

Exclusion Isn't Easy: Lessons from a Leasehold Forest

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Abstract

Nepal's Hills Leasehold Forestry and Forage Development Project leases forestland to small, organized groups of rural households. Effective community management of forestland requires the capacity to exclude other potential resource claimants. Through institutional analysis of a single leasehold forest case study, we argue that exclusion by small groups is difficult, especially for the poorest of the poor. We recommend ensuring adequate provisions for meeting the forest product needs of the poorest within the context of community forestry as a more effective poverty alleviation and conservation strategy. In addition to community forestry-based forest access, poor farmers need a leasehold program for farmland that would enable food self-sufficiency.

Key words: leasehold forestry, exclusion, collective action, poverty alleviation, devolution

OVERVIEW AND OBJECTIVES

Nepal's Hills Leasehold Forestry and Forage Development Project (HLFFDP) aims to develop the livelihoods of Nepal's poorest through leasing forestland to small user groups. Objectives for the leasehold forestry project are rural-household poverty alleviation and ecological restoration of degraded forests based on the assumption that forest degradation and associated resource depletion is the major constraint in poverty alleviation (Sterk 1997, HLFFDP 1999). The Department of Forest, Department of Livestock Services, the Agricultural Development Bank and the Nepal Agricultural Research Council implement the project jointly (for a detailed introduction to the project and its implementation (Sterk 1997).

The leasehold forestry project targets small, marginal farmers and currently operates in ten districts. Small groups of exceptionally poor households are leased small patches of public, generally degraded forestland. District Forest Offices are responsible for handing over these forest patches. Most assessments of leasehold forestry consider the program successful. For example, Sterk (1997) argues that leasehold forestry compliments community forestry and a number of Department of Forest officials make similar claims in various fora. However, our institutional analysis of a leasehold forestry case reveals potential limitations in the ability of the program to alleviate poverty in Nepal.

We present a case study¹ of leasehold forestry in Nepal from the perspective of poverty alleviation. We present the case with two objectives in mind. First, we want to examine leasehold forestry in a critical light. To accomplish this objective we lay out the context for the leasehold forestry site we examine and explore the impacts and institutional outcomes at the site. We offer a brief analysis of our findings that suggests possible problems with leasehold forestry in Nepal. This leads directly to our second objective, which is to assess the value of the program as a poverty alleviation/conservation strategy and suggest possible improvements or alternatives. We focus on two problems associated with excluding outside claimants to forest resources and draw two lessons.

First, even though the program is targeted towards the poorest, the not-quite-poorest can sometimes force their way into leasehold forest user groups. Because access to forest resources is so important for almost all households in rural Nepal, creating a new situation such as leasehold forestry where only certain people's forest use and access is considered legitimate may be untenable. Two, leasehold forestry may not be the best mechanism for supplying basic forest products because of the difficulty for the poorest in excluding other potential users. Insuring equitable and adequate benefit distribution in a community forestry framework may be a better approach.

DEVOLUTION AND COLLECTIVE ACTION

Like community forestry, leasehold forestry is a devolution strategy in that it shifts control and authority over natural resources away from the center down to local communities (Fisher 1998, Agrawal and Ostrom 1999). Such devolution and associated community-based conservation initiatives have spread rapidly in recent decades around the world (Agrawal and Gibson 1999, Wilshusen et al 2002). In addition to control and authority, accountability, responsibility and costs also shift downward with devolution. This can be beneficial or problematic depending on the degree of social stratification and prior organizational experience within a community. This means that with devolution there is a potential for either local empowerment or abuse of new sources of power by local elites (Nelson and Wright 1995).

Although in many ways promising, forest devolution in South Asia does have problems in both implementation and outcomes (Gilmour and Fisher 1997, Agrawal and Ostrom 1999, Agarwal 2000, Kellert et al 2000). For example, during formation of user groups, the poor and disadvantaged are rarely consulted and sometimes are not identified as users. Unfortunately, the poor and marginalized are generally not accustomed to expressing opinions in formal fora or being asked to make decisions, which leads to exclusion by silence (Hobley 1996). The silence of the marginalized is often filled by the shouts of more confident and well-positioned users, who are then able to shape forest management institutions to their benefit.

For devolution to be successful, local groups must take effective collective action. Appropriate conditions for garnering successful collective action in resource management are a subject of considerable research and debate (e.g. see Ostrom 1990, Libecap 1995, Agrawal and Ostrom 2001, Varughese and Ostrom 2001, Futemma et al 2002). However, it is generally accepted that successful resource management requires the capacity for effective exclusion, otherwise a resource can become open access with little or no control on rates of resource extraction (for more on the relationship between tenure and resource management, see Ostrom 1992, Hanna et al 1995, Alcorn and Toledo 1998, Princen 1998, Tucker 1999, Gibson et al 2000a).

METHODS

Data for the following case studies were collected using International Forest Resources and Institutions (IFRI) protocols, which were developed by Elinor Ostrom and others from the Workshop in Political Theory and Policy Analysis at Indiana University (Ostrom and Wertime 1995). Using a mix of methods including Participatory Rural Appraisal (PRA) techniques, group interviews, key informants and forest mensuration, IFRI methods relate local institutional arrangements and socio-economic attributes to forest conditions (for examples of other research using IFRI methods, see Gibson et al 2000b). The major objectives of the IFRI strategy are to examine linkages and interrelationships between and among (a) institutional arrangements, (b) forest or other resource base conditions, (c) harvesting and other management activities, (d) rules-in-use, and (e) resource impact over time.

Data for our case were collected by staff of the Nepal Forest Resources and Institutions (NFRI) research center². Primary data collected from the field were complemented by secondary information sources such as project progress reports, household surveys and other reports compiled by HLFFDP. Vegetation characteristics of forests were measured in randomly selected plots. Base line IFRI data were first collected in June 1995. Current data discussed below are from site revisits designed to evaluate the impact of the leasehold forestry project. Fieldwork for our study site was carried out in two stages, one in late January 2000 and the second in mid-February 2000.

THE SITE

Our study site is located at Bhagawatisthan in Kavrepalanchowk district. The site is comprised of five settlements and the elevation varies from 1000 m. in the leasehold forest to 1410 m. in the

highest settlement. Electricity and piped water facilities exist in most of the settlements. The total population of the five settlements is 600, residing in a total of 90 households. Average family size ranges from 5.7 to 7.0 persons and each settlement contains almost the same number of joint and nuclear families. Brahmin, Newar, Tamang and Pahari are the four main ethnic groups comprising the population of the settlements. Newaris form the largest ethnic group accounting for 69.7 percent of the total population.

The period for which most of the households have sufficient food to feed their families varied from seven months to ten months each year. Lack of irrigation water at the site hinders both farming activities and management of leasehold forests. In order to cope with these local constraints, almost all the households depend on off-farm activities outside the settlement. All of the site's households depend on forest products for their daily activities, and irrespective of land holding size almost all households have involved themselves in the leasehold forestry project. In 1995 there were 70 households at the site, 49 of which participated in the Hills Leasehold Forestry and Forage Development Project. As of February 2000, out of a total of 90 households, there are 80 lessee households.

LEASEHOLD FOREST INSTITUTIONS

Leasehold forestry in Bhagawatisthan encountered several problems in its early implementation. District Forest Offices are responsible for handing over forestland. To the extent that DFO staff have an incentive to hand-over forest land (to meet quotas, or gain prestige, etc.) the leasehold forest user group formation process may be more government driven than community initiated (Gilmour and Fisher 1997 and see Hobley 1996 for perspectives on who initiates 'participation' in social forestry). This is especially possible given the sense of being voiceless experienced by most of the poorest of the poor. At Bhagawatisthan, the leasehold forest user group formation process was driven more by the government than by the community. A sense of ownership and social investment is usually quite important for successful collective action (Ostrom 1990, Libecap 1995, Agrawal and Ostrom 2001), which suggests that government imposed or encouraged participation can be problematic.

The DFO formed eight leasehold forest user groups in 1994 despite some resistance from area residents. Members reported that the first four years of leasehold forestry were marred by conflict associated with the formation process. This is not at all unusual in the leasehold forestry project (Sterk 1997). With hand over of forestland a leasehold forest user group is given the authority to exclude non-member users from accessing 'their' forest resources. This contravened pre-existing, de facto tenure and resource use prompting non-member households to claim their traditional use rights for the forest.

Non-member households claimed that the leasehold groups were not formed properly and that the participation criteria were not appropriate in a community where all households had unmet forest product needs. As a result of these conflicts, non-member households grazed livestock and collected forest products in the leasehold forests. These non-member claimants also uprooted seedlings planted by the Leasehold Forest User Groups (LFUGs,) violating their exclusive use-rights to the forest given by the government under the leasehold forestry program. None of the user groups were strong enough to effectively exclude and punish encroaching non-member households. Internally, none of the user groups were able to agree on enforcement rules for their own members either, which resulted in violations of use rules going unpunished. Both the users and the forest thus suffered from weak institutional arrangements.

As a solution, the eight leasehold forest user groups self-organized to create a federation of user groups called the Inter-User Group (IUG). The IUG is an 11-member committee comprised of the chairpersons of all the area leasehold forest user groups. One additional member from a particular user group sits on the IUG. Two members are from neighboring user groups of a different ward in Bhagawatisthan VDC. The members of the IUG select one among them to serve as their chairperson.

Along with creation of the IUG the user groups reorganized; some member households changed groups and other households were added to existing groups. With the IUG came effective monitoring and enforcement of forest use rules.

Despite early conflicts over resource access, all of the individual user groups report that their economic status has improved. With access to forest products, user households saved money that they otherwise would have spent on animal feed (e.g. rice straw), fuel wood and fodder, as well as animal products that they can now afford to raise themselves (e.g. milk, meat, and eggs). Some livestock-owning households also sell such animal products, while those households without livestock earn money through sale of their share of fodder from the leasehold forest. Six of the eight user groups have established joint savings schemes where funds are collected from each member at the monthly meetings and deposited at the bank or lent to needy members.

LESSONS

The primary practical and theoretical lesson of this case is that exclusion is contentious and costly for small groups, especially when resource use rights are ascribed to only some members of the larger community. Ascribing use and access rights to a limited group can cause conflict when people outside that group perceive that their traditional rights are ignored. Leasehold forestry limits forest use and access rights to a targeted group of people and imposes duties of non-use on other people in a community. Because leasehold forests are carved out of government forests, which are typically de facto open access in Nepal, those who do not qualify for leasehold forestry likely will resist sacrificing benefits that they traditionally received from the local forest. In practice, excluded households were not ready to uphold their new, imposed duties of non-use nor to recognize the exclusive use rights granted to lessee households. In this way non-member users did not accept the rules created by the LFUGs.

Given the weak bargaining positions of those who qualify for leasehold forestry, there is the potential for those relatively better off to 'bully' or intimidate their way into leasehold forest user groups, as happened in Bhagawatisthan. There, non-qualifying users were able to successfully press a claim to long-standing traditional access rights. To protect their forest plots the user groups expanded their membership to include households not meeting the official qualifying requirements. Successful exclusion in this case required greater inclusion. Individual user groups found that they were not capable of crafting and enforcing rules on their own. Bhagawatisthan is not unique in utilizing this strategy. "[A]ccommodation of more groups or more members per groups for the same area is sometimes adopted as a strategy to end disputes over group formation..." Sterk reports (1997 218 pp).

The solution was to form a coordinating committee for all of the eight user groups at the Bhagawatisthan site. It was only with the formation of the 'Inter-User Group' that rules became enforceable and transgressions could be penalized. That only one such rule infraction has occurred since the IUG's formation demonstrates the improvement in rule enforcement. Rule making and rule enforcement required cooperation and coordination. Coordination and collective action decisions for management are taken by the individual LFUGs, while the IUG determines penalties for rule breakers and facilitates coordination between the LFUGs.

It appears that conflicts were resolved and rules enforced only after the relatively better-off households (i.e. those not meeting the official qualifying criteria) were included. Could it be that these households were strong enough to resist restrictions on their behavior and are strong enough to shape rules and penalties within a collective action arena? In other words, do the poorest of the poor lack the power and therefore capacity to effectively exclude others from a resource system, even when given the authority to do so?

Two lessons can be learned from the preceding discussion. First, higher institutional levels should create safeguards against ‘bullying’. Leasehold forestry creates a problematic need to balance the interests of right holders (lessee) and duty holders (non-lessee). Given their weak bargaining positions, leasehold forestry target groups need more support from the forestry staff and officials in their district to assert their rights against the duties of others. This may require creation of a grievance procedure through which users could seek redress from some impartial authority for violations of their use rights as well as additional enforcement by district rangers. Unfortunately, this might not be practical considering the resource constraints of District Forest Offices. Furthermore, use of such measures could engender more resentment toward LFUG members on the part of non-members so they must be carefully crafted and used with caution.

Second, leasehold forestry may not be the best mechanism for supplying basic forest products. With the self-organization of the eight LFUGs at Bhagawatisthan into an Inter-User Group, de jure leasehold forest tenure became de facto community forestry. A Community Forest User Group would have been more effective from the start. Because access to forest resources is so important for almost all households in rural Nepal, creating a new situation where only certain people’s forest use and access is considered legitimate may be untenable. Creating such situations is precisely what leasehold forestry does, however. In other words, although leasehold forestry may help the poorest meet their forest product needs, if implemented well community forestry can do so better without creating resentment towards the poorest.

Community forestry, ideally, creates a vested interest among all members in a user group, which can lead to a more generalized acceptance of the restrictions and rules associated with a new forest management institution. Because community forestry (ideally) includes all users of a forest, there is no opportunity for resentment towards a small group with special forest access rights. However, community forests are often completely closed off in the first five years, which harms the poorest the most, so specific provisions for meeting their needs must be incorporated into the constitutions and operational plans of community forest user groups. This might require revising the community forestry provisions of the Forest Act and Guidelines at the most, and improved support services from DFOs at the least. Given the potential of well-structured community forests for meeting forest product needs, the leasehold forestry program should be redesigned to complement community forestry.

The priority of poor farmers is to cultivate grain to feed their families but the forestry regulations do not allow cereals to be cultivated on leasehold forestland. The permitted uses which include cultivation of improved breeds of grass, fruit and medicinal herbs do not solve their immediate problems of food deficiency. Land should be leased to the poorest with this in mind. Rather than leasing forestland to the poorest to provide forest products, a role better filled by community forestry, greater efforts are needed to provide poor farmers land to cultivate at little or no rent. Rather than leasehold forestry, we argue the need for a government sponsored or subsidized leasehold agriculture scheme that could satisfy some basic needs that community forestry cannot satisfy. Such a scheme would complement an improved community forestry. There is a need for considerable debate, research and design to properly assess the practicality of this recommendation.

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¹ The present paper is based on a single case study drawn from a database of several leasehold forests where IFRI data collection methods were used. The authors are currently working on another paper comparing the present site with one other case study site that expands somewhat on the issues explored herein. NFRI staff may be contacted for information about other leasehold forest cases.

² The IFRI program is a cross-country research program that works through country-based Collaborating Research Centers (CRCs). NFRI was one of the first CRCs established in the IFRI network and is located in Pulchowk, Lalitpur. NFRI staff were trained in IFRI methods at Indiana University in Bloomington, Indiana USA.