

Can the Market Be Part of the Decentralization Process? A Review of Nepal's Buffer Zone Program

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This paper explores the dilemma of protected area buffer zone forest management, particularly in dealing with market roles that could contribute to poverty reduction. Examining Nepal's buffer zone program, the paper shows how the reluctance to embrace the role of markets has undermined the poverty-reduction potential of buffer zone forests. It is revealed that conservationists' persistent fear that access to markets may ultimately lead to overexploitation has shaped the buffer zone policies that often favor subsistence over forest product trade. It is demonstrated that constrained access to markets has hit the poor who rely more on markets for their livelihoods, which limits the poverty-reduction potentials of buffer zone forests. Weak forest tenure in buffer zones is at the core of the problem. It is argued that in the absence of effective local voices conservation authorities have largely enjoyed monopoly over the policy process that often gives inadequate attention to local livelihoods. It is suggested that increased tenure security and access to markets must be part of decentralization reform in order for the poor to benefit from forests.

Introduction

The negative social impacts of protected areas (PAs) is now well recognized (Ghimire and Pimbert 1997; Brockington and Schmidt-Soltau 2004; Kothari 2004). However, the nature and extent of impacts on specific social groups and the complex dynamics of interactions between conservation policies and livelihood outcomes are still not fully understood. Consequently, policy responses in addressing conservation and livelihoods have not been able to meet these interrelated objectives.

Buffer zone programs are hailed as one of the best approaches to address the poverty of the communities surrounding PAs. The program often combines natural resource decentralization and financial and technical support in implementing various integrated conservation and development projects. The outcomes in general are said to have been enhanced social status of local people and improved ecological condition of the area. Notwithstanding these achievements, there are mounting criticisms that the conception, design, and implementation of buffer zone programs have failed to meet their promises (Neumann 1997; Lynagh and Ulrich 2002; Paudel 2003, 2005). The central points of the critics are the expansion of the conservation agenda outside the PA boundary into communities, and inability to deliver the expected benefits to the poor and marginalized.

Most of the criticism over buffer zone programs however is limited to the unequal distribution of development benefits, particularly on the disproportionate costs and benefits of conservation programs (Paudel 2005). While these criticisms are common to many rural development programs, the more fundamental issue is the status of forest tenure security and its impacts on landless, marginalized, and other poor communities in buffer zones. Tenure insecurity of forest products and associated restrictions to market access have often been overlooked within the macronarratives of natural resource decentralization in the buffer zones.

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This paper examines Nepal's buffer zone policy and practice to explore the effects of restrictive provisions in accessing the market for forest products. The paper draws from literature review, policy document analysis, individual consultations, and the author's long observation of the buffer zone program in Nepal. The paper begins with the historical development of Nepal's buffer zone program, examines its specific provisions, relates policies with the actual practices in the field, and analyzes the impacts of these restrictive provisions. The paper concludes by criticizing the stereotyped assumptions and arguments against the role of markets and suggests a more deliberative approach to realize the commercial benefits of forest products, particularly for the poor and landless.

Livelihoods in Chitwan Valley and the Role of Markets

In Nepal land is the predominant source of income, security, and social prestige (Shrestha and Conway 1996; Karki 2002). However, land distribution is highly skewed and thousands of people do not have enough land to cultivate. Over 20% of the people are landless. These people largely rely on forest and other commons or open access natural resources for their livelihoods.

The situation is even worse in and around the Chitwan National Park. Indigenous people and landless households form a major portion of the population in Chitwan National Park's buffer zone. They have settled on public lands including river banks and forest fringes. Among them, over 50% of the Bote and Musahar (1,153 households) largely rely on fishing that provides over 70% of their annual income. Collection of wild fruit and vegetables complements their household income. There are several other poor and landless groups in the area drawing their livelihoods by collecting and selling a number of forest products from the PA and the buffer zone. According to a recent study of two buffer zone villages, "landless people had by far the most collection activities and the land rich the fewest" (Straede and Treue 2006: p. 258).

Only a small part of this collection (fishing, wild fruit, and vegetables) is directly consumed. The major portion is sold in the market both local and sometimes in Narayangarh—the main trading center in the valley—where items often fetch a better price. According to one study the gross value of collection equalled almost 90% of the total annual cash income for the households (Straede and Treue 2006: p. 262). This shows the degree of their reliance on the market for forest products.

The Buffer Zone Program and Restricted Access to Markets

The Nepalese Government introduced the buffer zone management program in 1996 as a measure to reduce the ongoing park–people conflict around the PAs. A periphery outside the PA's border was designated as a buffer zone and the area was brought under the jurisdiction of the PA authority. Several land-use restrictions are imposed in the area and 30 to 50% of the PA income has been reinvested for socio-economic development of the area and for paying compensation against wildlife-related damages. A range of buffer zone institutions has been set up in implementing the program including managing the local forests. Buffer zone community forest user groups (CFUGs) are managing the forest in collaboration with the PA authority. These forests are handed over to the buffer zone CFUGs under the approved Operational Plans and the constitutions of the groups.

Forest policies for the buffer zone have shown little consideration of the local livelihood contexts of the area. Management of forest resources is often limited to subsistence use by putting a number of direct and indirect restrictions on accessing markets. While management

responsibilities of buffer zone forests are handed over to the buffer zone CFUGs, they are not allowed to establish and operate any forest-based industries thereby preventing any commercial benefits. The Buffer Zone Rule 1996, (Rule 20:2) (HMGN/MOLJ, 1996) reads:

Whatever is mentioned in the Sub-Rule (1), before registration or providing license for cottage industry based on forest resources, the official shall register or provide license for the operation of the industry only after getting approval of the Department [Department of National Park and Wildlife Conservation (DNPWC)].

Here the Government office responsible for registering the enterprise must take prior permission from the DNPWC, which is not an easy job. The DNPWC often discourages establishment of any forest-based industries in the buffer zone area. By centralizing the licensing procedure, the legal framework inhibits operation of forest-based industries in the buffer zones. Moreover, the Nepalese forest law, which applies across the country, including PA buffer zones, restricts the establishment of any forest-based enterprise within one kilometer of a forest area.

The same rule restricts movement of forest products outside the buffer zone where they may incur high price. In this aspect the Rule (21:12) reads:

Users' will be allowed to transport forest products, except timber and firewood obtained under the Sub-Rule (10) and (11) from the buffer zone. Users will have to obtain permission from the warden before making such transportation.

Not very surprisingly, these restrictions equally apply for private forests (Rule 23:4):

If the owner of buffer private forest has to transport, sale or distribute the forest products of buffer private forest out side the buffer zone, will have to apply to the warden with the description of species, kind, and quantity of the forest products.

Here one can observe the two-pronged restrictions in realizing the commercial value of the forest products; forest enterprises cannot be established in the buffer zone nor can they be transported outside the area. This legal provision indicates a strong bias against any form of trade or marketing of forest products. Interestingly, these restrictions are not only limited to the periodic harvest of standing trees or other forest products, it also applies to the flood driftwood that often comes from hundreds of kilometers away. The Rule even restricts collecting of flood driftwood during floods in Narayani and Rapti. The Rule (24:7) mentions

The warden himself or through the users committee may collect the wood or firewood that are drifted, edged or trapped or submerged on the river bank within the buffer zone makes arrangement for sale depots andprescribes the rates based on existing laws.

And these woods will not be permitted to be used outside the buffer zone.

In this way the current buffer zone rules strictly prohibit the movement and trade of forest products outside the buffer zone. The rationale of these restrictions and their existing and potential livelihood outcomes are discussed hereunder.

The Poor Are the Losers

The stereotyped assumption that the rural poor rely on natural resources for subsistence use may have played an important role in shaping policies that inhibit market access. In Nepal rural livelihoods are generally linked with subsistence use. While this may be true to some extent for the peasant farmers, this is largely untrue for the poorest households. These assumptions show a lack of understanding of the rural economy in general and that of the landless and poor in particular. Consequently, the spatial restrictions imposed upon the movement of forest products have barred poor people from realizing the benefits from markets. The following case from one of the buffer zone villages reveals the nature of the problem.

Laugain Khar-Khadai

Many local elites have united with PA authorities to impose strict conservation priorities in the buffer zone forests. These strict measures in limiting the movement of biomass within the buffer zone have had negative impacts on disadvantaged people as illustrated by the following case. The poor people in Laugain, one of the buffer zone villages worked hard for two weeks to collect thatch grass and fuelwood during the annual *khar-khadai*² harvest in February 1999. They did not engage in wage labor during this time but bought daily food and other consumables on credit from the local shop. They were expected to pay their bills by selling the thatch grass that would be collected during the permitted period. At the end of the grass-cutting period they were seeking customers to buy their harvest. Meanwhile the buffer zone CFUG chairperson issued a public notice prohibiting the sale of the grass outside the village. The collectors were furious at the notice and held a protest rally against the decision. They were so angry that they tried to beat the chairperson, however, he escaped. Later, he defended the decision based on the provision of the buffer zone rule that restricts movement of forest products outside the buffer zone area. As a consequence of this restriction the collectors were compelled to sell their grass locally at NRs2 per bundle while outsiders were ready to pay NRs.4 per bundle. Rich local farmers bought the grass at the cheaper rate and benefited from the provision. The *Sukumbasis* (landless people who rely on the sale of grass) questioned the biased rationality of the buffer zone rules. If tonnes of rice and other farm products from the area can be sold to Kathmandu and Pokhara, leaving thousands of poor people starving in the neighborhoods, why could the *Sukumbasis* not sell their grass?

Conservationists have a deep fear that given the stark scarcity of natural resources outside the buffer zone, opening up of markets for natural resources may result in siphoning of them (Sharma, personal communication). For some time, conservationists have expressed grave concerns over the subsistence use of forest resources such as thatch grass, fodder, and grazing in the area (Straede and Helles 2000). In many cases, the Nepalese conservationists have struggled to address the concerns of their international counterparts (Bhatt, personal communication). This is also reflected in the Nepal Government's report to the World Heritage Site Convention which states: "Collection of thatch grass in the park by villagers is well controlled and is not seen as a negative impact" (HMG 2003). These global concerns and conventional narratives are to a large extent responsible for shaping the policies that are hostile to any commercial use of forest resources.

There are genuine sustainability concerns that opening up markets for biomass in and around the park may lead to overexploitation of resources. This might be particularly true when there is a huge gap in resource availability between buffer zones and outside them. Learning from the resource management patterns of local and indigenous institutions we can develop institutions that ensure the sustainable extraction of resources and benefit the poorest groups.

² A term collectively used to mean thatch grass and building material from *Imperata cylindrica*.

Establishment and development of such institutions should be the challenge for ensuring market benefits without compromising ecological integrity.

Much consumptive use can be allowed without significant negative impact on the PA ecosystem (flood driftwood, riverine grass, wild fruit and vegetables). Local people have not well understood why they have been barred from picking ripe wild fruit or seasonal leafy vegetables. Conservationists would say that the ripe fruit will be eaten by birds or small animals as part of the long food chain. So in absolute terms every forest product in the park is essentially part of the local ecosystem. But in pragmatic terms, some forest products can be collected according to their regenerative capacity following the principle of sustainable use. For example, driftwood, which has floated hundreds of kilometers along rivers and is destined for the Indian border has little to contribute to park biodiversity.

Restriction on cutting thatch grass is another activity that has been contested. First, most of the area covered by riverine grass belongs to the floodplains of the Narayani River, which is regularly irrigated by nutrient-rich floods. The nature and frequency of these floods are the major determinants of the regenerative capacity of the grass. With the current level of annual floods, grass cutting would have very little negative impact on it. Second, the regular cutting of grass allows fresh regeneration of palatable grass that attracts rhinos. Local people have observed that when grass cutting was not allowed, the grassland could not provide palatable grass for rhinos so that they tended to leave the PA for cropped fields. Third and a corollary to the previous fact, when grass cutting is stopped, the riverine grassland degenerates into old dying fields that are avoided by a large number of herbivores, therefore changing the whole food chain in the park.

Given the ecological specificity of the area, grass cutting can be operated in a sustainable manner as long as local mechanisms for this are established and developed. If this is the case then what is wrong with selling the grass to the market? And why should the landless (in the aforesaid case from Laugain) be prevented from benefiting from the sale of grass?

Buffer zone policies on forest management that limit access to markets can be largely attributed to the persistent unequal power relations between conservation lobbies and local communities. Even within the broad framework of participatory approaches to natural resource management, local people in Chitwan Valley complain that their concerns and voices have often been undermined. Although multistakeholder meetings have become the dominant fashion today these forums are often hijacked by Government representatives or the local elite. The pro-conservation agenda of discussion, the physical arrangements for the meetings, and use of technical language often have disempowering effects on local people. Moreover, many well-informed and resourceful people often control the discussion in multistakeholder forums that usually reduces the ability of local people to effectively communicate their views and concerns. In the absence of well-organized alternative proposals, the conservationist view prevails over that of the common people and ultimately translates into conservation policy around the PAs in Nepal.

These conservative forest policies in the buffer zone are, however, challenged by the market actors who are highly influential in securing their interests. For example, despite conservationists' serious concerns over the huge pressure of visitors in the park, PA authorities have been unable to put an effective mechanism in place to regulate visitor flow. Similarly, the PA authorities have been helpless in controlling the continued release of industrial effluents from the Bhrikuti Paper Mill and Hetauda Cement Factory into the park's rivers, despite their known devastating impacts on the park's ecology. It can be concluded that the poor and marginalized groups have not been able to make their legitimate concerns heard due to their weak social and political position. In other words, these top-down policies will continue to persist as long as the different competing views do not get opportunities to express themselves.

Conclusion

The decentralization of natural resource management in the buffer zone program has been incomplete due to its restrictive policies in accessing the market to sell forest products. The policies and practices have favored subsistence use against enterprise and trading. Two implicit assumptions are evident: (1) the rural poor rely more on subsistence use and they have little interest in interacting with the market; (2) opening up of markets leads to unsustainable use of natural resources, threatening the sustainability of the PAs. Both arguments are based on global agendas and unexamined assumptions, which are found to be baseless under close scrutiny. First, poor and landless people residing in the area heavily rely on market transactions of natural resources for their livelihoods. Second, several forest products can be sustainably harvested according to the regenerative capacity of the area. Limiting the use of natural resources has negative impacts specifically on the poor and landless. This is contrary to the expressed objective of reducing poverty in the buffer zones.

Only well-organized opposition, particularly by poor and landless people will challenge the current policies and bring their agenda forward. This would lead to a relatively balanced debate between competing views and perspectives, which can lead to negotiated policy outcomes that examine the role of markets and the sustainability issues in the local context.

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