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Making commercial markets work for community forestry: lessons learned from a focus on environmental justice

Introduction

This policy brief reports findings of the 'Conservation, Markets and Justice' research project that explored the role of commercial activities in community forestry in case study areas in Bolivia, China and Tanzania. Commercial activities were timber sales (all countries), carbon offset sales (one site in Tanzania) and ecotourism (one site in China). The research involved ethnography, social surveys, participatory videoⁱ and experimental economic gamesⁱⁱ.

The purpose of this brief is to help policymakers and practitioners foresee and avoid some of the problems that arise for communities undertaking commercial forestry enterprises. Our main recommendation is to shift the emphasis during planning from a singular concern with obtaining financial returns (a Business Plan), to concern for a set of issues of equal importance to communities and to long-term business success: the distribution of income, involvement in multilevel decision-making, and culturally appropriate practices (a Justice Plan).

Why is commercialisation of community forestry important?

Firstly, there has been an increase in the extent of commercial, market-based activities to help conserve forests. Secondly, market-based conservation has not replaced community-based approaches, but has been superimposed onto itⁱⁱⁱ. Thus, community forestry has increasingly engaged in commercial activities. In Tanzania for example, REDD+ pilot projects were added to existing Participatory Forest Management (PFM) operations (including one of our case sites) and Africa's first group certification for Forest Stewardship Council also piggy-backed on existing PFM (also one of our sites). Thirdly, this increased commercialism within community forestry brings both opportunities and challenges. A key opportunity is to address the lack of income that has been identified as a weakness of community forestry in many places^{iv}. But challenges are significant and can lead to failure – for example, every single case we looked at had involved commercial operations leading to some form of local conflict. In some cases, this had led to complete failure of the enterprise.



Figure 1: Forest Stewardship Council certified timber, Kilwa District, Tanzania.

Four lessons and recommendations

1. It is essential to recognise local cultural traditions and preferences

Commercial operations, even when introduced as part of a community forestry operation, can involve moves towards privatisation of benefits. In some contexts it is critical to understand how such changes fit with local cultural traditions and where necessary, allow communities to work out more suitable arrangements. In China, national policy is to privatise community forests as a means of stimulating the commercialisation and expansion of forestry. In Xinqi forestry has expanded rapidly (Figure 1) but in this village there was a strong tradition of community forestry and they were able to resist privatisation. Here, the community has managed commercial forest operations and utilised income to strengthen community development. For example management of *Camellia* oil has been allocated to elderly residents, contributing to their welfare and aligning commercial forestry with local norms that highly value respect to elders.

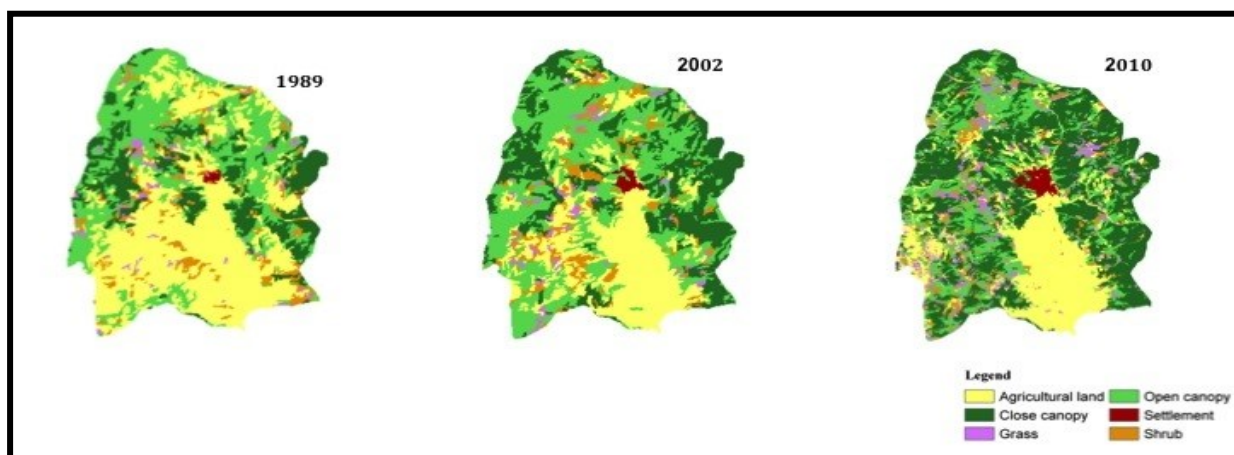


Figure 2: The expansion of forest cover in Xinqi village, 1989 to 2010

In contrast, in Lomerio, Bolivia, certified forestry was introduced with insufficient attention to how standard commercial business planning would be compatible with local distributional norms. The economic returns from forestry were distributed only according to particular kinds of contribution to the sawmill operation (primarily through wages to those employed in the mill) and this meant that traditional community norms for wealth distribution were overlooked. For example, elders have not been rewarded or involved in forestry, despite the respect that they deserve according to traditional values, and despite the contributions that they made historically in securing the Lomeriano people's legal ownership rights to the forests and their territory. This has led to a strong resentment over the community forestry operations among the older generations and ultimately, failure.

2. Commercialisation changes social relations and norms

Commercialisation involves greater emphasis on the cash income from forests than the subsistence benefits from non-timber forest products. This switch to cash has some important social ramifications, in terms of local sense of responsibility towards outsiders (e.g., neighbouring villages, visiting pastoralists) and towards different groups within their own village (e.g., the elderly, the poor, women). For example, we researched whether community members changed their views about the fairest way to distribute forest benefits when the benefit changed from subsistence resources to cash income.



Figure 3: Timber workshop, Xinqi, China

We found a significant shift away from prioritising the poor, towards prioritising efficient investment for maximising aggregate benefits (Figure 2). Given that many community forestry programs aim to be equitable and pro-poor, it is vital that those involved in introducing commercial activities understand that commodification might lead communities to change their mode of benefit-sharing towards distribution based on merit and efficiency rather than reducing income inequalities.

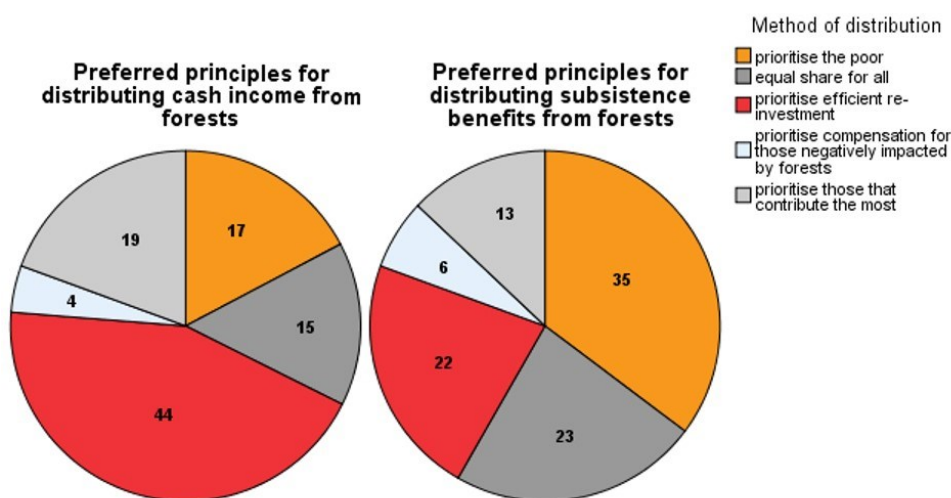


Figure 4: Percentage of community members preferring different benefit sharing principles in Tanzania and Bolivia for a) cash income and b) subsistence benefits

3. Better understanding the distribution of costs and benefits is essential for safeguarding local interests and ensuring support for forest conservation.

Community forestry practitioners will be familiar with the fact that financial returns are often lower than expected. Non Timber Forest Product enterprises often do not serve to lift people out of poverty^v, timber certification may fail to yield a desired price premium^{vi}, and predicted carbon offset sales suffer from falling market prices^{vii}. In Kikole village, Tanzania, for example, the project predicted timber sale revenues of US\$ 6 per hectare/per year but in practice only US\$ 2 has been achieved. In addition, predicted sales of carbon offsets did not materialise due to technical challenges validating the carbon accounting model. It is vital that practitioners are realistic in the expectations of benefits and at the same time that they provide a careful assessment of costs. In most cases, sustainable forest management has to share the landscape with other land uses, some of which may offer quicker and more predictable returns. In Kilwa, Tanzania, the recent boom in sesame cash-cropping has required extensive land use based on short rotations. In Lomerio, Bolivia there is a push to introduce cattle as part of a national scheme to reach 9 million cattle by 2020. Such alternative income opportunities raise the opportunity costs of forests. 80% of our respondents in Kilwa and Lomerio stated that it would not be fair to expand the area of land devoted to community forestry primarily because it would reduce farming opportunities.



Figure 5: Cattle grazing outside of the border of Lomerio

4. Commercialisation of forest resources leads to inter- and intra- community conflicts

Communities commonly use commercial forestry as a collective strategy to secure property rights over forests and to control illegal extraction by outsiders. This can be a successful strategy although the commercialisation of forest resources such as timber and carbon can also increase competition and conflict over access to benefits and claims to forests rights. We suspect this is very common. For example all of our case studies had witnessed boundary conflicts in which the enhanced commercial value of forests had led to two or more communities' claiming rights to the same portion of forest. In some cases, the commercialization of forests had also led to conflicts between different user groups, for example between pastoralists and settled farming communities in our cases in Tanzania. In other cases, conflicts also arose due to decision-making procedures associated with the management of the forests and the distribution of benefits. In Lomerio, the initial stages of forest certification gave too much power to the pan-community organization (CICOL) and left the communities themselves with a largely passive role. This lack of community involvement led to a low sense of joint 'ownership' and became a common source of intra-community conflicts.

Conclusion

These four lessons point to the need to consider **from the outset** how new conflicts and dissatisfaction can arise from efforts to commercialise community forestry. Such outcomes may in many cases be avoided by developing institutional arrangements that are better aligned with local norms, by understanding how commercialisation can change local norms, by better understanding the costs and benefits of alternative land uses for different groups of local people, and by perceiving the various routes by which commercialisation will intensify competition for resources.

ⁱ See Gross-Camp et al. (2016) Using participatory video as a research tool to capture dimensions of environmental justice, DEV Research Briefing 12.

ⁱⁱ See Martin et al. (2014) Conservation, Markets and Justice—A comparative study of local and global conceptions, DEV Research Briefing 11.

ⁱⁱⁱ Khatun, K., Gross-Camp, N., Corbera, E., Martin, A., Ball, S. and Massao, G., 2015. When Participatory Forest Management makes money: insights from Tanzania on governance, benefit sharing, and implications for REDD+. *Environment and Planning A*, 47(10), pp.2097-2112.

^{iv} <http://www.fao.org/publications/card/en/c/b7c18106-c19d-412f-bd77-a35a2aee00b5/>

^v Belcher, B., Ruiz-Pérez, M. and Achdiawan, R., 2005. Global patterns and trends in the use and management of commercial NTFPs: implications for livelihoods and conservation. *World development*, 33(9), pp.1435-1452.

^{vi} Galloway, G., de Jong, W., Katila, P., Pacheco, P., Mery, G. & Alfaro, R. 2014. Prerequisite conditions across cases. In P. Katila, G. Galloway, W. de Jong, P. Pacheco & G. Mery, eds. *Forests under pressure: local responses to global issues*, pp. 453–473. IUFRO World Series Vol. 32. Vienna, International Union of Forest Research Organizations (IUFRO).

^{vii} Corbera, E. and Martin, A., 2015. Carbon offsets: Accommodation or resistance?. *Environment and Planning A*, 47(10), pp.2023-2030.

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