

GUIDE TO GOOD PRACTICE IN CONTRACT LABOUR IN FORESTRY



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Report of the UNECE/FAO
Team of Specialists on Best Practices in Forest Contracting

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PREFACE

One aspect of the social pillar of sustainable forest management, which has so far received little attention at the policy level, is the forest workforce. There has been little recognition at the international level of the obvious fact that sustainable forestry requires a sustainable work force. Increasingly, forestry operations, -notably harvesting- are carried out by contractors. These are often small or very small enterprises, which therefore face major challenges in terms of occupational safety and health and economic viability as they lack a strong structure of cooperation and mutual support.

A team of specialists was set up under the integrated programme of the UNECE Timber Committee and the FAO European Forestry Commission to address this issue. This team, led by Edgar Kastenholz of ENFE, has drawn up a *Guide to Good Practice in Contract Labour in Forestry*, intended to help these contractors, and those working with them, to understand the issues, and function in a truly sustainable way. The Guide is based on European and North American conditions, but many of its suggestions are applicable elsewhere. We hope that this good practice guide will take its place alongside other good practice guides prepared by FAO and its partners as a very practical contribution towards achieving sustainable forest management.

We take this opportunity to thank the team members for their work in opening up a new field of activity and drawing attention to a range of issues which need attention, but which, as this Guide shows, may also be solved by applying basic principles and learning from the experience of others. The work was supported from the FAO staff side by Joachim Lorbach.



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SUMMARY

A MODEL FOR GOOD PRACTICE IN CONTRACT LABOUR IN FORESTRY

This guide illustrates how good practice in contract labour in forestry can be implemented. A number of examples of tools, instruments and strategies are presented. References and contact details to obtain further information complement these guidelines.

The following model is a summary of the various criteria for good practice that make up the content of this guide. It does not simply explain what the working conditions should be. Instead, it outlines framework conditions contributing to a good business environment – thereby allowing fair competition and partnerships between forestry contractors and their clients as well as among contractors themselves.

The good forestry contractor should:

- ... be registered as a business with the competent national or regional authority according to the regulations in force. These are based on rules recognized by the entire sector and that lay down the criteria for the registration of a business with the public authorities;
- ... have a competent and qualified business management that not only has the ability to take operational decisions but also to conduct a business in an entrepreneurial way. In order to do this the business management has management staff with accounting skills as well as expert knowledge of investment planning and assessment of offers;
- ... employ qualified staff. All employees are qualified for the tasks assigned to them. Anyone taking on new duties without adequate experience is extensively instructed and trained before starting work. Staff skills should always be up to date through further training. Employees need to be informed about and to be involved in business decisions, particularly when their own working conditions depend upon any changes in procedures and work organization;
- ... possess adequate, well maintained equipment that ensures operations are carried out as safely as possible and to a high standard of excellence;
- ... have sufficient provision of capital to be able to recruit and employ qualified staff on a long-term basis and to afford investments in necessary technology in spite of a fluctuating volume of orders;
- ... attain and maintain a quality management system to continually improve structures and processes. The management system documents and provides evidence that the quality of business management and performance is approved by an external supervision that is in accordance with clear standards recognized by the entire sector. Because of the quality management system the business increases in competitiveness, compared with uncertified contractors, as clients give preference to businesses possessing quality supervision;
- ... regulate health and safety at work within an occupational safety management system that clearly describes and documents structures and processes of cooperation with other contractors and with subcontractors. All employees of the business should participate in its implementation;
- ... conclude long-term labour contracts with his employees, in which working conditions and payment of a socially adequate kind and amount are laid down in a juridical way. Labour contracts are based on tariff agreements. The contractor should contribute to the content of

the tariff agreement through his participation in a forestry contractors' association; ... be supported by a national or regional forestry contractors' association that represents the interests of all forestry contractors at national or regional level towards their clients, be they large forest owners or the timber industries. It should also represent their interests towards public authorities, trade unions and various NGOs. The forestry contractor association should act in the interests of its members by influencing the formulation of laws and regulations. It should also contribute to the development of criteria for the recognition and registration of businesses and of criteria for the use of contractors in certified forest enterprises.

The good client should ...

... employ only recognized and registered contractors who comply with the sectorial criteria establishing the formal recognition of forestry contractors. The client should participate in formulating these recognition criteria through his trade association; ... conclude clearly written contracts with contractors specifying the scope of work and description of the quantity and quality requested and of environmental requirements; ... have an occupational safety management system in which the distribution of responsibilities and competences in matters of safety at work are organized, that contains information on supervision and sanction of infringements of operational safety rules, and that is communicated to the contractor; ... place long-term orders. Contractors in the region in which good business relations exist are informed of the planning of orders on a long-term basis, allowing them, as well, to plan staff and investments according to the expected volume of orders. The client should be interested in long-term cooperation with contractors who offer good performance and quality. He thereby utilizes the development potential of contractors in order to improve his own economic success; ... give preference to contractors possessing a quality management system and a certificate of good practice, because he knows that such businesses meet the criteria of forest certification better than contractors with no quality control; ... apply fair competition rules; ... communicate with the contractor frequently; ... pay the contractor on time.

The legislator and public authorities should ...

... lay down and enforce laws and regulations that consistently demand health protection and safety in forestry work. Laws and other regulations should agree with internationally recognized rules, particularly with the International Labour Organization (ILO) Conventions and Recommendations and the ILO Code of Practice on Safety and Health in Forestry Work (ILO, 1998); ... lay down and enforce laws and regulations that enable fair and open competition both within each country and in cross-border operations; ... define clear rules on qualification requirements for forestry contractors and their employees in cooperation with contractors' associations, forest owner organizations and industry. They should support forestry contractors' associations in harmonizing these qualification requirements with systems in other countries to enable mobility of contractors; ... outline minimum requirements for social benefits for the contractors and their staff; ... establish an administration and inspectorate to enforce these regulations and impose sanctions where necessary.