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## **WHAT MAKES A LOCAL ORGANISATION ROBUST? EVIDENCE FROM INDIA AND NEPAL**

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*The move towards decentralisation of resource control and management promises more efficient, equitable and sustainable resource use. Debate centres on what type of institutional arrangement in a given context is most appropriate and will lead to the fulfilment of the above ideal. Aspects of these arrangements include property rights structures as well as organisational structures. Following two decades of experience in India and Nepal with development of local forest management organisations, this paper analyses the factors that contribute to the effectiveness of local organisations as resource managers. It outlines gaps in our knowledge and concludes with a discussion of the implications for policy and practice.*

### **POLICY CONCLUSIONS**

- Enabling policy frameworks are essential to legitimise innovative support by forest staff of village resource management and allow local people to assert traditional rights to resources they have protected.
- Multi-agency approaches (village/NGO/government/political) are necessary to provide effective support to local organisations and to facilitate change in government, but are often hampered by limited commitment to change.
- The usual dichotomy between public and private resource management is crude: more realistic is the concept of a continuum of different organisational and property rights relationships according to the nature of the resource to be managed.
- There are important trade-offs between environmental protection and poverty: the rights of the poor are particularly threatened as access is limited in the recuperation phase, and subsequently as the value of the resource increases.
- For successful local management a protected resource has to yield both short and long-term benefits and have agreed social and physical boundaries.
- Local voice in the modification of rules is an important characteristic of robust resource management organisations.
- Externally-supported projects which focus on disbursement at the expense of comprehensive surveys of traditional rights and responsibilities are unlikely to

succeed.

### **State, common or private: how should forests be managed?**

Over the last two decades in South Asia there have been considerable changes in the institutional arrangements for forest management. Much of the debate concerns the degree to which the State should divest control of forest lands to other stakeholders. Some argue that total privatisation to rational individuals will lead to more efficient and sustainable use. At the other extreme are arguments that only the State can protect forest resources for the interests of multiple and often competing stakeholders and future generations. Along this continuum lie a series of institutional arrangements that include corporate ownership, partnerships between State and local people and management entirely by local user organisations. The common property literature points to the potential of sustainable group management of forests, where there are adequate individual incentives, secure long-term tenure arrangements and group-imposed restrictions. This paper examines the conditions for sustained effectiveness of group-based institutional arrangements for local forest resources.

In the forest sector, new approaches such as joint forest management (JFM) which involve both local people and State entities in India challenge the prevalent view that forest users are the destroyers of the environment whereas government is the custodian. Community forestry in Nepal moves further by asserting that the States role is to regulate and to retain ownership rights, but to divest total management control to the users of the resource. These new approaches are premised on the State's incapacity to ensure the integrity of forest resources into the future without the cooperation of forest users.

Thus the usual dichotomy between public and private management is only a crude tool for analysing institutional options. By contrast, the concept of a continuum of options eschews simple property rights scenarios, seeking options suited to the particular conditions and context of the resource.

In both India and Nepal, the land on which forests are growing is clearly vested in the government. How far Forest Departments should retain authority over management decisions for an area of forest and over usufructuary rights is therefore an important influence on the design of institutional partnerships, but there is little debate as to whether the government should or should not retain control over the land. However, considerable debate has centred around the question of what is the most appropriate institutional structure for collective resource management on forest lands at the local level.

### **Is there a case for privatisation?**

Except for small patches of forest close to a villager's house, it is virtually impossible to protect the forest against the predations of outsiders. In such circumstances the costs of individual protection would far outweigh any benefits. It therefore makes sense for a group of forest users to come together to manage the resource in common, thus spreading the costs of protection across a larger group of people.

The utility of such an approach depends on the extent of benefit obtainable: if the resource is of sufficient extent or value then there is reason for individuals to manage it in common. This is seen in Haryana in India, where local people are prepared to manage bhabbar grass (*Eulialopsis binata*) leases on forest land collectively since they have a high commercial value. However, such arrangements depend on security of tenure over the resource that can be upheld both against the power of the State and locally powerful non- rightholders. Thus common management with its attendant rules and punishments for infringement demands a degree of individual responsibility to each one's neighbour, and does not permit the individual to ignore the effect of his or her actions on others. Contrary to received wisdom, it is likely that as populations increase common property regimes will become more desirable rather than less in those areas where prevailing cultural values support cooperation as a conflict-solving device (McKean, 1995).

### **The search for appropriate mechanisms for collective management**

Foresters and researchers in both India and Nepal have begun to identify existing indigenous management systems in a wide diversity of social and ecological settings. A number of these have been in operation for decades while others are recent responses to a changing institutional framework. Many of these systems appear to be robust in terms of their management ability and maintenance of access to productive forests.

In [Box 1](#), Malla's (1992) four broad categories of control and authority over forest in Nepal have been amalgamated with a similar classification for India made by Sarin (1993). Management ranges from extensive systems limited to protection and some harvesting, to intensive management using an array of silvicultural techniques. Forest property regimes range from open access to common property. In each category there are different institutional arrangements operating with varying degrees of success. These are not four discrete forms of forest management; rather they all co-exist with some forms moving forward into new arrangements and others regressing into previous forms of control.

### **Collective management: the defining features**

The question to be addressed in all collective resource management situations is: what are the conditions necessary to trigger local people to implement their own institutional arrangements that change the structure of the situation in which they find themselves? The answer is complex. Some of the key features required for the development of effective local organisations are presented in [Box 2](#)

. The following sections analyse the experience with development of collective management systems in India and Nepal focusing mainly on externally catalysed forms, using the criteria described in [Box 2](#) to assess the effectiveness of local organisations.

### **Location and clearly defined boundaries**

In Nepal, forest users in most of the Middle Hills are clearly identifiable on criteria of residence and proximity to the resource to be managed. Since the forest patches are small it is also relatively easy to identify the boundaries of the resource, and in many

cases these have already been negotiated on an informal basis. Previous practice of allocation of forests to the local administrative bodies (*panchayats*) excluded many of the traditional forest users who happened to reside outside the *panchayat* boundary, leading in many cases to non-functional committees and disenfranchised users. More recent legislation recognises the primacy of the user over administrative boundaries.

Just as in Nepal where policy and practice have moved away from handing management to the lowest administrative unit, so experience in India is now revealing that a reliance on the formal structures to represent forest users is also not effective. Rather than relying on legal and administrative boundaries, it is necessary to identify who has the right to be a member of a local forest organisation. In many cases residents of one village have longstanding negotiated forest rights in an entirely different village (see [Box 3](#)).

Problems still arise in areas of extensive forests where a complex of users differing by season and product may have an interest in the management of the forest. In some cases user groups have resolved this dilemma by forbidding access to the forests by users who are not resident in the area. In others, a sliding scale of access to benefits according to residence status has been used: from 100% benefits for long-established households to 50% of the benefits for temporary residents. In other cases, particularly where nomadic groups are involved, there are few examples of successful conflict resolution between settled users and nomads.

### **Size and constituency**

There is a logic in limiting the size of a group where decision-making is based on consensus. However, not all the empirical evidence supports this supposition. For example one study in Nepal indicated that large groups of over 300 households were no less effective than small groups of fewer than 100 households. The interplay of various factors is more important than one single criterion: hence, a highly factionalised but well-represented and managed large group may be more effective than a non-factionalised but non-representative, poorly managed small group. Even an ethnically homogeneous group may be deeply divided in terms of individual dependence on public forest resources and thus interest in and incentive for protection of the forest. In externally facilitated organisations, more importance has been placed on the effectiveness of the management and decision-making structures than on ethnic and other constituency characteristics. If all the interest groups (classified by gender, ethnic group, economic class etc.) are fully represented and involved in decision-making and compensated if their livelihoods suffer as a result of forest management decisions, then, it is assumed, a fully functioning and effective local organisation will emerge.

Consensus about who should constitute the user group is one of the most critical factors in the development of a robust social organisation. If there is no agreement on membership of the group there is little basis for developing management systems. Community forestry organisations in Nepal are formed only after thorough investigation of the users of a forest area; the next phase of implementation is not initiated until there is agreement on who should be members of the group. In the case of existing indigenous management systems, user identification is easier to achieve because there is already a recognised group of people accepted as users of a particular forest area. The proportion of user households participating appears to be another

important dimension of the functioning of the group. A high degree of non-participation may indicate a high potential for sabotage, and so prevent the groups from functioning well.

### **Existing consensus arrangements**

In cases where there are existing village arrangements for reaching consensus, within or beyond natural resources management, forest management systems are likely to be more effective. Although again the evidence supporting this factor is still limited, a detailed study of local organisations in Orissa came to the conclusion that without strong existing village committees, local action to protect forests would not have occurred so readily.

### **Recognition of user and legal rights**

Diagnosis of user and legal rights has been a key factor underlying JFM planning in the limited areas where JFM has been attempted. Where the diagnosis was inadequate or not carried out at all, counter claims have come to the fore (see [Box 3](#)), and the need to resolve conflict between user and legal rights has become the major basis for renegotiation and reaching new agreements.

As indicated above, divestment of management to forest users often leads to increased conflict, in particular over boundary demarcation, over recognition of customary as well as legal rightholders, between primary and secondary users, between marginalised and non- marginalised groups. In all cases, where organisations continue to be able to sustain management, such conflicts are resolved at the initial stages of group formation and subsequently as they arise. Often their resolution requires the use of external arbiters, a role usually played by Forest Department staff or NGOs.

### **Noticeability and graduated sanctions**

Evidence from both India and Nepal indicates that users who violate operational rules are likely to receive graduated sanctions (depending on the seriousness and context of the offence) from other users, from officials accountable to these users, or from both. The Lohgarh HRMS has designed strict rules to ensure that bhabbar is not cut with fodder grass by the villagers. For the first offence, the household is fined. After the third offence their rights for harvesting the grass are withdrawn. Similarly, the bhabbar contractor to whom the HRMS gives the sub-lease for bhabbar harvesting rights, pays heavy penalties if his labourers are caught harvesting fodder grass along with bhabbar.

Just as there are graduated sanctions, there is also evidence of graduated benefits. The long practised tradition of mutual obligation has continued to have some impact on joint management arrangements. In almost all the resource management organisations in Haryana which have claimed lease rights for fodder grass, scheduled caste and other landless groups have been given grass harvesting rights at concessional rates.

### **Relationship between resources and users demands**

The relationship between resource scarcity and collective action appears, at first sight, to be relatively straightforward. For example, in some areas of Nepal there are well-established systems of forest management in areas of previously scarce resource. Equally, however, there are examples of collective action in areas of high resource availability. It is not therefore simply scarcity that drives local initiative, it also

requires leadership, consensus on action to be taken, ability to enforce restrictions and confirmation from government that local organisational units are empowered to take such action. Thus, although equating resource scarcity with local action is a useful broad-scale planning tool, many other factors need to be considered.

There are also conditions where the land is too degraded and thus the investment (both financial and human) to bring it into production is too great for local people to undertake. In such cases, it is unlikely that collective action will be possible since the future benefits are uncertain and the immediate costs very high. In highly degraded areas, it is likely that the government will have to take the major role, in terms of financial and human support, in their regeneration.

In addition to the extent of the public resource an important additional factor is the degree of individual access to private tree resources. It has been found in numerous studies that as public resources decline the individual begins to invest in planting and protecting trees on private land.

However, tree-planting is a viable option only for those households with adequate areas of land. Poorer households will continue to rely on a degrading resource and in the absence of local management systems will be forced to travel longer distances to more productive forests. Equally, in the first years of local management when activities tend to be protection-oriented poorer households are forced to travel elsewhere to non-protected forests. As local forests begin to upgrade and to supply a flow of products, in theory those with inadequate private resources will be able to use the local forests. Equally, those with adequate private resources are unlikely to take the trouble to become involved in the management of the public resource, thus reducing the number of households deriving benefit from a limited resource. However, cases in which villagers with adequate private resources have waived their rights to the user group forest appear rare, particularly as potential shares in the harvest of products begin to beckon.

The general trend is that JFM activities are most successful in villages which are neither too close to the forests if they were, villagers livelihoods would be threatened by restricted access nor too far and having a low forest dependence, and thus little interest in investing labour in its protection. The relative power of sub-groups has an important influence on forest management decisions and ultimately on the effectiveness of forest management organisations. There are cases where marginalised groups whose livelihoods depend on the forest have little involvement in decision-making and have been denied access to the resource under stringent new protection rules (see [Box 4](#)).

### **Investment in the resource**

Some of the most successful local management initiatives have occurred where there are immediate benefits obtainable by the local groups (for example, the case of bhabbar grass in Haryana). Conversely, where local people have had to wait several years before there are any returns, interest has often declined and in consequence the resource has degraded due to cessation of protection. Greater success has also been achieved in cases where the products have a ready market and therefore there is perceptible value added to the labour involved in protecting the resource.



With changing economic circumstances, the demands for wood and non-wood-based forest products (such as sal leaves (*Shorea robusta*) and medicinal herbs) are increasing, thereby helping to move the focus beyond subsistence and beyond single products, such as timber. However, as was noted with farm forestry, markets are difficult to predict and products that have a high value today may equally have a low value tomorrow, possibly endangering the viability of resource management organisations. Thus it is not sufficient to hand over management of resources without concomitant support to community forest groups for maintaining balanced harvesting and marketing systems, and both governments and donors have a role to play here.

Many of the most effective local management systems are based on formalised protection arrangements, as in Nepal with the payment of grain by each forest user household to an appointed forest guard, or rotational patrolling systems found in both India and Nepal. Where groups have invested considerable amounts of labour in active silvicultural systems, they do so from confidence in their long-term stake in the resource and in the anticipated flow of benefits. Where, as in many cases, this confidence does not exist, the need to provide security of rights over produce, together with the authority to exercise control over non-right holders, becomes paramount. The robustness of groups that are solely protection-oriented, however, should be questioned, as this often conceals institutional instability, and unresolved conflicts. In such cases, strict protection may indicate that members do not have confidence that their labour investment will provide them with an assured return.

### **Congruence between use rules, local conditions and infringers**

In indigenous systems the rules surrounding use of forest products are generally based on limiting the access to particular periods of time, and may use physical protection such as watchers, formal committees, or written rules by which all members agree to abide. The rules vary from group to group and are dependent on the type of product, demand and the ability of the group to impose sanctions. In some cases sanctions are imposed on the group through the use of religious authority. This diversity is in contrast to the externally-facilitated organisations under JFM in India, where duties and rules are prescribed in the government resolutions, leaving little flexibility for site-specific adaptations. However, indigenous groups in Orissa have diversified according to the particular local environment. Hence, in cases where there is little threat to the forest, use-rules are relatively non-prescriptive. In situations of pressure there are extremely elaborate use-regulations and sanctions. This underlines the need to retain as much flexibility as possible within government guidelines and regulations to accommodate such diversity.

However, all these rules can only work as long as the forest-users believe that there are enforceable sanctions. This is particularly the problem where groups have no legal basis and therefore can neither effectively threaten insiders who transgress against the group rules nor deter outsiders from using the resource. As has been noted in Haryana, the pressure from outsiders will also increase as the value of the protected resource increases.

### **User participation in formulating and modifying rules**

User participation in the formulation and modification of rules has been an important strength of the Haryana programme from the initial phase. The modification of rules as a result of experience and demand from users has been particularly noticeable for

the grass leases where the Forest Department has tried to modify the rules to suit the convenience of user groups.

A crucial area where modification has not been effective is in devising an appropriate system for the payment of lease money. The Department has insisted on advance payment of the entire lease amount. The HRMSs find it difficult to comply, especially in the early stages when they have not been able to accumulate sufficient capital and so several communities have had to remain outside the programme. The collection of an equal share from all members is also difficult, and results in the advance being paid by a few of the more powerful and wealthy members, who have sometimes then claimed the major benefit from the leases. HFD has modified its practices as a result of these problems. Nevertheless, it remains difficult to counter efforts by the more powerful members to buy the right to decide. In Nepal, similar experiences have been noted where some of the most successful and robust user groups are those where operational plans for forest management have been modified in the light of experience. However, the converse of this has occurred in many user and JFM groups where members are unaware of their rights and responsibilities and have no vested interest in developing the operational plan. In such cases the group tends not to function and the forests are neither protected nor managed.

### **Relationship between users and the State, and the importance of nested enterprises**

The power retained by the State to disband user groups is common to both community forestry and joint forest management frameworks. It has been suggested by many that although it is important for the State to be able to rescind agreements in case of violation, it is equally important for local groups to have some legal autonomy from the Forest Departments. In some States, organisations are registered separately thus making it more difficult for the Forest Department to disband them.

The relationships between users and the State vary from site to site, although there are some over-arching issues: for instance the presence of State functionaries within village forest organisations under JFM in India is seen by some as a means by which the Forest Department controls decision-making. There are extreme examples where village forest committee meetings are scheduled to ensure that forest staff can attend them, rather than being scheduled in accordance with local people's time commitments.

However, there is at least one case in which a committee has been prepared to fine forest staff when they transgress against its rules. In another case the success of one village forest protection committee has led to the withdrawal of the Forest Department from that area. However, the Forest Department retains a formal presence on most of the JFM forest protection committees in India, and so inhibits to varying degrees the role that forest users can play.

In many cases the composition of the village forest committee is merely a formalisation of pre-existing and mutually-rewarding relations between certain sections of village society and Forest Department officials. Although such organisations may not necessarily meet criteria promoted by donors, such as equity, women's participation and empowerment, they do retain a large degree of stability since they do not challenge the status quo. They may therefore meet the basic



requirement of surviving into the future, and may not be such a poor second best if obligations towards the poor are recognised and met (see [Box 4](#)).

In order to develop the cohesion and bargaining power of local management organisations, there have been conscious attempts in Nepal and to a lesser extent in India to bring these groups together to form informal networks.

Recent efforts in Nepal seek to strengthen the formal interface between user groups and Forest Department planning structures. Range-level planning and networking workshops at which user groups come together to share experiences and to plan now provide the information that forms the basis for the community forestry district plan. These planning fora, first experimented with by donor projects, have now been adopted by the government and have become institutionalised as range post planning. In addition user groups across Nepal have now federated from local to district to national level and formed a registered organisation called the Federation of Community Forest Users of Nepal (FECOFUN).

In yet other instances, with increasing institutional maturity, some user groups have begun to function as local development organisations. In other cases, groups have registered as NGOs to gain access to development funds. In Haryana some HRMSs now have substantial income earned from grass leases, and there is a trend to use this either as matching funds for schemes to which the panchayat has access, or to provide funding to the panchayat for schemes where it has inadequate resources. The Lohgarh HRMS was also exploring the possibility of working with the State irrigation agency to gain access to funds for a public tube well, using its own income as the basis from which to obtain a matching grant, and so the benefits from natural resource management can spread on to private agricultural land.

### **Knowledge gaps**

Although much experience has been gained in how to develop local organisations for management of forest resources, it is still unclear what the long-term developmental impact of these organisations will be, particularly on forest-dependent groups access to resources. In several instances, as the products increase in value it has become apparent that the access of marginalised groups to the forests is questioned by more powerful groups. However, more knowledge is required to determine distributional impacts among groups and to assess the trade-offs that are occurring at local level. Similarly, local management of resources to fulfil local objectives also implies that other trade-offs will also be happening and that perhaps other stakeholder groups are losing out. What, for example, is the impact on industry and biodiversity of the divestment of forest management authority to local people?

### **Implications**

The overriding factor that determines the effectiveness of local organisations is the nature of the resource to be managed in terms of its divisibility and its ability to produce a flow of short-term as well as long-term benefits. However, there is no evidence to suggest that these organisations will be maintained into the future if the market for products obtained from the managed commons is diminished. Thus neither the organisations nor the management system are inherently stable, rather their functioning is dependent on continued ability to adapt to opportunities in both production and marketing.

Although there have been some notable failures to develop local organisations for forest resource management, it is apparent that where there are well-developed incentives the interest to organise is relatively easy to facilitate. However, there are several guiding principles that should be followed:

- the boundaries of the resource to be managed must be clearly demarcated and agreed by the users;
- boundaries should be defensible i.e. the area to be managed should not be so large that it cannot easily be protected, or the costs of protection prohibitive;
- the right (whether legal or customary) to use and manage a resource should be clearly agreed and upheld by the legal and policy framework;
- the users of the resource and their relative rights to it must be clearly identified before handing over areas of land to be managed.

Other criteria that have been discussed are also important contributing factors, but the above are fundamental to the initial stages of organisational development. Provision of subsequent support to the organisations and their further institutionalisation will require that adequate horizontal and vertical linkages are developed between local organisations and government and other sectoral organisations.

The development of linkages between sectoral and political decentralisation is also an important part of ensuring sustained institutional change from bottom to top. In essence such linkages will help to provide a democratic forum through which the power of the line agencies may be given much needed challenges from below. The Forest Departments in both India and Nepal still retain a large amount of power and control over the village forest committees, indicating that divestment has only partially been implemented. Currently, in India local forest organisations do not have any other institutional structure through which to question the actions of the Forest Department, or other line agencies; and in both India and Nepal the Forest Department retain the right to dissolve forest committees that they consider to have transgressed against the agreement.

Despite constructive engagement by the State in some areas, recent activities within the forestry sector in India could be considered to have led to greater penetration of the State into the village, without the villagers acquiring an equal degree of power to question the actions of the State. As this paper has argued, changes on several fronts over a period of years will be needed before this trend is reversed.

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