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Addendum

Discussion paper contributed by the forest workers and trade unions major group**

Summary

The social and cultural aspects of forests' contribution to society tend not to receive the priority afforded economic and environmental concerns. One outcome of this is that forests' contribution to poverty reduction is not well documented. As a result, many poverty reduction strategy papers recommend policies that are harmful to sustainable forest management, not supportive of the transfer of socially desirable and environmentally sound technologies, hostile to traditional forest-related knowledge and not based on the critical social and cultural contributions of forests for forest-dependent peoples.

Forests' contribution to poverty reduction must be identified in order for needed official development assistance to be made available to fund the Intergovernmental Panel on Forests/Intergovernmental Forum on Forests proposals for action. Likewise, the forest products industry must do more to ensure stable employment. There is a clear role for government in enforcing the International Labour Organization standards for decent work in order to promote employment that enables forest-dependent people to escape poverty and to engage in sustainable forest management.

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** Prepared by the International Federation of Building and Wood Workers.

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I. Introduction

1. Global trade union federations and their affiliates routinely serve as advocates for decent work, sustainable social and economic development, the rights of indigenous peoples and the validity of their traditional forest-related knowledge. The International Federation of Building and Wood Workers (IFBWW), a global union federation that represents workers in the forest, wood and construction industries, with 10 million members in 127 countries, has been promoting sustainable forest management through:

- (a) The promotion of traditional forest-related knowledge in various international and national sustainable forest management forums;
- (b) Capacity-development programmes for union affiliates on sustainable forestry management, forest certification and poverty reduction strategy papers;
- (c) The promotion of International Labour Organization (ILO) core labour standards in forest certification schemes;
- (d) Advocacy of social and cultural standards in criteria and indicators for sustainable forest management;
- (e) Developing-country technology transfer in West and East Africa;
- (f) Poverty reduction activities, such as efforts to formalize work through the re-establishment of the employment relationship and community forest projects.

II. Background

2. The experience of IFBWW is that ignoring social and cultural components of sustainable forest management creates one-dimensional approaches to multidimensional problems. Sustainable development (or, for that matter, sustainable forestry) is not a balancing act between the three areas of economic, environmental and social considerations; rather, it is a comprehensive, complex interaction of these three areas that must be addressed simultaneously. The goal is not to place three separate pillars alongside each other, but to generate a three-dimensional perspective, the goal of which must be to enable all members of society to enjoy the rights set forth in the Universal Declaration of Human Rights and reaffirmed at the United Nations Conference on Environment and Development, held in Rio de Janeiro in 1992.

3. To decrease deforestation, sustainable forest management must make social and cultural aspects of forests, along with traditional forest-related knowledge, an integral part of the management process at every level. In too many countries the guiding assumption seems to be that if only the environmental and economic problems could be solved then the social and cultural problems would disappear. For example, a number of countries have instituted nationwide harvesting bans, usually at the insistence (either directly or indirectly) of the Bretton Woods institutions, yet have not deterred deforestation as a result. This is evidence that even some of the most powerful financial institutions in the world cannot protect forests by relying on only environmental or even environmental and economic solutions.

4. Social and cultural issues must also be addressed in the debate on the transfer of environmentally sound technologies. This debate usually focuses exclusively on

how to finance the transfer of such technologies or whether or not a particular technology is actually environmentally sound. Rarely do the outcomes of such discussions integrate aspects of social or cultural acceptability into environmentally preferred technology transfer. One reason this tends not to occur is the assumption that if the technology has an economic benefit for some group it will have a benefit for all groups in society. This is a flawed assumption, since a given technology could generate costs for many groups and benefits for only a few, or economic benefits for a few and cultural and social costs for many. Such a distribution of benefits is not rare in forestry. Numerous situations in which forests have been privatized prior to the establishment of solid governance systems and clear property rights are examples of the benefits accruing to small groups to the detriment of a society in general.

5. In general, solutions that seek either environmental or economic “quick fixes” fail to protect forests, promote economic development or encourage sustainable development. Programmes that promote only the protection of species or increases in gross national product without also simultaneously increasing daily caloric intake, the distribution of wealth and income and the availability of decent work have not and cannot achieve either sustainable development or sustainably managed forests.¹ Meeting the requirements for integrated forest management may be the best way to achieve desirable outcomes for all stakeholders.

6. One frequent response to the call for integrated forest management that includes social and cultural concerns is to claim that such concerns are outside of forestry, as if forestry and forests were somehow isolated from the social consequences and relationships that surround them. This is no more accurate for social and cultural concerns than it is for environmental or economic concerns. By addressing the social and cultural aspects of forests and traditional forest-related knowledge, the fourth session of the United Nations Forum on Forests is playing an important and constructive role.

7. On a global scale, wood is still used primarily for non-commercial activities. Market-based strategies and ideologies are irrelevant for activities in which the entire transaction from harvest to final use never involves a monetary exchange. Yet it is precisely this type of activity where traditional forest-related knowledge is most used, and also where women play a major role.

8. It is still a rare national forest programme that devotes a considerable portion of its resources to issues such as poverty, decent work and the role of women, youth and indigenous peoples, although these issues have recently been receiving more attention. As a result, forests’ contribution to the well-being of the poor, the forest workforce, women, youth and indigenous peoples are not well-defined or documented. The failure to engage these issues as completely as required has detrimental consequences.

9. Since forests’ contribution to poverty reduction is not well-defined within forestry, it is difficult for it to be referred to or understood by those outside of forestry. Therefore, forests and the forest industry are not receiving the financial support, such as official development assistance, offered to other sectors where the role of poverty reduction and other social considerations are better documented. This was identified as a particular problem by the ad hoc meeting of experts on the financing and transfer of environmentally sound technology. The experts concurred that the failure to document forests’ role in poverty reduction meant that needed

official development assistance was not available to support forests during the critical transition from non-sustainable to sustainable uses. Without such assistance the transition is prolonged and the dislocation suffered by various social groups intensified. Prolonging the transition to sustainably managed forests means that political stability is endangered, environmental destruction prolonged and cultures damaged.

10. The experts singled out poverty reduction strategy papers as an important entry point for those seeking to have forests' contribution to poverty reduction recognized. Given that official development assistance is increasingly tied to poverty reduction strategy papers this observation is important. Not only must forests' contribution to poverty reduction be documented, it must also be integrated into poverty reduction strategy papers. As usual, it is easier to identify the problem than it is to solve it. In this case there are a number of barriers that must be addressed in order to gain greater access to official development assistance for sustainable forestry.

11. The barriers are:

(a) *Lack of knowledge.* Those within forestry do not know the extent to which forests contribute to either poverty reduction or basic survival. The anecdotal evidence is that the contribution is substantial. According to the Food and Agriculture Organization of the United Nations, forests are a critical asset for the poor, perhaps the asset of last resort.² More specific documentation is required;

(b) *Lack of integration and coordination of official development assistance and of poverty reduction strategy papers.* While poverty reduction strategy papers strive to be documents that promote integrated and coordinated planning, few achieve this goal. This tends to result in labour ministries still being responsible only for enforcement of labour laws, environmental ministries being in charge only of environmental protection, rural development departments having the final word on rural development, and so on. Forests frequently get lost in this process. The absence of an international convention on forests makes focusing and integrating resources for forests even more difficult;

(c) *Conditionalities and ideologically-based policies embedded in poverty reduction strategy papers tend to discriminate against forest activity and the social and cultural aspects of forests.* Poverty reduction strategy papers tend to promote policies that have adverse effects on forest-dependent peoples, social standards and such culturally-based concepts as traditional forest-related knowledge. With a bias towards export-oriented agrarian strategies, poverty reduction strategy papers frequently promote programmes that encourage a conversion from forests to farming.³ Their desire to privatize and liberalize the economy as fast as possible results in dislocation for forest-dependent peoples who may have no understanding of the concept of private property and is damaging to cultures based on communal or tribal precepts. Likewise, trade liberalization exposes forest-dependent peoples and the forest workforce to the international market, which is driven by the most powerful and those with access to the best information, not simply the most efficient. The premature opening of national markets to international competition also endangers small to medium-sized enterprises by exposing them to destructive competition before they have had an opportunity to mature. Lastly, poverty reduction strategy papers tend to ignore the importance of decent work with a formal employment relationship. The bias against prioritizing decent work and enforcing

international social standards has meant that poverty reduction strategy papers and their precursors may have achieved little more than turning those who were poor and outside of the economy into the working poor. Their productivity may have risen, the gross national product may have risen, but conditions for the forest-dependent workers may have remained unchanged.

12. The difficulties facing those who wish to integrate forestry concerns directly into official development assistance, or, indirectly, through poverty reduction strategy papers, can be shown by a few examples. The recently announced forestry programme for Solomon Islands allows for the complete harvest of indigenous tree species by the year 2010. The harvest of the islands' resource base will garner a small fraction of the potential long-term value that the forest would provide for island residents; the islands' poorest will be left without access to the critical resource of wood for decades. The international community, which supports Solomon Islands with critically important official development assistance, appears willing to allow this to occur by not offering sufficient funds for more desirable alternatives. The obvious end result will be the capture of wealth by a small portion of the islands' population, the impoverishment of its current forestry workforce and the diminishment of critical natural capital for the islands' indigenous population. Yet such an approach appears to meet the requirements of free trade, balanced governmental expenditures and market liberalization.

13. In Ghana, in order to meet the conditionalities for a more balanced budget, the Government raised taxes and fees on the forest products industry, resulting in a decline of about 20 per cent in formal employment in this sector. While the public action was clearly not the sole cause of this employment decline, it appears to have had a significant adverse effect at the economic margins by raising costs for producers at the same time as commodity prices were declining — a policy that might perhaps be described as counter-Keynesian.

14. In Burkina Faso, despite acknowledging that the single largest non-housing expense for poor Burkinabè is wood,² the poverty reduction strategy paper advocates a tight monetary policy, which has the perverse effect of creating macroeconomic conditions hostile to the agro-forestry poor. This is particularly alarming as the Burkina Faso poverty reduction strategy paper drafting process included extensive consultation with civil society.

15. The influence of conditionalities and ideologically-based forest policies is not limited to developing nations and poverty reduction strategy papers. Canada routinely faces international action initiated by the United States of America on the basis of Canada's pricing mechanism for stumpage prices. Using the rhetoric of free trade, the United States of America claims that the Canadian stumpage pricing mechanism is a trade barrier. The Canadian pricing mechanism is unique in that it attempts to promote stable employment in an industry known for boom and bust cycles in which substantial numbers of wood workers are routinely unemployed. By lowering stumpage prices during periods of slack demand and raising them during periods of economic expansion, the Canadian system encourages more stable employment, an important poverty prevention strategy.

The role of traditional forest-related knowledge and social standards in poverty reduction and sustainable forest management

16. While there are undoubtedly many paths out of poverty, few nations have yet found the way. World Bank data, as well as those of various United Nations agencies, document that there are more people living in poverty today than there were two decades ago.⁴ Likewise, the percentage of wealth and income controlled by the richest continues to increase. The majority of the world's poorest forest-dependent people live in rural areas and rely on forests for natural capital and subsistence. Given that poverty is on the rise, it is no surprise that deforestation is also on the rise.

17. For forest-dependent communities, one path may be to look internally to such resources as traditional forest-related knowledge rather than to seek external technology or to chase illusory export commodity markets. Many of the current Organisation for Economic Cooperation and Development countries arrived at their status by using import substitution strategies rather than export strategies. More recently, countries such as Malaysia, China and, to a lesser extent, India have combined the two approaches. The most successful strategy will be the one most suited to the particular culture and society of the country in question, and traditional forest-related knowledge would be an integral part of such an approach.

18. The international community increasingly recognizes the need to integrate social and cultural concerns into both sustainable development in general and sustainable forest management in particular. The Monterrey Consensus underlines the importance of active labour-market policies and the need to increase the coverage and scope of social protection.⁵ It also recognizes that the most critical factor in economic growth policies that actually reduce poverty is how such policies affect employment levels and underemployment over time. Yet, in the face of such recognition, poverty reduction strategy papers and national forest programmes continue to recommend policies that ignore the critical role of employee associations and unions. Consequently, unemployment continues to increase globally, by close to 20 million from 2001 to 2002, and the forest sector in particular continues to undermine the availability of decent work by contracting out jobs that had been held by those relatively few forest-dependent people fortunate enough to have had a regular job in the forest products industry.⁶

19. Universally, youth and women are the first population groups affected by efforts to cut costs and/or attract foreign investment by undermining the employment relationship. Youth and women are typically the first groups pushed into informal work, and they tend to have unemployment rates double that of male workers.⁷ Once a person has been forced into informal work, the path back into formal employment with decent work is difficult, if not impossible, to traverse.

20. An IFBWW survey of workers doing work without an employment relationship revealed that between 45 and 60 per cent of respondents in Burkina Faso and Malawi would accept the identical job with the same wage rate if the job offered social insurance coverage, while in the Philippines the rate rose to 87 per cent. This was, of course a theoretical response, since for the overwhelming majority full-time work with a formal employment relationship was not available in their labour market area. Yet many poverty reduction strategy papers, as well as a few national forest programmes, highlight a job creation strategy that encourages the

poor to “raise themselves up by their bootstraps”. This usually takes the form of promoting the development of small and medium-sized enterprises and self-employment schemes. However, few if any of these plans offer these enterprises or the self-employed protection against predatory competition, either internally or internationally.

21. The integration of social and cultural concerns for forest-dependent people involves the creation of full-time decent work, the extension of the full array of social benefits and enforcement mechanisms applied to the forest sector. Where prospects of employment in the formal sector exist, Governments must promote decent work, which will in turn prompt productivity investments. Contrary to popular opinion, and as supported by a wide array of data, foreign direct investment does not seek the area of lowest wage rates or fewest social regulations. When making investments in forestry, with its long harvest cycles, serious investors are seeking long-term political stability and value, not cost-cutting and instability.

22. For those trapped in jobs without a formal employment relationship, Governments must also extend social protections. Failure to do so contributes to an economic environment where socially and environmentally conscious employers must operate at an economic competitive disadvantage. By not enforcing labour standards, thus permitting unscrupulous employers to operate, Governments tend to create conditions that are extremely hostile to legitimate and socially and environmentally aware employers and landowners.

23. Finally, those interested in integrating the social and cultural aspects of forests into sustainable forest management must recognize that it cannot be done in isolation from those who own and control the knowledge. In the final analysis, it requires local decision-making and forest-dependent peoples to convert plans and strategies into realities. This in turn requires that these forest-dependent populations share a fair and just portion of the wealth they are creating; otherwise they will not commit to the activity. This requires rethinking exactly how forests contribute to poverty reduction and how that contribution is to be measured and documented. A recent study of forest values in Ghana revealed that the overwhelming majority of forest-generated wealth resides at the top of the forest products value chain, leaving relatively little for landowners, indigenous peoples or Governments.⁸

24. An integrated forest policy also poses a problem for implementation. A seminar held recently by the World Bank, the United Nations Conference on Trade and Development and the International Monetary Fund resulted in statements by those countries that have extensive experience with poverty reduction strategy papers suggesting that the most productive and efficient method might require centralized goals and decentralized strategies. Such an approach could combine the best of professional knowledge at the national level with community expertise and traditional forest-related knowledge on the local level.

III. Implementation of Intergovernmental Panel on Forests/ Intergovernmental Forum on Forests proposals for action

25. Global unions in general, and IFBWW in particular, seek to promote sustainable forest management and the Intergovernmental Panel on Forests/Intergovernmental Forum on Forests proposals primarily by attempting to promote

the development of a stable labour market through the creation of decent work, both formal and informal. This typically involves educating union leaders, doing advocacy for the rights of workers and indigenous peoples, promoting social dialogue with the traditional social partners and encouraging both workers and Governments to enforce social and environmental regulations in order to create a fair and level playing field for those economic actors and activities viewed as socially and environmentally desirable.

26. IFBWW in particular has supported such efforts as:

(a) Training members in sustainable forest management in Asia (Indonesia, Malaysia, China, India and several Pacific Islands), South America (Argentina, Brazil, Peru and Chile), Africa (Burkina Faso, Kenya, Ghana, Mali, Uganda and South Africa) and Central and Eastern Europe (Russia, Poland and the Czech Republic);

(b) Cooperation with the Forest Stewardship Council, Programme for the Endorsement of Forest Certification Schemes, Malaysian Timber Certification Council and Indonesian Ecolabelling Institute certification schemes:

(i) Codifying social criteria into certification schemes;

(ii) Promoting the extension of social criteria into the entire production chain through chain-of-custody documentation;

(c) Corporate framework agreements with multinational corporations to:

(i) Promote the use of forest products from sustainably managed forests;

(ii) Expand social criteria for decent work to forest-dependent workers in both formal and informal work;

(iii) Promote “wood is good” campaigns to inform consumers of the value and importance of wood products;

(d) Protecting forest-dependent peoples through:

(i) HIV/AIDS education programmes presented in rural areas and through rural school systems;

(ii) Food and water security projects involving, e.g., wells, the planting of fruit and nut trees along the fringes of plantations and streamside bank stabilization;

(e) Doing advocacy work for the enforcement of labour laws to formalize work, through:

(i) The tripartite development of clear and concise social criteria for decent work in forestry, in partnership with the ILO (2004-2005);

(ii) Partnerships with national occupational safety and health and forestry programmes to develop safe codes of forest practices for national legislation and the enforcement of codes;

(iii) The Ministerial Conference for the Protection of Forests in Europe, which this year included in its work plan efforts to promote associations, especially in European countries with economies in transition. By focusing on the need to form associations throughout all strata of the forest sector,

including small landowners, contractors and workers, the Ministerial Conference has taken an important step to integrate European forest policy;

(f) Educating union members to participate in poverty reduction strategy processes in order to bring traditional forest-related knowledge into the process and to attempt to get wider recognition for the role of forests in the poverty reduction process;

(g) Lobbying for the development of criteria and indicators that acknowledge the importance of social and cultural aspects of sustainable forest management; training union members in the use of social criteria and indicators for sustainable forest management; and advocating the inclusion of social criteria in various multi-stakeholder global forums such as the Ministerial Conference for the Protection of Forests in Europe, the World Forestry Congress, the United Nations Forum on Forests and the Forest Dialogue;

(h) Operating community forest projects in Burkina Faso, Ghana and Kenya, designed to:

(i) Enhance the role of women and indigenous tribal and local communities to engage in sustainable forest management;

(ii) Promote traditional forest-related knowledge, particularly through support for the cultivation of medicinal plants;

(iii) Empower workers to control forest resources and influence markets to act in a more socially and environmentally responsible manner;

(iv) Promote the transfer of socially beneficial, environmentally sound technologies, particularly among developing countries.

IV. Conclusions

27. Poverty remains the single greatest threat to forests today. In order to achieve the goals of the Intergovernmental Panel on Forests/Intergovernmental Forum on Forests proposals for action, the issue of poverty needs be addressed. Yet the forests' role in poverty reduction is only now coming to the forefront of forestry planning. For the most part the role of forests in poverty reduction has not yet come to the attention of those designing poverty reduction strategy papers. This failure to document forestry's positive contribution to poverty reduction means that the official development assistance needed for many of the proposed actions, including those relating to sustainable forest management, the transfer of socially and environmentally sound technology, criteria and indicators and monitoring, assessment and reporting, will be spent elsewhere, outside of forestry. This also results in poverty reduction strategy papers that are flawed, since they fail to acknowledge and build on the importance of forestry, and thus frequently result in poverty reduction prescriptions that promote deforestation, albeit inadvertently.

28. The way forward requires all social partners to work together to restore the legitimacy of forest usage through the development of integrated national forest planning processes. For government, this involves documenting the important role of forests in poverty reduction and promoting social policies that support the creation of regular employment in this sector. Such actions

include funding for the enforcement of regulations to protect forest resources exposed to short-term economic exploitation; occupational safety and health and environmental regulations for those working in a formal employment relationship; and extending social protections to those not working in a formal employment relationship. For donor countries, it means removing ideologically-based conditionalities for assistance that presuppose models that have not worked or have not been applied in the developed countries.

29. For non-governmental social partners, including the private sector, it is necessary to support government in the above-stated actions, as well as to promote the creation of social dialogue with all stakeholders. Support includes voluntary compliance with both national and international regulations and conventions that enhance the role of forests in poverty reduction, including the ILO declaration on decent work.

30. The ILO core labour standards represent the foundation for decent work and the empowerment of the forestry workforce, and thus a path to decrease poverty and promote sustainable forestry. However, the trend towards informal work in forestry creates an increasing number of workers who are denied access to the ILO core labour standards, even in countries where the standards have been adopted. It is important that all social partners recognize the universality of the ILO core labour standards and work to extend coverage to all workers.

31. Finally, sustainable forest management must integrate all aspects of environmental, social and economic concerns to succeed. No issue or set of concerns can be left behind to be retrieved later. The entire process must be integrated and worked with in all its glorious complexity.

V. Action requested by the United Nations Forum on Forests at its fourth session

32. The forest workers and trade unions major group:

(a) Calls on all partners participating in the Collaborative Partnership on Forests to require recognition of the ILO core labour standards in all forestry projects, research, grants and loans as a method to promote a more equitable sharing of benefits arising from the utilization of forest resources;

(b) Calls on the partners participating in the Partnership to focus work plans, research and pilot projects on identifying methods of redistributing forest wealth-generating activities to forest-dependent communities and the forest workforce (formal and informal) within the context of poverty reduction strategy papers;

(c) Invites all participating countries to develop work plans to extend existing national social and economic legislative protections for formal workers to all informal workers operating in forestry activities. This could include:

(i) Amending relevant laws, conventions and agreements to promote a presumption of employment, thereby placing the burden of proof of a worker's employment status on the employer rather than on the worker;

- (ii) **Amending relevant laws, conventions and agreements to include economic dependence as one criterion for the existence of an employment relationship, thereby providing unions with a tool to address the issue of disguised employment relationships, which are so prevalent in the forestry industry;**
- (iii) **Identifying national policies and programmes that support the informalization of the forestry workforce and developing recommendations to end such practices or to extend social protections to such workers;**
- (iv) **Working with all social partners to find adequate resources for proper monitoring and labour inspection for the forestry workforce;**
- (v) **Working with all social partners to develop standardized skill certification requirements for commercial forestry workers and deliver the training required in order to obtain the skills needed to be certified;**
- (d) **Invites participating countries to review national sustainable forestry standards, codes and practices so as to ensure that the ILO core labour standards are codified in such instruments and enforced by the ministries that have responsibility for forest management;**
- (e) **Invites participating countries to review national sustainable forestry standards, codes and practices so as to document the contribution of forests to poverty reduction activities and transmit such information to the relevant national ministries;**
- (f) **Invites participating Governments to adopt policies and resolutions to promote mutual recognition of all certification systems that require sustainable forest management and include ILO core labour standards;**
- (g) **Requests that all invited member States participate in the upcoming ILO expert-level meetings on social standards for sustainable forestry, scheduled for 2005;**
- (h) **Requests that member States consider advancing the notion of an international forest convention whose principal goal would be to create a structural framework that integrates economic, environmental, social and cultural concerns into a single multidimensional approach.**

Notes

¹ *Financing Global Social Development: Report of the International Forum for Social Development* (United Nations publication, Sales No. E.03.IV.6), pp. 4-5.

² Food and Agriculture Organization of the United Nations, *State of the World's Forests 2003* (Rome, 2003), pp. 2-3.

³ *Ibid.*, p. 3.

⁴ World Bank, *Global Economic Prospects and the Developing Countries 2000* (Washington, D.C., 2000), p. 29; also, for increases in income distribution see Branko Milanovic, "True world income distribution, 1988 and 1993: First calculation based on household surveys alone", World Bank Working Papers, No. 2244, November 1999.

⁵ See A/58/216, para. 34.

⁶ *Vulnerability and Poverty in a Global Economy: Report of the Committee for Development Policy on the first session, 26-30 April 1999* (United Nations publication, Sales No. E.99.II.A.5), p. 19.

⁷ *Financing Global Social Development*, op. cit., p. 4.

⁸ World Bank, *Profor*, vol. 1, issue 1 (Washington, D.C., November 2003), "Fiscal reforms in context", p. 1.
