

Low Pricing Strategy of Forest Products in Community Forestry Program: Subsidy to the Forest Users or Loss of Economy?

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Abstract : Community-based forest management is often glorified as one of the best forest management alternatives in the developing countries like Nepal. It is also believed that the transfer of forest management authorities to local communities is decisive to take efficient decisions, maximize the forest benefits and improve the people's livelihood. The community forestry of Nepal also aims to maximize the forest benefits; share them among the user households and improve their livelihood. However, how the local communities fix the price of forest products and local pricing made by the forest user groups affects to equitable forest benefits-sharing among the user households and their livelihood improvement objectives, the answer is largely silent among the researchers and policy-makers alike. This study examines local pricing system of forest products in the lowland community forestry and its effects on equitable benefit-sharing and livelihood improvement objectives. The study discovered that forest user groups fixed the price of forest products based on three criteria: i) costs incur in harvesting, ii) office operation costs, and iii) livelihood improvement costs through community development and income generating activities. Since user households have heterogeneous socio-economic conditions, the forest user groups have been applied low pricing strategy even for high-value forest products that the access of socio-economically worse-off households can be increased. However, the results of forest products distribution showed that as a result of low pricing strategy the access of socio-economically better-off households has been increasing at higher rate than worse-off and an inequality situation has been created. Similarly, the low pricing strategy is also found defective to livelihood improvement objectives. The study suggests for revising the forest products pricing system in community forest management and reforming the community forestry policy as well.

Keywords : community forestry, forest products pricing, equitable benefit-sharing, livelihood improvement, Nepal

Conference Title : ICET 2015 : International Conference on Ecology and Transportation

Conference Location : Paris, France

Conference Dates : September 21-22, 2015