



Does Community Forestry Contribute to Poverty Reduction? An Evidence from Nepal



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Enterprise Products



Figure 1: Enterprise products

Introduction

The Community Forestry (CF) program is one of the most prioritised programs (among six) of Forestry Master plan 1989 of Nepal (HMG/N 1998). According to the Master Plan 61% of total national forest can be handed over to communities. The government has already handed over 33% (1.2 million ha) of the national forests to 14,337 households (25%) residing near the forest for management and utilization (CFD, 2008). The Ninth and Tenth Five year development plans proposed CF as a poverty reduction program (NPC 1997 and 2002). However, its poverty reduction approach is still a subject of discourse. CF is frequently criticized being elite dominated, delivering lesser benefit to the poor users. Hence, this study analysed the economic contribution of community forestry in household income among different economic classes.

Existing enterprises



Figure 2: Existing enterprise activities

Methods

The study was conducted in the community forest user groups (CFUG) Kalobhir and Bhitlerpakha of Dolakha district. The data were collected between June 2007 and August 2007. All households of the CFUGs were classified into four economic strata - very poor, poor, medium and rich through participatory wellbeing ranking method (see Gauli 2003 for detail). 25% households were selected randomly from each economic stratum for household interviews. Detailed information on types and quantities of forest products collected for both commercial and subsistence use was collected from 115 selected households through questionnaire. Apart from the household survey, two group discussions with the CFUG committee members and a mixed gender group were also conducted. Quantity of forest products for subsistence use was converted into monetary value through indirect pricing methods as described by Gregersen et al. (1995). The data were analysed using Statistical Package for Social Science (SPSS). Lorenz curves and Gini-coefficients were used to characterize the distribution of the household income with and without the contribution of CF.

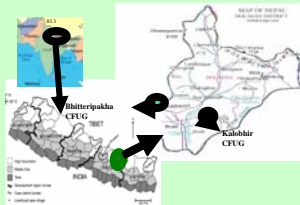


Figure 3: Bhitlerpakha and Kalobhir CFUG



Figure 4: Methods used of data collection

Results and Discussions

Resource management approaches

- Community-based enterprise approaches
- Forest products in subsidised rate or free of cost for the very poor users
- Monitory support to the very poor users for income generation activities
- Allocation of CF land to the sub-groups for income generation activities

Income distribution and inequality measures

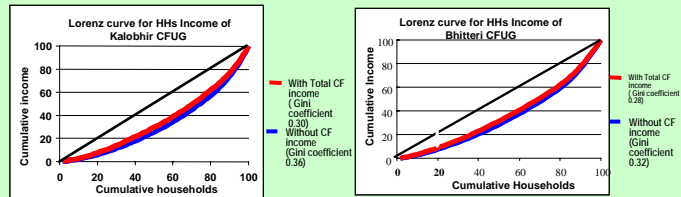


Figure 5: Lorenz curve for HHs incomes with and without CF income

From figure 5, it is shown that inclusion of CF income in the total household income helps reducing the income inequalities among the households. These values of Gini-coefficients or the departure of Lorenz curves from the line of equality (figure 5) clearly indicate, that community forest income helps in reducing the income inequalities among the sampled households.

Share in Community Forestry Benefit

Table 1: Share of community forest income

Economic Status	Kalobhir CFUG			Bhitlerpakha CFUG		
	Cash Income (%)	Subsistence Value (%)	Total %	Cash Income (%)	Subsistence Value (%)	Total %
Rich	20.9	29.6	26	10.6	28.8	23.7
Medium	13	33.5	25.1	17	32	27.8
Poor	45.1	21.5	31.2	49.1	25.1	31.8
Very Poor	20.9	15.4	17.7	23.3	14.2	16.7

Source: Baral, 2008

In both CFUGs, the medium class had the highest share in value from subsistence community forest products where as the poor class had the highest in cash income from community forestry. In case of total benefits from community forestry, in both CFUGs, the poor users had the highest share and the very poor had lowest share.

Conclusions

This study cautiously concludes that community forest running in enterprise mode by commercializing its forest products as well as supporting pro-poor programs provides more benefit to poor users. Access of poor users in CF programs help to decrease the income inequality in the communities. CF is moving toward to meet the first MDG, however, it still has to do a lot for very poor user groups. A community based enterprise approach in CFUGs is found beneficial to the poor users and stakeholders should promote such activities in other CFUGs. However, they still need to increase their focus to the very poor users. Hence, this study underscores the importance of commercial management of community forest with pro-poor programs in order to reduce poverty.

Table 2: Chi-Square with grouping variable economic class

		CF cash income	CF subsistence income	Total CF income
Kalobhir CF	Chi-Square	13.43	6.82	3.25
	df	3	3	3
	Sig. level	0.004*	0.078	0.355
Bhitlerpakha CF	Chi-Square	9.22	9.22	38.89
	df	3	3	3
	Sig. level	0.026*	0.026*	0.000*

a Kruskal Wallis Test

b Grouping Variable: Economic class

In Kalobhir, there was significant difference in CF cash income among different economic classes ($p < 0.05$) whereas that from subsistence forest product was only significant at $\alpha = 10\%$. However, there was no significant difference in total CF income among different classes.

In Bhitlerpakha there was significant difference in cash income, subsistence income and total CF income among different economic classes ($p < 0.05$).

References (Complete list of references can be obtained from the first author)

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