



BREAD FOR ALL

Struggle for Life and Land

Socfin's Rubber Plantations in Liberia and the Responsibility of Swiss Companies



The rubber plantation of the Salala Rubber Corporation (SRC) covers an area of around 4500 hectares. © Bread for all

Executive summary¹

I. Key findings

The two Liberian plantation companies Salala Rubber Corporation (SRC) and Liberian Agricultural Company (LAC) hold concessions of over 128,000 hectares in Central Liberia. They have been accused of repeatedly abusing international human rights-based standards. The Luxembourgish company Socfin owns SRC and LAC as well as several Swiss subsidiaries, including Sogescol and Socfinco. Activities of these companies have deprived affected communities in Liberia of the use of their customary land to a high degree. All of the subsidiary companies, including the Liberian plantation companies, have

the responsibility to prevent and address human rights abuses according to the United Nations Guiding Principles for Business and Human Rights.

On the basis of their research, the authors of this report conclude that the following rights violations and human rights violations have happened on the SRC and LAC plantation areas in Liberia:

- The plantation companies violated the customary and sometimes even private land rights of community members when they developed and expanded the plantations on

community customary land. Research related to this report found that at least 37 villages since 1959 are affected, including 25 villages that lost their customary land after Socfin bought the plantations.

- People in many of the communities covered by this report were insufficiently consulted about the plantation expansions, did not give their consent and were forcefully evicted from their customary lands. Compensation payments, where they were made, were in most cases insufficient to compensate for the losses.
- As a consequence of the plantations encroaching their customary lands, customary land rights holders can no longer access their land. Food security has deteriorated and access to water has become difficult for many of the interviewed people.
- Families in affected communities face increasing difficulties in sending their children to school because of the loss of farmland combined with meager employment opportunities provided by the plantations.
- Plantation life is ridden with violence and threats, particularly against women and human rights defenders.

BOX | The plantations

Salala Rubber Corporation (SRC)

- History: concession granted in 1959, bought by Socfin in 2007
- Concession size: 8,000 ha
- Planted area: 4,577 ha
- Affected villages considered in this report: at least 23 villages (at least 11 from 2009–2010)
- Number of workers: 1,381 (2017, about 75 % not permanently employed)
- Rubber production: 2,034 metric tons per year (2017)

Liberian Agricultural Company (LAC)

- History: concession granted in 1959, bought by Socfin in 1998
 - Concession size: over 120,000 ha
 - Planted area: 13,192 ha
 - Affected villages considered in this report: at least 14 villages by 2005
 - Number of workers: 4,456 (2017, about 50 % not permanently employed)
 - Production: 18,793 metric tons per year (2017)
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Rubber production at the Liberian Agricultural Company (LAC) plantation. © *Bread for all*

II. Socfin's connections to Switzerland

The LAC and SRC plantations belong to Socfin, a rubber and palm oil company registered in Luxembourg. A considerable part of Socfin's subsidiaries and branch offices are located in the Swiss town of Fribourg (section 2.2).²

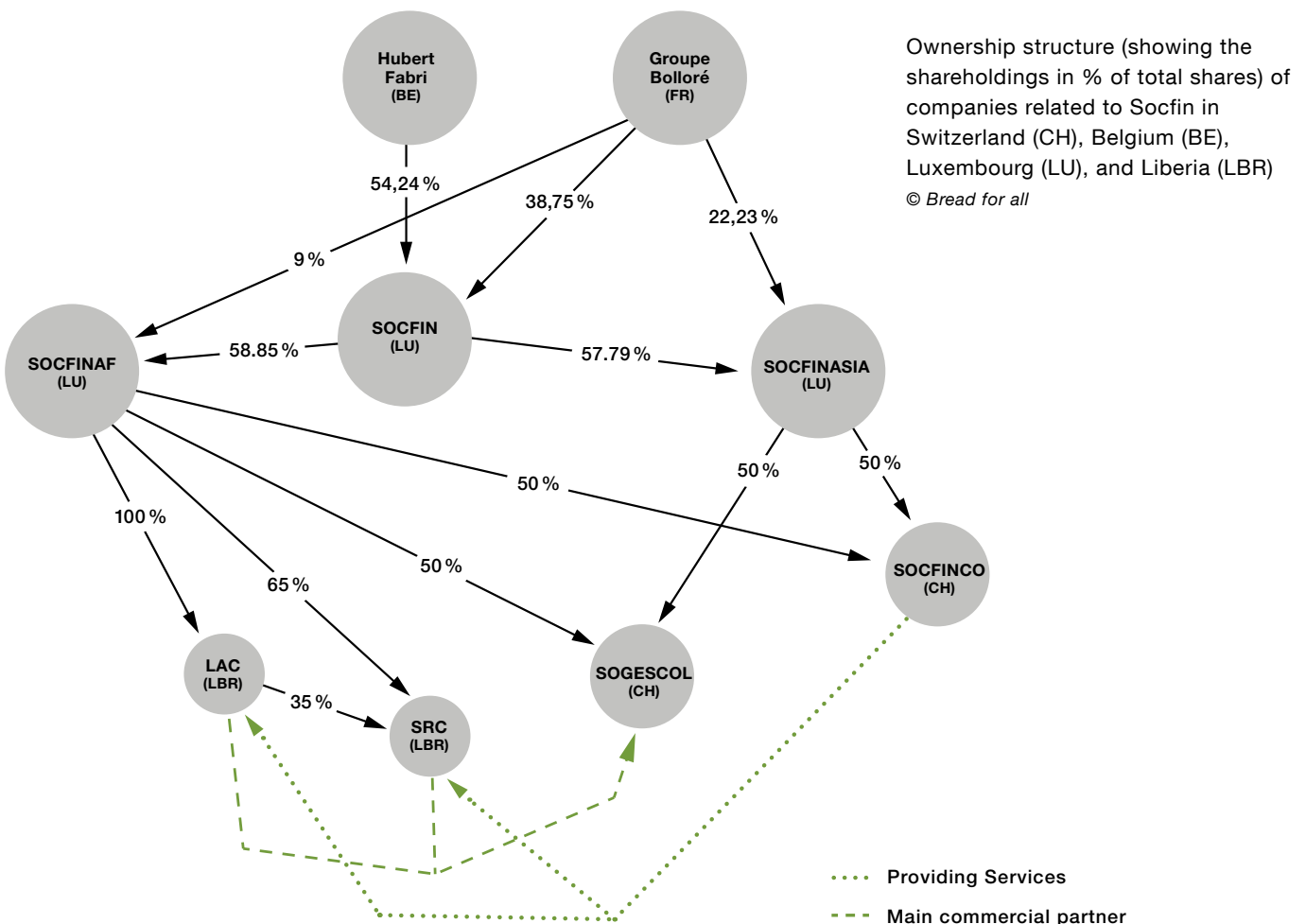
The corporate structure of Socfin is complex and convoluted. But it is clear that one building in Fribourg, Switzerland, manages virtually all the rubber coming from Liberia. The Swiss company Sogescol is responsible for all of the rubber trading, and the Swiss company Socfinco administers the management and sustainability advisory services for these two plantations. Swiss branch offices of the companies owning the plantations (Socfinaf and Socfin) are located less than 2 km from Sogescol's and Socfinco's headquarters. Based on the author's analysis, the two Swiss companies therefore exert crucial influence and, in the case of Sogescol, even de facto economic control over the two companies LAC and SRC in Liberia.

The Swiss companies have close business relationships with the Liberian plantations. According to the United Nations

Guiding Principles for Business and Human Rights, they therefore have the responsibility to avoid adverse human rights impacts linked to the business operations of LAC and SRC in Liberia. Based on their research, the authors assume that the human rights protection measures taken by the companies in Switzerland are not sufficient to prevent human rights abuses in the places where these companies are operating. Rather than implementing due diligence procedures required by international standards, in some cases, human rights abuses have been covered up.

Additionally, both SRC and LAC have received loans (SRC: 10 million USD in 2008 and LAC: 3.5 million USD in 1999) from the International Finance Corporation of the World Bank (IFC) for the development of their plantations (the LAC loan has been repaid). Both the Swiss government and the Swiss banks are important IFC partners (section 2.3).

Companies are expected to conduct themselves according to international standards to ensure that the rights of the people affected by their activities are respected, and that open and transparent consultation processes with affected communities





Latex flowing into a cup on a smallholder rubber farm.

© Bread for all

are implemented. Namely, the relevant standards are the Universal Declaration of Human Rights, the International Covenant of Economic, Social and Cultural Rights, the United Nations Guiding Principles on Business and Human Rights (“UN Guiding Principles” or UNGP), the OECD Guidelines for Multinational Enterprises (“OECD Guidelines”), and the International Finance Corporation Performance Standards (“IFC Standards” or IFC PS). The latter are widely accepted as the minimum standard of doing business and are closely connected to the UN Guiding Principles.

Rubber – a controversial commodity (section 2.1)

Natural rubber is harvested predominantly from the rubber tree *hevea brasiliensis*. Most of this natural rubber is produced from rubber trees grown on monoculture plantations confined to tropical areas. The global land area devoted to rubber doubled between 2000 and 2016 to 12.9 million hectares – more than three times the area of Switzerland.

The increase in land area for rubber production worldwide has led to forest destruction, land grabbing, and severe social and environmental problems. Although most of the land used for rubber production is in Asia, about 1.6 million ha of large-scale land acquisitions designated for rubber production since 2009

are located in Africa. Among the most targeted countries is Liberia.

Natural rubber is needed for industrial use in tires, belts and adhesives; outdoor use in clothing, boots and shoe soles; health use in medical equipment, condoms and pacifiers; household use in rubber bands, tubes, balloons and mattresses; and recreational use in balls and other sport articles. Globally, the production of natural rubber increased from 5.8 million metric tons in 1994 to 13 million metric tons in 2016 and 2017, and it is expected to increase further.

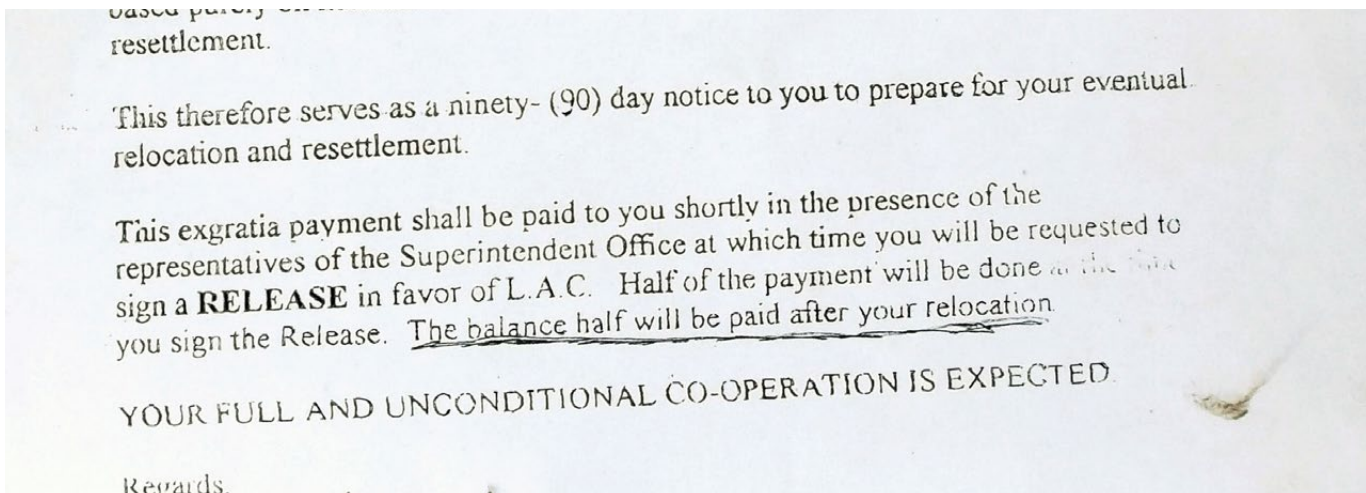
In 2017, Switzerland imported roughly 100,000 metric tons of natural rubber. Consumers in Switzerland buy about 9 million tires each year (around 7 million for private cars). Apart from the imported rubber, Switzerland is a trading hub for agricultural commodities that include rubber. Sogescol alone trades roughly 1% of global rubber.

III. Violated land rights in Liberia

Based on the authors’ analysis, the operations of the SRC and LAC plantations in Liberia have violated international standards relating to land, resettlement, consultation and consent in several ways. Sections 3.3 and 3.4 of this study detail evictions of communities from the SRC and LAC plantations.³ Communities in rural Liberia often hold customary land rights to their ancestral lands (see analysis in sections 3.1 and 3.2), but these land rights have a history of being violated by the government. The SRC and LAC concession agreements seem to be a continuation of this history.

“When the company came in, we were told that it was going to improve our lives and so we accepted it. We took the company to be our mother company because we were thinking that it was a blessing for us. We did not know it was not a blessing, but a hell.”
Farmer in Gbanfein⁴

The concession agreements were signed by the government and the previous owners of SRC and LAC in 1959 without the participation or even knowledge of the people already using that land. The rent is still paid to the government, and the people with customary land rights receive none of it. Owing to the contract from 1959, Socfin pays over 350,000 USD yearly less than it would with a more recent contract – at expense of the public purse in one of the poorest countries in the world (see sections 3.1 and 3.2).



LAC Eviction notice to Saw Mill from 2004 © Bread for all

Based on an analysis of the legal framework, people affected by the SRC and LAC plantations have longstanding and recognized customary rights to the land that is now under the plantations' concessions. According to the authors, Socfin's due diligence should have included an investigation of the concession agreements and the land comprised therein with regards to customary land rights by the time that Socfin acquired these two concessions. Socfin should have been cautious that government authorities could have illegitimately, and possibly illegally, used its force to take that land. Local communities have voiced their views on these matters ever since they became aware of the concessions infringing on their customary lands.

"We have been here a long time, we are not squatters. Our people were living in this place before Liberia even existed as a country."

Elder in Zondo

Since the concession agreements were signed, areas have been selected and "developed," meaning they were cleared of forest and planted with rubber trees. The concession agreements should not have included encumbered areas (including areas held under customary rights) without acquiring consent from the rightsholders. To the knowledge of the authors, this consent was not given. This encroachment on customary land has led to long-lasting hardships and conflicts. The current concession owners, SRC and LAC, must address these land legacy issues.

Recent plantation expansions have occurred under Socfin ownership: the latest expansions began in 2009 in the SRC

concession areas, and in 2004 in LAC's concession areas. During these expansions, the plantation companies violated customary land rights and in certain instances also their formally titled, private land rights, for example in the villages of Tartee, Gorbos and Daokai affected by the SRC concession area. People lost land they depended on for farming. In at least eight communities, sacred forest or gravesites were destroyed.⁵ The sites where the towns and gravesites used to stand are now plantation areas.

People from the three communities of Garjay, Lanco and Tartee in the SRC concession area were forced to abandon their villages in the face of bulldozers destroying their crops and intimidation from company workers overseeing the destruction. The population of the villages varied from a few families to several hundred inhabitants.

No meaningful consultation

People affected by a company project have the right to be meaningfully consulted – and in certain instances, their consent is required – based on Liberian Law as well as on the above-mentioned international standards and frameworks (see chapter 1 and sections 3.1 and 3.2). The IFC Performance Standards clearly state that a company cannot offload its duties of stakeholder engagement to the government. Rather, the company must conduct a complementary process if the government's process is not sufficient.

*"People left one by one. How could we stay?
When the yellow machine [bulldozer]
is coming, you cannot stay in the village. ...
When they start digging, you are afraid to stay."*

Elder from Lanco

The community members interviewed for this report, on whose customary lands the plantation companies encroached, revealed that they were not meaningfully consulted, let alone asked for their consent. Rather, they recounted how evictions from their lands and villages took them by surprise and in several instances were accompanied by threats and violence.⁶ Several plantation expansions happened just after or throughout Liberia's Civil Wars (before Socfin was the full owner). Customary land was taken while people had temporarily fled their homes. In this light, consultation should have been conducted with much caution and care (section 3.2.2 and 3.1.2).

The IFC Performance Standards clearly require consultation of affected people in an inclusive and culturally appropriate manner (IFC PS 1, Art. 21), including ensuring their free, prior and informed consultation and informed participation (Art. 22). Lack of meaningful consultation is a violation of these standards. For stakeholder engagement to be meaningful or effective, affected people must understand the scope of the project ahead of its implementation and impacts. This report strongly suggests that meaningful consultation did not occur and that the procedures of SRC and LAC do not live up to the IFC Performance Standards and other international frameworks' requirements of free, prior and informed consultation and meaningful participation.

Being worse off despite compensation

The international frameworks mentioned above also require that if companies have caused or contributed to adverse impacts, affected people must be adequately compensated. The IFC standards clearly state that the goal of such compensation is "to improve or at least restore the livelihoods and standards of living of displaced persons" (IFC PS 5, objectives).

Chapter 4 of this report shows that the compensation for the affected or relocated people by no means improves or even restores their livelihoods, particularly with respect to access to land, food security and education. The authors conclude that both the process and amount of compensation have been insufficient. In some cases, people who had their crops or houses destroyed did not receive any compensation whatsoever (section 3.1.2 and 3.2.3).

"To that we said absolutely NO, NO ...
If they evict us from here, where
do we go? If I go to another county,
I will remain a stranger until I die."
Elder in Zondo



Preserved remains of Garjay's sacred forest, now desecrated because it is surrounded by the plantation © Bread for all

IV. Poor access to food and water

Abused right to food (section 4.1)

The cases from the SRC and LAC plantations reveal many ways in which company operations have negatively affected people's access to food. People who have lost access to their customary land are forced to farm on marginal lands, swamps, or other people's lands. Plantations partly enclose at least three towns (Jorkporlorsue, Gorbor and Ansa), leaving hardly any land for the community members.

As a consequence of losing access to their customary land, food security has deteriorated for the majority of people interviewed who are not employed by the plantations. There is no longer enough land to grow the crops that people used to sell. Women in particular suffer from the loss of access to forest and farmland. They are responsible for feeding their families but face challenges in finding enough food or enough land to cultivate food crops.

“If they [LAC] would at least give us a chance to work so we can eat, or some place to farm like before so we can grow our food, we would be better. How do we eat? The next town, they also have many children and no land. The land is too little to feed us.”

Farmer in Gbanfein

The reduced food security resulting from land loss because of plantations abuses the right to food as defined in the International Covenant on Economic, Social and Cultural Rights. In addition, it violates the IFC standards that clearly state that economically displaced persons “whose livelihoods or income levels are adversely affected will also be provided opportunities to improve, or at least restore, their means of income-earning capacity, production levels, and standards of living,” particularly in case of land-based livelihoods (IFC PS 5, Art. 28).

Community rubber (section 4.1.4)

Some farmers next to the plantations, particularly in Zondo, Gbanfein or Wonwudu, engage in a smallholder program and cultivate rubber on community plantations. The plantation companies are their sole buyers. Interviewed farmers in LAC concession areas complain that company subcontractors abuse their positions by holding a de-facto monopoly on transport and trading. This smallholder rubber scheme is comparable to a contract farming scheme and shares similar problems of contract farming schemes globally. While contract farming has the potential to benefit the farmers under certain circumstances, in many cases contract farming is captured by elites,

leaves particularly vulnerable groups worse off than before and shifts price risks to farmers.

Water (section 4.2)

In several cases,⁷ community water sources were destroyed when SRC encroached on customary land. Now, people in many villages⁸ report that their water is contaminated by pesticides used on the plantations. People report that diarrhea and rashes occur in the days after the spraying.

“When they spray, it makes your skin itchy, the whole body. You feel it in the eyes. The children get really bad rashes from the chemicals.”

Farmer in Jorkporlorsue

Loss of land is usually combined with a change in access to water. The IFC Standards clearly demand that water pollution must be avoided or minimized, and that additional impacts on water availability and quality must be compensated or offset. The current situation for communities affected by the plantations abuses their right to water, stated as a human right in the International Covenant on Economic, Social and Cultural Rights.



Creek for drinking water next to the rubber plantation (visible in the background) in Jorkporlorsue © Bread for all



Houses of Gorbor. The rubber plantation visible in the background starts just behind the houses. © Bread for all



This satellite image shows how close the plantation's rows of rubber trees are to the houses in Gorbor village. © Google Earth

V. Violence on plantations

Life and work on the plantations is marked by violence. Violence is increased by the power positions of contractor heads and security guards who abuse their power. Human rights defenders report about threats and arbitrary arrests.

Violence against women (section 5.1)

During *Bread for all's* visits to the LAC and SRC plantations, women shared their experiences about sexual violence. Women there reported sexual harassment and sexual violence on the plantations from security guards and particularly from the contractor heads. This supports a growing number of reports documenting the reality of violence – especially abuse and rape, as well as promises of work in exchange for sex – that women who live or work on large-scale plantations face world-

wide. The shame that such sexual abuse can bring to a woman and her family adds insult to injury for the women who have been assaulted. As a result, few cases of rape and sexual assault on plantations are reported.

“If you’re unlucky you only get paid if you let the guy ‘do his thing’. It happens all the time.”

Woman on the plantations

IFC PS 4 requires companies to “consider women’s unique experiences and perspectives” in the realm of security. Sexual violence is mentioned explicitly. In response to the allegations of violence against women on the LAC and SRC plantations, the companies responded that they support women’s rights by encouraging them to work in their plantations. This

response does not take threats to women's security as IFC PS 4 requires into account. The authors therefore assume that, until the time of the interviews, sufficient measures had not been taken to protect women.

Security forces (sections 5.2 and 5.3)

The statements from many people who live on or near the plantations suggest a climate of fear. In one particularly severe incident in Daokai in 2013, company security and police violently raided a village inside the SRC concession area, reportedly ransacked houses, smashed holes in the walls of two houses, destroyed the zinc roofing, stole several pieces of electronic equipment and beat up one villager.

“The security from the company came to us with axes, cutlasses, spears with knives. Fear grabbed us and we thought there was another war coming again into Liberia. The person who brought the group had a false face [mask] on his face.”

Woman in Daokai

These testimonies about violence show the tension between the companies and local communities. IFC PS 4 specifies that there must be a constant dialogue between the company and communities in terms of security, and the communities must know where to go with their complaints. The testimonies in this report suggest that Socfin does not live up to these requirements and does not investigate reports of threats from its security personnel thoroughly. Socfin's claims of good relations with villages neighboring the plantations are questionable. Such events as recounted in this report cast a spotlight on the relationship between Socfin and its neighbors and on the role of the company's security personnel. They also suggest that Socfin and its subsidiaries do not take necessary due diligence measures to ensure that its plantation security forces do not contribute to violence. Such events suggest that Socfin and its subsidiaries had not taken the necessary measures to prevent its security guards from participating in violence by the time of the investigation.

Human right defenders (section 5.4)

Human rights defenders are at the forefront of the resistance against the operations of SRC and LAC. Two human rights defenders who spoke up against the SRC plantation faced arrests in 2015 to 2016 and reported being threatened by company security guards. People from Zondo who peacefully resisted the LAC plantation expansion in 2015 were also arrested. On the basis of such cases, the authors assume that plantation operations can impede freedom of expression and

association, particularly for people who voice their concern with the companies.

The IFC states that companies must ensure that affected people and activists can engage with the company, freely express themselves, and associate with others without fear of reprisal. The testimonies in this report show that they do not enjoy these freedoms and that company practices fail to minimize threats against these activists.

VI. Limited employment opportunities and school access

Few and dangerous jobs (section 6.1)

The promise to provide jobs and education are often the most convincing reasons for communities to welcome plantations. Some people can obtain employment and enjoy the opportunity to benefit from companies' school systems. For many whose land was taken, however, these promises never materialize. Jobs are limited and dangerous, and many are temporary or seasonal and characterized by power imbalance vis a vis the contractor heads. The IFC Standards state clearly that all workers must be protected, including workers engaged by contractor heads.

“Since the destruction of our town in 2010, we can't send our children to school. We are farmers without land to farm. ... Our children are not in schools because there is no money for us to send them to school. Our sources of funding, our farms, were destroyed by the company.” **Farmer from Garjay**

Education (section 6.2)

Access to education is highly unequal between children of company employees and other children. Affected people who have lost their farmland have difficulties earning enough money to send their children to public or company schools. Usually, they can only send their children to the company school by arranging enrollment through employees. As a result, many children do not go to school at all.

The lack of access to school abuses the right to education guaranteed in the International Covenant on Economic, Social and Cultural Rights. Additionally, IFC Standards require that standards of living – which include education – must be improved or at least restored in cases of resettlement. The testimonies of villagers suggest that SRC and LAC did not respect this requirement.

VII. Demands

This report shows strong evidence that both the Liberian and the Swiss companies involved in these plantations violate international standards pertaining to human rights, including workers' rights, the right to food, and customary rights to land. Further, the report shows corporate practices that have failed to take appropriate due diligence measures to avoid rights violations and that have even hidden these violations.

Demands to the companies: In reference to the aforementioned international standards, the authors demand that all the companies involved establish fair, credible and effective conflict resolution processes to deal with the issues of local communities reported here. Sogescol and Socfinco must implement a full due diligence procedure to ensure that the rights of communities affected by the plantations in Liberia are respected and their demands heard. They must initiate a process for discussing these issues with the local communities in an open and transparent manner, as described in the UN Guiding Principles on Business and Human Rights and the IFC Standards.

Demands to the Liberian Government: With the new Land Rights Act in place in Liberia and Liberia's commitments to the Voluntary Guidelines on the Responsible Governance of Tenure of the Food and Agriculture Organisation of the UN (VGGT), the government of Liberia must ensure that at least the renegotiations of the concession agreements before 2029 will include people with customary land rights and all other people affected.

Demands to the Swiss Government: The Swiss Government must take responsibility to protect human rights seriously, including in the case of business operations of Swiss companies abroad. This responsibility to protect includes the responsibility to ensure that human rights are not violated by third parties, including Swiss companies.

In Switzerland, citizens will soon vote on the Responsible Business Initiative. This report clearly shows that voluntary standards are not strong enough to ensure that community rights are respected on the ground. The Responsible Business Initiative would legally oblige companies to adopt a human rights due diligence procedure and to incorporate respect for human rights and the environment in all their business activities, including activities abroad. In order to ensure that all companies carry out their due diligence obligations, Swiss-based firms would be liable for human rights abuses and environmental violations abroad committed by companies under their control.

Bread for all and its partners Alliance for Rural Democracy, the Natural Resource Women's Platform, and Green Advocates will be closely following the development on the SRC and LAC plantations. They will remain in contact with the local communities and continue to support them and their demands. In particular, the organizations involved in this report will continue to insist that the Swiss companies live up to their responsibilities.

Endnotes

- 1 This document is a summary of a larger report available here: www.breadforall.ch/report-socfin
- 2 These and all other references refer to the chapters of the complete report (www.breadforall.ch/report-socfin)
- 3 This report covers the following towns affected by the SRC plantation: Ansa, Deedee, Fahn Whalee, Garjay, Gleegbar, Gorbtor, Koleh, Kuwah, Lanco, Martin Gbar, Siaffa Molley, and Tarte (affected under Socfin ownership); and Blomu, Bonodolon, Depelee, Daokai, Golonkalla, Jorkporlorsue, Massaquoi, Monkeytail, Penneh, Saye, and Varmue (already affected before Socfin ownership). See table in 3.3.
- 4 This report covers following towns affected by the LAC plantation, all under the ownership of Socfin: Ceezon, Come Back Hill, Flo Joe, Gbanfein, Gboeclean, Isaac Gaye, Jaynakpah, Moncray, Nahn, Saw Mill, Trodi, Wonwudu, Zoewee, and Zoeworlor. See table in 3.4.
- 5 For security purposes, most names are anonymized in this report.
- 6 Ceezon, Gbanfein affected by LAC and Deedee, Garjay, Gorbtor, Lanco, Tarte, Fahn Whalee, Koleh affected by SRC
- 6 Particularly in Gbanfein, Jaynakpah, Gorbtor and the evicted villages on the SRC plantation
- 7 Daokai, Deedee, Garjay, Gorbtor, Lanco
- 8 Blomu, Daokai, Deedee, Gorbtor, Jorkporlorsue, Kuwah, Massaquoi, Monkeytail, and Siaffa Molley affected by SRC's plantations as well as in Ceezon, Gbanfein, Jaynakpah, Tehteh, and Wonwudu affected by the LAC concession



Author *Bread for all*, February 2019, in close collaboration with Green Advocates International, The Natural Resource Women's Platform and The Alliance for Rural Democracy (ARD).

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Full report www.breadforall.ch/report-socfin

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