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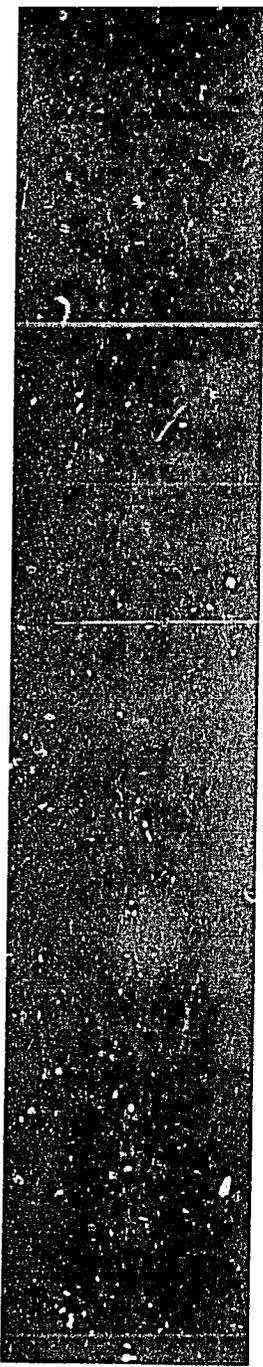
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GATEKEEPER SERIES No SA3

*Briefing papers on key sustainability
issues in agricultural development*

Trees as Savings and Security for the Rural Poor

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This **Gatekeeper Series** is produced by the International Institute for Environment and Development to highlight key topics in the field of sustainable agriculture. Each paper reviews a selected issue of contemporary importance and draws preliminary conclusions of relevance to development activities. References are provided to important sources and background material. The Swedish International Development Authority (SIDA) funds the series, which is aimed especially at the field staff, researchers and decision makers of such agencies.

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TREES AS SAVINGS AND SECURITY FOR THE RURAL POOR

The potential and importance of trees as savings and security for many of the rural poor of the South has been overlooked and neglected by outsider professionals. This professional neglect can be understood in terms of three tendencies:

- i. **professional biases.** Whatever is important to the poor tends to be neglected by the non-poor. But in addition, trees on private farms have been neglected because of foresters' concerns with industrial and conservation forestry, agronomists' concerns with field crops, and the absence of a profession with energy and fuel as its central concern. Temperate climate biases have also tended to blur recognition of the rapid rates of tree growth, and so of appreciation in value of trees, in many tropical conditions.
- ii. **lags in learning.** All professions lag in their knowledge of rural realities in the South. This has been true of the long-term increase in the value of trees and tree products. Deforestation and declining common property resources have been reducing supply, while rising populations, urbanisation, and higher incomes have been increasing demand for tree products, especially fuelwood and timber for construction. Trees have been becoming more and more valuable.

iii. **misunderstanding deprivation.** Deprivation is usually described as poverty, and equated with low incomes. Poor people are also thought to be incapable of saving. In fact, poor people are usually as much concerned about vulnerability, indebtedness and assets as income. Costs of meeting contingencies, like sickness and accidents, have risen in many parts of the Third World. At the same time, as patron-client relations and the supports of the extended family have weakened, many poor people have become more vulnerable to contingencies than before. They now want and need alternative forms of support. They also abhor indebtedness. More and more evidence is coming forward that poor people who are not absolutely desperate will make great sacrifices to hang onto assets, whether land or trees, and will save for future needs and for security.

Many examples could be given where poor people use trees as savings and as security to deal with contingencies. Tree products are used directly to meet seasonal food shortages, and to provide firewood for feasts and funeral pyres, and so on. Trees are planted to meet future foreseen needs - Casuarina in South India for daughters' dowries; eucalyptus, cypress and pine in Western Kenya to pay for school fees; a cooperative plantation in Benin to provide support in old age. In many countries, the sale of firewood and the preparation and sale of charcoal are means for poor people to get by during bad times. Trees, as on the Kenya coast, have been pledged or sold to cover the costs of

contingencies such as sickness or funerals. Trees can also be sold to redeem debts and mortgages.

As savings and security trees have several advantages for the poor. They are cheap to establish, usually appreciate fast after the first few years, are in manageable and divisible units, and often regenerate after cutting. In these respects they compare favourably with other assets: large livestock are costly to acquire, and come in lumpy units which may be too big to fit a need well; small stock may be harder to hang onto, being more easily begged by relatives or demanded by social custom than trees; the rate of appreciation of jewellery, land, or bank deposits cannot compare with that of trees; neither do these other assets 'coppice' when cashed. The very solidity and fixity of trees may be an advantage by making saving rather easier and cashing rather more difficult than with most other assets. At first, after planting, they are a form of forced saving, having little or no direct sale value. Then, after a few years, their rapid rise in value provides a heightened incentive to poor families to stint and save in order to gain more later. Trees are thus a sort of saving which encourages and enables poor people to hang on, with a better chance that they will receive a larger lump sum later.

Trees are also, and increasingly, cash crops for small and poor farmers. In two districts in Kenya - Kakamega and Kisii - where landholdings are very small, and where aerial surveys have shown up to 30 per cent of the agricultural land under planted and

managed tree cover, small farmers who cannot afford to plant coffee or tea plant trees instead. In the words of Peter Dewees (pers. comm.) 'Trees seem very much to be the cash crop of the rural poor in some areas of Kenya.' Unlike most other cash crops, trees have the advantage of being convenient and harvestable for timber or firewood at any time, and so provide a 'bank balance' which is easier to cash when needed.

Poverty cynics, who regard the poor as feckless, expect poor people to dissipate the cash from the sale of trees and tree products on consumer durables, drink, and frivolous pursuits. A recent study by Tushaar Shah (1987) of 59 poor and almost landless families, who were among the first to benefit from the sale of their trees grown under the West Bengal Group Farm Forestry Programme, contradicts this view. Of the sums received by sellers, 38 per cent were spent on the purchase of land, 21 per cent on other productive expenditure, and 14 per cent on housing, making a total of 73 per cent on capital investment; while 22 per cent went on marriages and 4 per cent on other contingencies. Almost all the cash from tree sales was thus used by these poor people to better their economic or social condition in some long-term manner.

If trees are to be valued by poor people as savings and security, there are two essential conditions. Unfortunately, these are often missing.

The first condition is that they must have unequivocal rights to the trees. Administrative restrictions of almost any sort are against their interests. The successful Agroforestry Project in Haiti (Murray, 1984, 1986; Conway, 1987) started with a campaign which proclaimed:

"You Will Be The Owners Of Any Trees Planted", and

"As Far As We're Concerned, You Can Cut The Trees When You Want"

Once assured of these rights, small farmers planted vastly more trees than anticipated, and cut and sold much less than had been expected. In contrast, in many countries, including India, and some countries in West Africa, there are restrictions on cutting trees on private land. These are the equivalent of a bank manager saying (and especially to small depositors - the larger ones can usually do what they like) that they cannot withdraw cash from their accounts without special permission, which may or may not be granted (and which in practice is liable to involve long waiting, much hassle, and bribes). Not surprisingly, such regulations induce precisely the behaviour they are designed to prevent: unsure whether they can cut their trees, farmers cut them while they can, and do not plant more.

The second condition is freedom to sell trees and tree products together with access to fair prices. Small, powerless and ignorant growers are easy victims of exploitation, as Indian examples illustrate. In the West Bengal case researched by

Tushaar Shah, village entrepreneurs paid tree growers only about one third of the prices prevailing in major markets in the same District. N C Saxena (1987) has found that administrative restrictions on the cutting and transport of trees mean that contractors, who have the contacts and ability to pay off the police and other officials, can keep down the prices they pay, handing over at the farmgate of small producers only a fraction (25 to 40 per cent in Uttar Pradesh, and 15 to 30 per cent in Himachal Pradesh) of the price they receive from the ultimate buyer.

The importance of trees as savings, security and sources of cash for the poor is only now beginning to be recognised. There remain unanswered questions about the potential for landless households, as intended with tree patta schemes in India, to have rights to trees without rights to the land on which they stand. For small farmers, things are clearer. The priority is to reverse official policies and attitudes, to give small farmers full rights to do what they will with their trees, and to ensure fair prices through freedom to market without hindrance. Only when poor are trusted, will they readily plant and protect trees. Only if policies and practices are changed so that they are trusted, will they benefit in full from the new value of trees. Conditions vary, but in many rural areas in the South, the potential seems large for trees to provide small farmers with the savings, security and income which they need now more than ever. Ensuring that they have full rights to harvest their trees, and ensuring fair and efficient marketing without administrative

restrictions, could help many millions more of them to struggle up out of indebtedness and dependence, and gain in self-respect, independence and freedom. Trees can liberate.

But for trees to liberate the poor, professionals have first themselves to be liberated, from repressive reflexes and from archaic prejudices and perceptions. Policy-makers and those engaged in policy dialogues have to argue for and secure the removal of restrictions, and to ensure that the removals are real and are widespread public knowledge. If they are successful, then a growing body of evidence suggests that small farmers will surprise the sceptics by the speed with which they plant trees and the restraint with which they harvest them.

Notes and References

This note is an updated and extended version of a paper written for the Winrock Newsletter, precised from Chambers and Leach (1987). It also draws on the papers of the IDS/ODI Workshop on Commons, Wastelands, Trees and the Poor: Finding the Right Fit, held at IDS on 8-9 June 1987, especially Shah (1987). The papers of the workshop are being edited by Gill Shepherd, the Manager of the ODI Social Forestry Network, at the Overseas Development Institute, Regent's College, Regent's Park, London NW1 4NS.

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