

COMMUNITY-BASED ENTERPRISES: THEIR ROLE IN SUSTAINABLE NATURAL RESOURCE MANAGEMENT AND RURAL LIVELIHOODS IN ZIMBABWE

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Acronyms and Abbreviations

CBE	Community-Based Enterprises
CBNRM	Community-Based Natural Resources Management
CBPR	Community-Based Property Rights
CBZ	Commercial Bank of Zimbabwe
CPNPs	Common Pool Natural Products
CPR	Common Property Resources
CRMP	Community Resource Management Plan
MITI	Managing our Indigenous Tree Inheritance
NGO	Non-Governmental Organization
NPs	Natural Products
RDC	Rural District Council
SAFIRE	Southern Alliance for Indigenous Resources
SEVACA	Sengwe Vamanani Craft Producers Association
SFA	Speciality Foods of Africa
VRMCs	Village Resource Management Committees

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ABSTRACT

The diversity of natural resources found within Zimbabwe's communal lands and the equally diverse rural livelihood activities suggests that there is a range of opportunities that can be derived from their management and utilization. Over the past six years the Southern Alliance for Indigenous Resources (SAFIRE) has facilitated the development and commercialization of several natural products, namely, crafts, herbal tea, mesa jam, baobab products (pulp and oil), marula oil and kigelia extract, hardwood furniture, marula jelly and marketii oil, including community-based natural resources management (CBNRM) as a key activity in the development of community-based enterprises (CBEs). This paper examines the emergence and development of CBEs in Zimbabwe. It attempts to answer the following questions: What are the new forms of formal collective action around common property resources (CPRs) that are emerging in relationship to market opportunities? What lessons can be learnt from the market-oriented commons management? Are foods, beverages, fuels, construction materials, medicines related CBEs viable market institutions or are the transaction costs too high for indigenous and other local communities? Are CBEs competitive in markets that demand efficient, high quality production?

Key words: Community-based enterprises, natural resources, markets, common property resources, and community-based natural resource management.

1 INTRODUCTION

This paper examines the emergence and development of community-based enterprises (CBEs) in Zimbabwe. By focusing on the activities of the Southern Alliance for Indigenous Resources (SAFIRE), which over the last six years has facilitated the development and commercialization of several natural products, the paper seeks to answer the following questions: What are the new forms of formal collective action around common property resources (CPRs) that are emerging

in relationship to market opportunities? What lessons can be learnt from the market-oriented commons management? Are foods, beverages, fuels, construction materials, medicines related CBEs viable market institutions or are the transaction costs too high for indigenous and other local communities? Are CBEs competitive in markets that demand efficient, high quality production?

Natural resources play a significant role in the livelihoods of rural households (Shackleton, Shackleton and Cousins 2000). They are part of the complex and diverse rural livelihoods. The widespread use of natural products (e.g. foods and medicines) in communal lands is well documented. For example, over 100 goods derived from woodland resources have been recorded for Shindi Communal Area; Wild products contribute as much as 35 per cent of average household income, increasing to 40 per cent for poorer households (Cavendish 1999 in Shackleton et al 2000).

The utility of natural capital in securing rural livelihoods comes into sharper focus when viewed against the background of fragile agricultural systems and frequent crop failures that characterize the communal lands of Zimbabwe. Added to this agro-potential perspective are the market reforms of the 1990s and the phasing out of subsidies. Under these conditions, and in the context of livelihood diversification, commercializing wild resources can have (beneficial) poverty reduction outcomes. As Shackleton et al (2000) conclude, policies and programs which enhance productivity, output and incomes from natural resources have the potential to attack poverty and inequality while simultaneously promoting growth.

Given the limits to delivering sustainable food and livelihood security that the above scenario presented, since the mid 1990s, the Southern Alliance for Indigenous Resources (see Box 1), among other non-governmental organizations (NGOs), have taken on community-based natural product development and marketing, either as an incoming-generating activity within a community development context or as part of appropriate land-use technology from an environmental perspective (SAFIRE 2000). In 1997, SAFIRE initiated a program called Managing our Indigenous Tree Inheritance (MITI). The goal of MITI was “economic

development of communal areas based on sustainable productive use of natural resources, with a focus on woodlands and trees”. The program had the following four objectives:

1. To develop and promote enterprises based on sustainable natural resource use and management
2. To facilitate the development and implementation of community-based natural resource management (CBNRM)
3. To strengthen the capacity and skills of Rural District Council (RDC) staff and Councilors on issues pertaining to CBNRM
4. To support, at the local, district and national levels, the adoption of policies and regulations that facilitate sustainable natural resource management

Under MITI, ‘enterprises development’ has been implemented in partnership with the Commercial Bank of Zimbabwe (CBZ, now Jewel Bank), community groups and RDCs. Research activities include studies on natural resource management strategies, marketing, pricing, product development, etc.

BOX 1: SOUTHERN ALLIANCE FOR INDIGENOUS RESOURCES (SAFIRE)

SAFIRE was founded in October 1994. Since then, it has evolved to become one of the larger environmental NGOs in southern Africa, and is associated particularly with natural products development, forestry related issues in communal lands, and with participatory approaches to community based natural resource management. In 1999, SAFIRE adopted an explicit orientation towards sustainable rural livelihoods and their diversification through better and more productive management of natural resources.

SAFIRE operates primarily within Zimbabwean borders where it runs a head office and 3 regional offices and 5 District offices. The 3 regional offices are located in Mutare, representing the Eastern Region; Chiredzi representing the South Eastern Region and in Harare, representing the North Eastern Region. SAFIRE runs offices in Rushinga, Nyanga, Chimanimani, Chipinge and Chiredzi.

SAFIRE has the following objectives:

- To develop the self-sufficiency of rural communities through the improved management and sustainable utilization of indigenous natural resources;
- To support and develop the management capabilities of local level institutions in sustainable natural resource utilization;
- To encourage local efforts and responsibility in participatory natural resource management;
- To assist in the alleviation of environmental degradation in refugee impacted areas;
- To encourage collaboration between those institutions active in indigenous resource management and;
- To advocate for policies that achieve any of the above.

Source: Access from SAFIRE Website: www.safireweb.org on May 27, 2004.

To manage their natural resources better, communities develop resource management plans, which are linked to community-based enterprises (CBEs). A community resource management plan (CRMP) defines the rules and regulations that govern access to, and utilization of natural resources. 98 villages participating in 25 different enterprise groups successfully set up CRMPs with the support of grant funding from RDCs. In one district (Nyanga), natural resources by-laws were developed in partnership with the community. After the RDC gazetted these by-laws, they

were then submitted to the Ministry of Environment, Tourism and Natural Resources for enactment.

Communal lands or areas in Zimbabwe can be thought of as common property to the extent that community management regimes exist and operate. This presupposes that communities exercise property rights over (natural) resources, since property rights are an important factor in natural resource management (Lynch and Harwell 2002). Thus, following Lynch and Harwell, this paper adopts the attitude that the existence of community-based property rights (CBPRs) is not necessarily dependent on government or any assumption of state creation, grant or recognition. Rather, CBPRs encompass ubiquitous and very real local-level dynamics in which many rural people establish, maintain and enforce community-based management rights and obligations regarding natural resource use and development. However, the legal regime in Zimbabwe is not a hindrance to resource utilization by communities. Various statutes (e.g. Environmental Management Act, Forestry Act, Rural District Councils Act, etc.), provide for access by communities to 'protected areas' and support sustainable utilization of natural resources.

Community management of natural resources has been extensively discussed in relation to wildlife (Jones, 2003). Much less is known about community-based management of other natural resources found in the communal lands, such as indigenous food products including herbal tea, jams and jellies, beans, dried fruits, and so on. This paper tries to fill this gap by examining the emergence and development of community-based enterprises in Zimbabwe.

The paper is organized as follows: following this brief introduction and background is the theoretical framework, chapter 2, which lays the conceptual foundation for the rest of the paper. Chapter 3 examines CBEs within the context of sustainable utilization of natural products. Based on the lessons from the case studies and main theme of markets and common resources, chapter 4 articulates a number of good practices in enterprise development and natural resource management for sustainable livelihoods.

2 CONCEPTUAL FRAMEWORKS

A number of foundational concepts used in this paper need to be defined in order to give the reader the benefit of clarify. The relevant concepts include natural products, commons, community-based natural resource management (CBNRM), community-based property rights (CBPRs), and community-based enterprises (CBEs).

2.1 Defining Natural Products

One of the easiest ways to define something is by stating what they are not. In that case, natural products can be said to be products other than those that conventional agriculture-based model of rural production offer. However, such a definition is so broad as to render it almost meaningless. Therefore, a less general definition is apt. Natural products (NPs) can be viewed as organic resources, both flora and fauna, but not minerals. While shading some light on the concept of NPs, the latter definition is still too broad. Accordingly SAFIRE (2000), has adopted a narrower and more functional definition in which NPs are taken to mean “indigenous (not exotic) forest/veld or commons-based resources available to communities”. ‘Commons-based resources’ and ‘available to communities’ are the key operative phrases, which resonate with the framework used within the context of this paper. But what are commons?

However, before defining the commons (as if that were necessary), suffice it to say that NPs from southern Africa fall into diverse categories, namely: beverages (marula wine, palm wine); certified timber (*pterocarpus angolensis*); chemical compounds (flavenone); condiments (cream of tartar, spices); confectioneries (fruit leather rollups); construction materials; (thatching grass); cosmetics (skin creams, moisturising oils); decoration and craft (baskets, mats, wood carvings); essential oils (lemon grass, evening primrose); foods (fruits, wild mushrooms, truffles, caterpillars); fibers (wild sisal, baobab fiber); florist trade (proteas); gums and Resins (acacia gums); health care (appetite suppressants); herbal teas (Makoni tea, Rooibos tea); insects (butterflies, jumping beans); latex products (palm latex, papain); medicinal (grapple); nutritional supplements (baobab fruit extract); polyunsaturated oils (marula oil); processed foods (jams, dried fruits); stock feeds (baobab husks); and traditional aphrodisiacs (roots, barks, infusions). Only a few of these are discussed in detail within the scope of this paper.

2.2 The Commons

In the *Drama of the Commons* (National Research Council 2002), the term ‘commons’ or, to be analytically correct, a ‘common-pool resource’ is a valued natural or human-made resource or facility that is available to more than one person and subject to degradation as a result of overuse. From this definition it is quite clear that a natural product as defined above qualifies as a common-pool resource. But, a natural product can be conceived even without it being a common in the sense of it being ‘available to more than one person’. The latter introduces the notion of property institutions that involve some aspect of joint ownership or access, which is important in context of livelihoods and poverty reduction as further discussions will show.

The conceptual link between natural products and common-pool resources is fundamental since, the former are valued resources, and to the extent that they are available to the community, they are by definition common-pool natural products (CPNPs) or community-based natural resources. Since CPNPs are, also by definition, subject to degradation as a result of overuse, sustainable utilization of NPs is important for securing livelihoods. This leads us to the next foundational concept of community-based natural resource management (CBNRM).

2.3 The CBNRM Concept

As mentioned, CBNRM presupposes that the community exercises property rights over a resource. Many commentators (e.g. Murphree and Hulme 2001, Cousins 2000, SASUSG 1996, and Lynch and Alcorn 1994) have emphasized the importance of tenure and property rights or “proprietorship” for sustainable natural resource management. Murphree (1994) defines proprietorship as “sanctioned use rights, including the right to determine the mode and extent of management and use, rights of access and inclusion, and the right to benefit fully from use and management.” As will become clear, this aspect is the more important where a resource is the subject of commercialization. Thus, if a resource is valuable and communities have the rights to use, benefit from and manage the resource, then sustainable use is likely. CBNRM has therefore been based largely on the concept of a communal property regime, i.e. where a defined group of

people collectively manages and uses the common property resources within a defined jurisdiction (Jones and Murphree 2001).

2.4 Community-Based Enterprises

Community-based enterprises (CBEs) are commercial ventures, which seek to supply niche markets with add value natural products in order to bring greater benefits to communities that manage and use valuable common-pool natural products. The market for natural products is growing fast in most countries in Europe, North America, Japan and Australia, as well as in some developing countries. A number of significant trends point to long-term growth potential. The opportunities for increased exports from source countries to these niche markets offer real possibility for the emergence and development of viable CBEs in the natural products sector. As the cases discussed in the paper suggest, and as argued by the New America Foundation (NAF), human cooperation can generate remarkable economic and social wealth, and the commons often defies the standard economic narrative about self-interested utility maximization.

3 EMERGING CBEs IN THE NATURAL PRODUCTS SECTOR

3.1 Context

For centuries rural communities in Zimbabwe have used NPs as food, medicine and for ornamental purposes. Such utilization of NPs was until recently purely for subsistence, with trade, if any, playing a petite role. Absent or underdeveloped markets ensured that enterprises did not emerge, and if they did, could not survive and grow (Redfern and Snedker 2002). As a consequence, the huge potential for the commercial development of fruits, oils, herbs, nutritional supplements and other natural products remained untapped.

Following market reforms in the 1990s, a NPs industry emerged, bringing promise to millions of poor rural dwellers who depend on natural resources for their livelihoods. As mentioned, market for natural products is growing fast in most countries in Europe, North America, Japan and Australia, as well as in some developing countries. These trends offer new opportunities for

indigenous and other local communities, many of which are low-income; to earn more from the natural resources they manage as common-pool resources.

Focusing on the CBEs organized around CPNPs, the following section discusses the new forms of formal collective action that are emerging in relationship to market opportunities. It draws lessons from the experiences of market-oriented commons management in Zimbabwe in particular and the southern Africa region in general

3.2 Biriwiri Women's Craft Association

The Biriwiri Women Crafts Association has been operational since 1960. Situated in the foothills of Chimanimani mountain range, the women of Biriwiri have been producing *Gudza* crafts for generations using fiber made from the bark of the Musasa/Munondo (*Brachystegia/Julbernardia spp.*) trees. The primary producer of *gudza* crafts is a community group, which sustainably harvests the fiber from the woodland. These producers also dye the fiber using natural dyes (e.g. Berchemia discolor bark). The primary producers then sell the fiber to the group of craftmaids. The products from this groups range from hats, baskets, ladies handbags, rags to wall hangings.

The Biriwiri Women's craft group markets these *gudza* crafts from a roadside shop at Biriwiri along the Chimanimani-Mutare highway. The shop also serves as the factory for the group. In addition, the group markets its products through the Handicraft Centre in Harare who in turn sell the crafts overseas. The Biriwiri products have also penetrated the domestic tourist market as well as the regional market with the women traders crossing to South Africa regularly to sell their products.

3.3 Sengwe Vamanani Craft Producers Association

The Sengwe Vamanani Craft Producers Association (SEVACA) is a craft producers association composed of 300 members organized into 15 village-based groups. The groups operate from craft centers located in the Sengwa are of Chiredzi. These groups make the Shangaan baskets and mats craft from the Ilala palm (*Hyphaene spp.*) and Isisi (*Cocculuc hirsutus*). Indigenous to the

Save and Limpopo floodplains, the Ilala palms and the creepy isisi of the South Eastern lowveld have been used to produce basketry and mats of the highest quality. The community have develop complex and highly regulated harvesting regimes that ensure their products are eco-friendly.

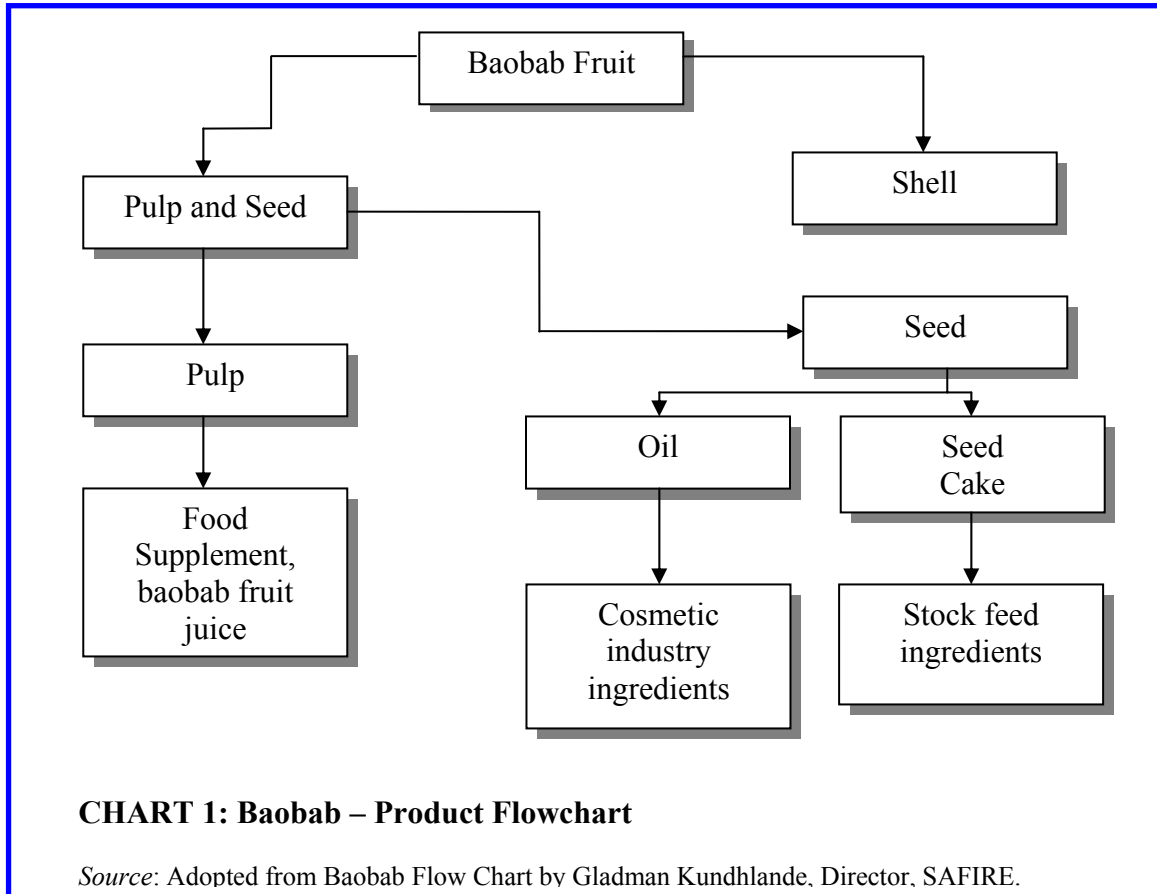
SEVECA has made major strides through increased ability to respond to the market through quality improvement. With assistance from SAFIRE, the group also established Village Resource Management Committees (VRMCs), which are responsible for drawing up natural resource management plans for their villages. The association liaises with the VRMCs to regulate the off-take of resources from the woodland. The VRMCs, in turn, provide the guidelines for the harvesting of the natural resources.

3.4 Creative Oils Investments

The Creative Oils Investment is a baobab tree (*Adansonia digitata*)-based enterprise supported by SAFIRE. Located in Rushinga district, Mashonaland Central Province, this community-based enterprise model consists of a central business unit (the ‘Secondary Processing Unit’) made up of a few self-selected entrepreneurs from the community supported by the wider community of primary producers. Two entrepreneurs run the central business. The two were selected after it was realized that not all community members are entrepreneurial. The business unit employs six people who collect the raw material (fruit) from the primary producers. The fruits are sourced directly from community-based natural resource harvesters, or from primary processors who convert fruit into pulp and seed (see Chart 1). The fruit, pulp and seed are bought through agents resident in the village (SAFIRE 2003).

The main product of this enterprise is baobab seed oil and the by-products of the processing are drag (residue of the oil filtration process), pulp cream of the tartar) and the baobab seed cake. The enterprise produces an average of 500 kg of oil per month for about six months harvesting period. This represented ZWD625, 000 per month gross income for a community of 150 households who supplied raw fruit to the enterprise in 2003. Demand continues to outstrip supply in the oils market. The by-products (pulp and drag) are sold to the local community and commercial beef producers (seed cake).

As mentioned, the demand for baobab oil continues to outstrip supply. There is scope to establish new production units in other parts of the country such as Chimanimani in Manicaland, Gwanda in Matebeleland South, and Mwenezi in Masvingo. However, the quality of oil remains a challenge, which still needs to be addressed in order to reap better prices for CBEs and beneficiary communities. Described as semi-fluid, golden yellow



and gently scented, the seed oil is strongly non-siccative (non-drying), and has a demonstrably longer shelf-life than many other oils. Containing almost equal measure of palmitic acid, oleic acid and linoleic acid (as well as some small quantities of stearic and cyclopropenoid acids), the seed oil is also used in the cosmetics industry, and it is edible (www.phyotradafrica.com).

3.5 Marula Enterprises

These enterprises produce two products, namely marula oil and marula jelly, from the Marula fruit (*Sclerocarya birrea*), which grows wild throughout the savannah of east and southern Africa. The jelly is produced from the fruit pulp while the oil is expressed from the nuts extracted from the seed. Groups operating at community level produce the oil. One such group is called *Batanai*. It is found in the Chapinduka area of Rushinga District. In 2003, SAFIRE supported the successful establishment of another marula enterprise in Ward 3, Mushezheveti Village of Mwenezi District.

The *Batanai* group has 26 members from the community, majority (24) of them women. The groups extract nuts manually from the marula seed. It also buys nuts from other members of the community. Another product, the marula jelly, is produced out of the fruit, which is very high in Vitamin C (considerably more than oranges). The community supplies whole fruit to a food processing company, Speciality Foods of Africa (SFA) Pty Ltd., the company produces the marula jam, which is sold in the local and international markets. In the first year of production SFA made 6,700 jars of the marula jam.

After visiting the Chapinduka-based marula enterprise, members of seven households from Mushezheveti Village came together to set up a community-based enterprise. This enterprise depends on the 400 plus households living in Ward 3 for supply of the marula fruit, which is common in many parts of the district. In 2003, the group established an oil pressing plant within the community. Within a few months of operation, the group was able to supply one tonne of oil to the African Biodiversity Company (ABC).

3.6 Musingagotsi Masawu Enterprise

As the name suggests, the Musingagotsi Masawu Enterprise uses Masau (*Ziziphus mauritiana*) wild fruit. Since 2001, this community-based enterprise in Centenary has been formulating and packaging dried masawu pulp in a variety of ways to produce a range of snacks. The delicious sweet and sour taste of the masau fruit generated a lot of interest in the products when first introduced in the market.

However, this demand was not fully met by adequate supply due to organizational bottlenecks in the management. As a result, efforts have been geared at building the capacity of the enterprise to run the business viably and reach out to markets. For example, SAFIRE has helped create linkages with Specialty Foods of Africa, provided training in business planning and management that have helped to meet some of the challenges the group faced (SAFIRE 2003).

These interventions have had positive effect on the enterprise's performance. In 2003, the enterprise raised close to ZWD2 million from sales. However, despite this positive result, there was still a shortfall of some 7,000 packets of masawu slices supplied to the market. SFA and SAFIRE have continued to support the group's development by providing marketing and quality control services as well as promoting business ethics.

The essence of wild masau has been captured in Speciality Foods of Africa's masau jam. The masau fruit grows wild in the hot and arid Zambezi Valley where the fruit is gathered by women and children. SFA buys the fruit direct from communities in the Zambezi Valley with the assistance of SAFIRE. Speciality Foods of Africa and SAFIRE's cooperation ensures that a fair price is paid to the communities and that the highest quality fruit is used for the jam (www.safireweb.org)

**BOX 2: THE SOUTHERN AFRICAN NATURAL PRODUCTS TRADE ASSOCIATION –
PHYTOTRADE AFRICA**

PhytoTrade Africa is a non-profit trade association that promotes sustainable production and fair trade, contributing to the economic development of southern African countries. PhytoTrade help African rural producers develop and market their natural products for export. PhytoTrade provides marketing, technical advice, research and development and advocacy services for its members. Clients can be linked directly to source suppliers, quality control assurances, ecological product profiles, and receive help with import/export regulations and contracts. PhytoTrade Africa also provides a clearinghouse for research and development information on African natural products.

Representing producers in Botswana, Malawi, Namibia, Zambia and Zimbabwe, PhytoTrade Africa has the following objectives:

1. To enable poor rural communities in Southern Africa to generate income through the sustainable utilisation of natural products
2. To establish an effective institutional framework for market information exchange between member organisation and the affected communities
3. To facilitate research and development efforts in the identification and sustainable utilisation of natural products
4. To improve marketing efficiency in natural products within the member countries and the world at large
5. To establish strategic regional and international partnerships in natural products trade
6. To promote a forum for member organisation and other professional interests to exchange ideas and knowledge on natural products trade and development
7. To promote research and development of new natural products in member countries
8. To facilitate the creation or identification of markets for natural products.

Source: Accessed from PhytoTrade Africa: www.phytotradeafrica.com on May 28, 2004

According to the Specialty Foods for Africa Website, the company works with to ensure that fair trade agreements are established with rural producers and raw materials are harvested sustainably. Both are members of the Southern African Natural Products Trade Association (PhytoTrade Africa), a representative body for small-scale producers in the natural products sector in Southern Africa. PhytoTrade Africa's mission (see Box 2) is to develop a long-term supplementary income source for poor rural people in the region, so enabling them to improve their livelihoods from the sustainable exploitation of natural products.

3.7 Mazhanje Pulping Groups

To the North-West of Harare, near the town of Karoi, a group of nine women and three men in Mwami area have developed a new natural resource-based enterprise using the Mazhanje fruit for jam making. The result of SAFIRE's product identification, research and development effort, this community-based enterprise produces mashanje pulp which is sold to SFA for jam production. In 2003, the community produced one tonne of pulp. The pulp is extracted manually using colanders under hygienic conditions. The community is a stakeholder by virtue of being able to collect mazhanje fruits from the wild and sell to the group-based enterprise. The trial pulp sent to SFA earned the community ZWD0.98 million part of which will be used to repay a loan they received to buy deep freezers for storing the pulp (SAFIRE, 2004).

3.8 Makoni Indigenous Tea Producers Association

Makoni herbal tea is perhaps the best known natural products from Zimbabwe. It is one of the first natural resource-based products to be launched in the international market. Makoni tea is extracted from a wild bush (*Fadogia ancylantha*), which grows in Eastern Highlands of Zimbabwe. Makoni bush has traditionally been used to build stamina, boost the immune system, tone muscles, strengthen bones and as an aphrodisiac. Makoni tea was first commercialized in 2001 through partnership between the Makoni Indigenous Tea Producers Association and SAFIRE.

The 300 small-scale rural producers who are members of the Association, harvest and process (initial) the tea leaves, which it sells to SFA. The buyer then does the processing (final), packaging, and markets the tea under the brand name *Tulimara*. SAFIRE provides business skills training to the rural producers as well as resource management training to ensure that the tea is harvested sustainably. In 2002, the Makoni Indigenous Tea Producers Association started grinding the tea leaves before selling it off to SFA. This resulted in the doubling of producer prices and a significant increase in member's income (SAFIRE 2003). Sold in 50g box of 25 tea bags each, the caffeine-free, high zinc Makoni Tea currently sells at USD0.95 per unit. It has so far been well received in both domestic and international markets.

4.0 LESSONS LEARNED

4.1 Structure the Market to Allow Commons to Emerge and Flourish

On the basis of the cases presented above, it can be argued that, not only do changes in supply, demand and governance offer new opportunities for indigenous and local communities to earn more from the natural resources they manage as common-pool resources, but that markets must also be structured to allow a commons to emerge and flourish, and create a social and ethical commons for market activity. Regulations could include minimum levels of safety, fair play and information disclosure. The principles that so often prevail in the commons are ones of openness and feedback, civic commitment, shared decision-making, diversity of perspectives, social equity among members of the commons, environmental sustainability and community vitality. The challenge will be to incorporate these principles within the market system to come up with innovative solutions.

Alongside opportunities for greater market access, better prices, better services, and so on, that are suppose to come with the commercialization of common-pool resources (e.g. through the establishment and development of CBEs), there are new risks as well, which poor communities can ill afford, and which if unmitigated may leave them even more vulnerable than they otherwise would have been. And it is not just communities; Private companies too are presented with new economic opportunities, which allow them to benefit from market-oriented management of commons. But these opportunities must be weighed against the risks to which companies, like communities, may be exposed.

4.2 What are the new forms of formal collective action around common-pool resources that are emerging in relationship to market opportunities?

The evidence presented in the case of emerging CBEs suggest that commercialization of natural products need not be a zero-sum game. Opportunities can be grasped and risks avoided by developing a rules-based system, which ensures that the new partnerships between market players are sustainable.

Community resource management plans that are being developed by communities around Zimbabwe offer an example of how enterprises can be planned in order to grasp opportunities and reduce risks in a market-driven system. The process of developing CRMPs can be framed in terms of capacity building. SAFIRE, which has been championing these CRMPs among rural communities, has a very strong capacity building agenda (refer to SAFIRE's objectives in Box 2 above). The act of engaging stakeholders on key strategic issue of supply of common-pool materials and demand for natural products (market surveys), viability of raw material production and viability of processing and marketing (economic analysis), suitability of production and processing locations (locational analysis), and so on, sets in motion sustainable processes that address on-going policy and market structure issues while linking them to broader democratic processes. This provides a real possibility for convergence between principles of the commons and the market.

Stakeholder and institutional analysis is also an important element in terms of defining and clarifying the roles of different partners. In the CBEs discussed, the roles and responsibilities of communities (producers), companies (buyers/processors), and NGOs (facilitator) have been made clear. This process of staking out interests helps to ensure mutual accountability and transparency. It serves to demystify the market and build confidence among the partners. As a result, the circles of cooperation and networks are widening. Collaboration and joint action among producers, buyers, and other stakeholders is a practical ways by which costs can be lowered and perhaps more resources made available for poverty reduction. A market cannot operate without adequate information. By leaving decisions on what is relevant performance in the hands of a single group distorts the decision-making process of the market. Thus, by making sure that relevant and transparent information about input supply, extension and training, output collection, performance monitoring, and so on, is provided to all will allow the market to operate more effectively.

4.3 What lessons can be learnt from the market-oriented commons management?

- There are diverse enterprise models and 'one size fits all' rule is wrong

- ❑ Many small producers are needed to make the ‘critical mass’ necessary for viable industrial production
- ❑ Sustainable management of resources is not only about inter-generational equity, it also makes good business sense
- ❑ It is feasible to achieve highest quality natural products, harvested from the wild by rural producers, under conditions of fair trade and ecological sustainability
- ❑ Natural products can replace traditional products as cosmeceutical, nutraceutical, and pharmaceuticals ingredients within a generation

The last two bullet points suggest strongly that CBEs be competitive in markets that demand efficient, high quality production. However, product development is a process, which requires investment and research, among other things.

4.4 Are CBEs viable market institutions or are the transaction costs too high for indigenous and other local communities?

Experiences based on the cases reviewed in this paper suggest that not every member of the community is an entrepreneur. Selecting a few entrepreneurs to manage a CBEs is more efficient and less costly way to do business.

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