Forests-Based Livelihoods and Poverty Reduction: Paths from Local to Global Development

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Forests in the Global Balance – Changing Paradigms
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Outline

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Forests contribute to the livelihoods of over 1.2 billion people (1)

Forests provide for subsistence and for sale for example:

- timber
- non-timber products
- energy
- many kinds of foods
- structural materials
- medicines
- environmental services

and act as safety nets for poor households.
Forests contribute to the livelihoods of over 1.2 billion people \(^{(2)}\)

- Forests contribute to local and regional economies.
- In developing countries, forest-based enterprises provide 13–35% of rural non-farm employment.
Sustainable livelihoods – an entry point for poverty alleviation

“Livelihood” comprises the capabilities, material and social resources and activities required for a means of living.

Poverty relates to the lack of:

- consumption and income
- education
- health
- food security and nutrition
- empowerment and freedom of choice
- control and security
- self-esteem.
The globalizing world economy

- Livelihoods are part of national and international structures and processes.
- Markets and trade are extensively liberalized.
- Resources are increasingly allocated by markets.
- Private sector participation in production and commerce is increasing.
- The development of information and communication technologies increase market transparency.
- There is increasing global emphasis on forests’ environmental services.
Paradigm change towards focusing on local people’s demands

In many developing countries:
• rural poverty has increased
• scarcity of forest resources and degradation have increased
• dependency on forest resources for survival has increased
• forested land continues to be converted to agriculture
• forest management is increasingly devolved to local communities.

The UN Millennium Development Goals have set the current global focus on eradicating extreme poverty and hunger.
Potential benefits from forests depend on livelihood assets

People’s opportunities to benefit from forests are restricted by:

• low material income
• low levels of education and health
• lack of power or opportunity to be heard
• lack of secure tenure
• institutional weaknesses.
Enhancing livelihoods through NTFPs

- Significant poverty alleviation through extraction and trade of non-timber forest products (NTFPs) is likely to remain limited.
- Most of the measures to elevate the potential of NTFPs may marginalize the poor, as they lose their comparative advantage as suppliers.

Key problems: lack of developed markets, competition with substitutes and seasonality of income from NTFPs.
Enhancing timber industries’ contribution to livelihoods

Generally local people have been excluded from the timber industry, as a result of

- the capital, technology, and skill intensive nature of the timber industry
- unfavourable policies
- insecure tenure.

However, prospects are bright for poverty alleviation in forest rich areas with high quality timber, if barriers to enter into timber industry are overcome.
Opportunities in the timber industries and wood processing

- Markets exist also for small-scale production of non-standardized commodities.
- Products demanded vary by region and by quality.
- In some countries, growth can realise through increased domestic demand (e.g. in Brazil), in others, through increased demand in Asia (e.g. in Africa).
- Growing middle class in transition countries and, more generally, urbanization increase demand.
- People in diaspora may act as middlemen, passing on to other countries the demands of their home countries.
Opportunities created through networks of SMEs

Groups of small and medium enterprises (SMEs) can be organised into strong service, sub-contracting and/or marketing networks.

- Flexibility and mobility are gained through information exchange and adaptation to current conditions.
- With increased information firms in networks gain comparative advantage through increased
  - economic predictability
  - market information.
- Networks can facilitate co-operation with larger companies.
Networks integrate livelihoods and societies

- Networks encompass a wide variety of factors of both livelihoods and societies.
- Networking develops relationships among many of the actors of a local society, combining livelihoods and the production systems.

Thus, networks extend from the local forest and forest dependent communities to the final international markets, policy environment and customers.
Capturing the complexity of livelihoods for appropriate interventions

How to integrate complex sets of knowledge and the interests of diverse actors in livelihoods, societies and the landscape?

- An integrated, multi-scale, holistic approach, giving focus to more than local livelihoods is needed.

- More attention should be paid to the non-income dimensions of well-being.

- Rather than focusing on technical skills and productivity gains, local people’s ability to drive, and adapt to, change should be supported.
Enhance true community involvement and decentralization

For sustainable forest management and use:

• Establish adaptive institutional arrangements, policies and programmes to facilitate local participation and devolution of authority to local actors.

• Establish equitable benefit sharing arrangements between governments and communities.

• Support local partnerships among communities, governments and the private sector.
Eliminating poverty will require bold approaches beyond sustaining livelihoods

What is needed:

- multiple scales of intervention and integration of key sectors, from local to global scales, to embrace complexity
- new kinds of organizations to deal with complex systems
- development and integration of forest and wood product supply-chains, value-chains, actor networks
- policies and programmes to support rural enterprises with credit and training
- bridge the gap between research, extension and development.