

How can Turkey's forest cooperatives contribute to reducing rural poverty?

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Constraints on the efficiency of Turkey's forest cooperatives suggest that small is not always beautiful.

Forest cooperatives are generally created to assist forest owners in obtaining the best value for goods and services. They help forest owners participate in activities such as afforestation, tending and protection; produce and distribute superior planting stocks; provide members with up-to-date technical information and training; and collect, grade, process, pack and distribute forest products. They contribute to local skills and business development, mentoring and employment, and can also promote democracy and good governance (ICA, 2003).

In Turkey, where almost 100 percent of forest is State owned, forest cooperatives have been established primarily to improve the income and living conditions of people living in forest villages, and thus to reduce the socio-economic pressures on the forest (Daşdemir, 2002). Forest villages are those containing a forest within their administrative borders. They typically have a living standard far below the national average, limited education and healthcare services and high unemployment rates. Today Turkey has more than 21 000 forest villages; their combined population is 7 million (10 percent of Turkey's population), although it has been declining with rural-to-

urban migration (ORKÖY, 2009). Forest villagers depend on traditional animal husbandry, low-productivity agriculture and forestry work. Their average gross annual income is only US\$400 (OGM, 2004), compared with US\$5 780 in 2004 for the entire country (State Planning Organization, 2008).

There are 2 123 forest cooperatives in Turkey, with 290 000 members. Most of them focus on the production and marketing of wood. Forest cooperatives distribute among their members such jobs as timber harvesting, debarking, removal and transport, under the supervision of the local forest authority. A small proportion also engage in other businesses such as ecotourism, local handicrafts, petrol sales, dairy and honey production, cultivation of fruits and vegetables, and collection of non-wood forest products.

As incentives, the General Directorate of Forestry (OGM) gives priority to cooperatives in wood production, forest nursery production, afforestation, forest maintenance and building of forest roads. Government orders for wood are not subject to tender, and are placed with the nearest forest cooperative according to Turkish forest law. To enable cooperatives' right to market sale, OGM sells them one-third of the fuelwood produced in Turkey at cost (i.e. well below the usual market price), as well as some of the wood produced, at discounted prices. The total government subsidy provided

Turkey's forest cooperatives are mostly tasked with organizing work in village forests and distributing the wood harvested from them



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A villager's shed in the forest:
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to cooperatives in this way is estimated to be US\$80 million a year (OGM, 2004).

In addition, the General Directorate for Forest Village Relations (ORKÖY), within the Ministry of Environment and Forestry, provides funding and low-interest loans to forest cooperatives. It supports marketing of their products, vocational training, preparation of development plans and rural development projects (ORKÖY, 2009).

The forest cooperatives have formed 27 regional cooperative unions, which are in turn under the umbrella of the Central Union of Turkish Forestry Cooperatives (OR-KOOP), established in 1997. OR-KOOP includes 1 349 cooperatives, accounting for 70 percent of the wood production in Turkey. It offers information services and legal and managerial guidance to members, and provides leadership that the forest cooperative system previously lacked (OR-KOOP, 2009).

However, the forestry cooperatives in Turkey have contributed less than expected to reducing rural poverty, decreasing illegal activities in forests, balancing income distribution, training villagers or raising economic, social and cultural levels. A literature review and a survey of forest cooperative leaders and employees, as well as ORKÖY staff, examined the rea-

sons. The survey was carried out in Sinop, Kastamonu, Karabük, Bartın and Zonguldak provinces in the Black Sea Region, Turkey's most forest-rich region (Atmiş *et al.*, 2009).

The following were the main constraints identified.

Legal and institutional problems and ambiguities. Forest cooperatives are administered under three different laws and two ministries (Environment and Forestry, Agriculture), with conflict sometimes resulting. Although the national forest programme states that priority will be given to increasing the capacities of forest cooperatives (OGM, 2004), about three-quarters of the cooperative presidents felt that the government neither sets policies in favour of the cooperatives nor provides them with sufficient support.

Small scale of activity. Most cooperatives were started in a single village with few members, and thus have trouble operating efficiently, raising financing and obtaining loans. Of those surveyed, 42 percent had 7 to 50 members and 40 percent had 51 to 100 members. Many members are elderly and not actively working.

Single focus on wood production. Because wood production jobs are seasonal, more than half of the cooperatives are active only three

months or less per year (and 25 percent only one month). Only about 10 percent of the cooperatives have diversified activities and work year round; these are the ones that have succeeded in reducing the poverty of their members (Demirtaş, 2008). Ortalıca Forest Cooperative in Kastamonu Province, for example, obtains 74 percent of its total income from activities other than wood production, particularly dairy production (Çağlar, 2009).

Marketing. About half of the forest cooperatives surveyed reported marketing problems. The biggest problem with marketing (reported by 83 percent of the cooperatives) was insufficient capitalization. Since most forest cooperative members are poor, all income is shared among the members; no funds are left in reserve to serve as operating capital.

Low level of education and training. In Kastamonu Province, which has the most forest cooperatives, the survey indicated that 68 percent of the cooperative presidents only completed primary school; 8 percent were university graduates. Only 1 percent were trained in cooperative business and management. Indeed, 97.5 percent of the respondents employed by the State Forest Organization commented that managers and members of cooperatives needed training in cooperative business, production, forestry work and marketing of products. Only 7 percent of the cooperatives reported cases in which employers or lenders had provided training before assigning a job or giving a loan.

Weak leadership. Lacking education and managerial skills, most cooperative presidents are unable to provide the leadership required to win the trust and loyalty of their members. Furthermore, the cooperatives are hindered by frequent change of management; more than half of the presidents surveyed were in office for only one to three years.

Few women involved. Turkish laws do not hinder women from starting, joining or leading cooperatives, but social standards are such that the cooperatives have few female members, and none has a woman president.

Greater involvement of women might enhance the cooperatives' effectiveness, encourage the creation of rural women's organizations and help promote equal participation of women in economic, social and political activities.

Conflicts. Communication problems and lack of concrete short-term benefits cause frequent conflicts between the members and management of cooperatives, between cooperatives and their umbrella organizations, and between cooperatives and the forest authorities. In the latter case, the main cause is disagreement over the unit prices for wood fixed by the authorities. Competition for the jobs assigned by the forest authorities also creates conflict among the many small cooperatives.

Recommendations

Strategies that could help improve forest cooperatives' effectiveness in raising the economic and social well-being of forest villages include the following.

- New laws and administrative procedures must be developed to increase the forest cooperatives' power to contribute to reducing rural poverty.
- The possibility for forest cooperatives to receive external grants or initial assistance should be strengthened.
- Market analysis of wood and non-wood forest products is needed.
- Larger cooperatives, started jointly by several villages, could help overcome problems of scale and also reduce conflicts among cooperatives.
- Cooperatives should widen the range of their products to include non-wood products and also forestry services such as afforestation, natural regeneration and forest maintenance.
- OR-KOOP should widen its marketing capacity for new products and provide the marketing facilities that the cooperatives cannot afford to establish by themselves. Quality of existing products should be evaluated, and new markets should be created in towns closer to the producers to avoid problems in transportation of products.
- Managers and members of cooperatives need to be trained in cooperative business, forestry processes, product development, management and marketing. Capacity in leadership, entrepreneurship and organizational aspects should be strengthened.
- The umbrella organization OR-KOOP could help fill the leadership vacuum at cooperative level.
- Gender awareness raising and training for women could help cooperatives benefit from women's creative power and leadership skills.
- To lessen conflicts, a transparent, pluralistic and democratic management approach is needed in the cooperatives.



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