

COMMERCIALISATION OF NTFPs AS PART OF RURAL LIVELIHOOD PORTFOLIOS: POLICY VS. LOCAL REALITIES

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Introduction

Ensuring participatory management of Zimbabwe's communally owned forests is a daunting challenge. Although it is largely agreed that this is the way to go, effective engagement of rural communities in active planning and implementation of forest resources management initiatives remain elusive. From the work that we have been doing it is now clear that for rural households to participate in development initiatives, they require secure, sustained, substantial, and fairly immediate benefits from available options. The inherently low values of most forest products especially non-timber forest products (NTFPs) have undermined viability of most options. These low values, coupled with the often high transaction costs associated with communicating, meeting, negotiating and enforcing agreements have dampened the enthusiasm for collective action by rural communities.

The policy environment in the country has to improve significantly if meaningful progress is to be achieved with respect to community participation in forest management. Policies should aim to provide incentives for people to make decisions that are 'in their best interests'. These should give people choices on how best to meet their objectives. Policies that fight against self-interested behaviour have little chance of achieving required objectives. In sharp contrast to these observations, legislation regarding use of forest resources in communal areas is highly restrictive and poses a lingering threat to benefits from these resources. The Communal Lands Forest Produce Act prevents commercial exploitation of forest resources. This law is clearly out of step with practice as widespread commercialisation of forest products, especially NTFPs is now an important component of household livelihood portfolios in most communities.

The extent of commercialisation of NTFPs

Commercialisation of forest products has grown rapidly since 1980, due to both the increasing need to augment household budgets and also opportunities created by the changing macro-economic conditions. Findings from most of our studies have attributed increases in commercial extraction of NTFPs during the past decade to a number of factors. Market liberalisation that came with the introduction of ESAP resulted in the government decontrolling the exchange rate. The Zimbabwe dollar decreased in value, making it attractive for South African and other international tourists to come to Zimbabwe. The resulting upsurge in tourism saw a growth in demand for curios and craft items, including those made from forest products. This precipitated a rapid rise in wood and non-wood craft production and marketing in most tourist areas and along most major tourist routes in the country. Some of our studies have also revealed that increased commercialisation of NTFPs was stimulated by economic hardship that accompanied severe droughts in the late 1980s and early 1990s, as well as a lack of growth in the national economy. These events had adverse consequences

especially for poorer households, particularly in areas of low agricultural potential, leading families with limited resources to seek other sources of income, such as from harvesting, processing and sale of NTFPs.

Some of our recent work suggests that the proportion of households participating in commercial NTFP activities has generally increased over time. In one such study in the Hotsprings area it was established that the proportion of households in commercial baobab craft production had increased from as low as 3% before 1980, to about 43% of existing households by the period 1996-1999. About 40% of the households in Xini ward of Sengwe Communal area in the Limpopo valley use ilala palm for craft production. Approximately 85% of this craft output is sold in a bad year, while only 70% is sold following a good agricultural season. About 3-13% of the households in the ward are also involved in palm wine production from ilala palm plants. Up to 60% of the wine is for sale.

The collection, processing and sale of mopane worms has also tended to increase in areas where the worms are found. Studies that have analysed trends on mopane worm commercialisation revealed that before 1980 these caterpillars were mainly collected by local villagers in small quantities for own consumption. By 1995 about 75% of households in mopane worm regions were found to be participating in commercial mopane worm activities. The lucrative industry has also attracted individuals and companies from outside the mopane regions. Studies carried out around 1995 identified five firms that pack and distribute mopane worms in Zimbabwe's second largest city, Bulawayo.

At a regional scale, research on non-farm rural employment and income generation has shown that small-scale production and trading activities in forest products constitute one of the largest parts of rural non-farm enterprise employment. Notable NTFPs that are being exploited commercially include thatching grass, fruits, medicinal plants, game meat, edible insects (particularly caterpillars and termites), leaf vegetables, reptiles and birds, honey and mushrooms. The studies estimated that about 10 percent of the rural population gain some cash income from forest product activities. These results suggest that for Africa south of the Sahara, about 15 million people could be engaged in such activities.

The contribution of NTFPs to household income

The importance of forest income usually lies more in its timing rather than in its magnitude. It seldom accounts for a large share of a household's total income, but is often important in filling seasonal or other cash flow gaps, and in helping households to cope with particular expenses, or to respond to unusual opportunities. Seasonality of NTFP activities usually reflect availability of raw materials, needs for additional cash at particular points in the annual cycle (e.g. to purchase seeds, hire labour or pay school fees), seasonal fluctuations in demand, or the seasonal availability of labour for gathering and processing of products. In particular, these resources are widely important as a substitute and economic buffer (safety nets) in hard times. Given the highly unpredictable agro-ecological conditions in most semi-arid regions, commercial utilisation of NTFPs does not follow any obvious trends but remain highly opportunistic.

Although households in many of the communal areas usually rank cropping as the most important form of livelihood, they often mention that this activity is only key to subsistence but there is hardly any surplus to sell. In some of our study areas commercial NTFP activities are ranked second after cropping activities as villagers perceive them as good cash income

generators. This is particularly so for the poorer households who consistently have higher proportions of their incomes coming from forest resources.

By subtracting the cost of production time from the income earned, some of our studies have calculated economic rent attributable to forest resources in their ability to produce products over time. The rent (or surplus value attributable to the resource) represents contributions to livelihoods of households for which nothing has to be given up. Using the prevailing wage rates, economic rents have been estimated at about one-fifth of the total cash income. In other words, one-fifth of the cash income obtained from forest products comes without the household having to lose anything. Rent available to households however varies widely as there are households that are well located close to forest resources, which greatly reduces production costs and thus increase economic rents captured. The declining employment opportunities within the economy have tended to push down the opportunity cost of rural labour such that economic rents from environmental resources have been going up. Against such a background we can only see an increase in commercial activities involving forest products.

The challenge for development research

Considerable research has already been done on local communities and forest resource management. However not much of research outputs have successfully directed community driven development initiatives. The question of what development experts should do to develop trade and sustainable utilisation of forest products still remains unanswered. At this stage it seems the challenge is for development research to clearly identify typologies of cases of forest resource utilisation that are akin to specific development and conservation outcomes. Available information has been assembled in an ad-hoc fashion, using a range of methods, at different scales, and focussing on different elements of forest product production, processing and marketing systems. Work is needed to document and compare cases using consistent, standardised sets of descriptors and definitions for an appropriate range of variables. The ultimate goal would be to provide guidance for action-oriented interventions based on identified conditions and types of cases that are amenable to certain development interventions. Such work would improve the effectiveness of investment and policy interventions into management of forest resources.

At the community level the challenge is to provide technical information on different management options so that communities make more informed choices between alternative solutions to their problems. Development agents should also add to the local pool of knowledge by facilitating exposure of community members to successful cases of forest resource management. More long-term approaches should however aim to promote emergence of adaptive resources users with capacity to take advantage of opportunities created by changes in their circumstances.

What changes in policy are required?

It is vital that policies are formulated on the basis of realities on the ground. Generally policy makers should work on the appreciation that rural households are rational agents who allocate their resources in a manner that is maximises benefits. Legislation that criminalize commercial utilisation of forest resources, if effectively enforced, has the effect of reducing the perceived value of the resource such that they are not worth investing in. This is

particularly so for the poorer households who have significant proportions of their income coming from these products. However in most cases it is very costly and almost impossible, as in the Zimbabwean case, to enforce such legislation, as it is not in the interest of resource users to participate. This creates a vacuum as no sustainable options for investment and exploitation of resources are provided. The aim of any intervention should be to provide incentives for resources users to make decisions within a long-term framework without undermining their livelihood.

Possible interventions in NTFP activities in the Zimbabwean scenario include certification and licensing. Although more work still needs to be done to establish whether its best to certify the product or markets, the option could provide an entry point around which a number of other incentives could be built. Community level institutional structures are likely to be better placed to undertake such monitoring along the lines of CAMPFIRE-type programs. This would avoid blanket policies that are sometimes not relevant in other areas. There might be need to come up with unique packages for each community. The major challenge however is dealing with thinly spread benefits that are associated with some NTFPs, and issues of transparency and accountability among local level institutional structures.

Conclusion

It is unlikely that policy can succeed over realities on the ground. The way to go would be to provide incentives for resource users to attain their objectives along trajectories that have desirable conservation and development outcomes. For policies to be effective they should help resource users add value to forest resources so that they become viable options that can compete favourably with other household activities. These options should however direct resource users towards more favourable development and conservation outcomes. The unique circumstances surrounding commercialisation of NTFPs in each community also suggest that blanket policies are unlikely to work. Rather, area-level interventions would be in a better position to encourage sustainable forest resource utilisation without undermining people's livelihoods.