

## Strengthening forest-based livelihood in the new governance system: examples from Orissa, India

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The forest sector in Orissa plays an important role in the economy, culture and livelihood of a large number of forest dependent poor and it represents a huge economic resource for the State. It has rich potential of various NTFPs, which are important sources of livelihood for the forest dependent population.



A SHG group involved in making tonic of *Madhuca indica*

### *Some facts and figures*

- Orissa accounts for 7.38% of the total forest cover in India.
- 22 % of its population belong to scheduled tribes.
- 40% area of the state comes under Scheduled V.
- For poor up to 50 per cent of annual income comes from forest.
- The total annual volume of NTFP trade was estimated at about Rs. 1,000 crore in the state.
- The total women labour engaged in the collection of forest produce in Orissa is as high as 300 million woman days.

Unfortunately for quite sometime the trade of NTFP was monopolised mostly by private business houses who were granted lease on a long term basis to procure certain forest produces from specific forest divisions. Such monopoly trade arrangement created problems of low payment to tribals, erratic and arbitrary procurement, and revenue loss to the state. Therefore, in order to streamline the system of collection and disposal of NTFP, and to follow the mandate of the Provisions of Panchayat Extension to Scheduled Areas Act 2006 (PESA), 1996, the State Government came out with a new policy guideline on 31.03.2000. The policy gave ownership rights over Minor Forest Produce (MFP) to the Gram Panchayat (GP) not only in scheduled areas but also in the entire State. Provisions under the new NTFP Policy/regulations exclude high value NTFP like Kendu leaf (*Diospyros melanoxylon*), Sal seed (*Shorea robusta*) and bamboo (*Bambusa vulgaris*) from the list of deregulated items. The state continued to manage these items, as these are the nationalised NTFP. In March 2006 Sal seed was deregulated and brought under the purview of GP. By now the total items of MFP devolved to GP are 69.

More than six years have already been passed since the new governance system in the state has been operational. These new systems are hardly working in tribal dominated areas due to lack of capacities at the level of Panchayat functionaries to decide the price structure and handle necessary market linkages for fair trading of the NTFP. On the other hand, the primary gatherers being little aware of the price system due to inadequate communication on price fixation continue to be exploited in the hands of petty traders, who often pay a token advance to the tribals for procuring NTFP at a cheaper price during production seasons, and also insist on barter systems for a good gain. Although

the poor forest dwellers including the tribal depend heavily on the NTFP for their livelihood they are in no way influence either the policies or the trade environment. The ultimate result is although they work hard to collect and process the NTFP they are being paid miserably low as compensation. Moreover the polices and rules concerning NTFP management, which is identified as the main source of income and as safety net for poor by a number of researches, have not been able to bring any significant change in the livelihood system of the poor forest dependent poor.

### **Possible options for strengthening forest based livelihood**

There is a need for collective intervention by the civil society organisations, business houses, financial institutions and the government to address various issues in NTFP management and trade. The most important intervention should be to build up the capacity and information base of the primary collectors and the Gram Panchayats on management and trade of NTFP. At the same time priority of intervention has to be given to forest protection, quality production of NTFP, value added products instead of raw NTFP, market promotion and market development etc.

RCDC with its decade of experience in forest sector has been able to come out with some possible options, which could be experimented in other parts of the country.

### **Gram Panchayat**

After 2000 Gram Panchayat has emerged as the most vibrant institution to own, control and manage a majority of NTFP (69 items). Although GPs are not supposed to undertake the trade they would control the entire trade in their area. They would work towards establishing community-based management of NTFP. If the GPs are interested they can also directly get involved in the trade through collaboration with different marketing institutions in the state.

The role of GP in effective management and trade of NTFP should be as follows:

- Power to make rules and regulations for control and management of NTFP and also to impose tax/levy/cess on different NTFP
- Power to decide which NTFP to be harvested and not to be harvested
- Power to decide who would be given right to harvest the produce
- Regulate the implementation of rules and take appropriate measures for changes in these rules and regulation
- Cancellation of licenses of different traders or agencies involved in procurement and trade of NTFP or restrict any trader from procurement of NTFP from the area because of violation of rules/norms
- Create awareness among the members of Gram Sabha on rules and regulations for management of NTFP
- Implement these rules and regulation
- Collection of taxes for traders/enterprises
- Maintain proper accounting and book keeping system and develop human resource capacity of the Gram Panchayats/Sabhas to manage NTFP properly

### **Market promotion board**

Floating the concept of promoting a marketing promotion board at the district level is a unique attempt, which has emerged during discussions at various fora during its interventions. The concept is being shared with different stakeholders in the areas. Efforts have been made to present a probable structure and function of a district level organisation to deal with NTFP, which would form the basis for debate among various stakeholders. It has been successfully constituted in some districts and smoothly functioning. The board has been able to organise traders meet in their areas to sell the NTFP collected by the primary collectors.



Meeting of a cooperative organised by RCDC

### ***Goals of market promotion initiatives at the district level***

- To support NTFP gatherers/primary collectors and their organisations to overcome constraints both within business and wider trade environment
- To create conducive environment for the primary collectors and their organisations for sustainable management of NTFP and participate in socially responsible trading process
- To provide innovative, need-based market solutions to primary NTFP gatherers

### **Structure**

The market promotion board or committee may be constituted with the representations of Government officials such as District Collector, Divisional Forest Officer, etc, financial institutions, Panchayat Raj Institutions, Civil society organizations, Market promotion agencies, Traders, Associations, representatives of processing industries etc.

### **Function**

The major functions of the market promotion board may be as follows;

- To frame guidelines for sustainable management of NTFP and also develop quality control mechanism
- To develop price fixation guideline in order to help Panchayat Samities to fix the prices of MFP and should also monitor and regulate the prices offered by the traders to the primary collectors
- To help GPs to regulate the operation of traders in their area
- Develop a plan of action for conservation, management and trade of NTFP
- Suggest necessary changes policies, programmes and practices for conservation of the resource and better returns to the primary collectors and producers

- Negotiate with traders/ buyers/ industries etc for marketing of NTFP and establish linkages between the primary collectors' organisations and traders/industries. If need be necessary steps may be taken for buy back arrangements
- Develop a guideline for sustainable harvesting and regeneration of species
- Undertake or facilitate research and development for conservation of species, value addition and product development

### **Cooperative approach**

Cooperatives have been identified as the best possible option for NTFP enterprises and trade. Cooperatives are the federated bodies of the village level institutions like Self Help Groups (SHGs), Forest Protection Committees (FPCs) etc. These institutions have been sensitized on issues in NTFP management and trade and they have been exposed in different options for collective procurement and trade to eliminate the exploitative practices followed by the local traders. Around 20 institutions have been targeted while forming the cooperatives. Once the cooperatives are formed, members oriented and they have gotten themselves engaged in collective procurement and trade, the process of formation of apex cooperatives are initiated which could monitor the exploitation of resources and conservation protocols, develop business plan for NTFP procurement and trade etc.

### **Functions of cooperatives**

- Procurement, processing and storage of different forest and agricultural produces
- Educating the primary collectors on good harvesting practices and conservation issues
- Monitoring the harvesting and conservation protocols
- Managing the enterprises on forest and agricultural produces.
- Running the fair prices shops
- Working closely with respective gram panchayats for management and trade of NTFPs

*Source: No.11, Voices from the Forest (Newsletter of NTFP EP), Philippines*