

19 CHALLENGES TO INCREASING THE OPPORTUNITIES FOR THE POOR TO ACCESS BENEFITS OF COMMON POOL RESOURCES – The Case of Community Forestry in the Terai of Nepal

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Abstract

The growth of forest user groups (FUGs) in Nepal over the last 10 years could be taken as an example of the effective scaling up of community-based organisations. However this growth has taken place mainly in the hills and not in the Terai (plains) and we have little evidence of the effect of community forestry on the livelihoods of the poor. This chapter reports on research on FUGs in two districts of the Terai of Nepal. Information was collected on the use of common property resources, the processes of community group formation, and the outcomes of these processes. The evidence indicates that while the effect of community-based forest groups has led to improved tree cover within the community forests, for a variety of reasons to do with access, these have not necessarily translated into pro-poor livelihood benefits. A generalised framework is presented that distils some of the key underlying issues in relation to analysing the linkages between new forest management institutions, social and economic processes, and natural resource access and use. While there is room for manoeuvre in creating a more enabling environment for community forestry and promoting pro-poor livelihood benefits, greater recognition needs to be given to the diverse use of forests and the role of these uses in poor household livelihood diversification strategies.

Introduction

The basis for community forestry in Nepal was laid with the 1978 Forest Act that established the principle of participatory forest management. However it was not until the early 1990s when a combination of pressure for democratic reforms and frustration with the failure of community forestry to develop that the legal basis for forest user groups (FUGs) was established through the 1993 Forest Act and the 1995 Forest Regulations. In 1991 the number of FUGs was a few hundred; this grew to 2,756 by 1994, and 8,559 by 1999 (Britt 2002). In September 2002 the Community Forest Division of the Department of Forest recorded a total of 11,586 FUGs in its database, made up of 1,276,433 households managing just under one million hectares of forest. With the growth in numbers of FUGs, an FUG members association, the Federation of Community Forest Users, Nepal (FECOFUN), has established itself to become a

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significant lobbying force for FUG interests. Growing out of a forest user network, FECOFUN was formally established in 1996 and now has a membership of over 7,500 FUGs. It has played a key role in representing user group interests and pressing for legislative and institutional reform in relation to the management of forest resources (Britt 2002).

The growth in number of FUGs over the last 10 years in Nepal could be read as an example of the effective scaling up of community-based organisations. There is a widespread opinion that the community forestry programme of Nepal has been an effective example of community-based resource management (see Arnold 1998; Baland and Platteau 1996) and could come to be a model of community-driven development. The environmental outcomes have been positive with a demonstrable increase in tree and vegetation cover. Organisations have been established that are rule bound, as evidenced by constitutions, operational plans, and committee structures.

One should not underestimate the significant shift in the balance of power between forest users and the Department of Forest in the very specific circumstances of Nepal, a shift that is in progress and under continuing negotiation. However a closer reading of the evidence (and what is missing from the evidence) at the very least raises important questions over the public story of success and it is significant that community forestry remains an important arena of contest between non-government organisations (NGOs), FUGs, and the Department of Forest. Three issues are raised here, which set the background to the rationale for the research study reported on in this chapter.

The first issue is that the growth of FUGs is location specific rather than general. A closer look at the location of FUGs shows that the majority (98%) are to be found in the hills of Nepal (Table 19.1) although the Forest Act does not discriminate between the hills and the Terai. A look at some key summary statistics indicates why this might have happened.

| Table 19.1: Contrasts between FUGs in the hills and the Terai of Nepal | | | |
|---|-------------------------|------------------------|--------------|
| Key descriptors | Hills | Terai | Total |
| Number of FUGs | 11,341 | 245 | 11,586 |
| Total area (ha) | 871,845 | 38,525 | 910,370 |
| Total number of households | 1,184,497 | 91,936 | 1,276,433 |
| Average number of households /FUG | 104 | 375 | 110 |
| Average area/FUG (ha) | 76.9 | 157.2 | |
| Average area/household | 0.74 | 0.42 | |
| Total income (NRs) | 4,115,171 (n = 7676) | 5,602,140 (n = 196) | 9,717,311 |
| Total expenditure (NRs) | 733,879 | 2,687,289 | 3,421,168 |
| Average income/FUG | 536 | 28,582 | |
| Average expenditure/FUG | 95 | 13,710 | |
| Average income/household | 5.2 (n = 793,439) | 68.3 (n = 82,066) | |
| Average expenditure / household | 0.92 | 32.75 | |

Source: FUG database of the Community Forest Division, Department of Forest, Kathmandu, 11 Sept. 2002.
In 2002, US\$ 1 = NRs 78

Although they are fewer in number, the average area and membership of Terai-based FUGs are at least twice that of hill-based FUGs. Further, the average income of Terai-based FUGs is over 50 times that of hill-based FUGs. These differences are carried through to contrasts in income and expenditure levels per FUG household. In summary the Terai forestry resources are extremely valuable and the Department of Forest has been reluctant to allow community forestry in the Terai and lose, as it sees it, a valuable revenue source. For this reason the process of establishing FUGs in the Terai has been hard and contentious (Britt 2002).

The second issue is that the story of social forestry success has focused on the bureaucratic processes (constitutions, membership, plans) and has assumed that positive environmental outcomes are evidence of livelihood benefits for the community. However there is little understanding of the livelihood outcomes of social forestry or any attempt to detail the ways in which households of different caste and socioeconomic status have benefited. It does not necessarily follow that because there has been biomass increase as a result of community action that pro-livelihood benefits are gained from this, either by individual households or communities.

The third issue, which is related to the second, is that there has been a strong tendency to treat 'communities' as socially homogeneous and undifferentiated. There has been little attention paid to the way in which different social groups actually use forest resources and how this varies between social groups. An understanding therefore of if and how the poor access common property resources under existing arrangements is an essential first step in asking how this can be improved and built upon.

The research that is reported on here was initially planned for the hills but a variety of circumstances including insecurity and a shift of interest led to a repositioning in the Terai. The research set out to investigate the linkages between current and proposed new systems of management of common pool resources and prevailing social and political relations around natural resource use. It was based on an understanding that even new systems of resource management are embedded within existing social and political relations and the knowledge of such relations is essential for successful design and implementation of new institutional arrangements. The research focused on collecting information on the livelihoods of different social groups and their access to forests and forest products and sought to detail the way in which these different groups access the resources they need to build and sustain their livelihoods.

After an outline of the methods and location of the research, this chapter presents a summary of the main research conclusions using selected evidence from the site-based studies. It uses these to explore a range of issues that determine the extent to which the poor at present gain livelihood benefits from common property resources before examining the implication of these for 'scaling-up' processes.

Methods and Study Sites

As originally planned the research would have been jointly implemented between NORMS, (a Nepalese NGO established in 2000 by a group of professionals with long-term experience of social forestry in Nepal, and the Overseas Development Group (ODG) of the School of Development Studies of the University of East Anglia, UK. Due to the political instability in Nepal and security issues associated with the ODG team doing fieldwork over extended periods, the onus of doing the fieldwork shifted to NORMS and what evolved was a relationship in which the ODG team provided advisory and capacity support to NORMS through briefing and design sessions, field visits, and debriefing discussions with the research teams. This chapter does not discuss this research process or the lessons learnt by both organisations further, but it should be recognised that such institutional capacity development can also contribute to the scaling up of benefits to the poor.

A range of field sites were selected in the Terai within two districts, Rupandehi and Nawalparasi (see Table 19.2). Sites were selected for contrast, to capture differences in quality of forest resources (for example, Rajahar with high-quality forest against Devdaha's lower-quality forest), differences in location of forest resources between the north of the Terai where most forest is to be found and the south where there is little remaining (for example, Rajahar in the north and Harpur in the south of the Terai), and differences in the nature of the common property resources (for example, forest against wetlands, as in Suryapura).

On the basis of a structured checklist that was developed as the research evolved, discussions and interviews were held at village development committee (VDC), village, user group committee, and social group level in order to investigate the use of common property resources, the processes of community group formation, and the outcomes of these processes.

These group interviews were supplemented with specific household interviews based on a purposive sample to capture the range of users. In addition community group constitutions, committee minutes, and operational plans for community forestry were consulted and analysed. Detailed inventories of forest resources were compiled from operational plans (where they existed) supplemented with records of the Department of Forest and field-level observation.

The research was carried out in three major rounds, with debriefing, review, and drafting of site reports at the end of each round. The identification of missing information and gaps at each stage, supplemented by comparative data coming from new site studies, led to a number of revisits to sites to obtain deeper information on particular issues. NORMS held debriefing sessions with both communities and other interested parties (for example, the Livelihood Forest Project, funded by the Department of International Development (UK)(DFID)) on the basis of the draft reports.

Table 19.2: Location of research study sites

| District | VDC | Site | Situation | Key community resources examined | Issues |
|----------|---------------|--|--|--|--|
| N-p | Makar, Jahada | Parijat CF | Main road, market town | Unregistered community forest (CF) | CF boundaries, ward and ethnic inclusiveness |
| N-p | Harpur | Dalit Mahila Harpur Jain Amanigunj Bhaksipur | Southern Terai, no forest Southern Terai, no forest | Wetlands Canal-side tree planting | Resource taken by VDC Political conflict in committee |
| N-p | Rajahar | Dhuserir – CF Chautari – CF Jharahi – CF Kalika – BCF Sishuwar – BCF Bhusamrachhyan – BCF Gaurav – BCF | High value forests High value forests Plantation for the control of river cutting Buffer zone for conservation area | Community forests Grass and thatch Grass and thatch | Diversity; high complexity in high value forest management; institutional instability, rent seeking Dispute over land use for settlement Community definitions based on residence versus community definitions based on use |
| R-d | Suryapura | Karmahaw Deurali – CF | Southern Terai, interior | Wetlands Handed over forest; 'under process' forest; good regeneration of natural sal | Community-contractor conflict Potential conflicts as forests start to give good income from sale of timber |
| R-d | Devdaha | Srijana – CF Budhhamawali – CF | Main road, market town | Handed over CF | High value forest but heavily cleared, involvement of NGOs Participatory processes |

VDC = Village Development Committee; N-p = Nawalparasi; R-d = Rupandehi; CF = community forest group; BCF = buffer zone community

Emerging Conclusions

We summarise first our major conclusions with respect to our understanding of the way in which new institutional arrangements around common pool resources have had livelihood effects at the specific sites where the study was done. We limit the discussion here to summary conclusions drawing on selected issues; further details are to be found in the project reports under preparation. We focus for the purposes of this chapter mainly on community forestry.

Resource supply

Information both from data on standing volume of timber, history of specific community forest action, group discussions, specific household interviews, and field

observations all support a picture of improved environmental outcomes as a result of the formation of FUGs. Most FUGs have been involved in tree planting activities and the combination of this and protection of their forests has contributed greatly to improved forest cover. For many FUGs (for example, Srijana in Devdaha) the availability of grass for livestock feed has been reported to have increased significantly and internal markets for the sale of grass have emerged. However attention must be drawn to two details that qualify this picture of improved environmental outcomes.

First, the measured data on vegetation that is available refer only to standing timber volumes. They do not include the amount of grass produced (which we do know has increased), non-timber forest products (for example, medicinal plants), or information on the range of other products (such as, charcoal, soil, and leaves for plates) that many households identified as important forest resources.

Second, the data only refer to the community forest area and one cannot assume that forest products are only collected from community forest areas. Indeed it is clear from many household interviews, particularly in Devdaha FUG that the major source of forest products comes from outside the community forest area, for example, in the state forest area, partly because the FUG area is so small. Evidence for the availability of forest resources from these areas is not available. Thus processes of protection that have come with community forests have in some cases simply led to a displacement of extraction by both non-members and members of FUGs into areas that are not effectively protected.

Access

Increased standing volumes of timber do not necessarily mean that there is increased access (officially) to either timber or fuel. Although preparation of the operational plans requires that a complex exercise of calculating the standing volume of timber, annual increment, and annual allowable cut should be gone through, standing forestry rules do not permit the cutting of trees (in 1999 a forest order banned the cutting of green wood). Even under community forestry, the only timber and fuel that can be harvested is from trees that have fallen down from natural causes or from allowable forest practices, including thinning. Although shallow soils, shallow rooting, and intense seasonal storms do yield a crop of trees that have fallen down through natural causes, as might be expected there is ample opportunity and evidence of the falling of trees being an 'assisted' process – trees are 'fallen' down in order to increase supply.

A second consideration of access relates to where you are settled and the available extent and quality of the forest. If the discrepancies between the hills and Terai are striking (see Table 19.1), even more so is the variability in household access to timber resources between FUGs within the Terai. As Table 19.3 makes clear, there is enormous variability between the study sites in terms of both the volume of standing timber, its value, and the amount that is available per household. In Dhuseri, the community forestry area and its value per household is at least five times more than in Srijana in Devadaha, reflecting both the community forest area per household and the nature of the forest resources.

Table 19.3: Comparison of sample FUGs by area, area per household, resource value and resource value per household

| Community Forest | Area and rank (ha) | | No of households | Area per household & rank (ha) | | Resource value (mill. NRs) | Resource value per household and rank (mill NRs/hh) | |
|-----------------------|--------------------|------|------------------|--------------------------------|------|----------------------------|---|------|
| | Area | Rank | | Area | Rank | | Value | Rank |
| Chautari CF | 355 | 2 | 665 | 0.54 | 1 | 1084 | 1.63 | 1 |
| Dhuseri | 205 | 3 | 613 | 0.33 | 4 | 880 | 1.44 | 3 |
| Parijat | 600 | 1 | 1324 | 0.45 | 3 | 493 | 0.37 | 4 |
| Bartandi | 46.3 | 6 | 101 | 0.46 | 2 | 152 | 1.50 | 2 |
| Kalika (BZ) | 22.5 | 10 | 207 | 0.11 | 8 | 74 | 0.36 | 5 |
| HJAB | 14.42 | 11 | 460 | 0.03 | 14 | 70 | 0.15 | 7 |
| Aichawal Thakurpur | 54 | 5 | 336 | 0.16 | 6 | 59 | 0.17 | 6 |
| Deurali | 67.12 | 4 | 1221 | 0.06 | 12 | 53 | 0.04 | 10 |
| Jharahi | 30 | 8 | 241 | 0.12 | 7 | 32 | 0.13 | 8 |
| Buddha Mawali | 40.5 | 7 | 600 | 0.06 | 12 | 15 | 0.03 | 11 |
| Sisumar (BZ) | 24.3 | 9 | 135 | 0.18 | 5 | 14 | 0.10 | 9 |
| Srijana | 11.3 | 13 | 158 | 0.07 | 11 | 3.5 | 0.02 | 12 |
| Bhu – Smarakshan (BZ) | 14 | 12 | 150 | 0.09 | 9 | 1.8 | 0.01 | 13 |
| Gaurab (BZ) | 3.5 | 14 | 41 | 0.09 | 9 | 0.17 | 0.004 | 14 |

Source: Compiled from various sources including operational plans, field measurements, and market prices
In 2002, US\$ 1 = NRs 78

This is not just a feature of the study sites. Figures drawn from the Department of Forest for FUGs in Rupandehi and Nawalparasi (Department of Forest 2002) districts show a wide range of forest area per household. For Rupandehi, for the 25 FUGs on the database, the FUG area (ha) per household ranges from a maximum of 0.84 ha to a minimum of 0.01 (an 84-fold difference) with a modal value of 0.16 ha per household. For the 13 FUGs in Nawalparasi, there is a 46-fold difference between the maximum value of 1.21 ha and the minimum value of 0.026 ha per household; the modal value is 0.103 ha. In part these summary statistics reflect a lack of policy focus on issues of spatial equity but they also have a story to tell in terms of how FUGs came to be established within the Terai. This includes pre-emptive action by some communities to which the Department of Forest has had to respond and fight (and sometimes lose) a rearguard action to retain control. Discrepancies on area under community forestry between what the community claims that it controls, what the FUG constitutions state, the details of the operational plans, and the official database have a rich story to tell and are returned to later.

Third, access depends on how ‘community’ is defined. There are various dimensions to this. One aspect to this is how the Department of Forest defines community and this is largely in terms of ‘users’. As the regulations put it (Ministry of Forest and Soil Conservation 1995) “the district forest officer shall have to take into account the distance between the Forest and the village and the wishes as well as the management capacity of local users.” How ‘account’ is to be taken is of course not specified, but by raising the issue of ‘distance’ it is clear that more distant ‘users’ are at a disadvantage with respect to potential membership than those who are close. This has meant that, for

example, the Tharu (the original inhabitants of the Terai), who tend to live further south from the FUGs and who have historically made seasonal rather than regular use of forest products, have effectively been disenfranchised from access although informal arrangements with some FUG committees have been established.

The buffer zone management around Royal Chitwan National Park under the Parks Department is clear – community is defined in terms of residence. This has had the effect of disbarring households from wards in Rajahar VDC outside the buffer zone, who have traditionally used products within the park boundaries, from any access to the products of the buffer zone. However, Department of Forest regulations allow households from within the park buffer zone to use the community forests of Dhuseri, Chautari, and Bartandi. This asymmetry in rights of access appears to be leading to restrictions on residents from the buffer zone having access to the community forest outside the park boundaries.

The story is however even more complicated. Many households appear to hold multiple membership of FUGs, for example, many of the Buddha Mawali FUG members also have membership in another FUG. It was not possible to assess which households these were but analysis of the households that were not members of FUGs, and most FUGs have households living around the forest who are not members (in Srijana over 40% of households are not FUG members), tended to show that these were the poorer households, often the original residents of the Terai. There are at least two reasons why such households are not members.

The first hinges around the definition of what constitutes a legitimate ‘use’ of the forest. This has been largely determined by forestry regulations and adopted by most of the FUG constitutions, which refer almost exclusively to a restricted list of timber products. This does not include for example the right to make charcoal or graze goats in the forest. Thus the Lodh (an occupational caste group), who have traditionally been ironworkers and dependent on charcoal from the forest, have officially lost access to this resource although whether this consistently happens in practice is less clear. Those households in Bartandi who had established an important income source through goat rearing had been using the forest area of Chautari and Bartandi before the FUGs were established. Once the FUGs were established they lost their grazing rights and had to dispose of part of their herds. They have shifted into boulder collection from the nearby river.

The establishment of community forests has also had effects on those who in the past have depended on the collection of fuelwood for a major source of income. As one woman in Buddha Mawali FUG in Devdaha put it “before the management of the forest as Community Forest I used to sell fuelwood at NRs 70/basket but I could not do this after the formation of the community forest.” She switched her occupation to agricultural labour, but this was seasonal work and she could only earn during the agricultural period.

Differing membership categories established by the committees in some of the FUGs have also acted to restrict access in a number of direct as well as indirect ways. In Parijat, Hjab,

and Dhuseri FUGs there are categories of membership, based on contributions, that give rise to differential rights. Dhuseri FUG has, according to the constitution established three categories of users based on the fee they should pay and the respective benefits derived from this. High entry fees (in a number of cases over NRs 1,000 as in Buddha Mawali FUG) make it difficult for late settlers or those who had reservations about joining at the start, to join at a later date.

The final dimension that we will consider here is that of the pricing mechanisms and we draw here from an investigation of the hidden economy operating in Dhuseri FUG, which as Table 19.3 shows has command of valuable resources. The official indicators for the FUG present a model of success. Detailed accounts (annual budgets, audits), plans (operational plans), and reports (minutes of assemblies) are kept and annual income and expenses are around NRs 1.7 million. Regular forest management activities according to the operational plan are implemented including establishing and tending nurseries, forest maintenance, and thinning. However a detailed examination of key policies and practices indicates that there is much that is inequitable and that the distributional outcomes disadvantage the poor. A detailed study of the hidden timber economy of Dhuseri shows that as a result of pricing policies (most notably a difference in internal and market prices of some NRs 150-300 per cubic foot) and timber allocation procedures (which make it difficult for the poor to access their quota, and encourage corrupt practices by members of the committee), windfall profits are available for those with access to capital and the means of circumventing ineffective and often corrupt bureaucratic controls. Out of the NRs 1.5 million FUG budget only 7.2% has been allocated for social development (health, poverty, and basic education). The poor lose out both through lack of effective access to timber and through the way in which FUG revenues are deployed.

Livelihood outcomes

It is generally argued that common property resources are of greater importance and relevance to the livelihoods of the poor than the non-poor and access to them has a potentially redistributive role to play (Beck and Nesmith 2001). We have already noted above the case of individual households that had collected and sold fuel for income or had grazed goats in the forest before FUGs were established.

Evidence from one FUG site (Buddha Mawali in Devdaha VDC), presented in Table 19.4, is revealing about the livelihoods of the poor. The table summarises the key assets of each household, their degree of self-sufficiency from farm production, and their income sources. The three poor households (HH1, HH2, and HH6) are either landless (HH6) or have less than 2 kathas (0.1 ha) of land. They vary in grain self-sufficiency from 1 to 6 months, with wage labour, the sale of goats, and in the case of HH6, some possible remittance income, supporting household needs. The three medium-wealth status households (HH3, HH4 and HH5) all have cattle as well as goats, and larger land holdings (1-9 katha), although HH4 with only 1 katha of share crops has an additional bigha (0.7 ha) of paddy land. Food production provides 6-10 months food requirements with milk sales, livestock sales, skilled labour (carpentry) and contract ploughing

Table 19.4: Household assets and income sources for eight households in Buddha Mawali FUG

| HH number | Year settled* | Land area | Livestock | Months self-sufficient | Income sources |
|-----------|-------------------|---------------------------|---------------------|------------------------|--|
| HH1 | 2046 (1988/89) | 1 katha | 1 goat | 1 | Wage labour |
| HH2 | 2042 (1984/85) | 2 katha | 2 goats | 4 | Goat sales, wage labour, sewing |
| HH3 | 2026 (1968/69) | 12 katha | 5 bovine 5 goats | 10 | Carpentry, milk, sale of buffalo calves, goat sales |
| HH4 | 2054 (1996/97) | katha; 1 bigha (sc) | 3 bovine 3 Goats | 6? | Contract ploughing, milk, goat sales |
| HH5 | 2024 (1966/67) | 9 katha | 4 bovine 3 goats | 9 | Milk, remittance |
| HH6 | 2042 (1984/85) | 2.5 bigha (sc) | 3 bovine 2 goats | 6? | Milk, ploughing, goat sales, son in garment factory |
| HH7 | 2029 (1971/72) | 10 katha; 2 bigha pasture | 1 bovine | 10 | Grass sales, milk, chickens, alcohol sales, remittance |
| HH8 | 2057 (2001/02) | 5 katha | 0 | 9 | Drives own bus |

HH = Household; 20 katha = 1 bigha; 1 bigha = 0.7 ha; sc = share-cropped

providing income. The two richest households (HH7 and HH8) are grain self-sufficient for 10 and 9 months respectively with off-farm income sources from either remittance or from transport services. HH7 also sells grass and gains a regular income from alcohol sales.

The key conclusions are that the livelihoods of the poor are based on diverse sources, are not directly production based because the poor have few land assets, and depend on employment. They are though largely rural based and do not generally have, for example, remittance income. Given the evidence of how new FUGs have disbarred traditional income sources that the poor gained from the forest and the emphasis on products and biomass development in FUG operational plans, with no specific emphasis on employment creation, it suggests that at best the poor have not gained from FUGs and at worst as in the case of Dhuseri, have probably lost out.

The evidence with respect to livelihood benefits accruing to the poor from the establishment of community forestry institutions is therefore equivocal. Forest rules and regulations, processes of FUG formation, and FUG constitutions and operational plans have all conspired to, if anything, reduce the potential benefits to poor households, but it all depends on circumstances and context, a finding which corroborates the conclusions reached by Springate-Baginski et al. (2001) for the mid-hills. However, Springate-Baginski et al. (2001) go on to suggest that 'tole-based' (hamlet-level) micro-action planning provides a means to involve the poorest marginalised groups in decision making. We would argue that for the Terai, given the socioeconomic and ethnic diversity of the population and the size of the area covered by FUGs, this 'tole-level' decision making would not guarantee that benefits for the poorest would increase.

Key contextual factors include the ecology and the north-south distinction in the Terai. In the north (which also shows considerable internal heterogeneity with respect to forest composition close to the hills and further from it) there has been a declining forest area, but increasing control by communities with FUGs regulating and restricting access. In the south of the Terai dung and agricultural residues have replaced fuelwood and private farm forestry is of growing importance.

The northern areas have also experienced high levels of in-migration leading to some marked spatial patterns of settlement by caste or social origin. A combination of settlement history confounded by political allegiances and contest over resources between the forest office and the community, committee, and FUG members, between members and non-members, and between caste groups all determine who benefits and how benefits are derived from community forest.

Challenges to Increasing the Opportunities for the Poor to Access Benefits from Common Pool Resources

This chapter has so far focused on specific evidence in relation to resource changes, access to resources and livelihood outcomes. We have argued that the site-based evidence indicates that while the effect of community-based forest groups has certainly led to improved tree cover within the community forests, for a variety of reasons to do with access this has not necessarily translated into pro-poor livelihood outcomes.

We develop here a more generalised framework to distil some of the key underlying issues in relation to analysing the linkages between social and economic processes and natural resource access and use. The framework is schematic but it serves to identify some of the key ways in which livelihood opportunities from common properties for the poor are effectively limited by institutional and community processes and it is these that must be addressed if opportunities for the poor are to be increased. One of the key lessons from the research, and this stands in contrast to the emphasis that has been given in much of the research on community forestry so far that has focused more on the rules and practice of governance within FUGs (see Dahal 1994; Blair 1996; Pokharel 1997), is that attention must be given to institutional processes external to the FUG. These can restrict the extent to which FUGs are able to become community-based organisations and deliver benefits for all their members while at the same time offering opportunities, as can be seen from the Dhuseri case, that can be readily captured by the community elite. This analysis indicates an agenda in relation to increasing opportunities and this will be returned to.

Figure 19.1 summarises the framework. It is structured around what are seen to be key questions or 'drivers' (at the institutional and community level) that to some extent, depending on the answers or configuration, may predetermine choices further down the line. For this reason the institutional drivers are positioned above what are seen to be the community drivers, and the combination of the two serves to determine the likely outcomes. The framework should not be read in an entirely deterministic manner. The institutional environment is not omnipotent and communities are far from helpless

Figure 19.1: Framework for the analysis of linkages between social and economic processes and natural resource access and use

| Institutional drivers | More control | Less control |
|---|--------------------------------------|---|
| What is the resource market value? ↓↑ | High | ↔ Low |
| Where may communities participate? ↓↑ | Restricted | ↔ Unrestricted |
| Legal or encroachment rights? ↓↑ | Encroachment | ↔ Legal |
| Who participates and how? ↓↑ | Consultation | ↔ Community-based forest |
| Product and protection or livelihood oriented? ↓↑ | Protection → Product | ↔ Livelihood |
| 'Community' drivers ↓↑ | Exclusive | Inclusive |
| Established or dynamic immigrant? ↓↑ | Established | ↔ Dynamic immigrant |
| Differentiated or undifferentiated communities? ↓↑ | Differentiated | ↔ Undifferentiated |
| Price of membership ↓↑ | High | ↔ Low |
| Distributional policies ↓↑ | Hidden | ↔ Open |
| Outcomes ↓↑ | | |
| Livelihood benefits ↓↑ | Selective, less equal benefits | ↔ Less-selective, more diverse benefits |
| Equity ↓↑ | Limited | ↔ Expanded |
| Gender ↓↑ | Limited | ↔ Expanded |
| Institutional ↓↑ | Non-transparent, unstable, exclusive | ↔ Transparent, participatory, stable |
| Environment ↓↑ | Negative → Positive ? | ↔ Positive → Negative? |

within this context. But it is argued that looking from the perspective of the institutional context there are a number of factors that make it extremely challenging for community forest to generate significant pro-poor benefits.

Each of the institutional drivers can be considered with respect to the way in which they contribute to reinforcing objectives within community forestry that tend to emphasise more control or less control. With more control community forestry in practice is limited to the sharing of a restricted number of benefits and products, shared access, and limited roles for the communities in decision-making; technical objectives (protection, production, and control) set the scene. In contrast, and following the distinction made by Alden Wily (2002), less control implies reduced concern with the details of technical management, a much greater emphasis on the sharing of authority, giving communities a greater role as forest

managers, less concern with 'user' definitions, and an overall focus on governance objectives. Reading Figure 19.1, the argument is that high resource values are more likely to contribute to greater control rather than less control and a community forestry strategy that favours technical rather than governance issues. Greater and lesser control lie at the opposite ends of a spectrum and as we shall see the balance between giving communities a licence to use the forest and share access and allowing communities jurisdiction over areas that they manage is closely fought-over territory in which the Department of Forest, NGOs, and communities are all heavily engaged.

Institutional Drivers

What is the resource market value?

As Table 19.3 makes clear, there is an enormous variability just within the study sites with respect to the market value of the timber in the community forest.

This reflects a combination of the difference in the area available per household and the quality and age of the standing timber. It should be remembered, as Table 19.1 notes, that the FUGs in the Terai in general are relatively well endowed in contrast to the hill FUGs. It must also be recognised that given the effective conservation measures that have been implemented in many community forests, resource market values are generally set to increase over time.

Why should resource market values matter and be an important determinant? It is not without reason that the growth of FUGs initially developed more within the mid hills than the Terai because the Department of Forest and government knew the importance of revenue from Terai forestry and were reluctant to hand it over to community forestry. We found cases of VDCs that had effectively taken over common pool resources of ponds for fish and auctioned these off to the highest bidder in order to generate revenue for the VDC (at Pipaharwar in Harpur).

As the study in Rajahar made clear, increased resource values make it all the more likely that hidden economies will emerge from which individuals and the elite can profit. With increased value the incentives for trading and rent-seeking increase. Current bureaucratic procedures, rules, and regulations, encourage the emergence of a hidden economy. Policies designed to restrict the use of timber through bureaucratic control (timber may be used only for construction and other domestic purposes, an official forestry policy adopted by many of the user groups) coupled with a difference in the internal community forestry price and the open market price have promoted illegal use of forests. Potential remedies to this lie in a combination of removing price distortions, giving more authority to community organisations, and placing much more emphasis on monitoring mechanisms in institutional design that look at distributional consequences.

Where may communities participate?

Underlying this question, as the discussion on access made clear, are a range of issues. From the Department of Forest there are clear opinions as to where community forestry

may and may not take place. An operational forest management plan developed in 1996 categorised forest land into conservation forest, production forest, and potential community forest land, with much of the poorer or degraded forest land being allocated to community forest. As is clear again from Table 19.3 and the data cited on community forest area per household at the district level, Department of Forest categories rather than concerns over ensuring equity between communities have led to some marked differentials in the areas which different communities have gained some control over.

In some cases community action has challenged official forestry demarcation with respect to both location and area. What the communities claim with respect to community protection forest may be at odds with what the Department of Forest recognises. In the case of Dhuseri the constitution states an area of 532.5 ha under community forestry while the operational plan refers only to 160 ha, reflecting an on-going dispute between the FUG and the District Forest Officer (DFO) over the area to be managed. There are several other cases, for example, Chautari and Parijat, where there are discrepancies in the stated area figures between the original constitution of the FUG, the area demarcated in the operational plan, and the information recorded on the Department of Forest database, indicating at the least a lack of resolution between the Department of Forest and the community.

Area and location are one matter. Another consideration is the way in which 'community' or 'user' is defined. It has already been noted that most areas where FUGs are established have non-members while some members hold multiple membership of FUGs. FUG committees in a number of cases have established categories of users and established entry fees for non-members to join. Certain uses, for example, goat grazing and charcoal collection, are not recognised as legitimate uses. Committees have therefore reinforced the tendency of the Department of Forest to be restrictive in the definition of users, emphasising more a licence to access resources rather than to share authority. While the national parks have chosen a different route in defining a community – an inclusive definition based on residence – neither the Department of Forest nor the national parks have given much recognition to those communities who had traditional rights of use that were seasonal and reflected their non-residence in the immediate vicinity of the new community forest (or buffer zone) areas. The divide in access to forest resources between those who live in the north of the Terai and those who live in the south is likely to become a major distribution and equity issue in the future.

There are therefore a number of complex issues in relation to how communities are defined and the determination of the area in which community forestry may be established. It is unlikely that the inequalities that have now been established can be resolved through reallocation of resources and the only possible route is a fiscal one, whereby communities that have gained control of valuable resources are appropriately taxed and the distribution of VDC expenditure deployed to address the existing inequities between communities with and without community forest resources and between communities that do have community forest. As matters stand in Nepal, this is likely to be a long and difficult route.

Legal or encroachment rights?

This issue clearly matters more in the Terai than in the hills and is closely related to the previous section. One's status as a 'user', at least in the view of the Department of Forest, clearly depends on whether you have legal rights to the land on which you are settled. In one case the reason for resistance by the DFO to the establishment of an FUG was that it could not be done because it would give legal status to illegal encroachment. The committees of FUGs do not appear to have adopted such a restrictive approach, although it must be recognised that encroachers and landless people may well be amongst the poorest of households and the most dependent on forest resources for income, most notably through the collection and sale of firewood.

Who participates and how?

The processes by which FUGs come to be formed and established indicate a wide range in approach and participatory mechanisms; these may have causal effects on the ways in which FUGs operate and deliver benefits although this is difficult to determine. There is a strong contrast in the way in which FUGs were established in Devdaha with heavy involvement of the NGO Woman Acting Together for Change (WATCH) in the process of group formation and consultative processes and that of the Hjab FUG in Harpur, which was essentially set up by the Department of Forest. Whatever the participative processes in bringing a community forest group into being, there are at least two bureaucratic hoops through which all potential community forest groups must go: the preparation and drafting of a constitution and the preparation and approval of an operational plan. The influence of these on the nature of the FUG is unclear, but the requirement that these documentary processes should be gone through put the Department of Forest in a strong position to regulate or control if and how the group is established.

There is not space here for a detailed textual analysis of the constitutions of the registered FUGs but a number of general points can be made. The first is that they tend to be formulaic and have often been copied from those of other established FUGs. In Harpur the original name of the FUG from which the constitution was taken (Hariyali community forest in Rupandehi) had not been removed from a later section of the document. The second and related point is that the content of the constitutions largely addresses functions and structures following the listing of matters given in the 1995 Forest Regulations (Ministry of Forest and Soil Conservation 1995). Table 19.5 summarises in bold the main headings required by the forest regulations for user group constitutions and selectively illustrates these with extracts from the Dhuseri.

The extracts from Dhuseri, which do not differ substantially from other FUG constitutions, are clear with respect to the stated objectives of the User Group – the scientific management of the forest is the most important, with meeting the demand for forest products by users coming second. As noted earlier, membership requires participation and Dhuseri has established three membership categories, which relate to the way in which benefits are distributed. The rest of the constitution largely deals with rules,

Table 19.5: Key headings for the constitutions of user groups (in bold) followed by selected relevant extracts from the Dhuseri Community Forest User Group Constitution

| |
|---|
| Name and address of the Users Group |
| The name of this user group may be called the 'Dhuseri Community Forest Users' Group' |
| Objectives of the Users Group |
| To promote the scientific management of the forest as prescribed in the existent Act and Laws To fulfil the forest product demand of the users by increasing the production of the forest To conduct local development activities through the income generated by implementing multi dimensional management in the forest To provide possible support for the forest management in other areas To develop coordination and mutual understanding among various organisations, groups and individuals to achieve the above objectives by developing effective role of the users on the management activities |
| Seal of the Users Group |
| Names, surnames and addresses of the users |
| <u>Eligibility for the membership:</u> The person who lives near the Dhuseri FUG, uses forest products from this forest, participates in the management activities and accepts the terms of this constitution shall be the household member. Type of Membership: For the first year, each member will be consider as grade 'C' and gradually promote to second and first class according to the contribution provided by the member for FUG. An Evaluation Committee will be formed by the Executive Body for this purpose. The forest products/benefit sharing will be distributed equally in general condition and in the case of special condition it will be done according to the category of the users. The high priority will be given to the active users and low priority to the fewer actives. Other necessary provision for this purpose will be according to the decision made by the Committee. |
| Number of houses within the area of User s Group |
| Estimated population of the Users Group |
| Functions, duties, and powers of the Users Group |
| Constitution procedure of the Users Committee |
| Name and list of the officials of the Users Committee |
| Working procedures of the Users Committee |
| Methods to be adopted to control forest crimes |
| Punishment to be imposed on members of the Users Group who operate functions contrary to the workplan |
| Procedures to be fulfilled while imposing punishment to the members of the Users Group |
| Methods for the operation of funds |
| Methods of auditing the accounts |
| Miscellaneous |

committee structure, and responsibility. There is a five-member board of directors, which includes a Chief of Board, and four councillors, each with responsibility for one of the divisions of protection, plantation, management, and utilisation. In other words the constitution proposes a village-level version of the Department of Forest. In the case of Dhuseri, the strictures on crimes and punishment are covered in the operational plan rules.

The Forest Regulations (Ministry of Forest and Soil Conservation 1995) also establish what should be included within the workplan and the key headings are summarised in Table 19.6. These regulations have more recently been backed up by Guidelines for the Inventory of Community Forests (Ministry of Forest and Soil Conservation 2000). These guidelines, which it is claimed have been developed to assist users and district forest field staff in assessing the condition of the forests, are a classic forest inventory. They are concerned with sampling design, stratification, sampling intensity, plot size and

Table 19.6: Guidelines for the content of FUG operational plans

| | |
|----|---|
| a) | Details of the Forest Name, boundaries, areas, condition of the Forest and types of Forest |
| b) | Map of the Forest |
| c) | Block division and their details – name, boundaries, areas, aspects, slope, soil type of the Forest, main species, useful species, age and situation in respect of natural generation |
| d) | Objectives of forest management |
| e) | Methods of forest protection |
| f) | Forest promotion activities – thinning, pruning, cleaning and other forest promotion activities |
| g) | Nursery, tree plantation, income generation programme and time schedule |
| h) | Details of areas suitable for cultivation of herbs, types and species of such herbs, cultivation programmes and time schedule |
| i) | Provisions relating to use of income accruing from the sale of forest products and other sources |
| j) | Provisions made for the penalties which may be inflicted on users pursuant to Section 29 of the Act |
| k) | Provisions relating to the protection of the wildlife |
| l) | Others matters prescribed by the Department |

number, plot layout, data capture, growing stock culminating in the estimations of annual increment, and allowable cut. As noted earlier, going through the exercise of estimating the annual increment and allowable cut is fiction because the 1999 government order forbids the cutting of green wood. More to the point, and as Dhital et al. (2003) have recently pointed out, even the Department of Forest has limited capacity to implement these guidelines so how user groups can be expected to apply them is unclear. They found that of the 7,048 community forests that had been handed over only about 21% of these (1,518) actually had an inventory.

It is also evident from the details on the methods cited above that this information is simply not relevant or usable by those who are meant to be managing the forest, namely the FUGs. In short the requirement for an operational plan and the stipulation that a new one needs to be approved every five years have, as again noted by Dhital et al. (2003), “created a significant delay in forest handover and the renewal of [operational plans]”

As matters stand at present, given the requirement and design specifications for constitutions and operational plans, the scope for participatory processes and genuine authority sharing is very limited. These bureaucratic devices, in the name of scientific forestry, can only be seen as serious impediments to promoting livelihood opportunities.

Product and protection or livelihood oriented?

As will be clear from the discussion on the content of the operational plans and constitution, the plans and objectives of these community forests combine a mixture of product and protection objectives and do not systematically address livelihood needs or recognise employment or income-generation objectives for different social groups. Indeed, it could be argued that because the Department of Forest, out of disciplinary necessity, takes a single-sector view of planning and development, foresters cannot be expected to explore areas of convergence between forest management and other institutional management structures in communities. Such an approach cannot address the ‘joined-up livelihoods’ of people, particularly poor people, and the trade-offs they make in the management of their own and communal resources.

Community Drivers

We briefly comment here on four community drivers, which depending on the way in which they are configured or handled, will either tend to reinforce the direction in which the wider institutional configuration drives community forestry or challenge it, although the room for manoeuvre may not be so great. The evidence is that community-level processes at present tend to lead to exclusive rather than inclusive outcomes.

Established or dynamic immigrant communities

The evidence from the field sites indicated that it was the more southerly communities that were well established and the more dynamic immigrant communities were to be found on the northerly parts of the Terai. Dynamic immigration can of course lead to marginalisation of the poor, and the indigenous inhabitants of the Terai have clearly lost out. Each site has its own particular complexity but we would argue that where social relations have not become deeply structured and embedded there is the chance that this is more likely to favour equitable outcomes.

Differentiated or undifferentiated communities?

Much will depend though on the extent of differentiation within the communities. The greater the differentiation there is (or the greater the opportunity there is to generate it and here the value of the resources under community control may be a significant factor) the more likely it is that there will be a focus on production and access and the occurrence of exclusive processes.

The price of membership?

A major instrument that FUG committees have to wield is that of membership fees. It is perhaps noteworthy that the four FUGs that did not have membership categories and significant fee charges (Deurali, Buddha Mawali, Sisuar, and Srijana) are all in the bottom 50% of the ranking of community forests (see Table 19.3) with respect to area and resource value of the community forest. Categories of use and fee rates will all tend to exclude the poor.

Distributional policies

Finally, and this is an area over which FUG committees have strong control, policies for the distribution of benefits from community forestry can have a marked influence on equity in benefit distribution. Through establishing financial barriers to meet the entry costs of participating in auctions for forest products, the poor can be effectively excluded. In addition the hidden subsidies in the price and product allocation systems adopted by FUGs can give rise to a further distributional bias in favour of the better off.

Conclusions: Are There Ways to Increase the Opportunities for the Poor to Access Benefits of Common Pool Resources?

What then are the prospects for increasing the benefits to the poor and scaling these up from common pool resources? We have argued that simply increasing the number of

organisations is not enough although it can have positive effects through the pressure that can be collectively exerted on policy-making processes. More worrying, and it should be remembered that the material here relates to the Terai, is the evidence that the poor have not done particularly well with respect to benefiting from community forestry and in some cases have lost out. This is for reasons arising both from institutional and community-level processes and addressing some of these, particularly those external to the community, may provide room for manoeuvre. There should be a more relaxed practice on where communities can participate and how this is defined, an insistence on more effective implementation of the guidelines for FUG formation, and policies for a fairer distribution of benefits.

But there are broader issues as well. Livelihood 'outcomes' are the outputs of the strategies that individuals or households adopt in order to make a living. Such outcomes are often too narrowly viewed in terms of increased income or benefits. Livelihood 'outcomes' for the poorest forest-dependent people in the study areas in the Terai may include 'more income' but may also include 'increased well-being' which may come from increased social status, physical security, improved health, or the recognition of and respect for certain cultural or religious heritage and values by a wider society. Improved income and enhanced well-being are likely to contribute to a reduction in the vulnerability of the poor in the face of crises or disasters as well as an improvement in food security. Such improved livelihood outcomes may be connected to the more sustainable use of natural resources such as the forest, but for many poor women and men security comes from the diversification of livelihoods, so that if one livelihood option fails all is not lost and factors beyond income, such as social status, may be enhanced.

The question of whether adjustments to the internal processes for community forestry in the Terai provide a vehicle for uplifting the poor or not must also be considered in the context of the value of the resource in question. Table 19.3 brought out the tremendous variation in resource values across the study sites, providing background information that allows policy makers and others to judge the potential for common pool resources in making a difference to the well-being of the poor. While this potential in some sites is undoubtedly considerable, it is clearly very limited elsewhere. This variation needs to be clearly recognised in policy formulation. For high-potential sites, a pressing question is how greater equity in benefit sharing can be accomplished. While the literature on the management of common pool resources provides valuable guidance about institutional mechanisms conducive to sustainable resource management, insights into how equitable outcomes may be achieved are harder to come by. While protagonists of the community forestry approach in Nepal might argue that this is all about process, the notion of meaningful participation in the complex organisations that the user groups in the high-value forests in the Terai often are, might pose a steep challenge to such a view. In short, conventional training for participation and empowerment in some of the Terai sites may simply be less effective. It is for instance distinctly possible that the interaction between human capital and more equitable outcomes will turn out to be particularly strong in such groups because of user group complexity. Because timber is

the most valuable resource in these groups, policies for redistribution need to focus on how a fairer sharing of benefits from this product can be accomplished.

Beyond the issue of greater benefit sharing in sites with valuable resources, the generation of alternative opportunities must be explored. The idea that rural households have multiple livelihood portfolios that result in a diversity of sources of income is well rehearsed in the literature (Ellis 1998) The importance of diversified livelihood portfolios for the poorest as a means to reduce vulnerability is often forgotten as we focus on livelihoods within a particular sector. So it is with forestry. Often when we consider 'pro-poor livelihood options' we begin with the resource and not the person, focusing on the 'resource users' (defined by the resource, such as the FUG) rather than upon the use of that resource by men, women, and children as part of their livelihood strategy. We should support existing practice and focus attention on the diversification of livelihoods. This means not only looking at the wider farming and non-farming economy of landed households, but also, as noted above, understanding and accommodating the uses of the forest by poor landless households as a part of their overall subsistence strategy. Such approaches do not fit in with conventional approaches to 'forest user' as articulated in the constitutions and operational plans of FUGs, a point underlined in the work of Subedi et al. (1993) on tree and land tenure in the eastern Terai.

So, we would argue that if community forestry in the Terai is to enhance the livelihood outcomes of poor people there will need to be a major restructuring of the approach to forest management that takes due account of the diverse uses of the forest and does not focus on a few particular products (for example, timber and some non-timber forest products). Alternatively the forest could be handed over to the people (we hesitate to say 'community') and managed to maximise revenue, which might be invested into the Terai for the benefit of the population. Both approaches imply the existence of a strong state and thus cannot be put forward as viable options in present-day Nepal.

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