

Small-scale forestry

Small-scale forestry – here meaning all activities related to forest ownership, management and enterprise – can contribute significantly to social and economic development when the circumstances are right. This issue of *Unasylva* examines the conditions and support that make it work. We don't define "small" by numbers, but use the term loosely. Small enterprises, for example, are those with less power, those owned by individuals or communities close to the resource base – those with real potential to contribute to sustainable livelihoods and rural development.

The first article looks for lessons beyond the forest sector: C.T.S. Nair examines some of the economic issues confronting small enterprises in general, and small forest enterprises in particular, in a rapidly globalizing world. The article examines links among scale, markets and economic performance, with special attention to the challenges of small enterprise participation in global value chains.

Clear, secure forest tenure is fundamental to sustainable management of forests by smallholders and to successful small forest enterprises. In Africa, most forests are publicly owned and managed, but several countries have reformed tenure systems to support locally based forest management. F. Romano gives several examples, pointing out enabling factors for their success.

In rural China, where land is owned by the State or by collectives, the household responsibility system has brought most collective forests under the management of individual households. J. Liu and J. Yuan outline some aspects of recent forest tenure reform that have influenced household forestry, noting the institutional challenges (in terms of policy, legislation and administration) that influence it.

About half of Europe's forest area is in private hands. F. Hirsch and co-authors summarize the results of an enquiry on private forest ownership conducted in 2006/2007, noting trends that need to be considered in policy-making such as urbanization and ageing of owners, increasing numbers of smallholdings and fragmentation of ownership.

Small enterprises are often vital to the quality of life of forest-dependent people. Yet they are frequently disadvantaged by isolation from market information and financial and business development services and by policies favouring larger enterprises. D.J. Macqueen discusses how to connect them better, both to each other through associations, and to decision-makers, service providers and markets.

Next, T. Hill and co-authors review progress in Burkina Faso of Village Tree Enterprise, an initiative aimed to build the capacity of poor rural households to generate income from non-wood forest products. The focus is on pinpointing opportunities for commercial trade and overcoming isolation from markets.

Microfinance services for small enterprises have become increasingly available in recent decades, but in many developing countries they are hard to obtain outside urban centres. In Petén, Guatemala, however, commercial banks have provided financial services to community forest concessions. R. Junkin evaluates the conditions that motivated the banks to get involved, as well as the advantages for the enterprises.

Cooperatives and associations help reduce isolation in small-scale forestry by providing information, advice and management support, as well as chances for networking and communication. L. Jylhä describes Finland's well-developed network of Forest Management Associations, which links private forest owners at the local level and beyond; it has also provided a model for other countries.

In Lithuania, forest owners' cooperatives are a relatively new phenomenon, only appearing with the return of private ownership following Lithuania's independence in 1991. The ongoing land restitution process has created many small, fragmented forest holdings, presenting challenges for sustainable roundwood supply. A. Gaižutis relates how through networking, the Forest Owners' Association of Lithuania has helped to create a services and marketing system for wood trade from private family forests.

Small-scale producers and poor households in developing countries reap only a small portion of commercial benefits from forest plantations. A.A. Nawir *et al.* examine incentives that can stimulate smallholder tree planting under various schemes – farm forestry, government-initiated collaborative management and private corporation initiatives (outgrower schemes). Based on examples from Asia and Africa, the article outlines enabling conditions for sustainable smallholder tree growing.

Where forest communities require modest volumes of sawn timber, small-scale harvesting – including the use of animals, simple tools and the breakdown of logs in the forest – can create employment and income opportunities while avoiding damage to the environment. P. Dugan looks at the benefits of small-scale forest operations at several locations in Asia and the Pacific.

Obtaining certification – which can encourage forest owners to manage their forests sustainably – is a challenge for smallholders. In Japan, where most of the forests are owned by smallholders, forest owners' are pursuing certification through cooperatives. I. Ota highlights the success story of Yusuhara Forest Owners' Cooperative.

A central message in every article is that supportive policies and legislation and clear, secure forest tenure and forest management rights are fundamental to provide a favourable environment for small-scale forestry. The other key message is that smallholders and small entrepreneurs need one another. Cooperatives and associations enable them to benefit from economies of scale and to obtain the advantages of larger holdings/enterprises – to manage their forests, market their products, obtain financing, achieve certification or share knowledge and expertise.