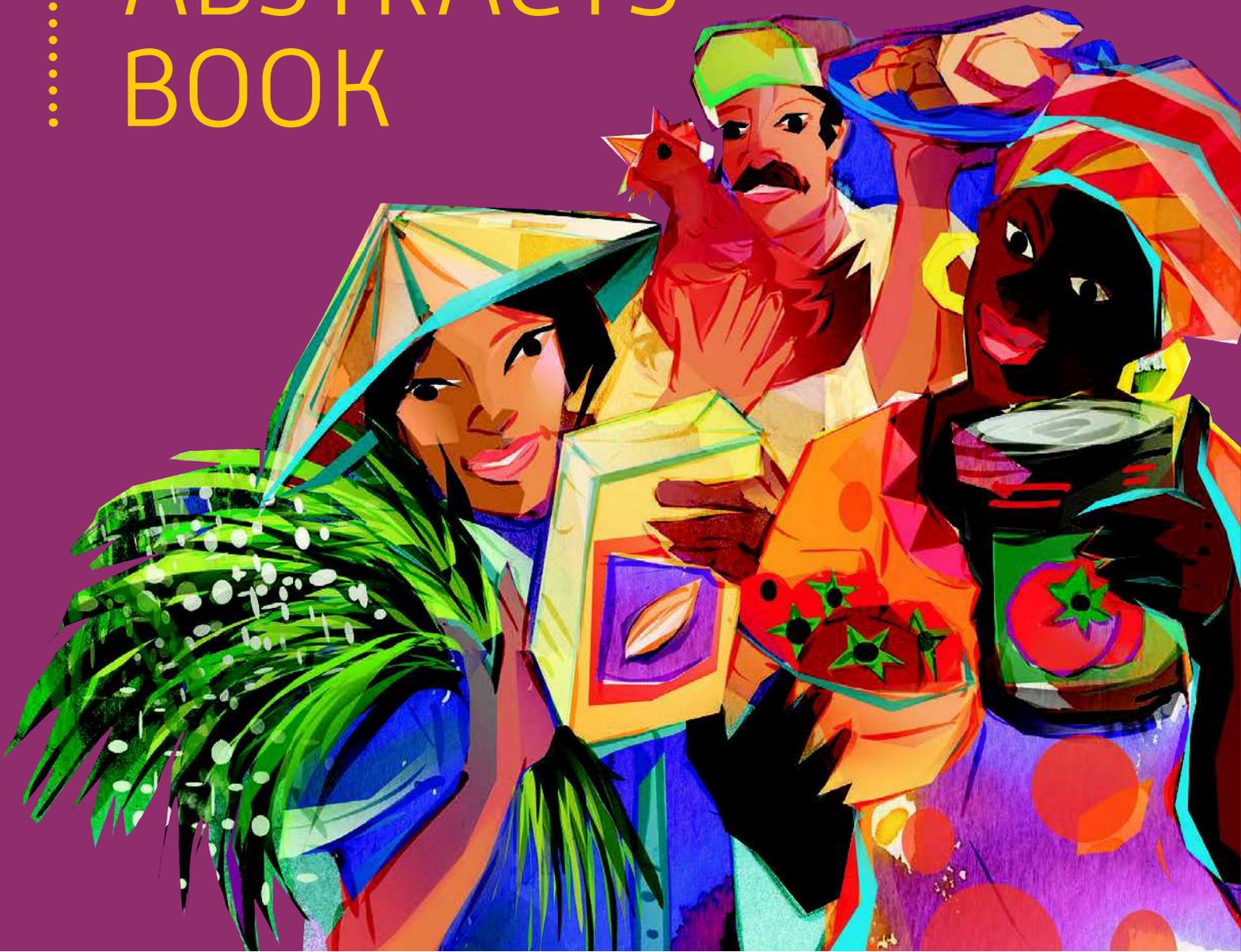


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> *Linking local and global dynamics*

## ABSTRACTS BOOK



# Managing Olam rubber plantation's impacts in a forest area in Gabon: rethinking the horizontal dimension of sustainable supply chain governance systems

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## Introduction

Modern large-scale industrial agriculture has shown strong growth in the tropics since 2000. Agribusiness development has mainly taken the form of cultivation on new land, mainly in the tropics (Phalan *et al.*, 2013). The expansion of cash crops and plantations in the tropics has caused the conversion of large areas of natural forests to monoculture, leading to biodiversity losses and climate change impacts (Gibbs *et al.*, 2010). Until recently, the African continent was relatively untouched by this vast movement. However, this situation has changed: between 22 and 56 million hectares have been acquired by foreign capital in sub-Saharan Africa over the last 10 to 15 years (German *et al.*, 2013).

The Gabonese government has recently undertaken a programme to re-allocate land for agroindustrial projects. Since 2005, about 400,000 ha of land has been acquired by foreign agribusiness companies for investment projects in Gabon (Schoneveld, 2014). This orientation towards the development of competitive agroindustrial activity finds expression, since 2012, in the 'Emerging Gabon' strategic plan promoted by the Presidency of the Republic, one of whose objectives is to find ways to compensate for lower future oil revenues (Alphandéry *et al.*, 2012). They are often presented in the literature as the central point of the governance of sustainability of agribusiness global value chains (Clapp and Fuchs, 2009; Dauvergne and Lister, 2012).

Extending the "governance without government" thesis (Rosenau and Czempiel, 1992) and the 'global value chain theory' (Gereffi *et al.*, 2005), the concept of Sustainable Supply Chain governance systems (SSCG-systems) is defined as the "forms of cooperation of market actors in (international) supply chains (possibly together with non-market actors) in improving the environmental and social conditions of production operations in developing countries" (Vermeulen and Metselaar, 2015).

The concept of SSCG Systems is part of an aspiration to understand the structural changes in environmental and social practices of the globalized forms of production and consumption (Vermeulen, 2010). After more than two decades of implementation, the effectiveness of sustainability non-state governance arrangements remain a controversy issue about which research should address new conceptual frameworks (Guéneau and Tozzi, 2008). While the role of public actors in the governance of global value chains is usually addressed through the public policy instruments that support private initiatives (for example, through grants or public procurement) (Vermeulen *et al.*, 2010), little is said about the public-private articulation at the implementation stage.

## Methodology

The methodology we used consisted of a socio-anthropological fieldwork as part of an appraisal mission to assess the rubber plantation's environmental and social impacts. The study area is located in the north of the Woleu N'tem Province, Gabon. It is a former agricultural region, whose villages were gradually abandoned after independence (Pourtier, 1984). Our field observations were concentrated in the concession area, and outside, in the close vicinity of the plantation, particularly in two villages: Okok and Azombé. These field visits were supplemented by semi-structured interviews with over 30 stakeholders in the three main cities of the study area (Oyem, Bitam and Minvoul) and in the Gabonese capital,

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Libreville. The interviews targeted villagers and village chiefs, local and national politicians, officers of the Gabonese administration, OLAM staff and executives, members of NGOs and consulting firms. Additionally, this methodology was complemented by a literature review that addresses the social and environmental impacts of various plantation projects in Africa and elsewhere, including some reports dealing with our case study in Gabon (*e.g.* environmental and social impact assessments).

### **The Olam-Rubber sustainable policy: implementation issues**

Several environmental and social issues have been observed in the plantation area, confirming the diagnosis reported in the Environmental and Social Impact Assessment (ESIA) undertaken before the start of the plantation project (Enviropass, 2012). The concession extends over sparsely populated areas mainly composed of regenerating forests, which were previously exploited and cleared for agricultural purposes. Even though not negligible, the loss of biodiversity due to the conversion of a large area of native forest into plantation can be put into perspective with the disturbance rate of the natural resource in the area. The plant species present on the site have a low level of endemism, but the risks of the disappearance of macro-fauna is of serious concern. Other environmental impacts are the damages caused by mechanical equipment on soils, the risk of runoff and contamination of surface and ground water, and the generation of industrial waste.

In order to mitigate the social and environmental impact of its rubber plantation, the Olam subsidiary in Gabon has implemented a series of measures derived from the 'Plantations code', an OLAM policy that serves as a reference for good plantation management practices implemented across the group (OLAM, 2014). Olam-Rubber decided to reduce the extent of the concession to avoid encroaching on village areas. Originally meant to cover 36,000 hectares, the usable area has now been limited to 28,000 hectares. Olam Rubber has delimited a 5-km buffer zone between the plantation's usable area and the villages along the roads on the periphery of the site and a strip 60 to 100 metres wide around watercourses to conserve wetlands and to preserve the waterways from possible pollution by pesticides and erosion due to runoff. Forests on very steep slopes are also preserved. Collection and storage facilities at specific locations have been set up to allow waste processing and recycling of used oils and fuels.

Consultations were held with the populations of the villages bordering the plantation to define individual and collective compensation for the loss of forest usage rights (hunting and gathering activities) and for alleviating the inconveniences caused by the plantation's operations (noise, etc.). These actions were enshrined in contracts signed by the various stakeholders. The company committed itself to three main types of actions: provision of basic infrastructure (clinics, rehabilitation of schools and housing, public lighting, water pumps, upgrading of roads, construction of bridges, etc.); the priority in hiring of local labour given equal skills; and support for income-generating activities (food-crop farming projects, for example).

Nevertheless, the sustainable development measures implemented by Olam in the neighbourhood of the plantation in a very paternalistic logic generate conflicts. A number of unanticipated effects that have not been addressed by the company exacerbates these conflicts. First, immigration flows into Woleu-Ntem province has become significant: workforce needed for the plantation, employees' families and populations of merchants and artisans whose activities are required to meet the basic needs of the plantation employees (food, retail, services, etc.). In similar configurations in other parts of Africa, the total number of migrants is four to ten times the number of employees of the plantation. The influx of population causes environmental and social problems, as it has already been demonstrated in the case of Cameroon (Assembe-Mvondo *et al.*, 2015). The questionnaires about the provision of resources and services normally associated with major urban agglomerations: food, sanitation, roads, health... Even though access to food can be ensured through wages, some non-native populations want to undertake subsistence farming. Providing land to them is an important issue as the Gabonese villagers are very attached to their ancestral usage rights and are reluctant to cede them without very high compensation. Population growth could also affect the Minkébé Park, one of the richest in large animals in Gabon. In February 2013, the Gabonese government announced the loss of at least half the population of elephants in the park.

Moreover, the compensations offered by the company to the villagers for the loss of their rights has reduced the opposition only temporarily. Yet, local people become more and more reluctant to accept the plantation, as they feel the consequences of the agribusiness activity on their daily lives. Local compensation demands are also moving more and more towards purely private actions such as clearing individual plots for food farming or assistance in construction of personal houses. Demands by local authorities exhibit the same ambiguity: they expect the company to contribute greatly to infrastructure, security, health and education.

## **Conclusion**

The Olam-Rubber case shows that the effectiveness of tropical agribusinesses SSCG Systems can't be addressed solely within the plantations and their immediate vicinities. The problems that emerge beyond the physical borders of the plantation, at the landscape scale, can lead to major environmental damages, particularly on forest resources, through leakage and attraction effects. These unanticipated effects raise the issue of the shared responsibilities between the various stakeholders involved in the territory's sustainability, in particular that of the State. The State uses the circumstances of its limited resources as a pretext to delegate the responsibilities to the private sector of managing the impacts of the latter's activities. Yet, by allocating concessions or by attracting investors through tax exemptions, the State bears its share of responsibility in tackling the environmental and social changes taking place at the territorial level. These blurred of responsibility between the State and the private sector call for a rethinking of SSCG systems in a broader context of public intervention.

From a theoretical point of view, the results of this case study leads us to suggest strengthening the horizontal dimension of SSCG Systems by introducing a "territorial governance" dimension in addition to the "network" dimension. Moreover, the OLAM-Rubber's case emphasizes the need to pay more attention to the definition of responsibilities at the stage of implementation of agribusiness plantation projects, particularly regarding the ability to conduct a structured debate on sustainable territorial development with local institutions.