BETWEEN CASH AND USUFRUCT RIGHTS: In Search of an Appropriate Policy Instrument for Sustained Local People's Participation[1]

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A B S T R A C T

The Philippines has embarked on a massive reforestation program since 1988 through a loan from the Asian Development Bank. As a strategy to attract the active participation of all interested groups including civic organizations and local communities, **contract reforestation** is being introduced as alternative to the traditional government-administered approach in the past.

To enhance strong public involvement, various incentive mechanisms are offered in the form of wage labour, stewardship right and benefit sharing arrangements. Contract biddings between various local or private organizations and the government had been executed with each contract being assured of financial support.

Although cash incentives may provide impetus for massive public involvement in the program, there is no guarantee however, for sustained and quality participation. Deliberate burning or premature abandonment of the project, haphazard compliance of the contracted activities and gross violation of the reforestation policies and conditions were among the common problems besetting the program.

Contrary to the claim that contract reforestation has no certainty of success, this paper tries to feature the prospect of sustained local people's participation. It provides an empirical evidence that security of land right can supplant the effect of cash incentives on participants' motivation for sustained and quality involvement in the program.

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1. A portion of the major author's Ph.D. Dissertation in progress entitled, The Effect of Financial Incentives on Local Actor's Perception and Behaviour in Some Contract Reforestation Projects in the Philippines presented in the International Association for the Study of Common Property (IASCP) Fourth Annual Conference at the Philippine Village Hotel Manila, Philippines on June 15-19, 1993.

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STATUS OF CONTRACT REFORESTATION PROGRAM IN THE PHILIPPINES

The dismal performance of reforestation in the country in the past has prompted the government to reorient its strategy towards a more democratized system of forest development known as the "contract reforestation" program. Through the Asian Development Bank, a $ 240 million Forestry Sector Program Loan was granted primarily to reforest part of the nations's 10 million hectares of degraded lands at 71,600 hectares yearly within a five-year period. Starting in 1988, there was a significant number of participants which totalled to about 20,000 contracts in 1991 covering an approximate area of 225,000 hectares.

The first year of implementation was characterized by high optism because for the first time in the history of reforestation in the country, tree planting had out paced the rate of deforestation of about 90,000 hectares yearly (NPCO Report:1992). However, in the following years, after a series of field performance assessment was conducted by many developmental non-government organizations, there was a sudden change in the image of the program. In almost all field reports made by these independent groups, the problem of deliberate burning, premature abandonement of the project, advent of "fly-by-night" contractors and the inclusion of dummy participants were among the common drawbacks and problems.

The immensity of these problems was attributed to the lack of technical preparation of most participants and contractors besides the dearth of information given to them about the policy guidelines of the program (ANGOC;1991). However, the root of the problem stemmed from organizational and administrative limitations. As how Korten (1993) puts it, "it was implemented by relatively strong agency with vigorous leadership and drew many sectors of the society, including local communities and non-government organizations. But the size of the loan outstripped the agency's capacity and reforestation methods were exceptionally costly". Likewise, she raises the possibility that "with such huge sums of money flowing into a large bureaucracy with offices dispersed throughout the country, there were numerous opportunities for unethical practices".

LAND RIGHT: A CRUCIAL ISSUE FOR SUSTAINED PEOPLE'S PARTICIPATION

Previous claims indicate that delay of payment and undercompensation of participants accounted for most fire and other hazards affecting the project (ANGOC:1991, Tagana:1992, Personal Field Interviews:1992). The issue of land rights is also another crucial factor affecting participants' performance in some projects. To exemplify this point, two case studies are presented for analysis regarding land rights:

CASE I: MAGUIRIG REFORESTATION PROJECT
SOLANA, CAGAYAN

Project Setting

Maguirig Reforestation Project is often referred to as "no man's project" because of the existence of so many claimants over the project area.

Historically, the site had been an agricultural land since the early 40s as claimed by the original inhabitants of the community. In the 50s, a cadastral survey was conducted by the then Bureau of Lands and many of the local people that time were able to apply for a title because it was declared as "alienable and disposal" land. During that time, agriculture was the dominant landuse practice in the area.

In 1978, the reforestation project was introduced in the same site. There was no struggle of the local people against the project in the area because while the then Bureau of Forestry began to introduce trees in the site, it likewise assured the original claimants of their right of use for agricultural production. Later on, when the Land Survey and Classification Division of the Bureau of Soil was merged to the Bureau of Forestry, the area was finally reclassified as forest zone owing to its topography.

Between the 80's and the present, there have been a series of transformation in the tenural status of the area. In 1980 it became a communal tree farm at the same time a pasture land of a local politician. It was declared as an Integrated Social Forestry Project site in 1985, then reverted to a regular reforestation project in 1989. Finally, it became contract reforestation site starting 1990 to the present.

Although DENR claims the area is its jurisdiction because of the presence of the project, some community people still believed that the land belongs to them, while a number of cattle owners regard the area as communal grazing site. To date, there is a pending civil case between DENR and some big-time land speculators in the area.

Participants' Profile

Most of the contractors of the project are non-residents of the community. Some of them hold key positions in government offices or/and private business. Three of them are retired military officers, others are law practitioners and pasture least owners. Of the 15 contracts, only six (6) are given to the

community people through the barangay council. The selection of participants from the community however, was perceived by most local people as politically manipulated because most of the participants are relatives of the village leader either by blood or extended social affiliation.

Of the 80 participants, about 48 (60 percent) are from other places. Those contractors who are not locally-based chose members coming from their place of origin. Practically, most of the participants are not bound by formal agreement because they are just hired or subcontracted to perform some specific activities in the project at a certain period of the year.

Dominant Factors Affecting Project Performance

The unresolved land rights conflict among various claimants of the reforestation area impinged on the smooth implementation of the project. This was compounded by low recruitment of local people as a result of bias awarding of contracts in favor of the rich and influential outsiders.

Majority of the local people perceived the presence of the project as anti-livelihood. Some of them claimed that the common cause of grassland fire in the area is a subtle protest against their displacement. Most of the local participants are hesistant to plant agricultural crops in between the seedlings because of the uncertainty of their claim over the area. However, a number of local residents have succeeded in clearing and maintaining some patches of swidden farms inside the project site.

Effect of Financial Instrument

For those subcontracted participants, they view themselves as mere hired laborers. Participation is transactional, premised by the assumption that they are paid on a daily basis. Their immediate payment is paramount because most of them are itenerant off-farm workers who subsist on the daily earning from what ever job they can obtain on a temporary term. In short, earning an immediate income is their primary motivation for participation

The notion that there is a fund for the establishment and maintenance of the project has made every activity tagged with a price value. Everything revolves around the monetary incentive. Community participation especially in fire fighting could hardly be practiced after the introduction of the contract reforestation scheme. Unlike before, collective volunteerism among local folks was evident even without payment. But now, fire fighting is associated with payment among non-participants of the project. According to them, it is only when there is grassland fire that they can partake of the income from the project.

Project Performance

Based from the recent field evaluation conducted by DENR in 1992, out of 15 contracts, only four (4) have obtained an Inspection Chart Map (ICM) rating of above 80 percent seedling survival, a condition for successful plantation establishment prescribed by DENR. These contracts belong to the Local Government Unit. Most of the unsuccessful projects belong to contractors from the outside who completely abandoned their sites after it got burned

As an overall performance of the whole project area, the following parameters[1] was set to rate the level of participant-project interaction:

1. Seedling Survival:(old and new plantation: 32%)--	Very Low
2. Degree of Local People's Participation	Low
3. Sustainability of People's Participation	Very Low
4. Sense of Ownership	Low
5. Degree of Moral Responsibility	Very Low
6. Ability To Contain Problems Related to DENR's Project Implementation Practices	Low
7. Degree of Awareness About the Reforestation Program	Low
8. Level of Psychological Satisfaction on the Amount of Payment Obtained from Participation	Low
9. Level of Local Organization	Very Low
10. Level of Environmental Concern	Low
11. Project Management Factor	Very Low
12. Participants' Working Morale	Very Low

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[1]. The performance criteria for each parameter are categorically classed according to degree of effect or magnitude with corresponding indicators for measurement. This project performance evaluation criteria is part of the major author's Ph.D. research methodology under study.

CASE II: LACAB REFORESTATION PROJECT
DUMABATO, MADDELA, QUIRINO

Project Setting

The history of the project site started as a "kaingin" in the 70s. The first settlers came from Ifugao and Cagayan provinces who migrated to the area in search of arable land to cultivate. Endowed with good soil and favorable climate, farming became a promising livelihood that eventually attracted more people to the area.

This farming community within the forest zone became a sitio of Barangay Dumabato in the late 70s. With the accessible road connecting the place to Maddela town, farmers can sell their harvests and other farm products yearround. Seldom do they have problems in marketing their corn, upland rice, banana, coffee, papaya, root crops and vegetables.

In 1989, some portions of the area were converted by the DENR into reforestation site in response to the call for massive regreening of the whole Quirino province. It was not hard for the people to accept the contract reforestation project in the area because there was no spatial displacement or alteration of farmer's position in the newly declared reforestation zone. The project manager awarded the contracts each according to farmer s size of land holding and original location in the site. The farmers are allowed to continue planting the usual short term crops they raised in the past in between the seedlings. Furthermore, they are given the prerogative to choose the species of trees to plant.

To maximize the use of the land for annual cropping, farmers chose to plant long gestation tree species like narra(Pterocarpus indicus) and mahogany (Switenia macrophyla) instead of fast growing species recommended for reforestation like Gmelina arborea and Eucalyptus species.

Whatever plan the project management has for the area, the farmers are always consulted and are given the freedom to make decisions pertaining their stay in the site. Furthermore, there is strong spirit of community among the local people because of the involvement of the village council in the management of the project.

With the consultative and participatory management strategy being practiced by the project manager, this gave a strong sense of project ownership among the farmer-participants. Nowhere, can you find people who are interested to plant trees even without payment except in this locality.

Participants' Profile

There are 12 family contracts covering a total area of 90 hectares. Out of 45 participants, about 30 of them are Ifugao and Igorot (ethnic groups in the Cordillera Mountain) while the rest are Ilocanos and Ibanags. All of them are farmers who have been settled in the area since the 70s and 80s. Some of them have both upland farm and a small parcel of irrigated rice field. of more or less half hectare in size. These farmers are said to be self-sufficient in food and cash that rarely they go out during off-season in search of part time job to augment their income. Around 80 percent of the produce from their farms is for home consumption, while 10-20 percent percent is sold in the market. However, their major source of cash income come from selling banana, vegetables, fruits, swine and other farm animals yearround. An average farmer can realize an income of P300-400 in a week just from banana sales, an amount sufficient enough to provide for cash income needed to buy the basic household commodity of a family of five members in the rural area.

Dominant Factors Affecting Project Performance

The recognition of the farmers' usufruct rights over the recently declared reforestation area is a plus factor to the success of the project. Security of land access especially in productive areas within the forest zone is what makes the farmers easily accept the reforestation project in the community. This is further reinforced by their awareness of the Forest Land Management Agreement (FLMA)[4] concepts as a means to ensure their long stay in the area besides having access to future produce from the trees they planted. The strong feeling of possession over the land and the continuinity of farmers' subsistent patterns seemingly contribute to farmers' positive attitude towards the project.

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[4]. A policy instrument to be given to the the contractor after having successfully obtained a project performance of 80% or better in seedling survival and average seedling height of 2.0 meters at the end of the three-year contract reforestation period. It is a 25-year lease agreement obliging the holder to protect and maintain the project until the trees reach maturity without any compensation and financial support from the DENR. In return, he can usufruct in the reforested area, aside from the sharing arrangement of the future produce of the plantation.

Effect of Financial Instrument

The monetary compensation for work done in the project is not crucial in determining participants' interest to take part in the reforestation activity. Most of them view **"paid labour"** as additional incentive for them but not that dependent on it. According to them, "they may not even be paid for the trees they plant because it is within their farmlots anyway". More interestingly, there are participants who are willing to plant new areas even without payment just so to avail of additional land holding to raise cash crops.

There is a high level of psychological satisfaction among participants that seldom they uttered any negative remark against DENR or the project manager regarding late payment or being undercompensated. Accordingly, "what matters most to them is that they can subsist in same area and hope to attain the FLMA in the future".

Project Performance

The average ICM rating based from DENR's recent evaluation is 93 percent seedling survival, with average tree height of 2.0 meters, which highly surpassed DENR's standard for FLMA.

In terms of overall performance, the following rating is shown below:

1. Seedling Survival: (new plantation: 90 %)	Very High
2. Degree of Local People's Participation	Very High
3. Sustainability of People's Participation	Very High
4. Sense of Ownership	Very High
5. Degree of Moral Responsibility	Very High
6. Ability To Contain Problems Related to DENR's Project Implementation Practices	Very High
7. Degree of Awareness About the Refo-Program	High
8. Level of Psychological Satisfaction on the Amount of Payment Obtained from Participation	Very High
9. Level of Local Organization	Very High
10. Level of Environmental Concern	High
11. Project Management Factor	High
12. Participants' Working Morale	Very High

ANALYSIS OF PARTICIPANTS' BEHAVIOUR

There are four ways of viewing participants' behaviour in the Lacab reforestation project:

1. The project area has been under cultivation by the participants even prior to the introduction of the reforestation project. Upon awarding the reforestation contract, each according to the site and size of their respective usufruct area, the farmer-participants continue to raise annual crops along with the seedlings. The continuous use of the land for crop production lessens the maintenance and protection work being required in the project. Hence, it can said that the remarkable involvement of the farmers in cleaning and protecting the area can be attributed to their normal farming activities which involve both land preparation and continuous weeding.

Apparently, **"paid labour"** is not a basic condition for participation. In strict sense, there could even be no payment needed to motivate participants in protecting and maintaining the project. As they clean and cultivate the land for annual cropping, they also give same care to the seedlings since these are intercropped with their main crops.

2. The second view has to do with participants' motivation to gain a stronger claim over the area. With the preempted assurance of land access through the introduction of the concept of FLMA, there was no struggle at all for the participants to accept the convertion of the area to reforestation site. Under FLMA, participants are encouraged to interplant agricultural crops with the trees, a provision which is compatible with the concurrent practice of the farmer-participants in the area. It is probable that their active involvement in the maintenance and protection of the seedling is mainly prompted by desire to stay longer in the area.

3. The third view about the successful performance of the project can be attributed to farmer-participants' compelled compliance to DENR's program policies and directives. Being "captive actors" to perform reforestation activities in an area considered as their main production site (**"de facto"**) but at the same time forest zone (**"de jure"**) they can not afford to perform less for fear of eventual ejection.

4. The farmers could have resisted the DENR's attempt to convert the area into a reforestation project considering their long use of the land in the site. However, with such creative and participative project management approach, e.g., allowing them to continue usufructing in the area while giving them prerogative to choose the tree species they wanted to interplant in their subsistent crops, they felt that their needs and aspirations are being attended to. This recognition of their priorities and

options probably made them feel the sense of ownership over the project making them active participants in the program.

CONCLUSION AND POLICY RECOMMENDATION

1. **"Paid labour"** as a financial instrument is not a sufficient condition for sustained and quality participation in contract reforestation. In most instances, it even altered participants' environmentally sound behaviour.

2. In cases wherein usufruct right or land ownership is a crucial factor for participation, financial instrument may likely not function best. As such, the introduction of the concept of FLMA or even its awarding right at the start of the project would assure participants of their continuous access over the reforestation area. By securing their legal right of use, this would supplant the effect of cash incentive on their motivation to participate on a longer term. Corollary to this, is the need to allow participants select the trees they prefer most to plant, whether fruit bearing species or fuelwood, fodder or for watershed for that matter. By giving them this prerogative, this would reinforce their feeling of possesion over the project, thus, cultivating a healthy working morale towards the project.

3. Because of the varied biophysical, socioeconomic as well legal and institutional context of each project area, the application of policy instrument for participation should also be site specific. Local people's felt needs and development options should be considered in the designing of the instrument. Likewise, a thorough analysis of the initial and concurrent condition of the site must be given priority concern more than the implementation part. This is because wrong diagnosis of the prevailing local need or problem may totally affect the whole project phase. Likewise, emphasis should given on participants' perception, motivation and options regarding the project.

4. The potential effectiveness of other policy instruments in contract reforestation should be studied, i.e., financial, land right security and cost-benefit sharing arrangement to direct subsidies or related-livelihood options. More policy studies that are exploratory in nature should be conducted on small pilot scale with focus on instrument's viability and impact. The contract reforestation scheme is said to be prescriptive, besides being carried out too hastely on nationwide scale. Heavy setback could have been avoided if the scale of implementation should have started small, then we progressively build on the experiences and lessons learned during the initial years of operation.

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