



Tropentag, September 17-19, 2013, Stuttgart-Hohenheim
“Agricultural development within the rural-urban continuum”

Following the Timber from Forests to Cities: Assessing Informal Market Networks in the Ecuadorian Amazon

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Abstract

Most of the timber in Ecuador is consumed in the domestic market which has doubled in the past five years. Rural forested areas in the Amazon provide different wood products for construction and furniture in the cities. An important portion of timber supply operates informally through very vigorous market networks that extend from local markets located in key rivers or secondary roads passing through medium-size depots in local urban markets to relatively large-scale depots in the capital cities in the highlands. This study contributes with knowledge about actors' strategies in rural and urban market networks. Our findings draw on three main sources of information. First, a household survey (n=243) was carried out in the provinces of Napo and Orellana in the Ecuadorian Amazon to understand farmers' decision-making with regard to forest management and their interactions with markets. Second, structured interviews were conducted (n=130) to a diversity of forest actors to gather their strategies to link with the markets. Third, a one year round weekly data gathering in urban timber depot to describe the seasonality of timber demand. Main results show that the main strategy adapted by rural households is selling to informal markets through vigorous intermediation networks. These networks have a strong rural-urban separation. While rural markets are led by middlemen who have the capacity to legalise the timber through different means, in turn urban markets are led by big dealers that monopolise the supply. Thus, urban markets tend to shape the demand by dictating what rural areas should harvest. The increasing urban demand also contributes to informality since middlemen are not able to supply all orders with legal timber and state agencies in charge of authorising legal harvesting are not able to keep up with the pace of the demand. These market dynamics have strong influence on rural households, since timber-related income amount about 19 % of total household income. Thus, timber contributes with cash money to fulfil family's needs, and to cope with crisis as a safety mechanism. Since forests tend to degrade over time, policies should look beyond the farms to the market networks shaping farmers' decision.

Keywords: Actor network, Amazon, Ecuador, rural households, urban timber market