50 questionnaires completed by forest workers as well as tenants in order to get a representative sample of the research area. The motive for including people not employed by Capepine, resulted from the fact that CSR not only includes employees, but also communities affected by the operations of an organization (Banerjee, 2007). Another reason for including non-forestry workers lies in the fact that past generations of community members not employed in the present forestry industry, were employed by the State Forestry Department. There exists an inter-generational career path in forest villages. As forestry is often the major employer in these rural areas, one finds that children become forest workers when the reach adulthood.

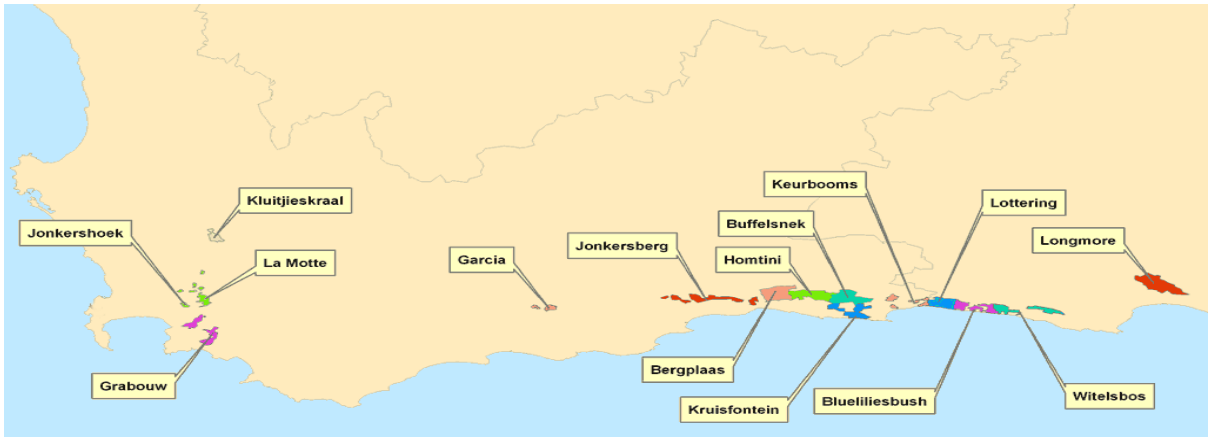


**Figure 7: Capepine plantations in South Africa (Capepine Ecotourism, 2012).**

As is evident from Chapter Two of this thesis a high percentage of forest operations in South Africa are outsourced to contractors. Capepine is one of the few companies that still conduct some of its own operations.

After receiving the required Ethics Clearance from the University of the Western Cape, the researcher was granted permission to conduct his research. It was agreed that the company, Capepine, would provide him with transport and accommodation in exchange for access to the findings from this research. Capepine also requested that the research include some questions in the questionnaire that could benefit the company. The researcher forwarded his designed questionnaire to the Company and the Company gave its support for the research to take place.

### 3.3.1 Selection of Case Study Plantations and Communities

During the second week of his research the researcher was summoned to a meeting with the harvesting forester at Jonkersberg plantation, the housing manager and the general manager (GM) for stakeholder relations of Capepine. There was some negotiation between the researcher and the Company that meant that a redesign phase was necessary. The questionnaire was redesigned and the new questionnaire was approved by the Company. This had caused some delay in the fieldwork.

As the forest village Phillipsville, Jonkersberg plantation, is located on property owned by the Department of Agriculture, Forestry and Fisheries (DAFF), further permission was required before the research could be conducted.

It was then agreed that the researcher would compare the social conditions and perceptions of forest workers at Kluitjieskraal plantation in Wolseley (Western Cape) against those of their counterparts at Jonkersberg plantation in George (Southern Cape). In terms of service delivery, the Witzenberg Municipality is responsible for it in Wolseley, whereas this responsibility rests upon Capepine in George. Swanebergpark is the forest village in Wolseley.

## 3.4 Questionnaire Design and Sampling

One questionnaire was designed for both forest villages. Questionnaires for forest workers were administrated in Afrikaans and English through face-to-face interviews. The language of administration depended on the language preference of the respondent. On average interviews took between 30 and 60 minutes. In Phillipsville, the researcher liaised with the community officer and five workers were made available during my first interviewing session. The five workers provided an ideal opportunity to test the survey instrument. During this pre-testing of questionnaires, it became apparent that some questions were confusing to some participants.

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### 3.4.1 Construction of Questionnaire

Some questions were removed from the questionnaire after the first research trip. During the reconstruction of the questionnaire for the second research trip, a social ladder along with a chart of the different companies that practiced forestry in the respective areas in the past, were included. Questionnaires were distributed in both Afrikaans and English (See Appendix 1).

The purpose of the ladder was to ask the respondents to rank themselves. The respondents seldom gave themselves a rating above three in terms of the social

ladder. The researcher would like to propose that the question be changed to step one representing the poorest people and step nine the richest people in the world to step 1 representing the poorest people in the community and step nine the richest people in the community. He justifies this proposal through the observation of respondents comparing themselves with billionaires on step nine. The researcher did indicate to respondents that poor (step one) refers to people not knowing where their next meal is coming from. During the research trip to Wolseley, the companies chart was included in colour.

The sections in the questionnaire included demographics, utilities, food security, income, social capital and empowerment, skills training, social change and respondent details. Coding was utilized where 97 indicated "*respondent not willing to respond*" 98 "*not applicable*" and 99 "*do not know*". Both open-ended- and close-ended questions were utilized. This combination of questions allows for the benefits associated with both qualitative and quantitative data collection and the relatively low cost associated with this method (Erickson & Kaplan, 2000).

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### 3.4.2 Tools and documentation

Before conducting the interviews, respondents were informed about their right not to participate in the interview or to withdraw from the interview process at any time during the interview. Respondents were informed about the independent status of the interviewer and were given an information sheet which contained the contact details of the researcher, supervisors and the Research Office at the University of the Western Cape (See Appendix 2). A voice recorder was used to record the interview in order to avoid misinterpretation of the data and as a validation of the interview. The researcher also took visual representations of the interview after asking permission if a camera could be used during the interview process. A consent form was signed by the respondent (See Appendix 3 and 4). By following this procedure, the researcher was also able to ensure that respondents were sincere in participating in this research (Shenton, 2004).

## 3.5 Data Collection

Apart from interviewing foresters at Capepine, interviews were also conducted with key informants that included a forest and social assessment specialist. The third component of the study was a desktop review. For this review company documents, websites, books, industry publications, research papers and reports along with relevant books were consulted.

As there are relatively few workers employed in the forest operations of the company, Capepine, all the forest workers along with drivers and store-men were interviewed in the respective forest villages. The minimum (40) required questionnaires for an analysis were thus obtained.

There was a deliberate effort made in terms of the timing of the research. The researcher intentionally planned to start his research in Phillipsvale at the end of a month. This was decided in order to observe behaviour over the weekend when forest workers got paid. Foresters at the Jonkersberg plantation experience problems with absenteeism of some forest workers post their pay weekend (Boshoff, 2012).

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Access to respondents was not difficult. At Jonkersberg plantation the researcher was accommodated in the student quarters while he stayed with the forester at his house in Kluitjieskraal plantation. In both forest villages the researcher was within a walking distance from the respective forest villages. At Kluitjieskraal plantation only a few workers stay in Swanebergpark. It is no longer a forest village as in previous years. Nowadays as this is municipal property, people not associated with forestry occupy houses here. Other workers stay in the urban area, Montana (Wolseley) some 7km away, while two are living in Pinevalley. Montana residents have access to municipal houses, while Pinevalley consists of former RDP houses and shacks.

## Interviews

The researcher conducted interviews at night after the shift of the forest workers finished. Interviews started at around 18:00 during weekdays and went on until 21:00. A forester or someone with access to one of the company bakkies[29] collected the researcher after the last interview of the evening. I felt very little influence from the town, George, in this rural environment. I also felt safer walking around here. Two houses are used as hostels. Locals refer to the houses as "*Ramhuise*[30]". Each "*Ramhuis*" houses four workers. The houses are not furnished and I sat on a table during interviews[31]. Some individuals have televisions, laptops and radios. I interviewed two or more workers at the same residence on an evening. As interviews at "*Ramhuise*" took place in the kitchen, one possible negative aspect involves the constant presence of somebody within hearing distance during interviews. There could be a bias in these interviews.

Prior to the research trip to Kluitjieskraal plantation, I liaised with a former forester of the plantation. He informed me that the adults in Swanebergpark are friendly people, but that the youth might be problematic. The former forester attributed their behaviour to drug abuse, gangsterism and high unemployment rate (Ackerman, 2013). The influence of the urban area, Wosleley, could be observed in this village. As I myself grew up on the Cape Flats, I was familiar with gang behaviour and immediately noticed the gangs operating in the area. I picked this up by listening to the language called "sibela[32]", a specific "gang" dress code and graffiti in the area. It was not easy to interview in Swanebergpark because there are also dogs roaming around that could be a hazard to anyone wanting to interview residents in this area.

Prior to embarking on my research trips I attended a lecture on Community Entry at the University of the Western Cape. I learnt here about the importance of not dressing fashionably and of leaving valuables out of sight. I wore overalls and safety boots. To gain entry into a community it is crucial to acknowledge their leadership

[29] Pick-up
[30] House for men
[31] As the residents here have families in neighbouring towns, it would not be beneficial for them to purchase furniture other than beds and stoves
[32] Language used by the Numbers gang in South Africa

structures of the given community (Daniels, et al., 2012). In both forest villages, over and above the introductions that I had from the forestry company, my access to the respondents was through the union shop stewards first. During the research trip to Jonkersberg plantation, communication with the Community Officer was also valuable, as she grew up in the area and had a wealth of knowledge about Phillipsville.

The majority of respondents in the forest villages were Coloured and as I myself am Coloured, I felt quite comfortable with the respondents and they also felt comfortable disclosing to me (Thompson, et al., 1994). There were however cultural distinctions as my Afrikaans accent differs from that of the respondents[33]. As per Daniels et al (2012) I was careful to show respect towards the respondents and to be sensitive to their culture as this does, as Cox Jr (2004) confirms assisted in nurturing the research relationship with the respondents. A good relationship between researcher and respondent is recommended in order to generate data (Walsh 2004 in Goldin 2005). I suggested to respondents that they call me by my first name. There was however a preference to call me 'Mr' but I was seen as an outside authority because I came from the University. I approached older respondents as "*Oom*[34]". In order to gain and retain the trust of participants, it was important to remain impartial and not to show preference for one respondent over another.

The questionnaire was not administered in a strict 'survey' style but rather treated as a structured guide allowing deviation either by the respondent or by myself as interviewer. Huber, et al. (2004) argues for instance, that deviation from the questionnaire can have some positive spinoffs. I sometimes probed more deeply on a particular question. At other times the respondent interrupted the interview with a query in order to better answer a particular question (May, 2008). Due to time constraints, and in order not to deviate too far away from the instrument, the respondent was redirected to the question and asked to respond.

[33] Although some Xhosa-speaking workers preferred to be interviewed in English, others did not have a problem with the questionnaire being administrated in Afrikaans. In Swanebergpark, one Xhosa-speaking worker experienced difficulty in English as well as Afrikaans. The researcher improvised as proficiently as possible by using a combination of English and Afrikaans to conduct the interview.

[34] Afrikaans translation for uncle

## 3.6 Data Analysis

The quantitative data collected through the questionnaires was analysed through the utilization of SPSS.

## 3.7 Conclusion

This chapter outlined the process that led to the identification of the selected forest villages for this study. It provided some detail on the survey process.

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# CHAPTER FOUR

# RESULTS

## 4.1 Introduction

This chapter interrogates data within the context of the following objectives:

- What is the over-all well-being of forestry workers
- What are the issues influencing the well-being of forestry workers
- How can tri-partite Corporate Social Responsibilities initiatives assist in addressing these issues

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## 4.2 Demographics

Female employees make up to 25% of the workforce at Jonkersberg plantation. The majority of the total employees are younger than 50 years (Table 3) and 40% of employees are married. With regards to education, 70% of employees have some form of secondary education (Table 4). As the Exit Strategy is a reality for this area, the development of skills is of critical importance. It is easier for younger employees to be trained (De Beer, 2012).

**Table 3: Age distribution of employees at Jonkersberg plantation**

| Age Group | | | | |
|---|---|---|---|---|
| Age group | Frequency | Percent | Valid Percent | Cumulative Percent |
| 18-25 | 5 | 25.0 | 25.0 | 25.0 |
| 26-33 | 6 | 30.0 | 30.0 | 55.0 |
| 34-41 | 5 | 25.0 | 25.0 | 80.0 |
| 42-49 | 3 | 15.0 | 15.0 | 95.0 |
| 50+ | 1 | 5.0 | 5.0 | 100.0 |
| Total | 20 | 100.0 | 100.0 | |

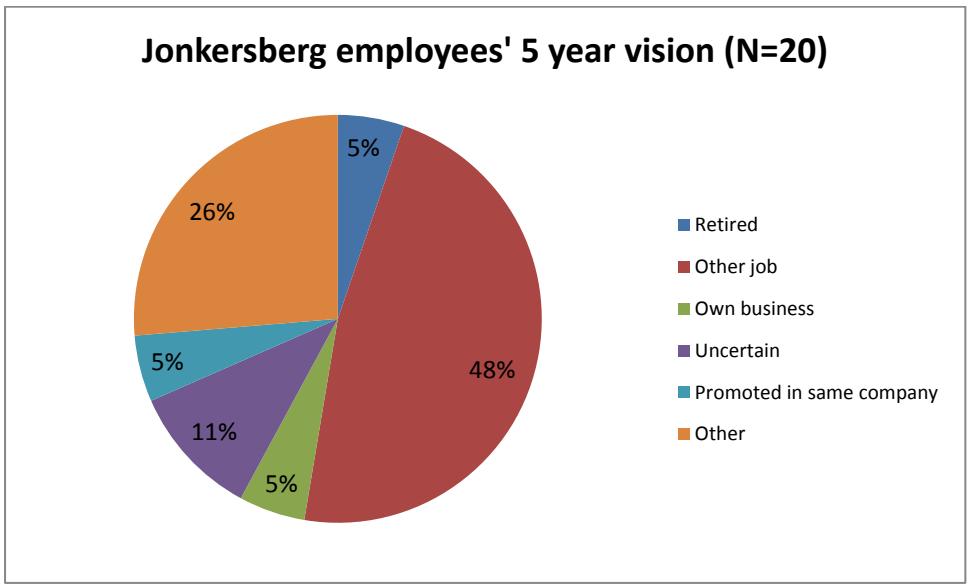
### Table 4: Level of education among Jonkersberg plantation workers

**Level of Education**

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| None | 1 | 5.0 | 5.0 | 5.0 |
| Some primary | 1 | 5.0 | 5.0 | 10.0 |
| Complete primary | 2 | 10.0 | 10.0 | 20.0 |
| Some secondary | 14 | 70.0 | 70.0 | 90.0 |
| Certificate with matric | 1 | 5.0 | 5.0 | 95.0 |
| Certificate without matric | 1 | 5.0 | 5.0 | 100.0 |
| Total | 20 | 100.0 | 100.0 | |

As is evident from the table above, the majority of respondents have some secondary school. Very few have matric or a certificate without matric. Levels of education are therefore fairly low.

In light of the Exit Strategy, respondents were asked, *"Where do you see yourself in five years' time in terms of your career?"*. Respondents from Jonkersberg plantation showed more interest in being employed somewhere else, than their Kluitjieskraal counterparts. The level of uncertainty was higher among Kluitjieskraal respondents (See Figure. 8 and Figure. 9).




### Figure 8: Jonkersberg employees' 5 year vision.

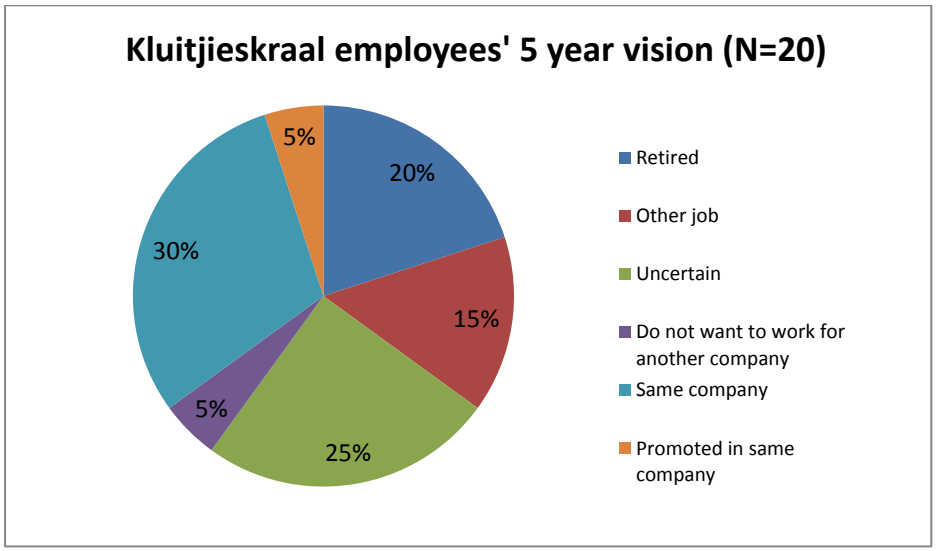



**Figure 9: Kluitjieskraal employees' 5 year vision.**

Oddly, when asked, "*What skill would be of more advantage to you?*", 30% of Jonkersberg respondents indicated that a promotion within the company would be to their benefit (Figure 10). The largest percentage of Kluitjieskraal respondents (42%) indicated that a technical skill would be to their advantage (Figure 11).

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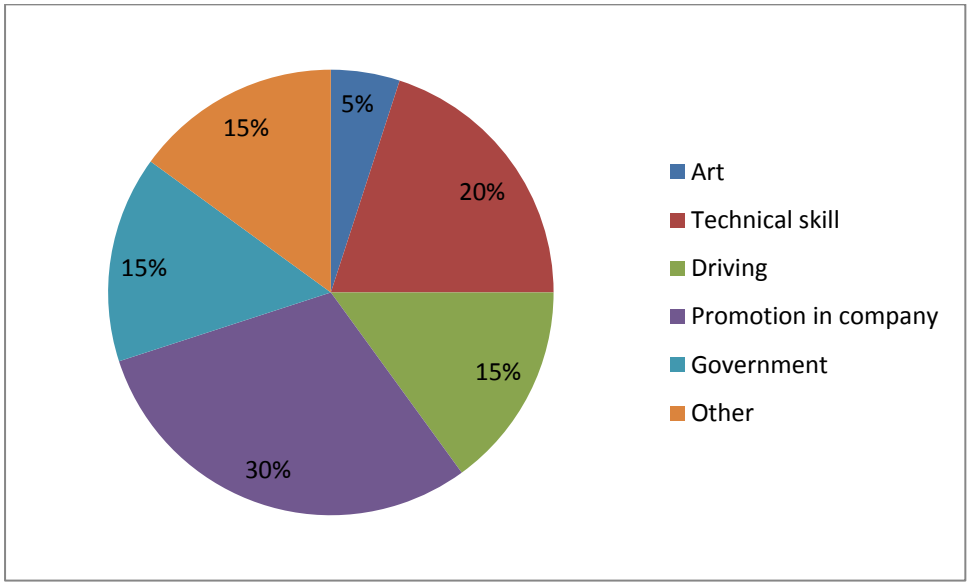


**Figure 10: Skill acquisition in Jonkersberg plantation (N=20).**

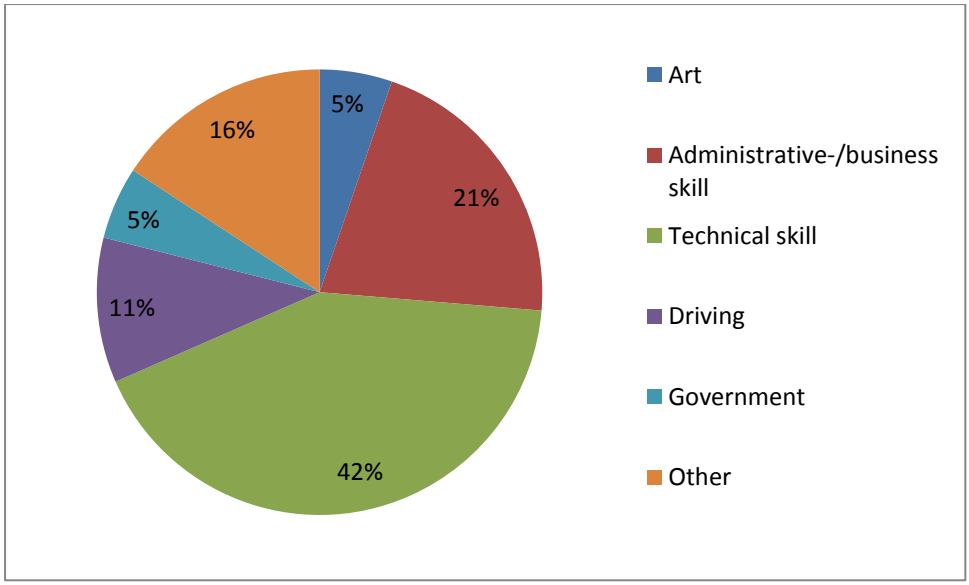


**Figure 11: Skill acquisition in Kluitjieskraal plantation (N=19).**

A significant number of employees at Kluitjieskraal plantation, 45% (See Table 5), fall within the age group, 50 years and above.

**Table 5: Age distribution at Kluitjieskraal plantation**

**Age groups: Jonkersberg Plantation**

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| 18-25 | 2 | 10.0 | 10.0 | 10.0 |
| 26-33 | 3 | 15.0 | 15.0 | 25.0 |
| 34-41 | 3 | 15.0 | 15.0 | 40.0 |
| 42-49 | 3 | 15.0 | 15.0 | 55.0 |
| 50+ | 9 | 45.0 | 45.0 | 100.0 |
| Total | 20 | 100.0 | 100.0 | |

The age distribution might prove problematic in terms of employment in other sectors or skills development as the majority of employees are nearing retirement. Twenty percent more employees are married in Kluitjieskraal than in Jonkersberg. The level of education among employees at Kluitjieskraal plantation resembles that of Jonkersberg plantation.

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## 4.3 Well-being of forest workers

In order to assess the overall well-being of forestry workers in the respective forest villages, the questionnaire tapped into ideas behind food security, household income, social capital and empowerment

### 4.3.1 Food security and household income

Through the achievement of household level food security, poverty might be eradicated. At national level food security levels might be adequate, but the opposite is being experienced at the household level (Altman, et al., 2009 ). Internationally food security is defined as the occurrence when*, "… all people at all times have enough food for an active, healthy life* (Anderson, 1990:1559). On a national scale it had been defined as the, *"…condition whereby the nation is able to manufacture, import, retain and sustain food needed to support its population with minimum per capita nutritional standards."* (Anderson, 1990:1559). At the community level it is defined as the, *"…condition whereby the residents in a community can obtain a safe, culturally acceptable, nutritionally adequate diet through a sustainable food system that maximises community self-reliance and social justice."* (Anderson, 1990:1559). *"A household is considered food-secure when its members do not live in hunger or fear of starvation"* (Radimer, et al., 1990:1545).

Currently there does not exist a clear measurement for food security in South Africa. This further prohibits the ability to compile policy to address food security. The likelihood of implemented food security programmes to fail is further enhanced through institutional barriers. These barriers are compounded by weak relations between Government, private sectors and civil society. Although the relationship between poverty, income and household food security is vague, employment is viewed as a means to combat food security and poverty. Low income groups are more susceptible to changes in the macro environment (e.g. electricity tariffs, oil prices, food prices), as they spend a larger portion of their disposable income on food. This is problematic as adequate nutrient intake and water is of vital importance to well-being and human development. Even if a family has a food garden to provide

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them with income or contribute as a food diversification mechanism, they are still not safe from the fluctuating markets that affect food growing-for instance petroleum is a product of fertilizer. This along with other input costs like seeds could add to the list of threats that confront families practising small-scale agriculture. It is thus of principal importance to educate households on the opportunities and threats that accompany small-scale agriculture. Workable interventions should be put in place to support such households (Altman, et al., 2009 ).

As an increase in food prices is expected over the next decade, poor people are more likely to experience malnutrition. Hunger was used by the General Household Survey[35] and National Food Consumption Survey to establish household food security. According to these surveys, food inflation and a loss of income can expose vulnerable people to hunger (Hart, 2009).

In order to establish levels of household food security, I focussed on the following indicators.

- Monthly household income
- Occurrences of people that went to sleep hungry
- Adequacy of monthly household income in terms of food expenditure
- Borrowing of money to cover household expenditures

During the interviews it became apparent that 46.2% of adults in households, who receive an income of between R1001 and R3000, went to sleep hungry in the past 12 months. Table 6 below shows the relationship between food security and income. Clearly those who have lower incomes also have experienced hunger in the past year. Those with higher incomes have not. This is in line with what Clarke & Issacs (2005) found in their study in KwaMbonambi in that low wages contributed to forestry workers experiencing food insecurity.

[35] The survey collects information on a variety of subjects including education, health, the labour market, dwellings, access to services and facilities, transport, quality of life and is conducted by Statistics SA.

### Table 6: Income as an indicator of food security in Jonkersberg and Kluitjieskraal plantations

**Average monthly household income showing % of adults who went to sleep hungry in the past year**

| Average monthly household income (R) | Hungry adult | | Total |
|---|---|---|---|
| | Yes | No | |
| 1001-3000 | 6 | 7 | 13 |
| | 46.2% | 53.8% | 100.0% |
| 3001-5000 | 4 | 10 | 14 |
| | 28.6% | 71.4% | 100.0% |
| 5001-7000 | 1 | 8 | 9 |
| | 11.1% | 88.9% | 100.0% |
| 7001-9000 | 0 | 1 | 1 |
| | 0.0% | 100.0% | 100.0% |
| Do not want to answer | 0 | 1 | 1 |
| | 0.0% | 100.0% | 100.0% |
| Total | 11 | 27 | 38 |
| | 28.9% | 71.1% | 100.0% |

In the same income group, 69.2% felt that their household income was insufficient in terms of food expenditure. Table 8 reflects on insecurity of households and taps into the relationship between income and food security. Across all income classes, 44.7% felt their income was insufficient with regards to food expenditure.

A very small portion of households in the two research villages have a food garden to contribute to food security. Some of the reasons cited by research participants for not practising small-scale farming include the lack of resource (e.g. land, water, seed). Others were simply not interested in growing food. In Swaneberg Park there had been a community garden in the past. According to the participants only certain people benefited from the vegetable yields and they then decided to withdraw from it. In Phillipsville, participants felt that there was a lack of support from the company and they could not see how it benefited them (community). Swarts & Aliber (2013) found this lack of resources, lack of support and poor remuneration manifested in a lack of interest by youth in agricultural activities.

**Table 7: Adequacy of income for food expenditure in Jonkersberg and Kluitjieskraal plantations**

| Average monthly household income (R) | Money for Food | | | Total |
|---|---|---|---|---|
| | More than sufficient | Adequate | Insufficient | |
| 1001-3000 | 1 | 3 | 9 | 13 |
| | 7.7% | 23.1% | 69.2% | 100.0% |
| 3001-5000 | 4 | 4 | 6 | 14 |
| | 28.6% | 28.6% | 42.9% | 100.0% |
| 5001-7000 | 3 | 4 | 2 | 9 |
| | 33.3% | 44.4% | 22.2% | 100.0% |
| 7001-9000 | 0 | 1 | 0 | 1 |
| | 0.0% | 100.0% | 0.0% | 100.0% |
| Do not want to answer | 0 | 1 | 0 | 1 |
| | 0.0% | 100.0% | 0.0% | 100.0% |
| Total | 8 | 13 | 17 | 38 |
| | 21.1% | 34.2% | 44.7% | 100.0% |

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Table 8 reflects on the insecurity of households. The table shows that 65.8% of the respondents indicated that they had borrowed money in the past 12 months in order to cover household expenses. As mentioned above, in Phillipsville for example, a private trip to town, on average costs R250. A household with a low income, who is obliged to go to town, is therefore likely to experience income stress. Borrowing money also makes households more vulnerable. Once again it shows that the poorer households are more vulnerable. Sixty two percent of those households that earn between R1 000 and R3 000 per month have borrowed money over the past 12 months.

**Table 8: Households who borrowed money in the past 12 months in Jonkersberg and Kluitjieskraal plantations**

**Households that had to borrow money in the last year**

| Average monthly household income (R) | In the last 12 months, did you had to borrow money | | Total |
|---|---|---|---|
| | Yes | No | |
| 1001-3000 | 8 | 5 | 13 |
| | 61.5% | 38.5% | 100.0% |
| 3001-5000 | 9 | 5 | 14 |
| | 64.3% | 35.7% | 100.0% |
| 5001-7000 | 7 | 2 | 9 |
| | 77.8% | 22.2% | 100.0% |
| 7001-9000 | 1 | 0 | 1 |
| | 100.0% | 0.0% | 100.0% |
| Do not want to answer | 0 | 1 | 1 |
| | 0.0% | 100.0% | 100.0% |
| Total | 25 | 13 | 38 |
| | 65.8% | 34.2% | 100.0% |

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### 4.3.2 Social capital and empowerment

Social capital is defined "*as features of social organisation such as networks, norms and social trust that facilitate coordination and co-operation for mutual benefit*" (Putnam, 1995:67). It is worth noting that numerous definitions exist for social capital. The definition is dependent on whether it focuses on the substance, the source or the effects of social capital. The definition is further determined according to the focus on the relationships among an actor and other actors, the structure of relations among actors within a group or both types of connectedness (Adler & Kwon, 2002). Although social capital can affect many facets of life, the relevant benefits to this study include its ability to influence career success (Burt, 1992), help workers find jobs (Granovetter, 1973), reduce turnover rates (Krackhardt & Hanson, 1993) and enable entrepreneurship (Chong & Gibbons, 1997).

According to Ojwang (2008) empowerment constitutes the manifestation of efforts that strive to provide power-deprived individuals with equity and social justice.

Empowerment sees these individuals gaining access to resources that increases their income and also assists in satisfying their basic needs. Furthermore individuals should participate in the developmental phase of a project so that they are able to provide input on decisions that affect their livelihood (IFAD, 2013).

The questionnaire tapped into ideas behind social capital and empowerment through a battery of questions around the following concerns:

- Networks
- Trust and solidarity
- Collective action and co-operation
- Social cohesion and inclusion
- Self-esteem and sociability
- Life significance
- Social change
- Physical well-being

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#### 4.3.2.1 Networks

Ninety per cent of respondents belonged to a church. As a social network, church attendance contributes to social capital. This said in the light that it is not so much attending church that contributes to the latter, but rather the, "*civic skills, norms, recruitment and community interests*" (Putnam, 2000:66 in Stromsnes, 2008). Of the 27% of forest workers who indicated that they belong to community associations, 9 of the 11 employees belong to the Housing Committee in Phillipsville. The Housing Committee have had meetings for years, but still there had been little improvement in this area with regards to the maintenance of houses. Although a relatively low percentage of the workforce belong to a sport association (27.5%), many indicated their willingness to join or support sport if it were to be developed in the respective areas. Sport contributes positively to social cohesion within communities (Schulenkorf, 2012). Nelson Mandela along with other international sport bodies identified it as a tool for reconciliation (Jarvie, 2003).

Although the majority of employees (90%) belong to a workers union, working conditions along with worker issues (wages, nepotism etc.), do not seem to be addressed.

#### 4.3.2.2 Self-esteem

Through participation communities are empowered (Schulenkorf, 2012) and it (participation) contributes positively to their well-being. Self-esteem also increases the level of social cohesion and fosters shared group ideologies. Self-esteem also assists individuals in acquiring resources and having a sense of power that is necessary for their individual well-being. When people feel good about themselves they are more likely to take part in group activities and show a concern for their surroundings. This can, in turn, lead to community well-being. Self-esteem is a valuable attribute for achieving greater equity and for empowering communities to sustain achievements through capacity building (Lawson, 2005:147).

Respondents were asked how much control they feel they have over things that affect their daily lives. The majority of respondents, 57.5%, were of the view that they have some control over things that affect their daily lives although only 4% said that they have control over most of the decisions. Only one per cent said they have control over all the decisions that affect their daily lives. The results show that empowerment is quite low and that although more than half feel that they have control over most decisions almost no one has control over all the decisions that affect their lives. We also asked the question *"How strong a feeling of togetherness or closeness do you get with others in your neighbourhood*?" In Phillipsville only 45% of the respondents felt that they were close to others in their community (Figure 12). In Swanebergpark there was a much higher percentage (70%) who felt close to other members of their community (Figure 13). Social cohesion is therefore considerably higher in Swanebergpark than it is in Phillipsville.

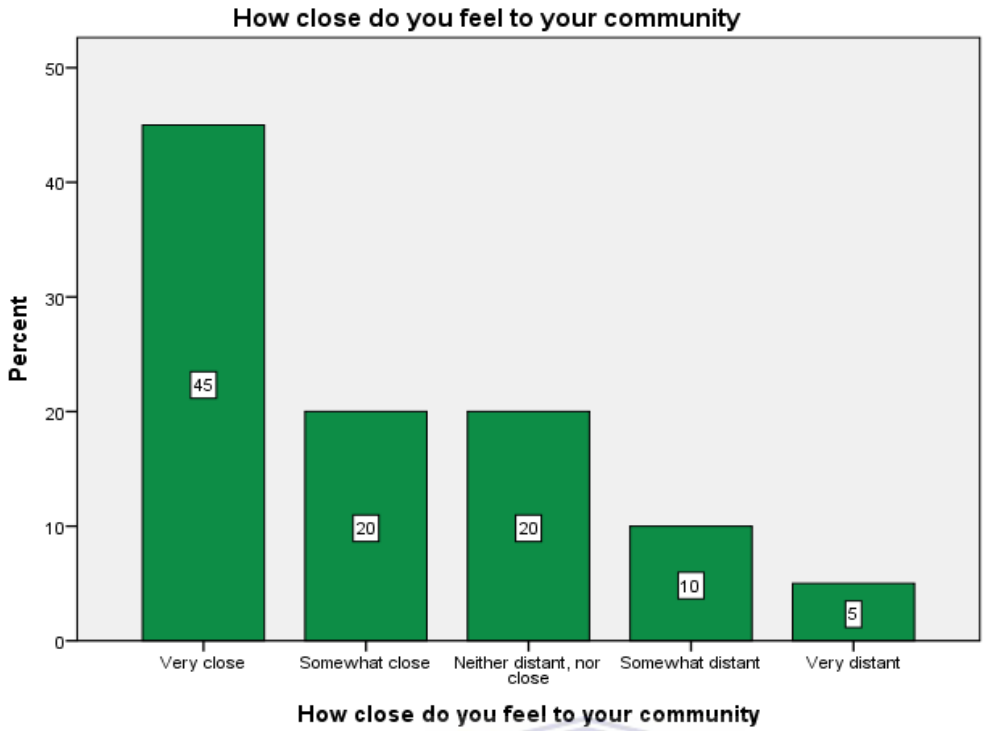


Figure 12: Level of social cohesion at Jonkersberg plantation (N=20).

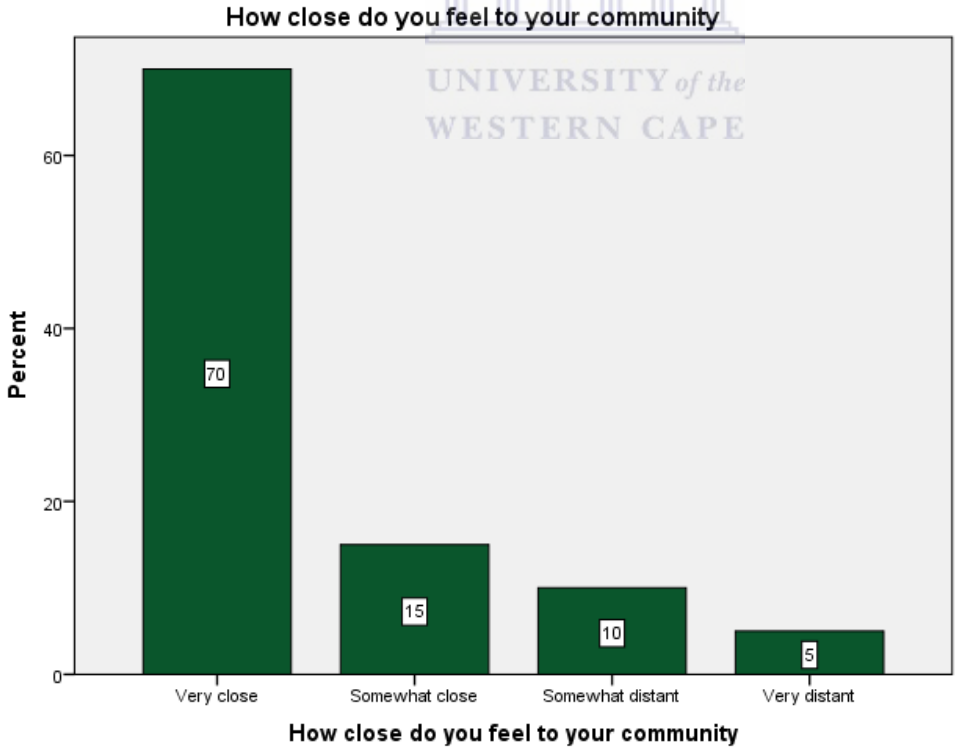


Figure 13: Level of social cohesion at Kluitjieskraal plantation (N=20).

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It is very likely that this difference in the levels of social cohesion can be attributed to the hostel-system that is present in Phillipsville, but absent in Swanebergpark. As indicated earlier it is single gender hostels and the families of employees live in neighbouring towns. Out of the eight hostel inhabitants six are Xhosa males who claim that their Coloured counterparts are being favoured by their supervisors and community. At Kluitjieskraal some employees reside in villages outside Swanebergpark and they are with their respective families where they grew up.

#### 4.3.2.3 State/citizen engagement

Respondents were asked if they would participate in a community development project if one were to be implemented in their respective villages. The majority (90%) indicated that they would participate in a potential community project. Of these, 52.5% indicated that their participation would be motivated by the potential betterment of their communities

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#### 4.3.2.4 Trust and solidarity

When asked who can be trusted, 77. 5% of respondents did indicate that they trust people to varying degrees (See Table 9). As Goldin (2005) notes, trust is a critical part of human well-being and according to this author this is the '*glue'* of society that smoothes relationships between people.

**Table 9: Trust within forest villages (N=40)**

| How many people can be trusted in this community? | Frequency | Valid Percent |
|---|---|---|
| Many people in this community can be trusted | 5 | 12.5 |
| Some can be trusted | 14 | 35.0 |
| A few can be trusted | 12 | 30.0 |
| Nobody can be trusted | 6 | 15.0 |
| Do not know | 3 | 7.5 |
| Total | 40 | 100.0 |

#### 4.3.2.5 Life satisfaction

Of the 36 participants who disclosed their average monthly household income, one third of them have a household income of between R1000 and R3001. Out of this group, 66.7% are dissatisfied with the current state of their lives (Table 10). Although it was beyond the scope of this study to establish what led to this level of dissatisfaction among forest workers, the study reveals that this income group (R1001- R3000) have the highest number of adults that went to sleep hungry in the last year. The same group also had the majority of respondents indicating that their household income was insufficient in terms of food expenditure.

After cross tabulation, I further ran Pearson's chi square and Fisher's exact tests on monthly household income against adults that went to sleep hungry in the last twelve months, adequacy of money for food, money borrowed and level of life satisfaction respectively. Although there was no relationship between monthly household income and the first three variables, there was a significant association between it and the level of life satisfaction as a p-value of 0.029 was obtained during the Fisher exact test. A significance limit of 0.05 was utilized.

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It was beyond the scope of this study to determine what influenced their level of life satisfaction. However, Diener, et al., (1999) argue that well-being is affected by income, especially when income hinders individuals from achieving their personal goals or satisfying basic needs (e.g. food and shelter).

**Table 10: Level of life significance of forest workers in Jonkersberg and Kluitjieskraal plantations**

| Average monthly household income in Rand | Life satisfaction | | Total |
|---|---|---|---|
| | Satisfied | Dissatisfied | |
| 1001-3000 | 4<br>33.3% | 8<br>66.7% | 12<br>100.0% |
| 3001-5000 | 12<br>85.7% | 2<br>14.3% | 14<br>100.0% |
| 5001-7000 | 5<br>55.6% | 4<br>44.4% | 9<br>100.0% |
| 7001-9000 | 1<br>100.0% | 0<br>0.0% | 1<br>100.0% |
| Total | 22<br>61.1% | 14<br>38.9% | 36<br>100.0% |

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#### 4.3.2.6 Life significance

When asked "*Which things do you feel gives your life significance or meaning*?", it was found that respondents from both forest villages place considerable importance on marriage, family and religion. While the second most significant aspect (35%) is the idea of a better future for respondents from Phillipsville (Figure 14), Swanebergpark (Figure 15) residents place more emphasis on their work (30%).

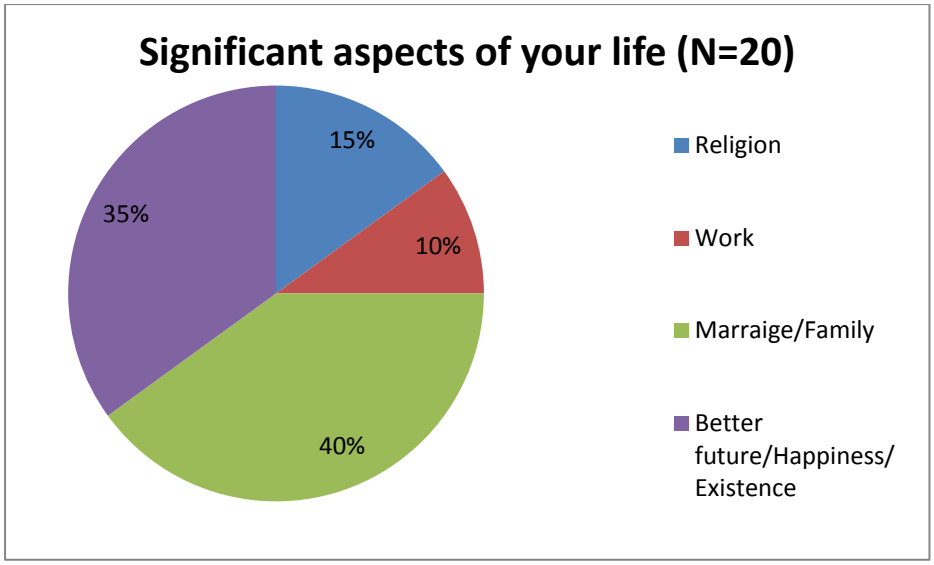


**Figure 14: Life significance for Jonkersberg plantation workers (N=20).**

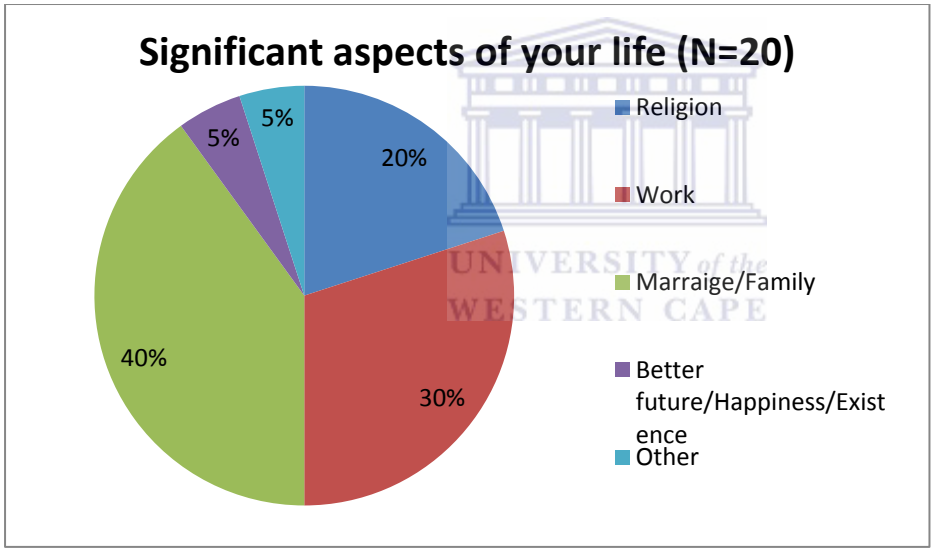


**Figure 15: Life significance for Kluitjieskraal plantation workers (N=20).**

#### 4.3.2.7 Physical well-being

Although the majority of forest workers (85%) do not have any serious health problems, a significant number complained about back injuries (30%). Some forest workers experienced muscle pain (15%) while others were exposed to smoke/dust inhalation (12.5%) and vibration (7.5%). During my first research excursion in September 2012, many forest workers at Jonkersberg plantation complained about short machete handles. They indicated that the previous forester refused to

purchase new handles and this led to increased strain on their backs. Depending on where they are working, workers start to travel from the office at around 6:30. The majority of employees (90%) only ate breakfast at 8:30, an hour and a half after their shift has commenced. This eating habit was found to be consistent with that of KwaZulu-Natal forestry workers. Studies of forest workers in South Africa advises against this eating habit as forest employees are exposed to physically demanding working conditions. As a persons' blood sugar levels are low in the morning, fatigue can kick during ones shift if the sugar levels are not replenished. This in turn can result in accidents (James, 2006).

Research participants eat a combination of bread, coffee, cooked meals and "*pap*[36]" with milk for breakfast and lunch. Although the majority of them have cooked meals that include vegetables, pasta, rice, meat usually chicken or fish for supper, some have "*pap*" and milk throughout the day as this is all that they can afford. James (2006) advises against overindulging in "*pap*" and recommends that workers should rather have more bread accompanied by other foods like eggs, spinach, pilchards to sustain their energy levels. The company provides workers with two 15 minute breaks during the early morning and late afternoon. This is coupled with a 30 minute lunch break around 12:30. In general participants do not drink sufficient water. Some indicated that they would only drink water on a "regular" basis when temperatures are high. In contrast to popular believe that dehydration only occurs during high temperatures, it can also occur during the execution of strenuous tasks (James, 2006). Dehydration affects a person's physiology in a negative manner and can lead to a decrease in performance (Sawka, 1992 *in* Staal Wasturland, et al., 2004).

Forest employees are transported on a truck with no safety belts and there are no separate partitions to store tools. This is dangerous as staff travel with machete, chemicals and chainsaws right up next to them. According to Lengton (2013) legislation dictates that a personnel compartment of a personnel carrier unit should be fitted with safety belts, a solid metal roof, sliding safety glass windows, rollbars fitted beneath flooring, have separate compartments to house tools and equipment,

[36] African maize

dome lights and fully plated seats (RSA, 1996a) . One staff member indicated that the “bakkie” that he is using has no brakes, while management’s vehicles are in very good condition.

#### 4.3.2.8 Social change

When asked “*Consider a nine-step ladder where on the bottom, the first step, stand the poorest people, and on the ninth step, stand the richest. On which step are you today?* “, the majority (75%) of respondents in both villages saw themselves on the bottom of the ladder, indicating a subjective reporting of a low state of well-being. However, importantly 67.5% of total respondents felt that their current situation will improve over the next three to five years. Adler and Stove (2002) cited in Kalichman, et al. (2006), argue that the overall well-being of people is negatively influenced by their inability to meet their basic needs, malnutrition, lack of access to healthcare, poor sanitation and violence. Thus it is important to address these issues as it directly influence forest workers overall well-being.

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## 4.4 Living conditions in research areas

### 4.4.1 Phillipsvale

In Phillipsville, anecdotal evidence suggests housing maintenance and service delivery are the most pertinent issues in this village. . A part of the FSC social assessment criteria, states that there needs to be, *“support provided for local infrastructure, facilities and social programmes at a level appropriate to the scale of forest resources”* (Clarke, 2000). The author points out that it is unclear what constitutes an “*appropriate*” level and concludes that FSC criteria be altered to adequately address social issues in the South African forestry industry.

#### 4.4.1.1 Sanitation

The majority (65%) of interviewed households still have the bucket system as a means of sanitation. Overall, including those with access to flush toilets, 75% of interviewed employees, are not satisfied with the current sanitation system. Fifty per cent of employees feel that the bucket system is unhygienic while other reasons for dissatisfaction with it include poor maintenance and the preference for a flush toilet inside the house (See Figure. 16).

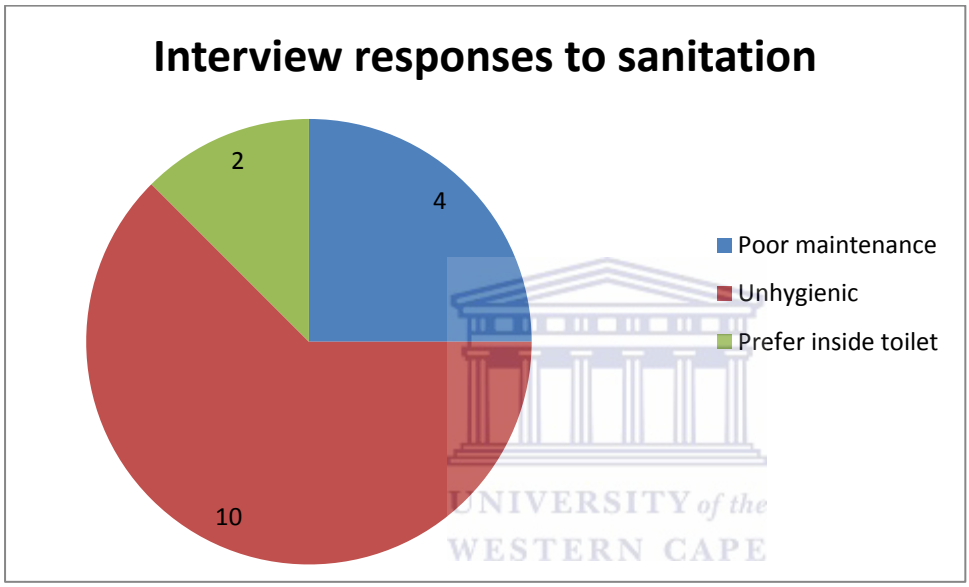


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**Figure 16: Phillipsville participant views on sanitation (N=16).**

A neighbouring plantation village, Bergplaas, have had flush toilets installed in 1994. This was done during the SAFCOL era. DAFF indicated that they are in the process of compiling another contract to extend basic services to all its properties. These poor sanitary conditions are prevalent in rural areas (Department of Health, 1994).

During my first field trip to Jonkersberg plantation, I sat in on a service delivery meeting on the 2nd of September 2012. The housing manager was not present at this meeting. The Rural Development Manager for the George Municipality headed the meeting and indicated that the company should write a letter to the Municipality

requesting the installation of flush toilets, as the health implications of the bucket system is a great concern for it (Municipality)[37].

#### 4.4.1.2 Electricity

There are concerns around the provision of electricity in Phillipsville. Tenants indicated the inconsistency of monthly electricity bills (40%). It was noticed that some tenants' electricity bills were unusually high as the company subsidizes the electricity of its workers by 50%. The community feels that pre-paid electricity would improve their standard of living, as some pay as much as 20% of their monthly salaries towards electricity. Community members noted that an Eskom official (electricity provider) only visits Phillipsville every three months to read electricity meters. The company also have a maintenance officer responsible for reporting the electricity usage.

It was mentioned that the housing manager of the company said the following to community members when asked about pre-paid electricity:

- *There were too little houses to justify the implementation of pre-paid electricity*
- *The houses are located too far apart for pre-paid electricity*

The community was informed that the pre-paid electricity unit would be installed free of charge in cases where the household earns less than R3 000 per month. The Rural Development Manager was however quick to point out that there was nothing that the George Municipality could do in terms of pre-paid electricity for Phillipsville as this had to be taken up with Eskom (the electricity provider). The Rural Development Manager specified that the community should be aware that they themselves would be responsible for electricity provision if there were not funds available to purchase electricity units. Through this statement he implied that the community cannot call him if they run out of electricity units and do not have money to purchase units.

[37] At the same meeting the community was informed that the Municipality is interested in housing developments in rural (farm and plantation area) villages. This process is dependent on the owners of land providing the Municipality with land. The potential home owners will have private property rights

The Rural Development Manager told community members that it took a long time to get a meeting with Eskom and promised them feedback in two to three months. It was brought to the Rural Development Manager's attention that tenants would still be faced with high electricity bills while they are waiting on Eskom to install pre-paid electricity meters. The Rural Development Manager responded that he would try his best and the community members replied that, "*Our hope now lies with you…"*

Employees staying in a *"Ramhuis"* (Phillipsville) particularly felt the effect of irregular electricity bills. They find it hard to sustain themselves whilst at the same time supporting their respective families in neighboring towns. Another employee stated that if the electricity bills were rectified, their lives would instantly improve.

#### 4.4.1.3 Housing maintenance

Although some employees keep their house and yard in a good condition, others feel it is the responsibility of the company to do so. A quarter of the employees consider the housing maintenance is a major issue in Phillipsville. Some of the retired forestry workers' have family members who work on neighboring farms. One farmer provides paint for his employee's houses and forestry workers feel that their company can follow suite. They are of the view that if the company provides them with resources (e.g: paint, grasscutters) they would maintain their own houses. In previous times, the company used to provide employees with grasscutters to tend to their yard, but his is no longer the case. With the already relatively low wages paid to them, many employees cannot afford to hire someone to cut their grass.

This poor state of service delivery and housing maintenance in Jonkersberg plantation is similar to those experienced by forest workers in other major forestry areas like KwaZulu-Natal (Clarke & Issacs, 2005).

### 4.4.2 Swanebergpark

In Swanebergpark at Kluitjieskraal plantation, the desire for sport development was strong and also the need to repair the community hall. Drug abuse was another concern.

#### 4.4.2.1 Sport development

Respondents very proudly spoke of their personal participation or support for sports in the area. Twenty five per cent of them indicated that sport development was a major issue in their village. The two dominant sports included rugby and netball. Although the two pitches are still there, they are not being maintained and the clubs have been disbanded. The theft of equipment, copper piping and vandalism resulted in the sport facility being closed. As the community do not travel to sporting events very often, the re-opening of the sporting facility would serve as an important extramural activity, entertain people and could also keep the youth of the streets. In general the rural labour force's mobility is limited (Waldman, 1993). Apart from all the physiological- and social benefits that accompany sport participation, sport development programmes also serve as a safe haven for youth. In these programmes youth should physically feel safe, valued, connected, supported and empowered. Thus where such programmes are absent or where the programmes do not fulfil these needs, youth might turn to gangs to satisfy their emotional needs (Coakley & Donnelly, 2004).

However, Coakley (2002) argues that sport may have little effect in terms of combatting anti-social behaviour as it does not address other social issues like poverty and unemployment. Nichols (2003) is of the view that efficiency of sport as a mitigation tool for anti-social behaviour is dependent on the type of programme and mechanism being utilized. The author clarifies that programmes in this regard refer to the objectives of sport to provide sporting opportunities in disadvantaged areas or where sport is used to serve as a rehabilitation tool for youth offenders. Other mechanisms include holiday programmes that counteract criminal behaviour or social support services that are offered to participants.

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According to Trulson (1986) not all sports and participation in it, leads to a decrease in anti-social behaviour. In his study of youths, certain sports lead to a decrease in anti-social behaviour, some enhanced the behaviour, while other sports had no effect on the behaviour of youths. Coakley and Pike (2009) stress that the success of sport development programmes lies in its ability to focus on respect for self and others, physical fitness, self-control, a sense of responsibility and non-violence

Through interactions with respondents, I established that sport, especially rugby, was a tradition in this area. The pride instilled in these communities in the past through sport development, contributed to social solidarity (Sugden, 2002 cited in Walters & Chadwick, 2009). The higher level of social cohesion among Kluitjieskraal plantation workers attest to this. Coalter (2005), cited in Armstrong, et al.( 2007) is of the view that sports development can contribute to community upliftment. The author links the success of sports development and social upliftment to the 'bottom-up" approach that involves locals in decision-making and its ability to decrease scepticism brought on through "*outside*" interventions. Hartmann and Depro (2006) cited in Coaler (2007), indicate that it is not so much the sport itself that leads to a decrease in anti-social behaviour, but the development of community solidarity and trust among participants.

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#### 4.4.2.2 The reparation of the community hall

Over the past, 10 years, the community used to have access to the community hall at Swanebergpark free of charge. The community hall served as a gathering point for meetings and for church- and community functions. Today the community hall doesn't exist anymore. This is almost exclusively due to the theft of copper from the electricity connections and water system of the hall. The hall assisted in securing that community members met on a regular basis. During these meetings people interacted with one another and got to know each other. The latter is crucial in establishing mutual trust, which is an important aspect of social capital. The lack of a communal place may lead to a decrease in interaction among community members. This in turn may lead to increase criminal behaviour, immigration and eventually the closing down of villages (Svendsen, 2010).

#### 4.4.2.3 Drug abuse

Drug abuse is now manifesting in Swanebergpark. According to respondents, this seems to be a major driver behind the recent increase in theft and burglaries in the area. The majority of respondents (95%) indicated that "*Tik*[38]" is the preferred drug by drug abusers in Swanebergpark, while "dagga[39]" is being preferred by drug abusers in Phillipsville. In Phillipsville, where "dagga" is preferred, the burglary rate is extremely low, as opposed to the high prevalence of burglaries in Swanebergpark where "*Tik*" is the primary drug amongst drug abusers. Although it was beyond the scope of this study to determine the relationship between unemployment, drugs and crime, Carter and May (1999 ) found that drug-trafficking and crime were utilized as strategies to combat unemployment and to earn an income.

## 4.5 Common challenges in research villages

### 4.5.1 Alcohol abuse

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The excessive consumption of alcohol by forest workers was stated as a major concern for the company. The "dop" system[40] was introduced by the early European colonist in the Western Cape, to compensate indigenous people for services rendered on farms. This phenomenon manifested itself in farming areas and other industries in South Africa over the last three centuries and served as a vehicle for social control over locals. This practise has since been abolished, but the social effects are currently still evident in rural areas. Alcohol consumption can lead to poor learning skills, harmful lifestyles and the endangerment of oneself in the working environment (London, 1999). Workers do not deny that alcohol plays an important part in their lives and, from their perspective; alcohol is an outlet for workers who argue that there is no alternative extramural activities in forest villages.

[38] Crystal methamphetamine
[39] Cannabis
[40] Payment of farm workers with alcohol instead of wages

With regards to alcohol abuse in the forest villages (80%) of participants indicated that it did occur. This is in line with the response by Boshoff (2012) to the question of challenges experienced by the company. During the interview with Boshoff, it became clear that workers used their pay to buy alcohol because after pay-weekend worker absenteeism was rife and workers also came to work under the influence of alcohol. Workers do not deny that alcohol plays an important part in their lives and, from their perspective; alcohol is an outlet for their stress and frustration. Workers also argued that there are no alternative extramural activities in forest villages. Anecdotal evidence suggests that these aggressive tendencies are evident especially when people are consuming alcohol.

### 4.5.2 Low wages

Capepine had indicated that it pays its lowest earning workers slightly above the minimum wage. Even with the increase in salary the majority of workers (65.8%) borrowed money in the last 12 months. These micro lenders charge excessive interest rates on borrowed money. Hence the increased wages are not sufficient to keep forest workers from incurring debt. Although the minimum wage for forestry workers in South Africa had been increased, some costs such as worker UIF and leave pay still needs to be adjusted by some companies. According to a Stats SA report, poorer households spend about 42% of household income on food. In order to sustain a family of four through a well-balanced diet, a monthly household income of R5 630 is required for food expenditure. This amount excludes other essential household expenses. As the new minimum wage only came into effect in 2013, it is still too early to determine its impact on the company's overall operations, working environment and its employees (Clarke, 2013b).

## 4.6 Conclusion

The results of the data that was collected for the survey have been presented in this chapter. SPSS graphs, tables and charts have been used to present the data. As one of the objectives of this study is to recommend potential CSR initiatives to improve the livelihoods of forest workers, it has been important to establish what issues affect the residents of the villages that are the focus of the study. Whilst respondents at Jonkersberg plantation identified service delivery as their main concern, their counterparts at Kluitjieskraal plantation find drug abuse of particular concern. Substance abuse has a ripple effect in the village where drug abusers have vandalised the community hall and sport centre.

Some common concerns of respondents from both plantations include their relatively low salary, insecurity around the pending Exit Strategy and lack of projects that contribute to capacity building among community members. Chapter Five will go deeper into the results that have been presented in this chapter.

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# CHAPTER FIVE

# DISCUSSION AND RECOMMENDATIONS

## 5.1 Introduction

This Chapter will present to the reader the findings of the company's current CSR priorities and -projects. It will also give insight into the shareholding structure, project selection criteria, CSR challenges and CSR strategies at the company. It was an objective of this research to recommend CSR projects that address the current social issues faced by the forest communities. The recommendation section is organised along the lines of the questionnaire and data findings.

### 5.1.1 Current CSR environment at Capepine

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As mentioned earlier the current company plantations in the Western Cape used to be managed by the State. In 2005 Cape Sawmills and Wild Peach Investment Holdings were the major shareholders in MTO after purchasing it as a privatisation transaction package from SAFCOL. The information that pertains to the company structure and CSR was obtained through a scheduled meeting with the stakeholder relations manager of the company. Figure 16 illustrates the current shareholding in Mountain to Ocean Forestry (MTO), while Figure 17 gives an oversight of the Capepine ownership.

**Figure 17: MTO Shareholders (Capepine, 2012).**

In 2010, the majority shares held in MTO by CPIH[41] were bought by the Africa Sustainable Forestry Fund (ASFF) who has a 78.1% stake in Capepine. Capepine is an amalgamation of MTO, CPIH, Cape Sawmills, Airton and Castle into a single management unit. ASF Holdings MU's interests are managed by GEF.

**Figure 18: Capepine shareholders (Capepine, 2012).**

The company underwent a major restructuring that saw employees retrenched, relocated and new portfolios being created. One such created portfolio was the stakeholder relations portfolio that was tasked with managing the company's CSR programmes, improving relationships with stakeholders and developing and implementing transformation plans.

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## 5.1.2 CSR Projects at Capepine

### 5.1.2.1 Early Childhood Development (ECD)

The company provides the facility and is responsible for the maintenance of three ECD centres located in Jonkershoek plantation (Stellenbosch), Buffelsnek plantation (Knysna) and Jonkersberg plantations respectively. Between 2009 and 2010 the Department of Social Development was subsidizing children at Jonkershoek. This funding ceased, due to an omitted NPO[42] number. In Jonkersberg the subsidy could never be allocated due to a missing bank account number. These administrative irregularities with the formal requirements for funding served as a financial setback

[41] Capepine Investment Holdings
[42] Non-profit Organization

for the parents of these children as the ECD fees could have been used for other household expenses.

At present the parents of the children at the respective ECD centres are responsible for the payment of fees. As about 40% of children below the age of nine years in South Africa are exposed to poverty and neglect, the State had put these ECD subsidies in place as a mechanism to counteract this phenomenon. Research indicates that the majority of development in the human brain occurs before the age of three. ECD centres improve the cognitive, emotional, social and physical potential of children. However, the quality of ECD services is negatively influenced by the absence of an efficient monitoring system (Asmal, 2001). It is vital that the bureaucracies of both the private sector and the Government institutions are closely regulated and monitored so as not to jeopardise the benefits that institutions, such as the ECD centre, can provide for poor communities.

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#### 5.1.1.2 Community libraries

A community library was setup at Bergplaas plantation (George) in 2011. The company provides the infrastructure and a community worker manages it. According to a community member, the library is under-utilized as the majority of children attend school in town and return home at around 17:00. Upon their return they eat, do home chores and watch television. Homework usually gets done after 19:00. The respondent blames the under-utilization of the library on the low stakeholder consultation. The success of any development is dependent on the level of community involvement and requires community consultation and planning among the different stakeholders (Vandervelde, 1983). During this community participation processes, problems are identified and rectified. The participation in projects can at times be more valuable than the end product itself, as participants gain and use skills, understanding and appreciation for one another as they interact and focus on common goals and objectives. If the community had been working together and were engaged in a common goal the library, for instance, might not have been their first choice.

#### 5.1.1.3 Environmental Education

In collaboration with the Wilderness Foundation, the company runs the Khula Nam[43] Project. The project's intentions are to create awareness and educate grade 7 learners in the communities that are around commercial plantations between George and Port Elizabeth on nature and commercial forestry. The project had been in existence for 16 years and used to receive R290 000 from the company. In the recent past this amount had been reduced to R100 000 and unfortunately two employees had to be retrenched.

As per BBBEE requirement, the company is supposed to allocate 1% of its net profits to CSR projects. It was brought under my attention that the amount that used to be spend on CSR projects had been reduced and that the company is not obliged to honour its CSR should it experience financial difficulty. Although the King Reports emphasizes the importance of transparency in corporate governance (Hough, et al., 2010), I was not able to establish the annual amount spent on company CSR projects. The company's forestry operations have been restructured into two geographical areas namely the West and the East. The West constitutes plantations from Cape Town to George, whilst the East encompasses plantations from Knysna to Port Elizabeth. According to the company, CSR funding is given to an area (East or West) and divided among the different plantations.

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## 5.2 Project Implementation

Prior to implementing any company level CSR project, the project is weighed up against the following criteria:

- Goal of project
- Beneficiaries/Stakeholders of project
- Benefits of project
- Accountability aspects of project
- Sustainability of projects

[43] It means: "Grow with me."

The company makes use of this "*check-list*" approach in all its CSR projects in forest villages from the Western- to the Eastern Cape. Porter & Kramer (2006) are of the view that such a "*check-list"* is a good start, but that organizations should strive to become more proactive and formulate a company specific policy regarding their CSR portfolio. The company has also specified that upon considering a project it focuses on the sustainability of the project as it has an obligation towards its shareholders. Sustainability here aims to only satisfy the economic viability of a project and neglects the other two crucial spheres, namely the environmental and social impact. Bezuidenhout, et al. (2007) advise against this approach and recommend that companies should not just focus on their responsibility towards shareholders, but that they should strive to satisfy the needs of other stakeholders like employees, customers, affected communities and the general society in terms of CSR projects.

### 5.2.1 Company CSR Project challenges

Between 2005 and 2011 there did not exist guidelines or strategies for CSR project implementation and the communities identified projects themselves. During this time period the company traded under MTO forestry. Although the company does currently have a CSR strategy in place, it experiences the following challenges:

- Lack of capacity building among community members
- Lack of resources
- The relatively large operational area from the Western- to the Eastern Cape that needs to be covered by one stakeholder manager
- Many municipalities do not have an IDP[44] in place for the respective areas where the forest villages are situated
- CSR projects are not multi-stakeholder driven

Currently only eight of the company's 14 plantations would remain in operation after the implementation of the Exit Strategy in 2020. Both research villages are scheduled to be phased out. However, the company indicated that the Exit Strategy does not affect its CSR projects.

[44] Integrated Development Plan

## 5.2.2 General CSR Project challenges

### 5.2.2.1 Power imbalances

The lack of participation in decision-making processes has had a negative effect on the relationship between forestry communities and the company. Currently the company uses to a "*top-down*" approach to CSR. Shackleton and Willis (in Ojwang, 2000) argues that power imbalances can lead to communities being uninformed in terms of legal matters, land value and business developments. As was found by De Beer (2012), the majority of forest villagers are unaware of the Exit Strategy. In some plantations, I observed that certain foresters insisted on being called "*Mnr*.". This informal form of power, is reminiscent of apartheid era tactics (Ojwang, 2008). As all project participants are supposed to have equal footing in decision-making and participation, this form of adress might negatively impacty on decision-making. Healthy partnerships between communities and companies contribute to skills development, increased decision-making capacity among participants and added benefits from the industry to all stakeholders (Ojwang, 2000). These benefits can accrue when these poor, marginalized communities' rights are protected and they are empowered to sustain their own livelihoods (Mayers & Vermeulen, 2002).

Both research plantations were previously managed by "*Whites*". Currently both plantations are being managed by "*Coloureds*". In terms of possible community projects, the employees at Jonkersberg plantation feel that the current forester is more approachable. They are of the view that he has excellent interpersonal skills. During my last informal meeting in 2012, an employee indicated that he felt confident about proposing a honey-bush tea harvesting- and an arts and crafts project to the current forester. A honey-busy tea harvesting or/and an arts and craft project is something that is desired by the workers and the employee that was interviewed felt that this was what would benefit the community most. Such an investment in community projects would reflect the company's commitment to incorporate employees' positive contributions in CSR.

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#### 5.2.2.2 Insubordination

As the research areas had been managed by different entities in the past, the majority of the total respondents (59%) felt that the State was the best employer in the respective forest villages. Reasons cited for this included a higher salary that was accompanied by better employee benefits. Capepine was the second best employer with 30.8% of employees sharing this view. According to Skarlicki & Folger (1997) in Ogutu & Robinson (2011) employees often resort to negative behaviour like insubordination to make their dissatisfaction with an organization felt. I would like to illustrate this through an incident that I observed during my research.

Prior to an interview session at Swanebergpark, the forester enquired why a driver was almost an hour late for reporting for standby duty. The driver verbally attacked the forester and accused him of being unreasonable in expecting him to report for duty at a certain time. This confrontation occurred in front of me and other employees. The forester tried to minimise the tension that was arising and suggested to the driver that he should address the matter on Monday in his office in a professional way. After the incident another employee told me that during the time that the plantation were managed by "*Whites*", people would never challenge the forester on any decisions and that they are taking advantage of the current forester's personality. According to employees if the community view foresters as having poor leadership abilities there would be negative repercussions on project implementation.

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### 5.2.3 CSR project strategies

The company plans to host a stakeholders' indaba between suppliers, clients, NGO's, local- and national Government. The idea is to create value for all stakeholders. It would be important to also include employees, communities and top management in this indaba. Good relationships among these stakeholders are of paramount importance with regards to promoting CSR initiatives that have value to all. Top management's leadership is crucial in balancing the trade-offs among stakeholders and sustaining the organizations vision (Jensen, 2002). Furthermore, top management requires detailed knowledge not only of the internal condition of

their organization in order to counteract current competitive challenges, but also the external environment in which they operate.

#### 5.2.3.1 Social Cohesion

One way of addressing the issue of social cohesion and the vast difference between the two communities that was reflected in the data presented in the previous chapter, might be to establish sustainable partnerships (e.g. Government, corporates and civil society) whilst at the same time encouraging community participation in these partnerships. Interaction through activities, such as sport and community projects could improve relations with Government, private sector and civil society. These interactions could assist in overcoming the differences within communities and lead to an increase in the level of social cohesion (Livermore & Midgley, 1998).



#### 5.2.3.2 Project participation

Respondents were asked if they would participate in a community development project if one would be implemented in their respective villages. The majority (90%) indicated that they would participate in a potential community project. Of these, 52.5% indicated that their participation would be motivated by the potential betterment of their communities.

Some key factors have emerged and these have been captured in the next section, the recommendation section. These recommendations draw on the data that has been presented in the thesis and that is reflected again in this conclusion.

## 5.3 Recommendations

In order to effectively address the social issues that confront forest workers, their legal and democratic rights along with opportunities to pursue a better life should be strengthened and the workers should be included in local decision-making (Mayers &

Vermeulen, 2002). One way of building capacity among forest communities, is through skills development and training (Ojwang, 2000). In the past community projects failed due to the lack of support and an inadequate knowledge base among project participants. Support mechanisms that are sustainable over the long run should be fostered and the accountability of stakeholders should be established (Mayers & Vermeulen, 2002).

Community officers are in a good position to assist the Stakeholder Relations Department with its mandate and it is recommended that officers also be selected in villages where the villages had been transferred to the Municipality or other owners. Over the years communities have been promised many things that have never materialised. Community members blame community officers for the lack of community upliftment in these villages and this has eroded trust between community members and community officers. Hence it is important to have workshops that could broker trust among participants and between them and other role-players such as the company for whom they work and the State. These workshops should commence prior to project implementation and should share information that encourages effective participation in projects. In order for projects to be successful, the behavioural relationship between the company and the community needs to change (Mersham, 1993).

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**CSR Budgets**

The failure of CSR projects can be attributed to the funding model. Many companies treat CSR as something that is separate from their business. The company's CEO should incorporate CSR budgets into the company's long term planning. These budgets, costs and benefits should be transferred along with responsibilities and be put into workable plans. In order to get the buy in from workers, budget plans needs to be communicated to the entire workforce and not just to top management and shareholders (Mersham, 1993).

As per BBBEE requirement, it is suggested that companies contribute 1 % of net profits to CSR projects. It is recommended that Capepine become more transparent

in terms of financial reporting. There are major financial resources needed to contribute to the addressing of social issues in forest villages. The company should spend the amount that is needed to ensure success and the desired social outcomes (Mersham, 1993). Additional funding can come from the State. As per lease agreement, forestry communities hold 10 % stake in the leased forestry land. This fund should uplift communities and finance local projects. The problem that the company face is that the State never provided them with these shares. The company is in negotiation with SAFCOL to try to obtain these shares (Clarke, 2013a).

The company identifies the following as priorities in terms of CSR Projects:

- Community health and safety
- Arts and culture
- Sport and recreation
- Education
- Youth- and women development
- Infrastructure development

The following recommendations would be in line with the company's CSR priorities. The skills acquired during project participation would assist people to find employment in other industries as there exists a lot of uncertainties around the Exit Strategy. It should be noted that the procrastination around replanting Exit plantations negatively influences worker morale.

**Community health and safety**

## 5.3.1 Well-being of forest workers

#### 5.3.1.1 Household food security and nutrition

One way of addressing the food insecurity problem at the household level, would be to educate people responsible for housekeeping on budgeting and the importance of a well-balanced diet (Grosskopf, 1932). With the relevant support and resources,

people could be encouraged operate their own vegetable gardens. The SCLC[45] provides communities with training in permaculture and provides them with resources like water tanks and seedlings for their vegetable gardens. In one such community project, Vuk vuk uzenzele, in Kwanonqaba (Mosselbaai, South Africa) community members are empowered to satisfy the dietary requirements of the sick and less fortunate in their immediate environment. Food security in forest villages are hampered by the lack of access to land, water and the prohibition of cattle. It is also important that the company as well as the people have the will power to implement such projects (Kock, 2013).

Another possible solution to food insecurity could be for the company to provide workers with subsidised ration packs. There is an opportunity for the community to collaborate with the company, for instance, community members can be trained as caterers. This also presents a job creation opportunity as the community could serve areas outside the forest villages.

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#### 5.3.1.2 Wages

The majority of participants who went to sleep hungry in the last 12 months had a monthly household income of between R 1000 and R3 000. Clarke (2013c) is of the view that this amount is insufficient to provide in the monthly dieticinal needs of a family of four. Here the author referes to food items that constitute a balanced diet. An increase in the salary of forest workers is recommended. This increase should be in line with CPI[46] and should constitute a decent living wage. It is recommended that this wage increase should be set by forestry industry specialists, the Department of Labour, forestry companies, employees and their respective worker representatives.

#### 5.3.1.3 Physical well-being of forest workers

As indicated, forestry operations put considerable physical strain on the human body (James, 2006). The funding of more frequent visits by healthcare professionals or

[45] Southern Cape Land Committee is an NGO that addresses social issues like land reform, poverty and food sovereignty
[46] Consumer Price Index

the investment in a health clinic would benefit forestry villages. Other infrastructural developments like a local shop are also recommended. (Landell-Mills & Porras, 2002). The establishment of a community clinic would allow forest workers to go for more regular health check-ups, whilst the shop could supply community members with fresh fruit and vegetables along with other household amenities. Enterprise development had been minimal in forestry villages (Schackleton & Willis, 2000 *in* Ojwang, 2000). People from the community along with forest workers could be trained as health care professionals and entrepreneurs. Social responsibility also encompasses a company's engagement in national priorities at a community level (Mersham, 1993). As health is a national concern, partnerships could be formed with Government, NGO's and civil society.

The abuse of alcohol and drugs ("*dagga")* had become the norm in these forest villages. This is in line with what Burnhams, et al. (2012) found in their study on substance abuse in the Western Cape. They also found that social services are often the start-off point for treatment seekers. Many people cannot afford the relatively high rates of inpatient- or other substance abuse programmes. Thus the low threshold interventions that social workers provide are crucial to people from poor rural communities (Burnhams, et al., 2012). As counselling and referring people in terms of substance abuse is a crucial mitigation mechanism, a fulltime social worker could be employed to serve the forest villages along with neighbouring farms. Providing sports facilities could also contribute to stress release as substance abuse is linked to boredom and to stress.

**Infrastructure development**

### 5.3.2 Housing maintenance

The company is in a better position to attend to overall housing maintenance in forest villages as the State lacks capacity and resources (Clarke, 2013a). I attended two meetings during my research period where the topic was housing. What was apparent from the meetings is that there are too many bureaucracies involved around home ownership and maintenance in forest villages. These legal and

administrative legislations that deal with the holding and regulation of property would need to be amended. At present NGO's like Surplus People Project (SPP) are doing good work in establishing the property rights of rural dwellers and they should be supported by relevant stakeholders (Cousins, et al., 2005). SPP have established the Forestry Community Forum. The Forum consists of representatives from forestry villages in the Western – and Southern Cape. It is worth noting that some forestry villages had been transferred to Cape Nature and these villages also have a representative at the Forum. The Forum's objectives include the economic prosperity, home ownership and land reform for forest communities.

In Jonkersberg, where DAFF is responsible for service delivery and the maintenance of houses, people could be trained by the company to form part of a housing maintenance project. This project would include the eradication of the current bucket system and the installation of toilets within the house. As timber is the core business of the company, the company could look at restoring the wooden- and brick houses that have been neglected over the years.

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At Swanebergpark the company could link with the Municipality to rebuild the community hall along with the sport facilities. It is important that any community improvements fit in with the Integrated Development Plan (IDP) of the Municipality. Most of the infrastructural development projects in forest villages seem to lack funds. Even in situations where a forest village could be transferred to the Municipality, the Municipality would insist that the necessary upgrades be in place prior to the transfer to avoid having to spend money out of their Municipal budget. The budget for the upgrades should be included in the IDP for Swanebergpark so that they do not come as a surprise when requested by the workers or the Company. Again, locals could be trained to assist in the rebuilding of the facilities.

**Electricity provision**

As people complained about irregular electricity bills in Phillipsville, it is recommended that Eskom install prepaid electricity meters in the houses.

Furthermore the vendor, from whom the community could purchase electricity coupons, should be situated in the forest village.

**Education**

Currently the company has a bursary scheme. It is recommended that this bursary scheme should be expanded in order to accommodate students who wish to study in other fields besides forestry. As the lease of both these research plantations comes to an end in 2020, the current youth will not have the opportunity to be employed in the forestry sector like the generations before them. Hence they along with current forest workers should receive career guidance (Grosskopf, 1932). It was also found that some forest workers cannot read and write. This problem could be addressed through ABET[47] classes.

**Arts and culture**

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There exists a unique culture in these forest villages. In Jonkersberg plantation the youth have been educated in terms of their San heritage. They were exposed to the language, dance and overall culture of their ancestors. It is possible to preserve this ancestral knowledge through plays and other creative initiatives. The youth can be educated in theatre, song and dance and this could also serve as an employment opportunity. A few workers in the same village are self-taught artists. They practise both arts and crafts and could share their skills with other youth. This would mean providing the necessary tools to practice the trade and also transport and markets for the products.

[47] Adult Basic Education Training

## 5.4 Conclusion

My thesis has shown that the commercial forestry industry in South Africa has grown to be a world leader from its humble beginnings in the 19th century. Its success can be attributed to its ability to adapt the changing business environment as new needs arise. The privatisation of commercial plantations has brought with it new challenges and has not yet been able to address the problems of poor working conditions, the lack of decent worker accommodation and relatively low worker remuneration manifesting. My research has also shown that South African legislation, international certification, industry charters and voluntary CSR measures are all measures that have been been put in place to contribute to the overall well-being of forestry workers.

However, these policies have proved difficult to implement and the plight of the workers in the forestry industry is a concern. The vulnerability of the research forestry communities is aggravated through a lack of home ownership and a lack of skills that would provide opportunities for them to be employed in other industries.

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The research has also shown that CSR projects implemented through the company are having little effect in terms of skills development that might prepare forest workers and community members for the possible impacts of the Exit Strategy. However, we believe that there are opportunities to develop an integrated CSR program that has positive spinoffs for both the current workers and the community at large. We have also argued that the Exit Strategy becomes critical at this stage because a carefully thought through Exit Strategy will avoid unnecessary disruption to the community through loss of employment and the negative spinoffs that would come with this.

During my studies at the University I was taught that *"forestry is not about trees, but about people".* We have made a case in this thesis that there are opportunities for the forestry industry to 'put people back into forestry' and to create a win-win situation where the well-being of workers goes hand in hand with the well-being of the company.

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**Appendix 1: Research questionnaire that was distributed to forest workers**

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# HOUSEHOLD QUESTIONNAIRE

# TITLE: CORPORATE SOCIAL RESPONSIBILITY IN THE SOUTH AFRICAN FORESTRY INDUSTRY: A SOUTHERN CAPE PERSPECTIVE



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## A. DEMOGRAPHICS

*INTERVIEWER READ OUT: We would like to start by asking you questions about your household.*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **A.1.1** | **Gender** | ***Circle response*** | 1 male<br>2 female | **A.1.2** | **Age in years** | ***Enter actual age in years only at next birthday*** | |
| **A.2** | **What is your relationship to the household head?** | ***Circle response*** | 1 head 2 spouse 3 child 4 other family 5 lodger | | | | |
| **A.3** | **What is your marital status?** | ***Circle response*** | 1 single<br>2 married<br>3 in partnership<br>4 divorced/separated<br>5 widow/er | | | | |
| **A.4** | **What is the highest educational qualification attained by you?** | ***Circle response*** | 1 none<br>2 some primary<br>3 complete primary<br>4 some secondary<br>5 complete secondary<br>6 certificate no matric<br>7 certificate & matric<br>8 diploma no matric<br>9 diploma & matric<br>10 undergrad degree<br>11 post grad degree | | | | |
| **A.5** | **Do you have any serious health problem or disability** | ***Circle response*** | 1 physical<br>2 mental<br>3 none | | | | |
| **A.5.1** | **How does this disability or health problem effect your daily activities?** | ***Circle response*** | 1 limits work<br>2 cannot work<br>3 have to stay in house<br>x other , please specify | | | | |
| **A.6** | **What do you do for a living?**<br>***Circle response*** | | 1. Formal sector employed (paid) part-time – forestry<br>1.1 Formal sector employed (paid) full-time – forestry<br>2. Other (specify) | | | | |
| **A.7** | **If you <u>did not work</u> in the last month, what did you <u>mainly</u> do to get any money?** | ***Circle response*** | 1 Got money from family or friend<br>2 Made things to sell<br>3 Looked after children or relatives for pay or food<br>4 Begged for food or money<br>5 Sold some crops<br>6 Other (specify) | | | | |

| **How many members in the household are: .....?** | | ***Interviewer to read out options and enter the correct response for each*** | |
|---|---|---|---|
| **A.8.1** | **Aged 5 years and younger** | Please enter raw numbers ⇨ | |
| **A.8.2** | **Aged over 5 years up to 15 years** | | |
| **A.8.3** | **Aged over 15 years up to 20 years** | | |
| **A.8.4** | **Aged over 20 years up to 35 years** | | |
| **A.8.5** | **Aged over 35 years up to 60 years** | | |
| **A.8.6** | **Aged over 60 years** | | |
| **A.8.7** | **Attending Primary school** | | |
| **A.8.8** | **Attending Secondary school** | | |
| **A.8.9** | **Attending vocational or academic college** | | |
| **A.8.10** | **Physically disabled** | | |
| **A.8.11** | **Mentally disabled** | | |

| **How many members in the household are:** | ***Interviewer to read out options and enter the correct response for each*** | | | | | |
|---|---|---|---|---|---|---|
| | **Full-time** | | **Part-time** | | **Ocassional** | |
| **Working in agriculture** | **A.9.1** | | **A.9.7** | | **A.9.13** | |
| **Working on plantations** | **A.9.2** | | **A.9.8** | | **A.9.14** | |

## B. UTILITIES

| | | | | |
|---|---|---|---|---|
| **B.1** | **Do you have piped water?** | | 1. Yes 2. No | |
| **B.2** | **What type of toilet facility is available for this household?** | ***Circle response or elaborate*** | 1 Flush toilet with onsite disposal (septic tank / soak- away)<br>2 Flush toilet with onsite disposal<br>3 Chemical toilet<br>4 Pit latrine with ventilation pipe (VIP)<br>5 Pit latrine without ventilation pipe<br>6 Bucket toilet / bush | |

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| | | | | |
|---|---|---|---|---|
| **B.2.1** | **Are you satisfied with the current sanitation system?** | ***Circle response or elaborate*** | 1.Yes 2. No<br>Comment: | |
| **B.3** | **Does this household have electricity even if currently disconnected?** | | ***Please circle correct response*** | |
| | 01 Yes – Currently connecetd | 02 Yes – Currently disconnected | 03 No | |
| **B.3.1** | **Are you satisfied with the current electricity provision?** | ***Circle response or elaborate*** | 1.Yes 2.No<br>Comment: | |
| **B.4** | **Does this household have landline telephone in the dwelling?** | | ***Please circle correct response*** | |
| | 01 Yes – Currently in working condition | 02 Yes – Currently not in working condition | 03 No | |
| **B.5** | **Does this household have a mobile telephone in the dwelling?** | | ***Please circle correct response*** | |
| | 01 Yes – Currently in working condition | 02 Yes – Currently not in working condition | 03 No | |

| **C. FOOD SECURITY** | | | | | |
|---|---|---|---|---|---|
| **C.1** | **Does your household have a plot of land where you grow food?** | ***Circle response*** | 1 Yes<br>2 No | | ***If yes⇨Q.D.1.2***<br>***If no⇨Q.D.1.1*** |
| **C.1.1** | **If no, why not?** | ***Circle response or elaborate*** | 1 other people occupying the land<br>2 have no access to planting materials<br>3 because of sickness<br>4 do noit want to grow food<br>5 other specify | | ***⇨Q.D.2*** |
| **C.1.2** | **Are you able to access this land to plant and harvest it?** | ***Circle response*** | 1 Yes<br>2 No | | |
| **C.2** | **Does your household have any Livestock?** | ***Circle response*** | 1 Yes<br>2 No | | ***If yes⇨Q.D 3***<br>***If no⇨Q.D.2.1*** |
| **C.2.1** | **If you have none, why not?** | ***Circle response or give other reason*** | 1 other people occupying the land<br>2 because of sickness<br>X other specify | | ***⇨ Q.D.4*** |
| **C.3** | **In the past 12 months, how often did any <u>adult</u> in this household go to bed hungry because there was not enough food?** | | ***Circle response*** | 1 always<br>2 sometimes<br>3 rarely<br>4 never | |
| **C.4** | **In the past 12 months, how often did any <u>child</u> in this household go to bed hungry because there was not enough food?** | | ***Circle response*** | 1 always<br>2 sometimes<br>3 rarely<br>4 never | |
| **C.5** | **How many meals a day do you usually eat?** | | ***Enter raw number*** | | |
| **C5.1** | **What does your meals consist of and at what time do you have it?** | | | | |
| **Breakfast** | | | ***Time*** | | |
| **Lunch** | | | ***Time*** | | |
| **Teatime** | | | ***Time*** | | |
| **Supper** | | | ***Time*** | | |

## D. INCOME

| | | | | | |
|---|---|---|---|---|---|
| D.1 | Did anyone in this household receive income <u>from employment or self employment</u> last month? | | | *Circle response* | 1 Yes<br>2 No |
| D.2 | How much is your average monthly household income? | *Please enter amount* | Rands: | | |
| | | | 0-500 | 6001-7000 | |
| | | | 501-1000 | 7001-8000 | |
| | | | 1001-2000 | 8001-9000 | |
| | | | 2001-3000 | 9001-10000 | |
| | | | 3001-4000 | >10000 | |
| | | | 4001-5000 | | |
| | | | 5001-6000 | | |
| D.4 | Did anyone in this household receive income from <u>Government grants</u> last month? | *Please note that this includes the old age pension, the child support the disability grant, the care dependency grant or any other kind of grant.* | | *Circle response* | 1 Yes<br>2 No |

| | | | |
|---|---|---|---|
| Is the income that you receive and this household receives more than sufficient, about adequate or insufficient for……..? | | | *Interviewer to read out options and enter the correct response for each* |
| D.5.1 | Food | | 1 More than sufficient<br>2 Adequate<br>3 Insufficient |
| D.5.2 | Clothing | | |
| D.5.3 | Healthcare | | |
| D.5.4 | Housing | | |
| D.5.5 | Education | | |
| D.5.6 | Transport | | |
| D.5.7 | Leisure, entertainment | | |
| D.5.8 | Funeral plans/stokvel | | |
| D.5.9 | Savings (Bank or otherwise) | | |
| D.5.10 | Farming/planting/cultivating | | |
| IN THE PAST 12 months did you have to do any of the following:.....? | | | *Interviewer to read out options and enter the correct response for each* |
| D.6.1 | Borrow money | | yes<br>no |
| D.6.2 | Take children out of school | | |
| D.6.3 | Sell land | | |
| D.6.4 | Sell assets including livestock | | |
| D.6.5 | Stop growing crops | | |
| D.6.6 | Stop looking for work | | |
| D.6.7 | Not being able to participate in stokvel or other savings | | |
| D.6.8 | Withdraw from community life/committees | | |

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## E: SOCIAL CAPITAL AND EMPOWERMENT

### Networks

| | | | |
|---|---|---|---|
| Which of the following, if any, do <u>you</u> belong to? | | | *Interviewer to read out options and enter the correct response for each* |
| E.1.1 | Church or religious organization | | 1 No<br>2 Yes |
| E.1.2 | Community association | | |
| E.1.3 | Health – or disability – related organization | | |
| E.1.4 | Choirs | | |
| E.1.5 | Tribal group | | |
| E.1.6 | Sport association | | |
| E.1.7 | Stokvel | | |
| E.1.8 | Burial society | | |
| E.1.9 | Political association | | |
| E.1.10 | Trade union | | |
| E.1.11 | Other, please specify | | |

| | | | | | |
|---|---|---|---|---|---|
| **E.2** | **Would you say that , in terms of friends, you have …** | | ***Circle response*** | 1 lots of friends<br>2 a few, but good friends<br>3 not many friends | |
| **Trust and Solidarity** | | | | | |
| **E.3** | **On the whole would you say:** | | ***Circle response*** | 1 many of the people in your community can be trusted;<br>2 some can be trusted;<br>3 a few can be trusted;<br>4 nobody can be trusted;<br>5 don't know. | |
| **E.4** | **If there is one category of person who cannot be trusted, who would they be?** | | ***Circle response*** | 1 Government officials<br>2 community leaders<br>3 outsiders – people in areas different to mine<br>4 neighbours<br>5 business people<br>6 others (specify) | |

| | | | | | |
|---|---|---|---|---|---|
| **E.5** | **If you disagree with what everyone else agreed on, would you feel free to speak out?** | | ***Circle response*** | 1 No, not at all<br>2 Yes, definitely<br>3 Yes, but only on certain matters | |
| **Collective Action and Co-operaton** | | | | | |
| ***Interviewer Read Out: Next, we want to ask you some questions about your relationship with your neighbours and the social interactions that you have with those around you.*** | | | | | |
| | **E.6** | **In the past 12 months, have you worked with others in your neighbourhood or village to do something for the benefit of the community?** | ***Circle response*** | 1 No<br>2 Yes | |
| | **E.6.1** | **How common is that neighbours help each other out?** | | 1 Never happens<br>2 Very rare<br>3 Not common<br>4 Fairly common<br>5 Very common | |
| | **E.6.2** | **How common is that neighbours do things together?** | | | |
| | **E.6.3** | **How common is it that people in your neighborhood are aggressive?** | | | |
| | **E.6.4** | **How common is burglary and theft in your neighborhood?** | | | |
| | **E.6.5** | **How common is it that people discuss social issues in your neighbourhood?** | | | |
| | **E.6.6** | **How common is alcohol abuse in your community?** | | | |
| | **E.6.7** | **How common is drug abuse in your community?** | | | |
| | **E.6.8** | **To your knowledge what drug/s do drug users prefer in your community?** | | | |
| **Social Cohesion and Inclusion** | | | | | |
| **E.7** | **How strong a feeling of togetherness or closeness do you get with others in your neighbourhood?** | | ***Circle response*** | 1 very close<br>2 somewhat close<br>3 neither distant nor close<br>4 somewhat distant<br>5 very distant | |
| **Sociability** | | | | | |
| **E.8** | **Do you know of any development projects that have come to this area?** | | ***Circle response*** | 1 yes<br>2 no | |
| **E.9** | **If a community development project would be started in this community, would you participate?** | | ***Circle response*** | 1. Definitely<br>2. Maybe<br>3. Definitely not | |
| **E.10** | **Would you care to share your reason/s for this?** | | | | |

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| | | | | |
|---|---|---|---|---|
| **E.11** | **Is there any specific issue that you would like to discuss?** | | | |
| **Self Esteem** | | | | |
| **E.12** | **Taking all things together, how satisfied are you with your life as a whole these days? generally speaking would you say you are very satisfied, Neither satisfied nor dissatisfied, not very satisfied or not satisfied at all?** | ***Read out categories*** | 1 very satisfied<br>2 satisfied<br>3 dissatisfied<br>4 very dissatisfied<br>5 Neither satisfied nor dissatisfied<br>(Do not read out last option) | |
| **E.13** | **How much control do you feel you have in making decisions that affect your everyday activities?** | ***Circle response*** | 1 control over all decisions<br>2 control over most decisions<br>3 control over some decisions<br>4 control over very few decisions<br>5 no control | |
| **E.14** | **Overall, how much impact do you think you have at this current time in making your neighbourhood a better place to live?** | ***Circle response*** | 1 a big impact<br>2 a small impact<br>3 no impact | |
| **E.15** | **Do you feel you are valued by your family and friends?** | ***Circle response*** | 1 Yes, very much<br>2 No, not much | |

| | | | | |
|---|---|---|---|---|
| **E.16** | **Do you feel you are valued by your community?** | | yes very much<br>No, not much | |
| **E.17** | **Do you feel you are valuable to your company?** | ***Circle response*** | a lot<br>a little<br>not at all | |
| **Meaning** | | | | |
| **E.18** | **Which things do you feel gives your life significance or meaning?**<br>***Please describe:*** | | | |

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| | | | | |
|---|---|---|---|---|
| **F: SKILLS TRAINING** | | | | |
| **F.1** | **Since leaving school or reaching adulthood have you gained any useful skills or experience.** | ***Circle response*** | 1 Yes<br>2 No | ***YES⇨ .F.1.1***<br>***NO⇨ F.3*** |
| **F.1.1** | **If Yes - specify** | | | |
| **F.2** | **Which of your qualifications or skills is most useful in everyday life?** | ***(Main reason Only) PLEASE DESCRIBE*** | | |
| **F.2.1** | **Why do you say this?** | | | |
| **F.3** | **Which qualifications or skills would be most helpful to gain in the foreseeable future?** | ***(Main reason Only) PLEASE DESCRIBE*** | …… | |
| **F.3.1** | **Why do you say this?** | | | |
| **F.4** | What type of equipment do you use? | *Circle all options that apply.* | | |
| **F.4.1** | How safe do you feel using it? | **1-VERY SAFE 2-A BIT SAFE 3- NOT SAFE AT ALL** | | |

| | | |
|---|---|---|
| **AXE** | **1.** | |
| **MASSAUTE** | **2.** | |

| | | |
|---|---|---|
| **PESTICIDE EQUIPMENT** | **3.** | |
| **CHAINSAW** | **4.** | |
| **TRUCK** | **5.** | |
| **OTHER** | **6.** | |

| **F.4.2** | How often is following equipment maintained | **1-Daily 2-Weekly 3-Monthly 4-Yearly 5 When it breaks 6-Never** |
|---|---|---|

| | | |
|---|---|---|
| **AXE** | **1.** | |
| **MASSAUTE** | **2.** | |
| **PESTICIDE EQUIPMENT** | **3.** | |
| **CHAINSAW** | **4.** | |
| **TRUCK** | **5.** | |
| **OTHER** | **6.** | |

| **F.4.3** | As we speak in what condition is the equipment? | **1-Very bad 2-Bad 3-Average 4-Good 5 Well-maintained** |
|---|---|---|

| | | |
|---|---|---|
| **AXE** | **1.** | |
| **MASSAUTE** | **2.** | |
| **PESTICIDE EQUIPMENT** | **3.** | |
| **CHAINSAW** | **4.** | |
| **TRUCK** | **5.** | |
| **OTHER** | **6.** | |

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| **F.4.4** | Does any of the above mentioned equipment affect your health in any of the following ways? |
|---|---|
| **1 Very much 2 – Sometime 3 - Never** | |

| **EQUIPMENT/MACHINERY** | **IMPACT** | **AFFECTED** |
|---|---|---|
| | **Smoke inhalation** | |
| | **Vibration** | |
| | **Back injuries** | |
| | **Muscle pain** | |
| | **Mental health** | |
| | **Other (please specify)** | |

| **G. SOCIAL CHANGE** | | | | |
|---|---|---|---|---|
| **G.1** | **Consider a 9-step ladder where on the bottom, the first step, stand the poorest people, and on the ninth step, stand the richest. On which step are you today?** | PROMPT CARD Circle response | Step no:…….. | |
| **G.2** | **Do you think this situation will improve in the future?** | Circle response | 1 Yes<br>2 No | |
| **G.3** | **Why do you say this?** | | | |

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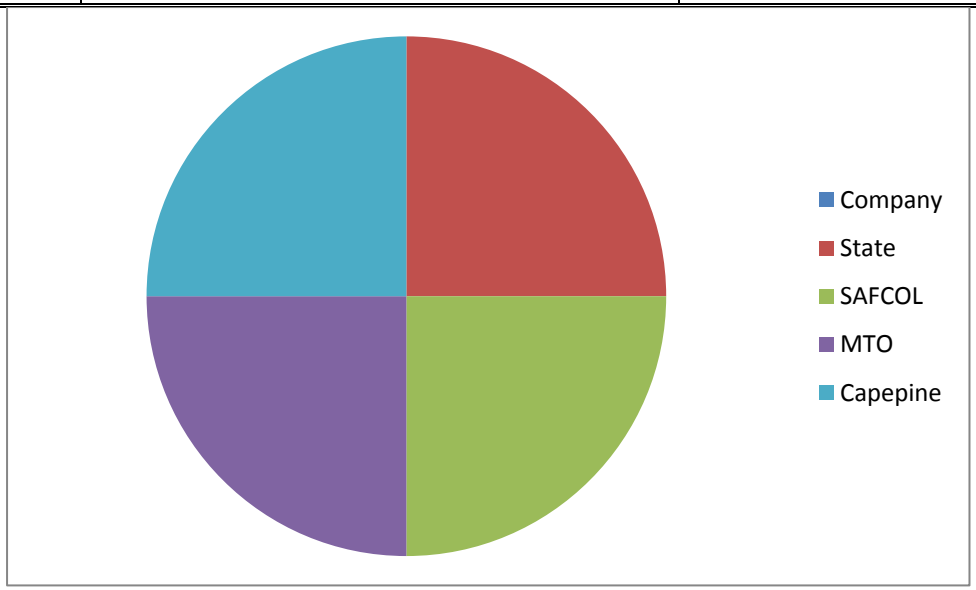
| | | | | |
|---|---|---|---|---|
| G.4 | I would like to ask you some questions on the company | | | |
| G.4.1 | To which of these institutions do/did you feel the most loyal to? | Point out | | |
| G.4.2 | What would be your reason for this? | | | |
| G.4.3 | Where do you see yourself in 5 years time in terms of your career? | | | |



| H.1 QUESTIONNAIRE & RESPONDENT DETAILS | | | | | |
|---|---|---|---|---|---|
| H.1 | Questionnaire No | Letter code: | Number: | | |
| H.2 | Village | *Circle response* | 1 Phillipsville 2 Kluithjieskraal | | |
| H.3 | Name | | H.4 | Surname | |
| H.5 | Street Address | | H.6 | Postal Code | |
| H.7.1 | Phone Number (home) | | H.7.2 | Phone Number (Work) | |
| H.7.3 | Phone Number (Mobile) | | H.8 | Email Address | |
| H.9.1 | First Language | | H.9.2 | Second Language | |
| H.9.3 | Third Language | | H.9.4 | Fourth Language | |

| I. RESPONDENT SELECTION ROSTER | | | |
|---|---|---|---|
| *INTERVIEWER READ OUT: We would like to start by asking you questions about the people who are part of your household.* | | | |
| ***Interviewer: Read out the membership criteria before proceeding.*** | | | |
| I1 | H2 LIST ALL THE PEOPLE WHO LIVE IN THIS HOUSEHOLD – that live under the same roof, share food together and contribitue to a common resource pool | H3 Gender 1 = Male 2 = Female | H4 Birthday (day, month and year) |
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |

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| J. INTERVIEWER DETAILS | | | | |
|---|---|---|---|---|
| To be completed by interviewer only | | | | |
| J.1 | Interviewer name | *Please write in name* | | |
| J.2 | Date of interviewer (dd/mm/yyyy) | *Please write in date* | | |
| J.3 | Interview start time | *Please write in time* | | |
| J.4 | In general how did the respondent act towards you during the interview? | 1 Hostile<br>2 Neither hostile nor friendly<br>3 Friendly | | |

| | | | | |
|---|---|---|---|---|
| **J.5** | **How attentive was the respondent to the questions during the interview?** | | 1 Not at all attentive<br>2 Somewhat attentive<br>3 Very attentive | |
| **J.6** | **Were other persons within hearing range at any time during the interview?** | | 1 No other person within hearing range at any time<br>2 1 + people within hearing range for part of the interview<br>3 1 + people within hearing range for all of the interview | |
| **J.7** | **Did more than one person help to complete this questionnaire?** | | 1 Yes<br>2 No | |
| **J.8** | **If so, which household members helped to complete the questionnaire?**<br>**Fill in the Pcodes of those who assisted** | | 1 Pcode<br>2 Pcode<br>3 Pcode | |
| **J.9** | **End time of interview** | Please write in time | | |

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## Appendix 2: University of the Western Cape Information Sheet

UNIVERSITY *of the* WESTERN CAPE

Biodiversity and Conservation Biology
New life Sciences building
Core 2, level 4

Tel: (021) 959 2301
Fax: (021) 959 2312

Website: www.uwc.ac.za

# Information Sheet

### Title: Corporate social responsibility in the South African forestry industry: A Southern Cape perspective

This is a case study of corporate social responsibility in the South African forestry industry with a focus on forest villages in the Southern Cape plantations.

**Purpose:** The primary aim of this study is to investigate the over-all well-being of forestry workers in the Southern Cape plantations. The study considers how corporate social responsibility initiatives can positively contribute to the over-all well-being of forestry workers. The study area will include three forest villages that are located in Kruisfontein-, Buffelsnek- and Bergplaas plantations respectively.

You are being invited to participate in the research study because of your expertise and/or personal experience in your community and working environment in the commercial plantations. The research is conducted as part of a Magister Scientiae degree and collected data will be part of a thesis. The thesis will be submitted in partial fulfilment of the requirements for the degree of Magister Scientiae, in the Department of Biodiversity and Conservation Biology, University of the Western Cape.

**Study Procedures:**

You will be participating in this research by completing a structured questionnaire. The questionnaire is divided into sections that would give insight to respondents' demographics, home utilities, food security, income, social capital and empowerment, skills training and personal details. It should take about sixty minutes to complete the questionnaire. The interview will be audio recorded and a few photos will be taken of your immediate living conditions. This is being done to capture all data and to give the supervisor/co-supervisor insight into your community. You reserve the right to skip some questions on the questionnaire. You may change information on the questionnaire at any time and you have the right to withdraw from the interview at any given time. You have the right to refuse being audio recorded or of photos being taken of your immediate living environment.

Biodiversity and Conservation Biology
New life Sciences building
Core 2, level 4

Tel: (021) 959 2301
Fax: (021) 959 2312

Website: www.uwc.ac.za

**Potential Risks:**

No potential risks are expected. Confidentiality will nonetheless be assured at all stages of the research process. Unless you indicate otherwise, your name will not be used in any publications resulting from the research. Instead, a pseudonym will be used.

**Potential Benefits:**

Respondents may not benefit directly from participation in the study, but may appreciate being able to share their personal experiences and that it can lead to positive changes in social issues in forest villages.

**Confidentiality:**

Efforts to ensure confidentiality at all times will be taken if you so require. If you choose not to disclose your identity in the results of the study, your identity will be kept strictly confidential. Generic names and code numbers will be used to identify respondents on all official documents, reports of the completed study and to all external parties.

Audio recording will be uploaded to a portable laptop and will be password-protected. Original records will be destroyed following the upload. The same procedure will count for photos taken of your immediate living conditions.

Paper documents will be protected. All computerized files will be password-protected and encrypted.

**Contact for concerns about the rights of research subjects:**

If you have any concerns about your treatment or rights as a research respondent, you may contact the Research Office at 021 959 2948 or via mail:

Ms. H. Williams
Research Office
Modderdam Road
Private Bag X17
Bellville
7535

**Contact for information about the study:**

If you have any questions or desire further information with respect to this study, you may contact:

**Principal Investigator:** Professor Jacqueline Goldin, Environmental and Water Science, University of the Western Cape, 021 959 3931. E-mail: jgoldin@uwc.ac.za

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Website: www.uwc.ac.za

**Co-Investigator:** Doctor Richard Knight, Biodiversity and Conservation Biology, University of the Western Cape, 021 959 2301. E-mail: knight.rich@gmail.com

**Student Investigator:** Mr. Theodore Sass, Biodiversity and Conservation Biology, University of the Western Cape, 021 959 3369. E-mail: 3278740@uwc.ac.za

All investigators can be reached in writing at:

Biodiversity and Conservation Biology
New Life Science Building
Core 2, Level 4
Modderdam Road
Private Bag X17
Bellville
7535

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**Appendix 3: Consent Form: Research Participation**

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# CONSENT FORM: HOUSEHOLD QUESTIONNAIRE

## TITLE: CORPORATE SOCIAL RESPONSIBILITY IN THE SOUTH AFRICAN FORESTRY INDUSTRY: A SOUTHERN CAPE PERSPECTIVE

I hereby acknowledge that I have been advised about the risks and benefits of participating in this project. This has been done in a language that I understand and I agree to participate.

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| | | |
|---|---|---|
| ---------- | ---------- | ---------- |
| SIGNATURE: RESPONDENT | NAME OF RESPONDENT | DATE |
| ---------- | ---------- | ---------- |
| SIGNATURE: FIELDWORKER | NAME OF FIELDWORKER | DATE |

**Appendix 4: Consent Form: Multimedia**

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# CONSENT FORM: MULTIMEDIA

## TITLE: CORPORATE SOCIAL RESPONSIBILITY IN THE SOUTH AFRICAN FORESTRY INDUSTRY: A SOUTHERN CAPE PERSPECTIVE

I hereby acknowledge that I have been advised about the risks and benefits of participating in this project. This has been done in a language that I understand and I agree that photos and voice recordings of me in my immediate environment may be used as part of this project.

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WESTERN CAPE

| | | |
|---|---|---|
| SIGNATURE: RESPONDENT | NAME OF RESPONDENT | DATE |
| SIGNATURE: FIELDWORKER | NAME OF FIELDWORKER | DATE |