



The benefits of collective action: Exploring the role of forest producer organizations in social protection

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ABSTRACT

Little attention has been paid to the role of forest produce organizations in social development. The collective principles of forest producer organizations allow them to potentially provide formal and informal social protection benefits to their members in forest dependent communities. We review the literature to understand and document the role and practices of forest producer organizations in providing social protection. Our review finds that most of the social protection benefits provided by forest producer organizations are in the form of social insurance, informal insurance through pooled funds and social services in the community. However, there is limited evidence of the effectiveness or socio-economic impact of the social protection benefits provided by forest producer organizations. In addition, studies do not provide comprehensive information on design elements such as benefit levels, scope and duration. Our review also identifies a broad range of factors that enable or hinder the provision of social protection benefits and discusses the opportunities for strengthening and supporting the provision of social protection by forest producer organizations. The review's findings suggest that forest producer organizations can potentially contribute to the expansion of social protection coverage among the rural poor in line with the targets of the sustainable development goal (SDG) 1.

1. Introduction

Forest and farm producers are the primary producers and suppliers of food, forest products and other resources for domestic consumption and trade in international markets (FAO and AgriCord, 2016). However, they face a myriad of challenges such as insecure land rights, poor access to finance, poor quality infrastructure, remoteness and isolation from markets and decision-making powers, poor access to information and exploitation by middlemen (deMarsh et al., 2014; Pasiecznik and Savenije, 2015). In response to these challenges, producer organizations are usually formed to help small scale forest producers increase economies of scale, efficiently use resources, gain bargaining power and competitiveness, improve access to formal capital, input and product markets, and enhance political power (Pasiecznik and Savenije, 2015; deMarsh et al., 2014; FAO and AgriCord, 2016).

Forest producer organizations are a significant actor in the forest private sector and play an important role in reducing the vulnerabilities of forest dependent people (Tirivayi, 2015). They control a significant proportion of the world's forest resources and therefore contribute to poverty reduction and food security (FFF, 2014; Pasiecznik and

Savenije, 2015; FAO and AgriCord, 2016).¹ Although forest-based groups are less advanced and less established than farmer and agriculture-based organizations, they have recently become significant stakeholders in natural resource management and climate change adaptation and mitigation efforts (Pasiecznik and Savenije, 2015; Stevens et al., 2014; Bowler et al., 2010). As they depend on forest resources for their livelihoods they are inclined to conserve forests and prevent the unsustainable extraction of forest resources (Pasiecznik and Savenije, 2015). Others have argued that forest producer organizations can be used to fulfill the sustainable development goals (SDGs) as they cater to the needs of the most marginalized and isolated communities (Pasiecznik and Savenije, 2015; FAO and AgriCord, 2016). The roles of forest producer organizations include the strengthening of livelihoods and human development, fostering sustainable forest management, enhancing social cohesion and inclusion, and potentially fulfilling a wide range of SDGs (Pasiecznik and Savenije, 2015). Despite their potential contribution to advancing the global development agenda, forest producer organizations are not a priority recipient of support from governments and donors (Pasiecznik and Savenije, 2015).

Most forest producer organizations promote the economic interests

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¹ More than 30% of the world's forests are owned or managed by small (family) farmers, communities and indigenous peoples (White and Martin, 2002; deMarsh et al., 2014).

of their members and do not explicitly focus on protecting members against risks or shocks (Bose et al., 2006). However, they indirectly help their members manage risks by protecting forest assets from fire, theft, pests and diseases, reducing the costs of managing and protecting trees, and allowing members to engage in non-forest work (Wang, 2012). Our study is premised upon the notion that collective action principles of forest producer organizations allow them to potentially provide formal and informal social protection benefits to their members (Bose et al., 2006; Molnar et al., 2008). These include formal social protection benefits such as social insurance and informal insurance from pooled contributions that can insure members in times of risks (Kazooru et al., 2006; Chen, 2015). Consequently, forest producer organizations can potentially contribute to the expansion of social protection coverage among the rural poor and vulnerable forest dependent people. This is in line with the SDG1's commitment to expand the provision of social protection and particularly increase coverage for the poor and vulnerable by 2030 (FAO and AgriCord, 2016).

However, the evidence base on the role of forest producer organizations in social protection coverage is thin or less organized. This study sought to review the evidence on the provision of social protection by forest producer organizations (FPOs). Specifically, the review focuses on the role of FPOs in providing social protection, the types of benefits they provide, factors that may enhance or hinder the provision of benefits and opportunities for strengthening and supporting the provision of social protection by FPOs in forest dependent communities.

The rest of the paper is structured as follows. Section two presents a typology of FPOs and section three presents evidence of their social protection practices. Section four discusses the enabling factors and constraints to the provision of social protection by FPOs. Section five discusses the opportunities for expanding social protection coverage via FPOs. Section six concludes the paper.

2. A typology of forest producer organizations

Forest producers are defined as “forest industries managed by indigenous and other local communities for livelihoods and profits, and are engaged in the production, processing and trade of timber and wood products and commercial non-wood forest products (NWFPs), and may participate in markets for environmental services” (Molnar et al., 2008). Forest producer organizations (FPOs) are a form of collective action and they are defined as formal or informal associations of forest producers (Pacheco et al., 2016; FAO and AgriCord, 2016). Examples of FPOs include tree-grower and agroforestry associations, associations of small and medium-sized forest enterprises, associations of indigenous people, local community based organizations, associations of community forest enterprises, informal village level forest management groups, forest owner associations, producer cooperatives, and federations of producer organizations (FAO and AgriCord, 2016; Pasiecznik and Savenije, 2015).

FPOs vary in their geographic scope, institutional/legal form, composition and scale, activities, and sources of finance. In terms of geographic scope, they can be organized at village, town, provincial or national levels. A larger geographic scope allows FPOs to exploit economies of scale in the provision of services to their members (deMarsh et al., 2014). Formal FPOs are formally registered as legal institutions such as cooperatives, unions, non-profit associations and federations of local FPOs (deMarsh et al., 2014). Examples of informal FPOs are village-level forest management labour-sharing groups (deMarsh et al., 2014). Members of FPOs include individual forest producers, smallholder families, indigenous peoples and local communities and federations of local FPOs or cooperatives (deMarsh et al., 2014; FAO and AgriCord, 2016).

FPOs have multiple roles and activities across the forest and non-forest sectors. Forest-based activities can be particularly classified into four main categories (FAO and AgriCord, 2016; deMarsh et al., 2014).

- Represent smallholder producers and their interests and influence policy through activities such as the strengthening of tenure security and advocacy for an enabling environment.
- Provide marketing, production and economic services such as credit and financial services, collective production and value addition to realize economies of scale, collective management of the value chain and increased market access via collective bargaining and negotiation with buyers.
- Provide capacity building, networking and extension services e.g. education and training, advice on production, and enabling members to share knowledge and experience.
- Public goods provision such as the management of natural resources.

Sources of revenue for FPOs include membership dues and fees, payments from services provided, and profits from economic enterprises (deMarsh et al., 2014). Sometimes, FPOs receive financial support from governments and other actors in the sector. Within FPOs, the spending of profits is guided by benefit-sharing rules and mechanisms (FAO and AgriCord, 2016).

3. Role of forest producer organizations in social protection

3.1. Search strategy and definitions

We searched for peer re-viewed articles, published or disseminated from the following databases and publishers: Google Scholar, Science Direct, Web of Sciences, JSTOR, Springer, Taylor and Francis, Cambridge Journals, Oxford Journals, SAGE and Wiley. Furthermore, evidence is also retrieved from reports and policy papers by academics, United Nations agencies (i.e. FAO), the International Institute for Environment and Development (IIED), the Rights and Resources Initiative (RRI), Forest Trends (FT) and International Tropical Timber Organization (ITTO).

The review of literature was not intended to be exhaustive but exploratory as it sought to highlight key examples and practices of FPOs in providing social protection to their members. We particularly searched for literature that discussed the role of FPOs in providing social protection benefits and social services to their members or communities around them. We used keywords such as “forest-based producer organizations”, “forest cooperatives”, “community forest enterprises”, “forestry timber concessions”, “community participatory forest management”, “indigenous community” in tandem or paired with with keywords such as “social protection”, “informal insurance”, “social insurance”, “social assistance”, “savings and credit”, “ROSCA” (rotated savings and credit associations), “social services”.

We follow the conventional definition of social protection which emphasizes the transfer of income or consumption to the poor, protecting the vulnerable against economic and social livelihood shocks and risks, and enhancing the social status and rights of marginalized groups (Devereux and Sabates-Wheeler, 2004; Harvey et al., 2007). We consider formal and informal types of social protection (Getu and Devereux, 2013). Formal social protection instruments were grouped into four broad categories: social insurance, social assistance, labour market policies and subsidies (Table 1). In the absence of formal social protection, households rely on informal social protection to manage risks. In some contexts, informal social protection can also be an important source of security to most people than formal social protection (Heltberg et al., 2013). We refer to informal social protection as informal insurance obtained from social networks or groups that are “traditional” or “indigenous” (Devereux and Sabates-Wheeler, 2004). These networks may comprise extended family, kinship and communities. A fundamental concept of informal insurance is mutual exchange or mutual aid and self-help. Rural organizations play a vital role in developing collective practices of risk management and mutual assistance for their members (Vinci et al., 2014). For instance, households or

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