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**The Government of Ethiopia in Collaboration with
Other Stakeholders**

Participatory Forest Management Cooperatives as an Institutional Alternative

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Abstract

Academics and practitioners have proposed many alternative systems of management of forest resources. Hence, an attempt has been made in this paper to explore and critically analyse the suitability of cooperatives to manage the forest resources in Ethiopia. The study was carried out with the following objectives: i) to examine the rationale of cooperative management of forest resources; ii) to review the current status of cooperatives engaged in the management of forest resources; and iii) to propose a cooperative model to manage the forest resources. Both secondary and primary data were used for the purpose of this study. The results show that theoretically and ideologically, the cooperative mode of forest resource management seems to be the best. Furthermore, cooperatives are politically and socially more acceptable in most societies and nations than any other alternative. Due to the encouragement given by the present government, as of 30 June 1998 EC, there are 23 forest production and conservation primary cooperatives and one union functioning in Ethiopia. Considering the existing domestic and international experience, the author suggests a model for the cooperative management of forest resources.

I Introduction

A healthy economy depends on a healthy environment. Forest is a natural resource that needs to be preserved and developed. Indiscriminate exploitation of forests for fuelwood and timber creates more drylands in Ethiopia. Extensive areas of forestland are being converted into agricultural land for cultivation of food grains. Continuation of this phenomenon will adversely affect the existing ecosystems of the country.

The rapid deforestation and environmental degradation have forced forest conservation authorities to seek an alternative to the conventional way of forest conservation. Numerous efforts have been made by the government to restore forests, including forest border demarcation, resettlement of people within and outside the forest in confined areas, establishing forest protection committees and check points, afforestation, use of selected indigenous tree species (e.g. *Podocarpus falcatus*, *Cordia africana*, *Hagenia abyssinica*) and prohibiting logging. It has now been realized that unless the local community is involved in the conservation efforts, the forest is certain to disappear (Aklilu Ameha 2002). Therefore, as a strategy for development intervention, the beginning of managing forest together with the local community is imperative in fighting forest degradation in Ethiopia.

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Participatory forest management practices are based on the participation of forest-dependent communities. The forest dwellers are often ethnic minorities with no voice in political decision-making, very often ignored at all levels of policy decision and implementation but blamed for desertification. This paper explores the possibility of an appropriate institutional framework for forest management by the forest villagers. It is based on a study carried out to: i) examine the rationale of cooperative management of forest resources, ii) review the current status of cooperatives engaged in the management of forest resources, and iii) propose a cooperative model to manage the forest resources.

The study used both primary and secondary data. To justify the first objective, the relevant literatures was reviewed and summarized. Data was collected from the Federal Cooperative Agency and from field visits carried out by the authors for the second objective. The third objective is the outcome of Participatory Forest Management experiences in Ethiopia and India. Moreover, the current status and development of different types of cooperatives have been taken into consideration for framing the model. The authors acknowledge a lack of detailed empirical evidence but believe the study draws attention to key points requiring further research.

2 Rationale of Cooperative Management of Forest Resources

2.1 Unique features of cooperatives

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. Cooperatives believe in the ethical values of honesty, openness, social responsibility and caring for others.

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the members. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.

2.2 Cooperative management of forest resources

The natural resources are dynamic and subject to management interventions that can provide sustainable benefit flows in the form of food, fodder, fuel wood, fibre, timber, manure, clean surface and ground water, air filtration and humidification, and eco-tourism. Managing natural resources on a sustained yield basis depends upon a careful orchestration of the policies and management practices. Lack of equitable access to natural resources and, hence, inequitable distribution of their benefits often leads to clandestine encroachment, or misappropriation of these resources. There is a need for exploring viable natural resource management strategies for their restoration and utilization within a development context.

Until recently the role of natural resources in the rural economy was not understood properly. Privatization or nationalization of natural resources was suggested as a solution to arrest their degradation and preserve the environment. Experience with nationalization of natural resources has not been good in most of the cases all over the world. Privatization has yielded mixed results: it has been justified on efficiency grounds and condemned on equity and sustainability grounds.

For the success of any forest resource management strategy, the involvement of local people is essential. This is so because overexploitation of forest resources by any user has many unintended side-effects or, in more technical terms, externalities on other co-users. For example, overgrazing of common land, uncontrolled felling of trees and illegitimate use of forest resources like gum, herbs and fruits by some affect other law-abiding people living in the forest. All uses of the forest resources, irrespective of whether they are owned privately or publicly, are interdependent and require the cooperation of all the resource users of the watershed for internalizing/minimizing the externalities involved. This is best achieved when the planning and management of forest resources is done on a watershed basis and the resource users are organized in the form of an association, preferably a cooperative society. Cooperative management of forest resources is the most appropriate form of management in most situations. This is so because, with proper rules and regulations, cooperative management can better meet the goals of efficiency, sustainability, equity and resource users' satisfaction. It is also politically and socially more acceptable in most societies and nations than any other alternative.

2.3 Status of cooperatives in Ethiopia

The people of Ethiopia have a long social history of working together to meet their socio-economic needs. Agriculture, trade and military operations have been carried out through cooperative efforts. In Ethiopia there are three well-known traditional cooperatives or self-help groups namely, *iddir*, *ekub* and *debo*. *Iddir* is a traditional cooperative system for performing burial ceremonies and is practiced throughout the country. *Ekub* is a rotating saving and credit association whose members make regular contributions to a revolving loan fund. *Debo* is a cooperative system for mutual farming operations. These three traditional forms of association have values and customs that can contribute to the economic and social development of the country and that should be integrated in modern forms of cooperation.

Considering the importance of cooperative forms of organizations for the nation's growth, the Federal Democratic Republic of Ethiopia issued the Cooperative Societies' Proclamation No. 147/1998 on 29 December 1998. The Act facilitates the organization of cooperative societies at all levels.

2.4 Development of the Ethiopian cooperative movement

The modern form of cooperatives in Ethiopia started under the regime of Emperor Haile Selassie I (1932-1974), with the first legislation called "Farm Workers Cooperatives Decree" in 1960, with the objective to help the agricultural landlords. In 1966, the Cooperative Society Proclamation No. 241/1966 was issued to promote real mutual help and self-help cooperatives. Under the military junta system (1974-1991), Proclamation No. 71/1975 legalised the peasant associations. Another

proclamation was issued in 1978 (proclamation No. 138/1978) that covers other forms of cooperatives.

By the end of the 1990s, there were 3,316 producers' cooperatives and 525 service cooperatives in the country. In 1994, a new cooperative proclamation (the Agricultural Cooperative Societies Proclamation No. 85/1994) was declared to go with the transitional economic system. In 1996 a great cooperative movement was launched in order to organise and reorganise different cooperative societies and establish cooperative promotion offices in the regions and in the federal government under the Office of the Prime Minister. In 1998, proclamation No. 147/1998 brought all types of cooperative societies under one umbrella. By 2005, there were 19,147 primary cooperatives and 122 unions in Ethiopia. Out of these, 23 were forest production and conservation cooperatives and one a forest production and conservation cooperative union.

Case I Gum arabic and oleo-gum production

The non-timber forest products extracted from indigenous tree species in the semi-arid and arid lands, such as *Acacia seyal*, *A. senegal*, *Commiphora* spp. and *Boswellia* spp. could provide an additional opportunity for accelerated economic development.

Gum arabic and oleo-gum (true frankincense) are the most important type of natural resources found in many areas of the Tigray region (MNRDEP 1996), in the most northern parts of Ethiopia, where most of the land falls under the dryland category. The Tekeze Valley in western Tigray and the north-western zones are the major sources of gum arabic and frankincense in Tigray, providing employment opportunities and a source of income for the dryland people, particularly during off-farm season and when crop failure occurs (Kindeya 2003, MNRDEP 1996).

In 2005, there were 22 multipurpose cooperatives, 1 cooperative union, and 8 large organizations working on gum and resin in western and north-western Tigray. The total area devoted to this purpose was 118,486 ha.

The objective of the government policy is to maximize production without threatening the environment. Every cooperative is expected to manage the resources it has registered. The government discounts the tax for cooperatives and allows them to import different farm machineries free of tax. On the other hand, the government takes measures through its executives if the landholding associations do not manage the resources properly. The district agricultural offices closely follow the associations and, in case of mismanagement of the resources by an association, tell the regional agricultural office to close down the association and ensure the land is handed over to the government.

Case II Community management of the Adaba-Dodola forest in southern parts of Ethiopia

The Adaba-Dodola forest is one of the remnant coniferous forests in Ethiopia. It is found in the southern parts of Ethiopia as extension of Bale Mountain in West Arsi zone in the Oromia region. The forest has been heavily exploited and is since long threatened as a result of the transfer of ownership from private to State in 1974, rapid population growth, agricultural expansion, absence of community involvement

and unstable institutional arrangements (Aklilu Ameha 2002). This natural forest is a mixed forest with indigenous flora dominated by *Hagenia abyssinica*, *Podocarpus falcatus*, *Juniperus procera* and *Erica arborea*. The forest is also a spot for eco-tourism.

Since managing and conserving the remnant indigenous forests of the country is a priority task in restoring the ecosystem, both government and non-governmental organizations are intervening in the Adaba-Dodola forest. Villagers are organized in associations to conserve and use the forest sustainably as part of a participatory forest management scheme.

In the past, the forest administration generated income through destructive commercial logging and charcoal burning. Nowadays the forest is particularly important for the local communities, namely as pasture and source of wood for various purposes. Small-scale commercialization of forest produce by the local people in local markets is a routine activity (Aklilu Ameha 2002).

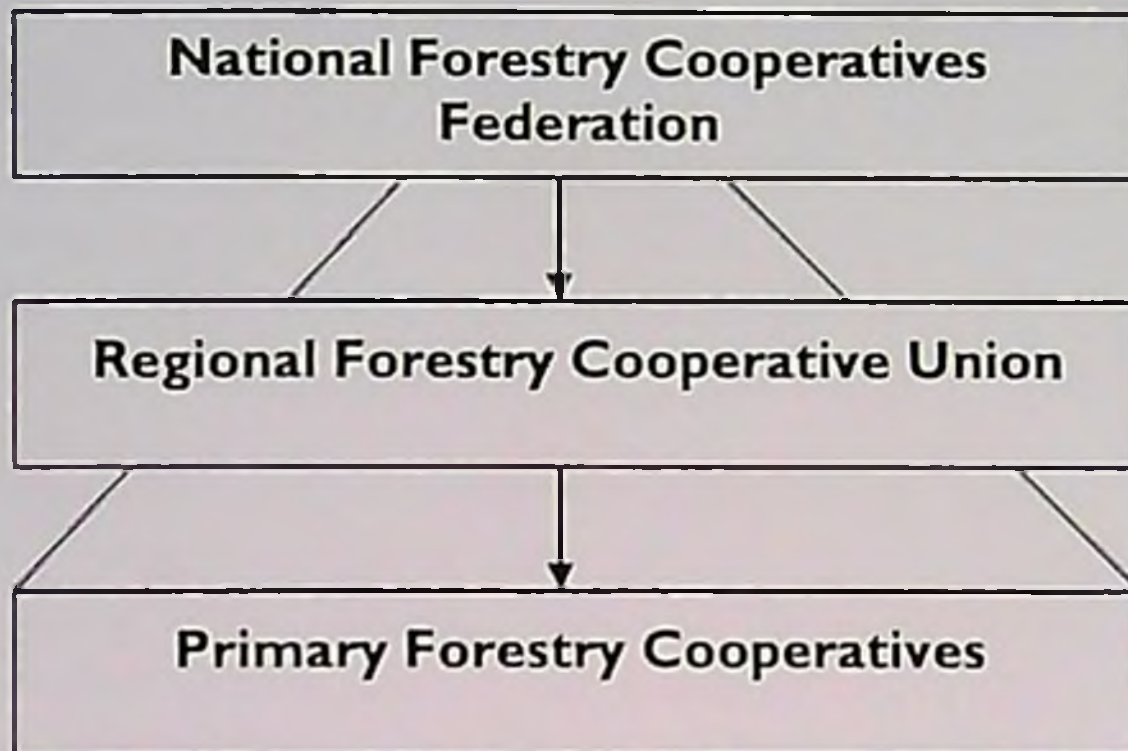
The villagers who live nearby the forest have organized themselves in cooperatives to manage, use and conserve the forest resources. There are four primary cooperatives functioning, with 966 members. The primary cooperatives have formed their own union with a share capital of Birr 88,840. The cooperatives function according to the principle of democratic management as stipulated in the proclamation. The objectives of the union are to develop self-reliance, preserve and develop the natural resources, increase produce and productivity, and convert raw materials of the forest to new products using modern technology, thereby increasing the income of the members.

Box 1 Some rules and functions of the Adaba-Dodolla Forest Cooperative Union regarding forest resource use

- Maintaining, preserving and developing the forest
- Supplying different equipment used in forest development
- Increasing the benefits generated by the cooperative and create links with similar cooperatives
- Expansion of eco-tourism
- Supplying different types of seedlings to the members and undertaking enrichment plantation
- Supplying transportation facilities to visitors and improving and coordinating the services to tourists
- Collecting the income obtained from tourism activities
- Providing saving and credit facilities and public relations services to the cooperatives
- Supplying goods to members and to the society
- Updating members by providing information, and educating both members and employees
- Conducting research to maximize members participation
- Advertising to attract new members and increase the capital
- Permitting members to use unwanted forest products
- Allowing members to use wood for construction purpose
- Allowing members to earn money from the sale of dry wood
- Buying machines for producing forest products
- Sharing the profit equally among members.

3 Model for Participatory Forest Management through Cooperatives

Considering the administrative division of the country, the on-going cooperative experiments, the provisions in Cooperative Society Proclamation No. 147/1998 and the successful model of India, the following structure is proposed for the cooperative management of forest resources:



3.1 Primary forestry cooperatives

The area of operations of a primary forestry cooperative society should be within the forest range. The forest dweller should not have to walk for more than two hours to reach the head office. Whoever resides in the area of operation makes use of the cooperative services and is willing to accept the responsibilities of membership can be enrolled as a member. The cooperative can assume the entire management of the forest or only undertake a number of activities such as preparation of nurseries; planting trees for reforestation, afforestation or roadside plantation; collection and transportation of deadwood; collection, management and marketing of non-timber forest products; provision of credit to members; running a fair price consumer shop; dissemination of knowledge and information, and conducting eco-tourism.

With the support of the government and non-governmental agencies, functions can be modified and made appropriate to suit the local needs and conditions.

3.2 Regional forestry cooperative union

The jurisdiction of a regional forestry cooperative union shall be a region as defined in the constitution. It will comprise all primary forestry cooperatives operating in the region. Representatives of the primary forestry cooperatives will constitute the general assembly.

The regional forestry cooperative union can undertake the following functions:

- Organization and supervision of primary forestry cooperative societies,
- Procurement and supply of consumers good,
- Arranging credit facilities for the primary cooperatives,

- Processing of non-timber forest products and sale through urban outlets and the federation,
- Conduct member education programmes, and
- Coordinating the eco-tourism activities of the primary cooperatives.

The above-mentioned functions should be in tune with the Cooperative Societies Proclamation.

3.3 National Forestry Cooperatives Federation

The National Forestry Cooperatives Federation should serve the entire country and be the voice of forestry cooperatives in Ethiopia. All the regional forestry cooperatives unions will be members of the national federation. Representatives of the regional unions will constitute the management. The federation should function as a promotional and business agency and have the following functions:

Promotional functions: Organising seminars, conferences and workshops; running a training institute; publication of newsletters; sponsoring candidates to national and international forums; organising exhibitions and opening stalls in international shopping festivals; and lobbying for higher share in monetary allocation and tax exemption privileges from government and non-governmental organizations.

Business functions: Arranging refinance facilities from the cooperative banks, the National Bank of Ethiopian, the Commercial Bank of Ethiopia and other financial institutions; exporting non-timber forest products of Ethiopia; importing of consumer goods if necessary; acting as a financial intermediary between the international donors and the forestry cooperatives; and promoting eco-tourism at national and international level.

The federation can also undertake any other functions that will improve the efficiency of the forestry cooperatives. The effective implementation of the above mentioned activities will require proper management information system and logistics.

4 Conclusion

Organising and running forestry cooperatives in a three-tier structure in Ethiopia could help to manage the country's forest resources effectively and allow the forest dwellers to share the benefits that flow from those resources. Government and non-governmental agencies should take the necessary steps to organise cooperation and forestry cooperatives. The Cooperatives Bureau and the Forestry Bureau should act together. The government should make technical, administrative and financial assistance available to the forestry cooperatives. Awareness needs to be created about the cooperative principles and philosophy, and the potential social and economic benefits of starting a cooperative. No force can prevent the growth of cooperatives in the country. Then the vision of a green Ethiopia will not be far away.

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