

**FOWECA/TP/5**

**Forestry Outlook Study for West and Central Asia  
(FOWECA)**

**Thematic paper**

**Forest - poverty linkages in West and Central Asia:  
The outlook from a sustainable livelihoods  
perspective**

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**Rome, 2006**



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## TABLE OF CONTENTS

<b>1</b>	<b>INTRODUCTION .....</b>	<b>1</b>
<b>2</b>	<b>THE SUSTAINABLE LIVELIHOODS APPROACH AND FOREST POVERTY LINKAGES .....</b>	<b>3</b>
2.1	INTRODUCTION .....	3
2.2	CONTEXT AND CONDITIONS .....	4
2.3	POLICIES, INSTITUTIONS AND PROCESSES .....	5
2.4	LIVELIHOOD ASSETS .....	6
2.5	LIVELIHOOD STRATEGIES, OBJECTIVES AND OUTCOMES .....	8
2.6	APPLICATION OF THE SLA IN COUNTRY STUDIES .....	9
<b>3</b>	<b>FORESTS, LIVELIHOODS AND POVERTY.....</b>	<b>11</b>
3.1	FORCES DRIVING THE CONTEXT AND CONDITIONS .....	11
3.2	FORCES DRIVING POLICIES, INSTITUTIONS AND PROCESSES .....	13
3.3	CAPITAL ASSET ENDOWMENTS AND FORCES DRIVING LIVELIHOOD STRATEGIES.....	14
3.4	SUMMARY OF KEY FOREST-POVERTY LINKAGES .....	16
<b>4</b>	<b>THE POLICY AND INSTITUTIONAL IMPLICATIONS OF THE STUDY .....</b>	<b>19</b>
4.1	LIVELIHOOD OPTIONS AND FUTURE SCENARIOS .....	19
4.2	THE POLICY-MAKING ENVIRONMENT .....	22
4.3	FOREST STAKEHOLDERS AND POWER RELATIONSHIPS .....	23
<b>5</b>	<b>SUPPORTING THE FOWECA POLICY PROCESS.....</b>	<b>27</b>
5.1	THE GENERALIZATION OF NATIONAL EXPERIENCES .....	27
5.2	THE REPLICABILITY OF THE SLA.....	30
5.3	SUPPORTING POVERTY SENSITIVE POLICY PROCESSES .....	31
	<b>REFERENCES .....</b>	<b>33</b>

## TABLE OF TABLES

<i>Table 1</i>	<i>Policies, institutions, processes and forests .....</i>	<i>6</i>
<i>Table 2</i>	<i>Asset endowments of forest dependent groups.....</i>	<i>7</i>
<i>Table 3</i>	<i>Future Scenarios .....</i>	<i>19</i>
<i>Table 4</i>	<i>Poverty and Forest Linkage Scenarios.....</i>	<i>20</i>

## TABLE OF FIGURES

<i>Figure 1</i>	<i>Basic livelihoods framework.....</i>	<i>4</i>
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## 1 INTRODUCTION

FAO has initiated a series of global and regional sector outlook studies to examine linkages between forests and societies and to indicate emerging opportunities and challenges. The Forestry Outlook Study for West and Central Asia (FOWECA) has considered these issues through an extended consultative process in 23 different national contexts in West and Central Asia. Using 2020 as a reference year, FOWECA aims to analyze the trends and driving forces that will shape the forestry sector during the next two decades and to identify policies, programs and investment options that can enhance the sector's contribution to sustainable development. Country Outlook papers outline the current situation, trends and future scenarios at the national level. In addition, FAO has commissioned a series of studies on thematic issues relevant to the forest sector including: (a) policy and institutional changes and land-use dynamics, (b) urban and peri-urban forestry, (c) watershed management, (d) environmental aspects of forests and trees, (e) wood energy, (f) forestry and poverty alleviation, (g) wildlife management and (h) wood consumption trends.

To support the FOWECA project, work on the linkages between forests and poverty has been carried out the Sub-programme on access to natural resources of the Livelihood Support Programme (GCP/INT/803/UK).

This paper presents the application of the Sustainable Livelihoods Approach (SLA) to forest-poverty linkages and the analysis of the main issues that are raised for the Forestry Outlook study. It represents part of an area of work on linkages between access to forest resources and poverty in West and Central Asia. Information on the work is provided through a series of LSP Working Papers.

- 13: Poverty and forestry: A case study of Kyrgyzstan with reference to other countries in West and Central Asia by R.J. Fisher et al.
- 33: Assessing the access to forest resources for improving livelihood in West and Central Asia countries by Tadashi Shimizu.
- 34: Forest - poverty linkages in West and Central Asia: The outlook from a sustainable livelihoods perspective by Pari Baumann.
- 35: Methodology and case studies on linkages between poverty and forestry: Afghanistan, Iran, Kyrgyzstan and Turkey by Tadashi Shimizu and Monique Trudel, with case studies by Ainur Asanbaeva, Mona Kananian, Gh.Naseri and Melekber Sülüsoğlu.
- 36: Urban and peri-urban forestry and greening in west and Central Asia: experiences, constraints and prospects by Ulrika Åkerlund in collaboration with Lidija Knuth, Thomas B. Randrup and Jasper Schipperijn.
- 37: Greening cities for improving urban livelihoods: Legal, policy and institutional aspects of Urban and Peri-urban Forestry and Greening in the WECA Region (with a case study of Armenia) by Lidija Knuth.

The LSP Sub-programme on access to natural resources initially intended to begin its work in support of the FOWECA project with a regional desk study. However, with sparse literature available, a decision was made to focus the initial work on Kyrgyzstan given the experience of the Collaborative Forest Management (LSP Working Paper 13). That platform provided an understanding on which to base fieldwork to examine the linkages between poverty and access to forestry resources.

Chapter 2 of this paper describes the SLA and outlines a conceptual framework for the analysis of forest-poverty linkages using the SLA. Chapter 3 considers the current situation regarding forest-poverty linkages in the country studies using the SLA as a conceptual framework. Chapter 4 considers key trends affecting forest-poverty linkages and the consequences for policy-making with regard to FOWECA objectives. Chapter 5 concludes with the lessons learnt from using the SLA and an assessment of the effectiveness of the SLA for understanding forest-poverty linkages.

The material in this report provided the basis for a training workshop on SLA in order to prepare national consultants for carrying out case studies in Afghanistan, Iran, Kyrgyzstan and Turkey (LSP Working Paper 35).

## **2 THE SUSTAINABLE LIVELIHOODS APPROACH AND FOREST POVERTY LINKAGES**

### **2.1 Introduction**

In the last decade, with the renewed international commitment to poverty reduction and appreciation of the importance of natural resources for this objective, there have been significant advances and innovations in methodologies for examining environment-poverty linkages. These methodological innovations are in part a response to two realizations in development policy. The first is a broad consensus about the multi-dimensional and dynamic character of poverty which is now defined not only as a lack of material assets but also as exposure to risk and a lack of power. In order to capture this complexity, poverty studies have become increasingly multi-disciplinary and multi-sectoral, considering causative factors from the level of intra-household relations to the national and even global economy. The second realization is that poverty reduction policies have to be people-centred; that is they will be most effective if they are based on the needs, preferences and experiences of poverty that are voiced by the people themselves.

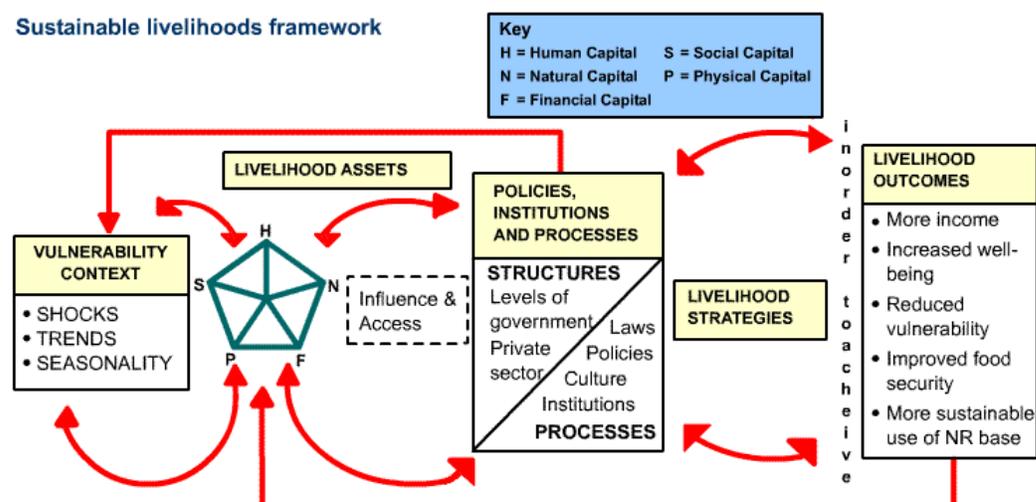
The imperative of capturing the dynamic nature of poverty and of involving people in this process has become a major undertaking of development organizations of all types. The World Bank, DfID, the Natural Resource Institute and the International Institute of International Development, to name just a few, have undertaken extensive reviews of methodologies and developed their own in-house methods for examining linkages between poverty and natural resource access. FAO itself has extensive experience in this area: specific tools include vulnerability profiling (FIVIM), SEAGA (Social, Economic and Gender Analysis) methods, and an entire tool-kit of participatory tools collected and developed by the Informal Working Group on Participatory Approaches.

The Sustainable Livelihoods Framework (hereafter Livelihoods Framework or LF) – already widely used by numerous development agents – has in recent years also been developed for use within FAO by the LSP. The LF is based on an expanded definition of poverty that considers not only material assets and needs but also assets and capabilities. The focus is on people and what they are able to do with the opportunities that they have, the obstacles they face and the outcomes they are able to achieve. The following is a definition of a livelihood:

*A livelihood comprises capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets, both now and in the future, while not undermining the natural resource base (Chambers and Conway, 1992).*

The SLA was chosen as a conceptual and methodological framework because it provides a way of thinking about the linkages between the context, vulnerability, poverty and access to forest / tree resources. It is grounded and contextual, looking at how different people pursue a range and combination of livelihood strategies given particular contexts, combination of assets and set of opportunities and constraints presented by institutional structures and processes. The focus is dynamic and enables a consideration of cause and effect at various levels. Finally, the framework is comparable across different national contexts and its diagrammatic presentation (see Figure 1 below) make it relatively easy to understand.

**Figure 1 Basic livelihoods framework**



The LF isolates the main factors that affect people’s livelihood and the relationships and linkages between these factors. A sustainable livelihoods perspective is useful for looking at the contribution of forests to people’s livelihoods as well as for enabling an understanding of rights, access and the influence of the broader context. This section provides an overview of the key elements of the livelihoods approach adapted to the particular issue of forest-poverty linkages.

## 2.2 Context and Conditions

Contexts and conditions consist of characteristics or events in the external environment that shape people’s livelihood systems. In the LF above this is referred to as the vulnerability context which is characterised as shocks, trends and seasonality. This definition has been expanded for the purpose of examining forest-poverty linkages to include factors such as demography (population growth, urbanization, immigration and emigration), social development indicators, social differentiation, political and institutional trends, macro-economic changes, climate, agro-ecology and environmental factors, in particular the state of forests. What these factors have in common is that they shape part of the context and conditions which affect people’s livelihoods and over which they have limited control. For this reason the LF above characterises this context as consisting of shocks, trends and seasonal factors, for example:

- Shocks may be natural (floods, droughts), economic (economic crisis) or political (conflict).
- Trends are more on-going processes of change and may be economic, demographic, technological or climatic
- Seasonality refers to trends that have a seasonal dimension such as employment opportunities and food availability.

Events over which people have limited control such as forest degradation, economic and political changes will have a critical impact on forest-poverty linkages. Not all of these events have to be negative; however one of the notable features of poverty is that systemic events do have a tendency to cause an increased vulnerability on the part of the poor. The poorest are

often unable to benefit from trends even when they do move in the right direction (such as a good market for NTFPs) because they lack assets and strong institutions working in their favour. To provide a few examples: the collapse of the FSU has led the poor to depend increasingly on wood-fuel and trends towards participatory forestry and local governance can lead to formalised management arrangements from which the poor are excluded.

### Key Questions

- What is the state of forest resources in the country?
- What is the trend in forest and environmental degradation?
- What are the demographic trends affecting forest-poverty linkages?
- What are the economic trends affecting forest-poverty linkages?
- What macro-policy and institutional trends affecting forest-poverty linkages?
- Have there been shocks (economic, environmental etc) that have affected forest-poverty linkages?
- What environmental and seasonal factors affect forest-poverty linkages?
- How seasonal are forest-based sources of income generation and subsistence?
- How important are the forest / tree resources to the livelihoods of dependent groups?

### **2.3 Policies, institutions and processes**

Policies, institutions and processes play a critical role in shaping the terms on which people access forest and tree resources. This influence is exerted in a number of ways: institutions and policies shape contextual factors and conditions, they are important in determining access to capital assets and they affect livelihoods through structuring opportunities and constraints. The LF gives central importance to policies, institutions and processes and therefore draws attention to how they shape access across a range of scales from the micro to the macro level. A livelihoods understanding of institutions encompasses both formal and informal institutions as well as the processes through which they operate. An analysis of institutions therefore involves paying attention to the politics of power and control that influence access to forest resources.

The importance of institutions in determining access to natural resources is an established fact of the current international outlook on forest-poverty linkages. Institutions are no longer considered to be merely the formal organizational and legal framework that structure rights and access to forest resources. Instead institutions are increasingly seen as all the networks and processes from the micro to the macro level (including those based in culture and tradition) that determine access to forest resources. In particular, increasing attention has been paid to the way in which institutions mediate relations of power and the operation of institutions in the informal sector. Table x provides an example of how policies, institutions and processes may influence access to forests.

**Table 1** *Policies, institutions, processes and forests*

Type of Institution, Policy and Process	Impact on Access to Forests
Public sector	Capacity of the public sector to make and enforce legislation
Private and commercial	Existence and type of market for forest products
Civil Society	Existence of NGO and community based networks to manage forests and defend access and rights.
Policy	National forest policies, national development policies, international conventions and forums
Legislation	Formal forest legislation, distribution of property rights and actual effectiveness of legislation. Access of forest dependent groups to legal jurisprudence.
Informal Access Rules	Local conventions on forest access, informal rules of use and collective action
Processes	Formal and informal relations of power in forest access and management, intra-household customs and division of labour.

### Key Questions

- What structural, legal and policy factors affect forest-poverty linkages?
- What are the significant ownership and access issues that affect forest-poverty linkages?
- Is there a gap between the official arrangements for forest management and actual access and management arrangements?
- What are the objectives of current management arrangements and what activities are undertaken to meet these objectives? What are the macro, sectoral, redistributive and regulatory policies of which these are a part?
- To what extent do forest dependent groups think the policy and administrative framework of forest access is legitimate and just?
- To what extent are forest dependent groups involved – and to what extent do they want to be involved – in decision-making about forest management?

## **2.4** *Livelihood assets*

People use a range of livelihood assets – also called capital assets – in order to pursue various livelihood objectives. These assets are defined as:

- Natural capital: natural resource assets (land, soil, water, air) and environmental services (nutrient cycling, hydrological cycle)
- Financial capital: cash, credit, savings / debt and other accumulated assets
- Human capital: skills, knowledge, ability to labour and good health
- Social capital: networks, groups membership, social relations, claims and associations
- Physical capital: infrastructure, transport, shelter, affordable energy, communications

People require a range of assets to achieve livelihood outcomes and a defining feature of the poor is usually that they have limited access to any given category of assets. Capital assets can yield multiple benefits (natural capital can yield financial capital for instance) and can be converted into each other (financial capital can buy natural capital).

Whatever the particular benefit that is being derived from forests will depend partly on the other assets available to the household / family / community. For instance, artisanal use of forests will need human capital resources of skill; deriving fodder benefits entails having livestock and forest management may require social capital assets. An analysis of how different assets are linked and how certain combination of assets produce portfolios that in turn affect the pursuit of different livelihood strategies is critical for an appreciation of forest-poverty linkages. These factors will affect the stake that people have in forests as well as their capacity and willingness to take part in sustainable forest management.

**Table 2** *Asset endowments of forest dependent groups*

<b>Assets</b>	<b>Key Questions</b>
Natural	<p>What are the natural capital assets of forest-dependent groups?            What are the agricultural production systems of forest-dependent groups?            What is the nature of access rights to these natural resource assets?            How productive are natural resource assets and has this been changing over time?            Is there any evidence of conflict over these natural resource assets?            To what extent is the resource affected by externalities (for example the productive potential of the resource affected by the activities of users outside the immediate area)            Is there existing knowledge that could help improve resource productivity?            Do the forest resources have cultural and / or social value?</p>
Financial	<p>Do forest-dependent people have savings and access to financial services?            In what form do they keep their savings?            What types of financial services – both formal and informal – exist?            To what extent do the benefits derived from forest use depend on access to finance?            To what extent do the benefits derived from forest use contribute to financial capital?</p>
Human	<p>What are the demographic patterns of forest-dependent groups (family size, migration)            What are their human development indicators (health, mortality, income, other poverty indicators)            What is the education level, training and skills of forest-dependent groups?            To what extent is their use of forest resources skilled? Is there a tradition of local innovation?            From where (what sources or networks) do people access information important to their livelihoods? What is their state of knowledge about their rights, policies and legislation about forest access? If they consider themselves informed, how accurate is their understanding?            Are there any groups that are excluded from access to information? Why?</p>
Social	<p>What types of social capital assets influence access to forests and forest management?            Is forest access and forest management structured by household and / or community?            How do these networks operate and do they exclude / include certain groups?            Are they based on hierarchical or coercive relationships?            Are these networks being newly established or are they based on customary rules?            Does group membership entail obligations and rights?            To what extent is social capital useful in improving economic relations of forest dependent groups, providing a safety net in times of economic hardship and facilitating knowledge transfer?</p>

Assets	Key Questions
Physical	<p>What are the infrastructural assets (transport, shelter, water / sanitation, heating, communication, etc) of forest dependent groups?</p> <p>To what extent is their use of forest resources dependent on these infrastructural assets?</p> <p>To what extent does a lack of infrastructural assets affect their capacity to use forests?</p> <p>To what extent are the infrastructural assets held by forest dependent groups appropriate?</p> <p>What are the support services available to forest dependent groups?</p>

## 2.5 *Livelihood strategies, objectives and outcomes*

Given a particular asset profile and set of opportunities and constraints people may pursue a range and combination of livelihood strategies. It is increasingly accepted that poor households in particular pursue a range of livelihood strategies as part of a household livelihood portfolio. It is also increasingly accepted that the objectives that are pursued vary widely. Whilst increasing income levels is usually the most important; others may include well-being, reduced vulnerability, improved security and investment in human capital. The particular livelihood strategies and objectives being pursued will depend both on the capital assets available to poor people, the broader context and the policies, institutions and processes that structure constraints and opportunities.

An analysis of these strategies and objectives from the perspective of forest users themselves will be critical for an understanding of forest-poverty linkages as well as the potential for various forest-based poverty reduction initiatives. It will also be important for an evaluation of the outcomes of forest-poverty linkages. International experience has shown that there are no simple causal links between forest management and poverty reduction. Despite the evidence of the crucial role forest resources play in the livelihoods of the poor the relationship between forest resources and poverty alleviation is far from straightforward. The type of outcomes (forest degradation / management, increased incomes, micro-enterprises etc) that are being generated from forest-poverty linkages are therefore important for the study to explore.

### Key Questions

- How important are forests to the broader livelihood strategies of forest dependent groups?
- What does the livelihood portfolio of forest dependent groups look like (percentage of income from forests, amount of time and resources devoted to accessing forests by household members)?
- Is this livelihood portfolio changing over time and why?
- How long-term is the outlook of forest-dependent groups? Are they investing in forest management?
- How positive are the choices of forest-dependent groups (is their dependency on forests a strategic choice or is it the only option for a livelihood)?
- What are the livelihood outcomes of forest dependence? To what extent does it contribute to any or all of the following: increased income, increased food security, reduced vulnerability, sustainable resource management?

## **2.6 Application of the SLA in country studies**

The issues and questions outlined above are very similar to those that have been outlined as key FOWECA questions. The FOWECA study aims to answer key questions on future forest development in the region, in particular the following:

- • What roles do we expect the forests and trees to play in the region?
- • What changes do we foresee in the next 15 years in forest resources?
- • What factors will bring about such changes?
- • How should the forest sector respond to such changes?
- • How will the demands for forest goods and services change in the next 15 years?
- • How will such demands for forest goods and services be met?
- • What are the options available to improve the forest situation in the region?

The elaboration of these issues and questions in the SLA above is intended to enable an analysis of these questions from a “bottom-up” perspective as well as prioritising poverty reduction as the main concern regarding the future role of forests. The SLA – as developed above - has been used to study forest-poverty linkages in Afghanistan, Iran, Turkey and Kyrgyzstan by national consultants, the details of which are reported in Shimizu and Trudel 2006 (LSP Working Paper 35).



### **3 FORESTS, LIVELIHOODS AND POVERTY**

In the FOWECA study the main driving forces of change have been grouped into internal driving forces (demography, social and economic development, changes in policies and institutions, environmental changes and developments in science and technology) and external driving forces (geopolitics, globalization, regional environmental issues). This section provides an overview of some of the forces in West and Central Asia. In chapter 5 we will consider how these approaches compare and the effectiveness of the SLA for understanding forest-poverty linkages.

#### ***3.1 Forces driving the context and conditions***

The economic, social and environmental value of forest resources differ significantly across countries in West and Central Asia. Turkey has significant forest resources that contribute both to the national revenue and poor livelihoods whilst the forest resources of Kyrgyzstan do not make a significant contribution to national revenue and support a much smaller number of poor livelihoods. Whilst the potential of forest based poverty reduction differs in the three national contexts, forests and the forest sector in all three countries are undergoing rapid changes largely in response to changes outside the sector. As globalization proceeds, it is likely that these three countries will be increasingly influenced by economic integration, changing trade patterns and investment flows. The overall economic situation – especially income and its distribution and the changing roles of sectors – will have a significant impact on the forestry sector and the extent to which the poor can benefit from forests.

Economic and demographic trends have a critical influence on forest-poverty linkages. In Kyrgyzstan the political and economic shock of Independence and the transition process initially increased the dependence of the poor on forests. Unemployment, urban to rural migration, an increase in subsistence farming and an energy crisis all contributed towards an increased demand for biomass from forests. The collapse of the state and the institutional vacuum of the transition period resulted in a lack of investment and forest management. These developments took a heavy toll on Kyrgyz forests; one which would have been even greater had the transition not also resulted in a temporary reduction in livestock numbers.

These shocks to the Kyrgyz polity and economy have since been mitigated and the forest sector now has an institutional and policy framework. With the gradual reversal of urban to rural migration there is also a slight decrease in pressure on forests. Nevertheless whilst there has been a stabilization of national contextual factors, the options for pro-poor forestry will be affected by a move towards economic liberalization as well as the down-sizing of the public sector. The positive aspect of this move is that it will create opportunities for private sector agents to get involved in sustainable forest management. Whether or not this opportunity will be available to the rural poor depends mainly, as will be considered further below, on the creation of an enabling institutional framework.

In Iran rapid population growth, urbanization and the erosion of customary controls on forest management have resulted in extensive deforestation with negative consequences both for the rural poor and environmental management. The forest sector is small and does not represent an important opportunity for poverty reduction. However forests do provide both direct and indirect benefits that critically reduce the vulnerability of the poor and provide an economic safety-net. Iran is currently undergoing structural changes to both its economy and

governance system. In this larger context forest policy has recognised the importance of involving all stakeholders, including the rural poor, in future plans for sustainable forest management.

The potential for forest-based poverty reduction in Turkey is much greater than in Kyrgyzstan and Iran because of the greater forest resources and larger number of poor people who draw on these resources as part of their livelihood strategies. In fact it has been estimated that the Turkish forest sector is undervalued and that the sector will grow rapidly over the next 20 years. Whilst there has been large scale degradation the Turkish forest sector has also initiated afforestation programmes throughout the country. The influence of contextual factors on the Turkish forest sector – and so the factors that will influence the potential for pro-poor outcomes - are also much greater. In terms of exogenous influences, the Turkish forest sector is production oriented and especially vulnerable to pressures for economic liberalization. Economic liberalization and recession in both the national and global economy led to a drop in wood prices which forced the General Directorate of Forests (GDF) to take austerity measures to reduce production cost.

Prices have since recovered and the Turkish forest sector is again gaining a competitive edge. Investment in new technologies has enabled the forest sector to enter into joint ventures with European Union partners. In the last 4-5 years the private sector has also played an increasingly central role in production forestry. These are positive developments for the sector as a whole but raise some concerns for the benefits that will be available for the rural poor. It is likely that the pressure of competing in the global market will force GDF to reduce its subsidies on fuel wood and timber allocations for forest villagers. Further private forest companies – unlike the GDF - are not compelled to provide preferred employment to forest villagers. Economic liberalization is therefore highly likely to lead to a reduction in two of the main benefits that the rural poor derive from forests unless concrete measures are not taken to establish alternatives.

These global pressures have to be considered in relation to equally pressing domestic trends. Rapid urbanization has led to a small decrease in pressure on forests as well as a growth in civil society organizations that have started to champion environmental issues. The rural poor themselves do not have much political capital but nevertheless constitute stakeholders with some influence through their sheer numbers. It is predicted that ecotourism of various kinds will grow rapidly in the future in Turkey and Kyrgyzstan. Further, partly under pressure from international development agencies, there has been a recognition that forests need to be protected for their environmental services, in particular watershed protection, prevention of soil erosion and maintenance of biodiversity. These contextual factors, like in Kyrgyzstan and Iran, have potentially positive implications for the rural poor if the policy and institutional framework is able to provide them with access to new opportunities. Unlike these two countries however, the stakes are much higher as Turkish forests are a valuable resource. Negotiating a compromise between the various stakeholders that provides the rural poor with opportunities for development based on sustainable forest use will be more difficult.

### **3.2 Forces driving policies, institutions and processes**

Countries are going through fundamental political and institutional changes that will have an impact on the forest sector. In Kyrgyzstan and Turkey significant efforts are being made to bring about policy, legal and institutional changes, particularly through the decentralization of government administration and the involvement of civil society forces in various decision-making capacities. Included in these changes is the recognition that local communities – motivated through the provision of adequate incentives - should play a greater role in the management of natural resources. Civil society organizations and NGOs are also playing an increasingly important role in raising issues related to the transparency and accountability of government in its stewardship of natural resources. Forest policy in both countries recognises the importance of supporting multiple forest functions; production forestry, forestry for subsistence, commercial forestry and conservation forestry. The institutional changes in Iran have been slower and more directed from the central government. The role of the private sector is still nascent, the environment in general is not yet a well recognised public concern and civil society organizations are still fairly weak. However there has been policy recognition of the need to include the rural poor in future forest management plans both in terms of meeting poverty reduction objectives and of involving them in the decision-making process.

The challenge will be to turn this official recognition of the multiple functions of forests into forest management practice. The forest administrations have been trained in scientific forestry and oriented towards managing forests for either production or conservation purposes. Many forest officials have no experience in involving local people in forest management and further many are not convinced that local people should be involved. In all three countries initiatives to involve local people in decision-making and management over forests are experimental and have yet to be properly institutionalised into a set of access rules and rights. In all countries a pro-poor forest policy will have to undertake initiatives to support poverty alleviation in forest villages that are presently dependent on excessive extraction of forest resources, usually for livestock production. Poverty alleviation in forest communities will require a multi-sectoral approach to rural development that is not based solely on forest resources.

The most concrete potential for forest based poverty reduction is in creating leaseholds in forests where there are high value and low investment NTFPs. In Kyrgyzstan the most important of these NTFPs are walnuts and initiatives have started to support Community Forest Management (CFM) in these forests. CFM leases are still limited in number and they tend to be distributed through a non-transparent process with inequitable outcomes. However there is a growing awareness amongst poor forest dependent villagers on the importance of group formation for the purpose of gaining access to these leaseholds. As leaseholds over NTFPs represent one of the main options for forest based poverty reduction it will be important to ensure that the SFS is made accountable to the elected governments for prioritising poverty reduction in accord with stated government policy. CFM should be made available to as many local villagers as possible and the selection of CFM tenants should positively discriminate towards the poor. The same principle should apply to other resources, in particular pasture land and non-forested plots for farming, which are under the control of local leskhoz. If a pro-poor policy were applied to all of these resources then there would be real potential for helping poor people to diversify their farming systems and reduce their vulnerability.

Realising the potential outlined above will need a concerted effort to put stated policy objectives into practice. Improvements need to be made in the procedures for allocating leases and in the legal and administrative framework that will regulate the operation of these leases. Improvements also need to be made in the capacity of local people for forest management and self-organization.

### ***3.3 Capital asset endowments and forces driving livelihood strategies***

People require a range of assets to achieve livelihood outcomes and a defining feature of the poor is usually that they have limited access to any given category of assets. A consideration and comparison of the capital assets endowments of the forest villagers will contribute to a further understanding of the options for forest based poverty reduction.

#### ***Natural capital***

The rural poor living adjacent to forests are reliant on various types of natural resources for a substantial part of their household income. These typically include livestock, arable land and forest resources such as fuelwood, timber and NTFPs. However their ownership of these assets and their capacity to employ them as capital to fulfil livelihood strategies is limited. Exceptions, such as leaseholders of walnut forests in Kyrgyzstan and stone pine forests managed under village entities exist. However the rural poor usually have insecure access and rights to forest resources as well as limited arable land resources. Livestock often constitute the most important household asset as these are possible to exchange for both food and cash; hence where possible the rural poor invest in livestock production, often at the cost of nearby forest resources. Further, unlike many forest products such as NTFPs, livestock provide a source of subsistence throughout the year.

This heavy dependence on natural resources combined with limited ownership of natural capital constrains the development of a longer term planning perspective and innovation in more sustainable and remunerative types of resource use. Further it has resulted in resource use conflicts between different stakeholders and there are few instances of productive local management of forest resources. On a larger scale this situation of resource dependency without rights creates negative externalities; not only does it affect the productive potential of the resource but it also creates negative down-stream effects (such as soil erosion) that further decreases natural capital that could potentially be available to the rural poor.

#### ***Human capital***

Forest adjacent villages tend to be poor by all conventional human development indicators; income, health and education. In large part this is because they are physically remote and have not had access to social services, information and development opportunities. There is also often a limited development of forest management capacity and forest-based artisanal capacity. Whilst these communities use forests and often have extensive knowledge of local herbs and plants they are principally pastoralists and agriculturalists, not forest dwellers.

## **Social capital**

What are the social capital resources of forest dependent groups and how important are these in determining access to forests? An immediate point which can be generalised is that social capital networks have not traditionally been established around forest resources. There are few common property forest management systems in which customary rules determine access and usufruct rights of community members. There may be customary rules that determine access conditions between communities, but often these are related more to pastures than to forests.

It is well known that most members of poor rural communities – not only forest adjacent ones – have access to social capital networks for production oriented activities as well as for trade and for social security in times of hardship. Access to these networks is usually mediated by kinship and gender and as these are highly specific to the community it is not possible to generalise about these across the national contexts. However, it does seem possible to say that the rural poor do not have adequate social networks to enable them to access either production or trade activities related to forests. Further, more research needs to be done to see to what extent existing social capital structures could lay the basis for community based natural resource management strategies. Whilst most of these communities do not have a high degree of internal economic differentiation, the fact that social capital is usually based around kinship networks and influenced by gender relations might make them unsuitable as a basis for local resource management structures.

## **Financial capital**

The rural poor in forest adjacent villages are – by definition – short of financial capital; both cash (income and savings) and readily convertible liquid capital. Forest resources in all three national contexts usually contribute more to household consumption than to cash incomes. The main direct source of cash incomes from forests are derived from employment in national forest departments and from NTFPs. A distinctive feature of the forest sector is that the rural poor are given only limited access to those aspects of forestry which are likely to provide high financial returns. Contracts for timber and commercial harvesting are usually held either by the state or given to established private contractors. In fact the lack of financial capital held by the poor can create a vicious circle in that they do not have the means with which to compete for contracts and leaseholds for commercial harvesting.

## **Physical capital**

Physical capital includes privately owned assets that can be used to increase labour, land and forest productivity as well as publicly owned infrastructure such as roads, electricity, schools and wood processing plants. The rural poor have limited access to both types of physical capital resources in all three national contexts. Given these capital asset endowments, as summarised above, how important are forests to the livelihood strategies of the rural poor? The answer cannot be provided in a nutshell and varies between the country contexts as well as within the countries themselves. In general, however, whilst forests provide important subsistence goods and some income to forest adjacent communities they rarely constitute the main household livelihood strategy. Their main importance for the rural poor is in reducing vulnerability because they provide some basic subsistence goods as well as a source of food and potentially income.

However, the percentage of household income from forests, as well as the amount of time and resources devoted to accessing forests, is usually small. Further in most instances the livelihood strategies of forest dependent groups do not include forests as a strategic choice for livelihood improvement that would involve long-term planning. In other words, livelihood strategies based around forestry are not usually an option for the rural poor. The main focus of the rural poor is usually either on building up livestock or exit options which involve migration. National Forest Policies may have ambitious plans that include afforestation, watershed management, ecotourism etc, but so far these present livelihood options for only a nominal number of rural poor involved in experimental projects.

### **3.4 *Summary of key forest-poverty linkages***

The evolution of forest-poverty linkages differs in countries due to differences in forest endowments as well social, institutional and political trajectories. Forest-poverty linkages are changing rapidly in each of the national contexts; many of which are difficult to capture as they consist of informal processes (illegal felling, informal labour arrangements, etc.). Despite these uncertainties, fieldwork suggests that forests do play an important part in the livelihoods of forest adjacent communities. The LF – as will be detailed further in section 5 - provides an effective framework for considering forests from the perspective of local livelihood options. Forests do not usually constitute the main source of household income and in fact the livelihood strategies of the poor often compete with sustainable forestry. In countries such as Turkey and Kyrgyzstan, national forest policies are in the process of being reshaped to recognise multiple stakeholders and the multiple purposes that forests should and can serve. In both of the first two national contexts this process is being supported by international development agents and is part of a larger policy drive at the national level towards decentralization and improved transparency and accountability in governance. Under these pressures previously production and conservation oriented Forest Departments are beginning to recognise the need to involve different stakeholders, including the rural poor, in future forest management plans.

This institutional change is a slow process and the immediate outcomes for improved forest-poverty linkages are unpredictable for a number of institutional and administrative reasons. First, despite the progress made with national Forest Departments they are still conservative and inclined to regard forest management as a scientific not a social or economic activity. To the extent that they are willing to cooperate with other stakeholders, it is most likely that this will be private sector agents with technical capacities. Secondly, the rural poor do not have much political capital and are so far unable to place effective pressure on the government to support their demands. Related to the above, in each of the national contexts informal processes are important in determining the allocation of contracts, leases, forest resources and access; again the rural poor do not have effective political power. Finally, it will take time to translate policy ideas into workable institutional and administrative practices based on rules and rights regulated by legitimate and transparent authorities.

Apart from these institutional and administrative obstacles to poverty focused forest practice is the difficulty of creating a realistic vision for how forests can contribute to reduced poverty. Many of the objectives mentioned in policy statements, such as afforestation, ecotourism and watershed management do not have concrete ideas for how people can derive benefits from these objectives. To some extent plans are being made to reduce the forest dependence of the poor and to involve the poor in sustainable management practices. However these plans do

not yet amount to a vision for how to reduce poverty whilst maintaining forests in a sustainable manner. They are unlikely to attract the interest of the rural poor unless they present realistic alternatives to current livelihood strategies.

In all of the national contexts the final outcomes will be heavily influenced by external forces driving the policy process as well as the options available to local people. As reviewed these include, amongst others, international pressure towards accountable democratic governance and liberalised economies, national privatization programmes, cut-backs in the public sector, urbanization and migration in many areas which has reduced pressure on forests, a growing civil society and capacity to mobilise around the interests of the rural poor, and a slow growth in demand for ecological and recreational services from forests. Promoting poverty focused forest policies will entail building on the positive forces and negotiating those that work against improved forest-poverty linkages.



## 4 THE POLICY AND INSTITUTIONAL IMPLICATIONS OF THE STUDY

### 4.1 Livelihood options and future scenarios

Whilst forests bring benefits at the national level (revenue income) and indirect benefits at the local level (watershed management), the extent to which people can actually derive direct benefits from forests in a sustainable manner was limited in all three countries. In the language of the Livelihood Framework, forest capital has to be turned into financial, human, physical and social capital to be of value to the livelihood strategies of the poor. The FOWECA outlines four possible future forest scenarios based on possible changes in the internal and external environment of the different countries in the region. Combining these, four broad possible scenarios for the future of forestry as indicated in Table 3:

**Table 3** *Future Scenarios*

Social and Economic Situation in the Countries	Globalization and Geopolitics	
	Improved global and regional institutional arrangements	Weak institutional arrangements and negative tendencies
Improving Social and Economic Environment	<p><b>Scenario 1</b></p> <ul style="list-style-type: none"> <li>• Countries pursue a forward looking approach to development.</li> <li>• Emphasis on comparative advantages</li> <li>• Subsidies for agriculture are removed or drastically reduced.</li> <li>• Benefits from trade, technology transfer and investments widely distributed.</li> <li>• Declining poverty and inequality.</li> <li>• Expanding trade and emergence of more open global markets.</li> </ul>	<p><b>Scenario 2</b></p> <ul style="list-style-type: none"> <li>• Weakening trade and countries pursue an inward looking approach. Persistence of subsidies to prop up domestic agriculture and industries.</li> <li>• Failure to benefit from comparative advantages.</li> <li>• Countries emphasise self-sufficiency or develop narrowly focused trade arrangements on a bilateral basis.</li> </ul>
Worsening Social and Economic Situation	<p><b>Scenario 3</b></p> <ul style="list-style-type: none"> <li>• Countries are marginalised and fail to take advantage of globalization.</li> <li>• Benefits of globalization are unevenly distributed.</li> <li>• Declining economic performance.</li> <li>• Increasing inequality, poverty and social instability.</li> </ul>	<p><b>Scenario 4</b></p> <ul style="list-style-type: none"> <li>• Countries continue to have a highly inward looking approach.</li> <li>• High dependence on limited internal resources.</li> <li>• Increasing depletion of natural resources.</li> <li>• Limited access to new technologies and inability to improve local technology.</li> </ul>

Source: FOWECA Final Report (2006)

The purpose of developing future scenarios within FOWECA has been to encourage resource managers and key stakeholders to visualise probable future paths of development. In the face of an uncertain future and poor information this allows planners to assess available options in forestry and mitigate negative trends in the internal and external environment.

The consequences of these scenarios for forestry-poverty linkages need to be evaluated separately and will need special policy support. Even the first scenario can involve a forest policy that does not contribute towards an equally distributed poverty reduction and / or an uneven internal distribution of benefits. Whilst forests are relatively important to the livelihoods of the poor, in most of these situations this either leads to forest degradation (for instance through overgrazing) or represents a temporal stop-gap measure with little potential as a long-term livelihood strategy that can contribute towards poverty reduction. Table 4 illustrates some possible scenarios regarding livelihood options and alternatives. Of these scenario D is the only one that would contribute towards both sustainable forest management and poverty reduction.

**Table 4** *Poverty and Forest Linkage Scenarios*

	Poverty Increase	Poverty Reduction
Forest Reduction	<b>A</b> Poor do not benefit from unsustainable use of forest resources	<b>B</b> Poverty is reduced by forest conversion, for example to extensive farming or pasture land
Forest Increase	<b>C</b> Poor are affected by reduced access to forests, for example through closure for national parks and afforestation	<b>D</b> Less pressure on forests and reduced poverty due to, for example, employment in sustainable forest management and agricultural intensification.

Source: Adapted from Mayers (1997)

So what future livelihood options and alternatives are available to poor people living near forests? Policy statements in all three national contexts recognise the importance of forest resources for the poor and support principles such as the need for dialogue between stakeholders, sustainable management of forests, participation and working in partnership with communities. Recognising these principles is important, their implications for policy and practical livelihood options are however harder to define. To recap, in each of the countries the poor derive – either through formal and legal or informal and sometimes illegal means - the following major benefits from forests:

- Arable land through conversion
- Fodder and grazing for livestock
- Fuelwood for home consumption and to a lesser extent for sale
- Timber for home consumption and to a lesser extent for sale
- NTFPs for home consumption and for sale
- Subsidised access to forest resources
- Employment in forest-based enterprises

Some countries are recognising the need to create alternative livelihood options to forest use (especially land conversion and grazing) and / or provide people with incentives to use forests in a sustainable manner. In Kyrgyzstan community forest management of walnut forests has been the option that appears to hold most promise for both people and forests. In Iran social forestry experiments have since 1981 tried to interest local cooperatives in the management and protection of degraded forests as an alternative to animal husbandry. In addition herders have been offered compensation for keeping their livestock out of forest areas. In Turkey there have been limited yet promising approaches to community involvement in management of forests and ranges under, for example, the Eastern Anatolia Watershed Rehabilitation Project. In addition people near forests have been provided with subsidised timber and fuelwood and preferential access to employment in forest production activities. In all three national contexts the objective of involving forest dependent people in the management and protection of forests is high on the agenda.

Despite the initiatives above and positive policy statements, creating realistic livelihood options for the rural poor living near forests is a challenge that has not yet been squarely faced in practice. The most immediate problem is that the rural poor derive their main forest related benefits from activities that work against sustainable forest management. In order to realise alternative proposals (compensation for not using forests, involvement in ecotourism, targeting the poor for income generation activities, afforestation etc) there would need to be an assessment of the benefits that would accrue to the rural poor. Even amongst the poor, the direct-use values gained by the poor (through direct consumption) have to be weighed against the indirect use values (eg. watershed protection and water quality) that may be lost by other poor groups. These costs and benefits need to be considered in the context of broader national rural development strategies and the trade-offs that have to be made in public investment.

One potential livelihood option that appears to be somewhat overlooked in the policy dialogue is off-farm trees. These trees are important in meeting livelihood needs in countries in which there are not large blocks of forests from which forest goods and services are derived. Rather than forests, scattered trees on farms and small riverside woodlands may be the most important source of timber and fuelwood. In Iran orchards in particular provide a valuable source of woody biomass and in Kyrgyzstan many of the rural poor rely on small patches of riverside forests and whatever is available from their farm and yard resources. If forest goods and services are best obtained from non-forest land then forest policy should reflect this; one of the policy challenges is therefore to find the appropriate policy environment to allow forestry to take place as part of a broader land-use planning process.

Another policy issue in securing local livelihood benefits is the question of sectoral restructuring at the national level, such as downsizing of forest authorities and their functions. In such cases, the forest authorities are in future expected to play a more regulatory role whilst management and production will be handed over to the private sector as well as “other stakeholders”, namely local communities, NGOs and donors. This downsizing is expected to have some immediate negative effects for the rural poor, in particular whether subsidised timber, fuelwood and fodder will be withdrawn and preferential access to employment less secure. Equally important however is that most of the proposed “social forestry type” initiatives will need some investment. The suggestions so far are that either donor support will fill the funding gap or that conditions will be placed on private sector contracts which will require them to involve the rural poor.

These proposals raise more questions than they answer about how to secure forest-based livelihood in practice. Probably the main issue is the fact that very few communities actually have secure property, management and / or leasehold rights to forests and / or forest resources. Further, of the arrangements being proposed, very few are to involve communities in the management of forest resources which are likely to yield significant benefits in the near future. A practical poverty focused strategy would have to confront these basic questions: which forest resources under which institutional arrangements can benefit the poor? Can leasehold type arrangements, for example, be extended over more valuable forest resources? What public resources will be needed to institutionalise these resources and make them governable? The sections below will turn to some of the issues that these questions raise about integrated development planning, stakeholders and power relations and the policy process.

## **4.2     *The policy-making environment***

Forest policy is no longer the main influence on forests and forest stakeholders. Bigger effects are often produced by policies that influence the demand for forest goods and services, and those that determine the spread of farming and farming settlements. Forest use patterns are heavily influenced by population growth and migration, urbanization and economic development, as well as the broader institutional framework which governs access to resources at the local level. The role of forest policy and the forest authorities themselves are only one, though clearly important, aspect of this broader resource use context.

This reality is clearly recognised in the forest policies in countries such as Turkey, Iran and Kyrgyzstan and has led to the following broad policy responses. The first relates to the **objectives of forest policy**; it has been accepted that forest policy has important social and economic functions and has to be integrated more into local development planning objectives. For instance in Turkey farmers in forest communities are eligible for direct income support under the Agriculture Reform Implementation Project (ARIP). More schemes of this type will be developed in Turkey to link rural development initiatives to the particular livelihood context of forest adjacent villages.

The second policy response relates to the **administration of forests**; with the down-sizing of the forest authorities there are moves to integrate forestry into broader rural administration structures. These administrative changes are partly sectoral; for instance in Turkey there are initiatives to integrate the work of the Ministry of Forestry with that of the Ministry of Agriculture and Rural Affairs (MARA), Rural Services and the State Water Works (DSI). Given the declining finances there has been policy recognition of the need to reassess the public and private good functions of forest organizations. This would result in a consolidated sectoral budget in which other stakeholders could be involved in the administration and financing of public goods forest functions, such as environmental management and poverty alleviation. In Iran too there are active moves towards inter-sectoral cooperation with the Energy Ministry, the Department of Environment and the Ministry of Industry.

Apart from these inter-sectoral initiatives the future administration of forests may also involve a certain amount of decentralization and devolution. Partly, as explored above, this is due to pressure to downsize the public sector. However decentralization and devolution initiatives are also due to international pressure to demonstrate some adherence to good governance

principles, as well as evidence that forest use cannot be policed but has to be ensured with the active participation of local stakeholders.

The third policy response – in relation to the broader context of forest policy – has been to link national forest policy to **international forestry principles, standards and conventions**.

These national adjustments to the pressures and demands on forestry and recognition of the need to anticipate broader political and market realities are important. However they raise the danger of leading to what Mayers and Bass (1999) have called a “policy inflation and capacity collapse”. For instance, the objectives of forestry may increase but without any identified means for prioritizing between them. The public goods functions of forestry have been afforded with importance yet public sector capacity is diminishing. The danger is of “policy inflation and capacity collapse” in which the drive to accommodate varied pressures on forests precludes the identification of a simple and agreed vision and the practical means for the realization of this vision.

### **4.3 Forest stakeholders and power relationships**

Whatever the policy statements and objectives that are expressed on paper, policy outcomes in practice are usually the result of administrative and political negotiations over options and trade-offs mixed with a lot of routine muddling and procedural precedent. The manner in which varied interests are integrated and traded off has much to do with the role and influence of forest stakeholders and the power relations that define them. It is indeed the processes through which policy is exercised rather than the policy itself that is most important in determining practical outcomes. The LF – as described in section 2 – places much emphasis on processes for this reason; the case studies of forest-poverty linkages at the local level in the three national contexts provide some insights into the operation of policy processes.

In the meantime, several observations about the relations between forest stakeholders and possible implications for forest-poverty linkages in the future can be made on the basis of this desk study. Whilst on paper the future has never looked so positive for poverty oriented forest policies, these have to be processed through unequal power relations between forest stakeholders that may subvert their practical realization. The following are some common issues that define and influence the relationships between forest stakeholders, although they may differ in their national manifestation.

#### **The decline of the public sector**

Forest departments grapple with a number of roles which sometimes contradict and compromise each other. These include income-generating roles (for instance timber revenue for the state); regulatory roles such as controlling territory; development roles such as supporting industry and agriculture; social roles such as local community development and environmental roles. There is now a widespread perception that forest departments are not able to handle these varied roles both because they are under-resourced and, for certain tasks such as social forestry – over-structured and inexperienced. National forest departments often continue to favour a more technical and narrow approach to forestry that favours conservation and development functions over the more indeterminate social forestry functions. The direct role of the forest authorities in forestry is decreasing in all of the countries yet they retain many of their regulatory and management functions. This raises an important question with

respect to future forest-poverty linkages: to what extent will national forest authorities use these regulatory and management functions to arbitrate and favour the poor? Evidently much will depend on national policy directives, however the relative power of varied local stakeholders is also likely to have significant influence on the final decisions taken.

### **The rise of the private sector**

The role of the private sector, as already explored above, is expected to grow in a number of countries. This is in large part due to the experience of inefficient government enterprise, poor service delivery, public sector debt and the lack of local accountability. In many instances these public sector failures have led to a privatization mantra. Privatization does not in itself have clear repercussions for forest-poverty linkages; indeed the private sector includes self-employed walnut pickers as well as multi-national timber companies. However in recent years there has been a recognition that the market suffers from three key failings with regard to forest products (James and Bass 1999), all of which are relevant to the three study countries:

- Key forest goods and services do not enter the market. Markets for non-timber products, biodiversity and environmental services are often non-existent or not effective so the private sector does not recognise them.
- Environmental costs are largely ignored. Markets do not automatically internalise environmental costs and often shift these costs on to others. Without policy checks and balances the private sectors wood production activities often degrade the production base for non-wood benefits.
- Distribution of wealth through the market is fairly fair. The pattern of private investment is often patchy and does not address the needs and priorities of the weakest members of society. In addition the biggest players tend to be favoured whenever markets develop; this is true internationally in the case of NTFP exploitation and ecotourism where small companies and individuals may have enjoyed a niche for a period but have been squeezed out by large companies. Certainly in Turkey and Kyrgyzstan it appears that leaseholds and contracts are being afforded either to companies or to relatively non-poor local individuals.

### **The decentralization process**

Decentralization is the proclaimed way forward for forestry in many countries. Claims about the benefits of decentralization generally relate to the greater sense of ownership and participation that it is meant to give to local communities. However decentralization can have conflicting objectives: it can mean saving money for the central authorities as well as empowering local people; providing incentives for farm forestry as well as large forest industries. As with the shifting role of the private and public sector described above, the practical consequences for forest-poverty linkages will depend largely on how the various forestry objectives and stakeholder interests are negotiated and managed in practice. As Mayers and Bass note “policies which set about transferring some level of power from a central to a more local level can be a godsend, a mixed blessing or a curse for local livelihoods and forest management” (1999:79).

In a number of countries there does not appear to be significant natural resource management capacity at the community level whether based on traditional customs or recently emerged practices. Handing over responsibilities to local communities who do not themselves have the rights, resources or capacity is unlikely to be an effective strategy for promoting positive

poverty-forestry linkages. Local government bodies are also in a nascent stage in all three countries and do not yet have established local leadership, sufficient rights and tested capacity for transparent and accountable planning.

Bass and Mayers (1999:80) suggest that the state needs to play a key role in achieving devolved forest management, particularly in enabling:

- Security of land resource access rights for local resource users and managers.
- Information and guidance.
- Subsidies / economic incentives for improving social and environmental values at the local level, particularly where communities struggle to meet their basic needs.
- Protection against negative impacts of macro-level forces such as powerful outside interests and the negotiation of potential externalities.
- Conflict resolution mechanisms where there are major conflicts between local communities, as well as between local communities and outside interests.

In addition to these, the evidence from the three study countries suggests that the state will also need to play a role in building local capacity, training and supporting means with which forest capital can be turned into realistic livelihood options. Without the appropriate institutional framework it is likely that decentralization will meet the “cost saving” rather than “empowering” category of objectives described above with negative consequences for forest-poverty linkages.

In sum, the policy processes underway regarding forests are forward looking in all three national contexts, in that there is a realization both of the importance of forest-poverty linkages and of the need for a major restructuring of the forest sector and the way that it operates. Various initiatives have been tried (stone pines in Turkey, walnut leaseholds in Kyrgyzstan, compensation in Iran etc) to try to put some of these policy statements into practice. These policies and initiatives do not yet add up to coherent poverty focused forest policies; indeed, questions remain about the extent to which forests can in fact contribute to poverty alleviation. However given the current dynamism of forest policy it seems that the time is right for an initiative such as FOWECA to enquire how it can support policy processes that aim to create positive forest-poverty linkages.



## 5 SUPPORTING THE FOWECA POLICY PROCESS

The objective of FOWECA is to provide a long-term perspective of forest sector development in the defined West and Central Asia region. FOWECA also aims to identify policies, programmes and investment options that can enhance the sectors contribution to sustainable development and complement other forest-related strategic planning initiatives, in particular national forest programmes. This section summarizes the report and contributes towards these objectives by asking:

- To what extent can national studies be generalized to the wider FOWECA region?
- Has the SLA been useful and to what extent is it replicable in other national contexts for a further exploration of forest-policy linkages?
- What specific policies and processes – to complement those already recommended in the main FOWECA report – would be useful to support a forest policy sensitive to poverty issues?

### 5.1 *The generalization of national experiences*

What regional implications do national studies have to the rest of the FOWECA region? Drawing links between the key driving forces of forest-poverty linkages outlined in a country of study and the rest of the FOWECA region is clearly difficult. There are significant variations between the countries due to differences in environmental, political, economic, social and institutional factors. The division of the FOWECA region into West Asia and Central Asia and the Caucasus helps to provide some perspective on the political historical context, but there are several other factors that differentiate the region. For instance, forest-poverty linkages in all of the countries in West and Central Asia will be affected by external market and political realities; however in some of the countries – in the Middle Eastern countries in particular - the mediating influence of a centrally managed economy will have a greater influence than in others.

The best way to establish regional relevance is to compare trends in the key factors affecting forest-poverty linkages. The following are the contextual factors which this study has suggested are most significant in influencing forest-poverty linkages:

#### **Forest asset base**

The forest assets available and the scale and type of demands on forests is probably the main factor affecting forest-poverty linkages. An understanding of the shaping of the forest asset base and the demands on different goods and services is thus critical. On the whole the FOWECA region is very sparsely forested and scarce forest resources are mostly linked to mountain ranges and rivers. Despite the low density of forests, the high diversity of forest types in West and Central Asia points to the significance of forests for the conservation of biodiversity. The Arabian Peninsula, with forest resources below 1 percent of a largely ornamental character form a distinct type. The Caucasian republics (Georgia in particular) and Turkey both have relatively large forest endowments and form an exception to the regional outlook. Forest management for industrial wood is probably limited to Turkey, Georgia and Iran. The low availability of forests means that generating incomes and reducing poverty through production forestry is not a commercially viable option for most countries in the FOWECA region.

However despite the limited forest cover there is a high diversity of different forest types and plantations of local and introduced species have been established in most countries. Forests in West and Central Asia are an important source of fuelwood on which a majority of the population in rural areas still relies. In the case of the Former Soviet republics this dependence on fuelwood is a recent phenomenon that has followed the collapse of the Soviet Union. Forest management has not yet accommodated this and most woodfuel needs are met through “illegal” collection. Apart from woodfuel, the main benefits derived by poor people from forests in the FOWECA region as a whole is through grazing, conversion to agriculture and fodder collection. (Fisher et al 2004).

### **Economic and market influences**

The degree of internal / external market exposure, and the role which forests are expected to play in local livelihoods and national income generation are highly significant. This study has demonstrated the importance of understanding external pressures on the forest sector and the way in which this influences relationships between stakeholders. Whilst all of the countries in the West and Central Asia regions are affected by external market and political pressures the state – as well as the national forest endowment – has a marked role in mediating these pressures. For instance, of the three countries in the study, Turkey has been most affected by external pressures because large areas of forest resources are managed for industrial purposes which are directly affected by national moves towards trade liberalization. Iran has until recently been a central managed and relatively closed economy which is only now beginning to liberalise trade; the effects that this will have on forest-poverty linkages are therefore still unclear. In Kyrgyzstan, and this can be extrapolated for other countries from the Former Soviet Union, the market and privatization are perhaps the most significant economic force. In these countries it will be important to ensure that privatization introduces pro-poor capacity for forest management and does not become a licence for asset-stripping.

The economies of most countries are likely to diversify substantially with the industry and service sector taking a greater share and agriculture and related activities declining in importance. This would imply some reduction in pressure on forests. It could also lead to an increased demand for environmental services from forests, especially for recreation. However the demand for wood and wood products may also increase, especially in West Asia, where income from oil and gas may be invested in tertiary industries and construction. The actual trajectory of these growth paths, and the consequences for forest-poverty linkages and income distribution, are still a matter of some speculation, as the future scenarios in section 4 have shown.

### **Institutional framework and policies**

Policies, institutions and processes, as suggested by the LF, have been shown to be a key factor mediating forest-poverty linkages in the three study contexts. Many of the issues explored – such as the move towards trade liberalization, structural reform, growing role of the private sector and changing relations between the state and civil society, can be generalised for FOWECA countries. However there are big differences in the scale and scope of the changes taking place in the different contexts. The particular relationship between forest stakeholders and the strength of state-civil society relations is very significant for determining what kinds of participation are possible in the policy process. NGOs are playing an increasingly important role across the Region, but many are dependent on governments for funding and / or approval. In many of the countries of West and Central Asia civil society is

still nascent and is unlikely to play an active role in policy formulation. The broader institutional framework will also affect the policy instruments that can feasibly be used to establish positive poverty-forestry linkages.

In most countries of the Region the majority of land is state property and public service institutions have traditionally been responsible for the management of the land. A recent trend in many countries has been to establish a Ministry of Environment and shift forestry to these Ministries. This reflects the growing concern for environmental conservation across the Region and a shift in focus from forest products to forest services. In those areas where poor people depend on forests this is not necessarily a positive development. Moreover, in many countries administrative shifts have led – as has been argued above – to a growth in policy objectives without priorities and a clear administrative mandate for action.

### **Social-cultural influences and conflicts**

Whilst forests may have a social and cultural role – present in songs and customs for instance – community forest management tends not to be an integral part of local social structures. Instead, societies tend to be linked to forests mainly through intermediary livelihood strategies such as agriculture and pastoralism. Even if community forest management had in the past been important in isolated pockets, there is little evidence that these still constitute credible systems for modern resource management. What the FOWECA countries therefore have in common – and where they can learn from each other – is the need to establish new institutional forms of local resource management, whether or not this is community based. Within this commonality, there are however a lot of differences in the social and cultural norms for local organization. One clear difference relates to gender; the role of women and the gender division of labour differ greatly between the countries of the Former Soviet Union and the Middle East.

### **Scope and scale of change**

The policy environment for change differs significantly across the Region. Can policy institutions make radical decisions that set institutional precedents or do changes and decisions have to be made through incremental steps? For instance, the policy context may be characterised by the cumulation of small negotiations or by decisive changes in asset ownership and allocation. In forestry there are frequently tensions between the long time horizons needed for good forestry and the short time horizons experienced by poor people. In many of the countries of the FOWECA region there are unlikely to be rapid changes in the distribution of assets and ownership of forests. The emerging picture in most of West and Central Asia is of an ongoing process of policy redefinition in which the importance of poverty focused forestry is further mainstreamed and incremental steps are taken towards the operationalization of some people-oriented forestry experiments. This is particularly the case because the overall benefits at the national level are marginal in most countries so there is no groundswell of opinion, either at the grassroots, NGO or government level calling for rapid change in existing structures.

In sum, in all of West and Central Asia (setting aside for a moment the fundamental and limiting issue of basic forest endowments) the potential of creating positive forest-poverty linkages is heavily influenced by contextual factors. In most of the region policy statements that recognise the poverty reducing potential of forests have to be seen in the context of market and political forces that may deepen inequalities in access and conservative institutional forces that favour the status quo.

## **5.2     *The replicability of the SLA***

The SLA was chosen as a conceptual framework for this study – as noted in section 2 - because it provides a way of thinking about the linkages between forests and people that encompasses an analysis of the context of forest use and the options and strategies that are pursued by people given a particular set of opportunities and constraints. The focus is dynamic and enables a consideration of cause and effect at various levels. The following are the advantages of the SLA for a study of poverty-forestry linkages:

- The common framework to analyse forest-poverty linkages and diagrammatic representation of key factors enabled the studies to be standardised and comparable across national contexts.
- Whilst the SLA considers the factors affecting forest-poverty linkages at all levels, including factors external to national economies such as geopolitics and climate change, the central focus is on the options and strategies pursued by the poor. It thereby provides a ‘bottom-up’ perspective which always returns the focus of the debate and affords priority to the question of how poor people can earn a livelihood.
- The focus on assets enables an understanding of forests as part of a complex livelihood system that involves trade-offs between different assets. This enables an assessment of forests as part of a broader livelihood strategy as well as the relative importance of forests and trees and how they are used.

An advantage of the SLA is that it enables a study to take the “people’s perspective” and appreciates the complexity of poverty. A poverty assessment does not currently appreciate either direct or indirect benefits from use. The disadvantage of the SLA is that it requires time and some familiarity with a multi-disciplinary and multi-perspective approach. This issue will however be more or less common to all approaches to understanding a complex issue such as future trends in forest-poverty linkages.

In essence, the issues covered by the SLA for the study on forest-poverty linkages are very similar to those covered in the main body of the FOWECA report. The FOWECA report looks at factors impacting forests and forestry in terms of two broad influences: internal and external. The former include demographic changes, economic and social developments, policy and institutional factors, environmental changes and technological changes. External factors include geopolitics and globalization. The FOWECA report considers the trends and driving forces in each of these categories, how they in turn influence responsible parties and key actors to affect the flow of goods and services from forests. The key difference between this approach and the SLA is one of perspective and causality not of the issues that are taken into account. The FOWECA report, whilst recognising the central importance of local livelihoods, focuses on the state of the forests. For instance, in the FOWECA report environmental changes, economic and social developments and policy and institutional issues are taken as “internal factors”. In the SLA these are considered “external factors”, because as

is the case with geopolitics and globalization, they are factors over which poor people do not usually have control. Hence the emphasis on the “vulnerability” framework and the centrality given to the choices that poor people make in the SLA.

In sum, the SLA is a useful tool to look at forest-poverty linkages, one that can be replicated in other national contexts and one that complements the approach taken in the FOWECA work. The fact that it is time-consuming is a real concern but is one that is common to all attempts to study an uncertain future with limited resources of time and information. Probably the main factor limiting the utility of the SLA in the FOWECA context is the extent to which there are significant poverty-forest linkages. In countries where there are almost no forests, Bahrain, Kuwait and Qatar, to take extreme examples, there would also be no point in initiating an SLA based study on forest-poverty linkages.

### 5.3 *Supporting poverty sensitive policy processes*

The FOWECA report aims to outline how the forest sector can develop given the various future scenarios developed by the report and outlined in this paper in section 4. Various options to support the forest sector are developed, these are summarised below (FOWECA 2006: pg 92-94).

- At the country level – improving the functioning of organizations to enhance effectiveness and influencing non-forest sectors and players to enhance the immediate external environment.
- Priorities for the international community – creating an environment that supports the forest sector through information, regional and sub-regional collaboration, resolution of trans-boundary problems, support for joint initiatives and facilitation of knowledge and technology transfer. These initiatives should however involve a minimum of transaction costs and create minimal dependency; they should be initiatives that can easily be managed by the countries themselves after international assistance has terminated.

In addition to these, and re-iterating some of the issues above, this study recommends considering several other measures to promote good policy, and in particular policy that is sensitive to the needs of the poor. These draw on the extensive experiences collected through the IIED project on forest policies that work applied to the FOWECA context. The IIED study (Mayers and Bass 1999: ix) identifies seven desirable processes to achieving good policy, these include:

1. *Creating a forum for participatory processes* to understand multiple perspectives and needs, as well as to negotiate and cut deals between forest stakeholders. This involves recognising that forest policy is a political process and that exposing stakeholder interests are important for their resolution.
2. *National definition of, and goals for, sustainable forest management*: FOWECA can assist national governments in defining priorities, trade-offs and a vision for forest-poverty linkages. This is an essential step towards preventing the ‘policy inflation, capacity collapse’ syndrome.
3. *Agreement on ways to set priorities* in terms of e.g. equity, efficiency and sustainability as well as timeliness and practicability. FOWECA, drawing on extensive FAO experience in methodologies for forest valuation, assessment, policy participation etc,

can assist countries to set these priorities. The Outlook papers and national forest policies need to be valued in order to be realised in practice. can also assist in establishing values for social and environmental services for forests that can compete with the economic valuation methods prevailing.

4. *Engagement with extra-sectoral influences on forests and people*: similarly FOWECA can draw on existing FAO expertise in strategic planning approaches as well as supporting a process of information exchange and learning between FOWECA members.
5. *Better monitoring and strategic information on forest assets, demand and use*: as noted much remains to be understood about the actual benefits that the poor derive from forests, as well as the informal processes that determine demand and use in the FOWECA context.
6. *Assistance with the decentralization and devolution process*: as noted above there is plenty of international forestry experience with decentralization. FOWECA members can draw on these experiences to strengthen the enabling role of the state in decentralization and avoid common pitfalls.
7. *Democracy of knowledge*: openness to information from all sources is important for the creation of a poverty focused forest policy. Again, FOWECA can assist in establishing national methods and standards for information exchange and dissemination. FOWECA can also provide a forum for improved learning about policies that work in the region and thereby help build a regional policy community.

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