



PARTICIPATORY ENTERPRISE MODELS FOR NWFP DEVELOPMENT

Attributes of NWFPs

NWFPs are an important natural resource that influenced the early progress of human society. They are among the earliest traded products, and earliest of those to be domesticated, leading to agricultural revolution. For most of recorded history, people have valued the forests not so much for timber, but for NWFPs.

As industrial revolution followed agricultural revolution, colonial influence expanded in various parts of the world and cheap synthetic substitutes became available, NWFPs lost their primacy and timber came into prominence. NWFPs were collectively categorized as minor forest products (MFPs). Arboreal abundance gave way to ecological degradation, a result of excessive logging and improper land use changes, and so the natural resources of NWFPs also suffered relative depletion.

For millions of forest-dependent indigenous and poor people, NWFPs remained a major source of subsistence. The value of this subsistence has been estimated at about US\$120 billion, globally. However, in this role, several NWFPs were mainly of local importance.

Some experts suggest that the future of forestry will depend more and more on NWFPs, because of their special attributes and environmental friendliness. These assertions, nevertheless, are not matched by institutional changes that ensure effective action.



"Riches of the forest: food, spices, crafts and resins of Asia"

Nature of institutions

With economic development linked more and more to markets and trade, activities have been categorized into sectors for the purposes of management and control.

The overall objective of an institutional system for specific sectors is to facilitate development within the framework of defined policies. It covers instruments (in the form of laws, rules and regulations) for translating policy into action, and organizational arrangements for effective implementation of policy instruments. Organizations of a sector can be broadly categorized as governance organizations (carrying out authority functions) and enterprise organizations (carrying out development functions).

Governance organizations are essential for providing policy guidance, enforcing instruments and facilitating sectoral development. Enterprise organizations are of various types – public, private, non-governmental, participatory, cooperative, collaborative, etc. – to suit the situation and achieve goals. By nature and purpose, enterprises should be flexible and result-oriented and vested with full autonomy. Authority/governance, in contrast, focuses mainly on ensuring rule of law in business dealings and tends to be process-oriented.

Experience has shown that where government agencies such as forest departments implement both enterprise and authority functions, they tend to become inefficient and corrupt and be destructive of people's resources. These functions could be more effectively carried out, if they were to be separated.

Blind spots

There are no institutional systems and organizational arrangements specifically designed for NWFPs. Relegated to minor status, NWFPs are treated as incidental appendages to timber-based forestry. In most forest policies, NWFPs get, at best, a mention in passing. Rules and regulations developed for wood products are applied to NWFPs, often inappropriately. The existing institutional system in most cases has consistently failed to achieve the development potentials of NWFPs. In terms of strengthened and innovative institutions for NWFPs, there are only few replicable initiatives that can serve as models.

Apart from the institutional anomalies and deficiencies, other important weaknesses affecting NWFPs include lack

of adequate market orientation and inadequate value addition.

This is changing in some cases: NWFPs have re-emerged from relative obscurity, and their development has gained some momentum.

Occurrence in all types of (primary and secondary) forests; amenability for domestication and cultivation; a role in conserving biodiversity; an ability to meet increasing demand for organic products and green consumerism; an ability to sustain the chemical treasure in plants; a capacity to support poverty reduction; and improve livelihoods are attributes favouring awareness about NWFPs and their re-emergence.

A bright outlook for NWFPs hinges on addressing entrenched institutional blind spots, with emphasis on research, technology transfer, skill developments, improved information, flexible credit services and, above all, people's participation.



Innovative enterprise models

NWFP-based enterprises can take useful lessons from other sectors where shortcomings have spurred the emergence of new innovative institutional models, such as autonomous enterprises that break free of sluggish bureaucratic operational styles. Some have been launched by governments while others have been undertaken with the support of non-governmental organizations and donors. A few have been self-initiated. They are characterized by functional and financial autonomy. These mechanisms include commodity boards, autonomous commissions, public-private partnerships, company-community collaborations, fair trade networks, self-help groups and cooperatives.



"Riches of the forest: for health, life and spirit in Africa"

Innovations in developing countries tend to be participatory/cooperative or partnership models. These help increase marketing strength, enhance bargaining power, eliminate intermediaries, enable professional management, conserve resources, empower people and improve viability of the enterprise.

The successful Anand Milk Marketing Union Limited (AMUL) model for milk production/processing and marketing in the Gujarat state of India is considered by experts as appropriate for NWFP development, ensuring participation of stakeholders at all operational levels.

AMUL was started in 1946 to stop exploitation of milk producers at the hands of intermediaries. It began with two village societies and 247 litres of milk. It expanded and grew into the Gujarat Cooperative Milk Marketing Federation by 1973. Following the AMUL model, today, there are 22 state-level federations in India, with 176 district unions, over 100 000 village societies and some 11 million members involved in production and marketing of a large number of milk products. The main characteristics of the AMUL model are professional management and leadership, in-house research, non-acceptance of subsidies, avoidance of external influence and member centrality.

The AMUL concept has been extended to sugar, fish, fibre and other consumable products that are produced in large quantities, involving significant numbers of people. Many NWFPs, particularly biodiesels, mulch, medicinal plants, bamboo, rattan, resins and essential oils are involved.

The bottom line for effective participation is popular sovereignty and decentralization, which will facilitate people to acquire the freedom and capability to decide on development initiatives and the power to carry out these decisions.

A few NWFP-based participatory enterprises have emerged in the recent past in different parts of the world. Their nature and structure vary: most are small, self-help entities, such as local associations and village cooperatives. They are often based on specific products (such as cardamom, mushroom, sea buckthorn, bamboo products, shea butter), and mostly involved in cooperative marketing. Others are medium enterprises formed into cooperative corporations/companies involved in production/processing and marketing of one or more products.

Company-farmer/artisan collaboration is a form of participatory arrangement. Examples include farmers supplying medicinal plants to indigenous drug companies and large rattan-ware units serving as a nucleus for collecting and marketing of production from small producers in a locality.

By forming into hierarchic, multitiered systems, participatory ventures can become progressively efficient and powerful. One such case, exclusively covering NWFPs, is the Minor Forest Produce Cooperative Federation of Madhya Pradesh state in India. Following a three-tier pyramidal structure, it is responsible for resource management, harvesting, trading and development of NWFPs.

The system of Village Forestry Associations (VFAs) and Forestry Cooperatives of the Republic of Korea covers the whole country and deals with both wood and NWFPs. The system of VFAs started with government support in the early 1970s, comprising a hierarchy of forestry associations. The system was further strengthened in the 1980s by converting the VFAs into self-propelling cooperatives of homogenous membership.

As can be noted, waves of changes are sweeping over and altering the overall sociopolitical environment of forestry (and NWFPs). Interacting factors drive these changes. There has been a transition to an open society, democratic and decentralized institutions and a market economy. And new and larger markets have opened. Strategies for integrated development of NWFPs need adequate institutional underpinning with broad-based, willing and organized participation.

The issue needs debate

In closing, it is underlined that the intention of this short note is not to suggest guidelines for NWFP institutions, but only

to incite meaningful debate in that regard. (Contributed by: Cherukat Chandrasekharan, F1, Althara Nagar, Trivandrum – 695 010, India; e-mail: cherukat@asianetindia.com) (Mr Chandrasekharan was the founder of FAO's NWFP Programme and the editor of Non-Wood News until his retirement in 1995. How appropriate, therefore, that he should inaugurate a new feature of Non-Wood News: our "Guest article".) ♣

