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# **POLICY FOR FORESTS AND PEOPLE: AN ANALYSIS OF UNDERLYING CAUSES OF FAILURE OF THE FORESTRY COOPERATIVE SOCIETIES IN HAZARA (NWFP)**

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## **INTRODUCTION**

The *guzara*<sup>1</sup> or communal forests spread over an area of 1.394 million ha in Hazara Civil Division of North-West Frontier Province (NWFP). These are the property of the land owners of the villages in whose boundaries these forests are included. The owners of *guzaras* have the right to collect, free of charge, fuelwood and timber for their domestic and agricultural needs, graze and collect forage for the livestock. Management of these forests, however, rests with the Forest Department, against the "management charges" at the rate of 20 percent of the net timber sale proceeds.

Till 1950, management of *guzara* forests was with district administration. In 1950, the Government of NWFP issued Hazara Management of Wasteland (*guzara*) Rules, thereby transferring management of these forests to the Forest Department for the reason of scientific management of these forests.

The *guzara* owners, however, remained disgruntled with the managerial control of the Forest Department. They considered management style of the Forest Department to be too conservative and that it did not protect the forests from the incursions of migratory graziers and from the mounting demands for forest products by growing resident human population. Their petitions were sympathetically received in 1975 by the Government of NWFP, Agricultural Enquiry Committee, which recommended transfer of management of these forests to the owners

organized into cooperatives. The express purpose of Forestry Cooperatives stated by the Government of NWFP is contained in the following statement.

"Cooperative societies should be enabled to administer their forests in accordance with the forest management plan for the area duly approved by the Forest Department. The Department will not interfere in day to day administration of the forests, but will ensure, through periodic inspections that provisions of the forest management plans are observed by the cooperative managerial set-up of private forests".

## **INITIATION OF THE FORESTRY COOPERATIVES EXPERIMENT**

Accordingly an experiment in cooperative management of the *guzara* forests was launched in 1980 under the leadership of the Secretary to the Government of NWFP for Agriculture, Forests and Cooperatives. The experiment was to test feasibility of transferring management of *guzaras* to the cooperative societies under the Cooperative Act, 1925.

## **FUNDAMENTAL FLAWS IN THE PROCESS**

During the early stages of the genesis of the Forestry Cooperatives, some mistakes of serious nature were made, which had far reaching impact on the whole process of transformation. These are given as under:

### **1 Institutional resistance**

Majority of the Forest Officers, including the

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<sup>1</sup> Colloquial word meaning "subsistence".



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then Chief Conservator of Forest (CCF) had vehemently opposed this experiment for a variety of reasons. However, instead of reaching a consensus through dialogue, the Secretary Forests took the whole process of transformation directly in his hands through a Divisional Forest Officer (DFO) circumventing the CCF. This played a pivotal role in shaping the future of cooperatives in the context of strained forest department and cooperatives relationship.

## **2. Hasty transfer of management**

The experiment was intended to start with trials in less than six areas; but by 1983, 18 Forest Production and Multi-purpose Cooperative Societies (FCSs) had been registered. The trend continued and in spite of consistent recommendations to proceed with caution, made by external consultants and internal committees, there were 33 FCSs registered and actively operating in 1993. Thus, the process was never allowed to evolve and the concepts were not tested and perfected before their application at a large scale. This haste in transfer of management coupled with the resistance offered by the Forest Department weakened the foundations of the so called "experiment". Not only did the transfer of management from Forest Department to the cooperatives take place hastily, but also full package of management authority was entrusted to the office bearers, mainly the Managing Director (MDs) of the FCSs from the very beginning, although they were technically as well as managerially incapable of handling this responsibility. Subsequently, when the system backfired, efforts were made to regulate and restrict their authority, but it was too late! Consequently hardly any recommendations of the two external consultant missions, three internal committees and a series of investigations could be implemented and situation at each subsequent probe was found to be worse than before.

## **3. Politicization**

One of the reasons that the experiment of transfer of management of the *guzara* forests could not be restricted to a pilot scale was that the process got politicized and as in the words of the then Deputy Commissioner, Mansehra, the forestry cooperatives were used as "political bribery" to appease influential *guzara* owners by the then Martial Law regime.

Due to strong influence of the forest contractors and owners on the provincial politics, it was not possible for the Provincial Government to certify the situation, till a decisive step was taken by the Prime Minister of Pakistan in October 1992, when all the 33 FCSs established in Hazara were abolished.

## **4. Legal apparatus**

Cooperative Act, 1925 and the rules made thereunder (1926) were the main legal instruments under which the Forestry Cooperatives were organized. The basic premises of the cooperatives envisaged under this legislation are not appropriate to the management of natural resources in the hills of Pakistan. Agricultural and credit bias of the legislation did not suit management of natural resources in the hills. The organizational arrangements that flow from applying the terms of the Cooperatives Act 1925, are one of the major underlying causes of failure of the FCS system. One dimension is that very small proportion of owners let alone those who have right or are in other ways dependent upon the forests, able to apply for registration and to make decisions without a reference or accountability to the general body. Even worse, these cliques are recognized by a lease as the agent of government through an amendment of *Guzara* Forest Rules, 1950.

## **5. Operational deficiencies**

In addition to the institutional weaknesses



inherent in the genesis of FCSs, the "experiment" was riddled by a number of operational weaknesses as well, some of which are enumerated below:

- i. FCS Management style of "private forest" varies little from that associated with the Forest Department and the evaluation reports encouraged that style.
- ii. There was no participatory resource management in the true sense. The cooperatives were dominated by a few main owners, belonging to single family in some cases. There was virtually no egalitarian participation by small owners and right-holders.
- iii. Restricting management to *guzara* forests and ignoring adjacent non-forested lands was contrary to the concepts of integrated resources management, which encouraged depletion of forests, while no steps could be taken for improvement of denuded hill slopes.
- iv. Massive irregularities in use of funds earmarked for operations and development took place, whereas owner's share was often misappropriated. Harvesting and other charges were always on a higher side. There are frequent cases of fraud and embezzlement by FCS office bearers.
- v. Sale of standing trees was a rule, rather than an exception. The malpractice was concealed through fictitious record keeping. This encouraged re-entry of the erstwhile notorious forest contractors into the system, who had otherwise been banned and replaced by the Forest Development Corporation (FDC).
- vi. The management plans prepared for these forests by the Forest Department were

defective and sub-standard, which prescribed cutting for volumes far in excess of sustained yield principles and failed to adjust the silvicultural system by forest type. Application of shelter-wood to the spruce-fir type is hard to understand. This defective management planning coupled with felling in excess of prescribed volumes accelerated the process of forest denudation. Even adjacent reserve forests could not be saved in the vicious process. A recent study conducted by the GTZ on evaluation of forestry cooperatives reported massive deforestation during the period 1980 to 1991.

- vii. FCSs failed to hire or heed the advice of qualified professional foresters.
- viii. FCSs refused to invest their earnings to establish wood-based industries that would increase the multiplier effect of wood production.

## FAILURE OF THE SYSTEM

Although outwardly, it can be concluded that the "experiment" of FCS has failed, yet in-depth analysis reveals failure of the entire system. In the first place, it was never restricted to an experiment, whose results could be evaluated and then applied at a larger scale with necessary adjustments. On the contrary, the transformation was allowed at an operational scale from the very beginning. Two reports from an external consultant and three reports from internal committees activated by the Provincial Government focussed on finding ways and means to make the system work; none of them concluded that what had been started in 1980 as an experiment should be stopped. In fact, they made "streamlining" recommendations which they felt would make the system work better.

The failure of the system, however, cannot be blamed to a single party. The government, officers



of Forest Department, big land owners as well as the evaluators all are at fault.

At the same time, failure of the "experiment" should not be attributed to the participatory approach. The concept is still valid provide responsibility is delegated to the owners in a clear and unambiguous manner; guided by clear regulations; controlled by democratic organization of owners in properly conducted institutions; assisted in technical and organizational management and regulated by an honest and efficient management and supervision.

### FUTURE DIRECTION

Management systems that are fully participative, and which can enjoy widespread popular support can be installed. Community based organizations (CBOs) representing owners, right-holders and usergroups can be associated in integrated management of all categories of lands including, *guzura* forests, reserve forests, grazing grounds and denuded hill slopes in a given valley.

Management plans should accordingly embrace all legal categories of land including reserve forests. Minimum standards should be set for the management of the forests. Minimum standards should be set for the management of the forest stands. For example, plans prepared must be based on complete inventories and must include non-wood forest products, wildlife and bio-diversity. Professional foresters from private sector are to be encouraged to prepare such plans, whose cost must be borne by the owners.

Necessary changes in the existing law will have to be made to provide a legal basis for the participatory/joint forest management.

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