Common property resources and privatisation trends in southern Africa

Munyaradzi Saruchera & Saliem Fakir

Introduction
Southern Africa, like other developing sub-regions, is subjected to the imposition of market liberalisation reforms (structural adjustment or poverty reduction programmes) from multilateral and international financial institutions, particularly in the economic and land policy arena. These policies are powerful drivers for the privatisation and commercialisation of common property resources, and their resultant decline. Increasing pressure on CPRs is accompanied by greater poverty among the people most dependent on them. Southern African economies are transforming from subsistence to cash crop production and greater market integration. The market system is threatening the traditional CPR management institutions of many indigenous societies because they reduce incentives for individuals to co-operate with others for the greater good, and increase the temptation for elites to ‘free-ride’ for personal benefit. At the same time, deepening poverty is leading to over-exploitation of resources by desperate impoverished communities (Goldman et al. 2000).

Privatisation
The concept of privatisation is diverse and has multiple meanings. In the context of CPR management, privatisation can either be inclusive or exclusive. Inclusive privatisation implies enforcing the claims of ‘included’ individuals and groups to communal open access resources. The exclusive interpretation of privatisation refers to resources under individual control or private ownership which are not reducible to communal ownership.

We use the term ‘privatisation’ here in the sense of transferring tangible natural resource wealth from the domain of collective users or owners into the hands of private individuals or concerns for exclusive use or ownership. The ownership or use structure determines the degree of control and decision-making power over the use and disposal of the natural resource wealth. There are other, more complex structures and forms of privatisation (Fakir 2003), but these are outside the scope of this discussion.

The privatisation of CPRs takes place at the behest of those in positions of power and influence and results in a monopoly of exclusive rights in which benefit accrues to some and is denied to others. These agents of privatisation may be external interests acting on their own, or in collusion with the state or local elites.

Privatisation of CPRs is complex. The property rights view suggests that all resources should be owned or ‘ownable’, except for those that are plentiful and irreducible. Proponents of the property rights school argue that private ownership of CPRs is the most appropriate legally and socially sanctioned way of allowing owners to exclude others from accessing a property or its benefits. Private owners have societally and judicially recognised recourse to enforce their rights, thereby reducing the risks of private property management. Proponents of privatisation also claim that private ownership is more efficient in allocating benefits to consumers.

An evaluation of CPR management experience across sub-Saharan Africa negates this view, holding that privatisation may not necessarily be an appropriate strategy to prevent the over-exploitation of CPRs. Besides, excluding former users and rights holders of a resource is inherently inequitable and ‘free markets’ fail to efficiently allocate benefits to poor and marginalised consumers (Baland & Platteau 1996).

Community resource management institutions and systems are increasingly under pressure to participate in the market system. But markets do not work for communities in the way that they do for private entrepreneurs. There is no doubt that the market economy provides new opportunities, but poor people face huge hurdles when it comes to being able to avail themselves of the potential benefits. The free market does not take any cognisance of
Several factors militate against free and equal participation of the rural poor in the market economy, namely:

- lack of direct access to the market, so that intermediaries are able to cut back on the profits of the poor
- lack of access to information and appropriate technologies
- estrangement from the market due to lack of information and lack of familiarity with market rules
- lack of the necessary specific entrepreneurial and management skills to be able to respond to market forces.

The harsh reality of market rules and institutions is that they are unforgiving. Poor communities are vulnerable to having to pawn off their resources and goods to pay off debts that they may incur, having participated under conditions that are tantamount to economic duress.

**Privatisation and commercialisation trends**

The key factors contributing to the decline of CPRs in southern Africa include: insecure tenure, liberalisation of markets, population growth pressure, deforestation and loss of animal and forest habitats, poverty, conflict and commercialisation. Most southern African countries have been struggling to find the resources and services necessary to manage or monitor the areas in which common resources are found. The countries are now conceding they are unable to manage on their own and are working out modalities for decentralisation, outsourcing and empowerment to address this challenge.

**Forest and woodland commons**

National governments are leading reforms in the management arrangements for the forest and woodland sector. New policies that allow for participatory and decentralised forest management have been passed in many countries, including Namibia, Zambia, Zimbabwe, South Africa and Mozambique. There is evidence that liberal donor policies are influencing donor-dependent governments to pursue policies that provide for decentralisation and community rights of access. These measures are ‘conditional’ forms of self-governance aimed at preventing open access or plunder of state-protected areas. The granted conditional rights make it permissible for communities to use wood resources for subsistence or sale on the commercial market (Fakir 2003; Issufo 2003).

The measures that have been introduced to improve community forest and woodland management in the sub-region are a positive trend, given the high number of rural people who depend on forest resources. There are indications that decentralisation of access and ownership offers new commercial opportunities and the likelihood of private sector investment in Mozambique (Issufo 2003).

**Wildlife and tourism commons**

Most of southern Africa’s tourism revenue is derived from the wildlife sector, but these countries have a low capacity and lack finance for managing common pool resources.

The most significant privatisation developments in this regard have been the creation of legal frameworks for private ownership of wildlife in Botswana, Namibia, South Africa and Zimbabwe. This is despite the fact that wildlife in these countries has a res nullius (without formal owner) or state-owned legal status, and that wildlife was previously regarded to be a public or common pool resource. Concessioning and game ranching have been extended to communities in, for example, the community conservancies of Namibia. Wildlife meat sales, hunting, auctioning of game and tourism are the major drivers of this lucrative industry but, generally speaking, private owners have reaped greater benefits from this than have communities.

The addition of value-added activities (biltong production, production of leather and leather products, photography and filming and taxidermy) has enhanced the economic viability of the industry. Some poor communities have been able to derive subsistence income, goods and services from these activities. While there are no accurate estimates of the total value of the industry, Tanzania, Zimbabwe and South Africa’s sport hunting industry is believed to be worth US$500 million. Despite positive growth economic indicators in the industry, no studies have been conducted to compare the socio-economic benefits of this industry with those of agriculture, and no systematic study has been done to evaluate the impacts of this land-use on CPRs (Fakir 2003).

It remains a huge challenge for national governments to ensure wider and equitable participation and benefits for local communities in the wildlife industry. However, community-based natural resource management (CBNRM) and contract park arrangements in Namibia and South Africa have recorded substantial community benefits. In South Africa, state resorts and facilities have been privatised or commercialised in ways that combine incentives for private investors and tourism operators with attempts to ensure community empowerment and benefit. However, there is room for further developing management and tenure rights for communities so that they have greater control and rights over their land and the flow of benefits.

**Natural products**

Across southern Africa, a wide range of natural products is being harvested for their essential oils, fibre, medicinal and food properties at an unprecedented rate. These products are finding their way into national and international commercial markets. They include wild fruits (marula – sclerocarya birrea), baobab pulp (masau – ziziphus mauritiana), herbal teas (makoni or fadogia angulata in Zimbabwe and rooibos in South Africa) and other wild resources (for example, devil’s claw in Botswana and Namibia and boodia in South Africa). The development of the natural products industry involves several different rural enterprises whose ownership arrangements may involve communities, government and the private sector, but with a range of bio-industry non-governmental organisations (NGOs) as intermediaries and linked to the Unctad (United Nations Conference on Trade and Development) Biotrade Initiative. Phyto-Trade, a non-profit trade association based in Zimbabwe with an active network across southern Africa,
was established with the sole purpose of facilitating the creation of a viable natural products industry in rural areas through research, development and marketing. These sought-after resources represent natural wealth for the poor. The growing natural products industry can only be sustained by acquisition of new skills and penetration into non-traditional markets among other factors. In South Africa, the trade of medicinal plants is estimated at 19 500 tons on the informal market per year, and valued at R270 million (about US$41.5 million) with secondary uses generating R2 billion from resale/use of the plant material. The total number of southern African households involved in this industry is estimated at between 10 000 and 15 000 (Fakir 2003; Steyn 2003).

The Commercial Products from the Wild (CPWild Consortium) study project, hosted by the University of Pretoria’s Agricultural Economics Department, Institute of Natural Resources and Stellenbosch University’s Forestry Department, is undertaking a study on the extent of the natural products industry and the households involved. The project covers natural products activities in South Africa, Botswana, Malawi, Namibia, Zimbabwe, Lesotho, Mozambique and Swaziland.

Indications from the industry suggest the existence of a substantial market, especially in developed economies where health concerns ensure a growing demand for natural products. If this growing industry is not well-managed, it is likely to have adverse impacts on CPRs in terms of managing their availability, and on the institutional frameworks governing their use.

Impact on CPRs
The rapid privatisation of strategic public goods has an adverse impact on rural livelihood strategies. Research demonstrates that livelihood diversification is a rational and necessary strategy for poor people seeking to mitigate the harsh realities of economic upheaval. When CPRs fall into private ownership, this leads to dramatic power shifts. When communities own land and the resources on it, they make laws about their use and develop these rules to suit their own needs. Because privatisation captures resources, it limits the ability of people to develop multiple sources of livelihood. Having a smaller pool of resources gives rise to the potentially adverse environmental impacts of people having to more intensively harvest the resources that remain available to them.

Major indicators of physical degradation of CPRs in southern Africa are over-exploitation, poor upkeep, and the drastic decline in the number of products that the rural communities gather from the commons. Species diversity is declining in some habitats and ecosystems, and species mix is also changing rapidly in others. Livestock carrying capacity and the ability of vegetation to regenerate is also suffering. The number of trees, shrubs and grasslands continues to decline. Rural communities are having to walk longer distances to collect basic necessary resources. This means they have less time available to engage in other livelihood pursuits.

Traditional systems for managing CPRs are collapsing or are barely heeded. The lack of enforcement of sound management practices such as seasonal restrictions on usage, rotational grazing and provision of watchmen is giving increased opportunities for over-harvesting. Inability to enforce management obligations such as grazing taxes or compulsory labour input for trenching and fencing leads to poor upkeep of CPRs. In many instances, traditional institutions have either been undermined or replaced by new structures that survive on political patronage and are dominated by elites who either privatise or disregard socially-negotiated CPR management arrangements. Few rural communities still regulate grazing, enforce user obligations for CPR maintenance and repair, or still have functional penalty systems for regulating violations in place (Jodha 1990).

Large-scale CPR privatisation is causing a sharp decline in the aggregate extent of common resources. Land distribution policies being pursued by some national governments are contributing to this trend because they curtail CPR rights. Even though the privatisation of CPRs is often done in the name of providing resources for the poor, it often effectively puts land into the hands of elites. The public policies that are supposed to raise the productivity of CPRs tend to focus too strongly on foreign and inappropriate production technologies, with a strong science and technology bias detrimental to community involvement and user perspectives.

There is a low level of institutional sensitivity to the needs of the poor and so community land is often alienated from people and transferred to pilot projects that are meant to establish and demonstrate the viability of certain technologies. In many countries the state has put CPR lands into the hands of commercial projects without sufficiently taking into account the user perspectives of the poor, effectively expropriating the most productive CPRs.

Conclusion
Despite their valuable contributions to the rural economy, CPRs remain one of the most neglected areas of planning in developing countries. Because their contribution to the livelihoods of the poor is not valued or acknowledged by welfare and production programmes, they have become invisible to development planners.

Even though the monetary value of CPR products has been declining, they are paradoxically even more important to the poor for livelihood sustenance. The over-exploitation bred by desperation is seeing communities destroying their permanent assets. Because the value of CPRs is not recognised in national fiscal calculations, there is a low awareness of how financially costly having to replace their contribution will be once the natural resources on which the poor depend become exhausted. One calculation of the economic value of land and natural resources to livelihoods in the communal areas of South Africa puts the aggregate value at R13.28 billion (over US$200 million at 2004 exchange rates) (Shackleton et al. 2000).

Guaranteeing a future for CPRs requires advocacy and awareness-raising on the valuable contribution they make to the livelihoods of the poor. Immediate steps must be taken to implement positive policies that arrest the decline of CPRs and promote the interests of CPR user groups;
increase investment in CPRs to ensure their productivity for a sustained and effective contribution to livelihoods; implement appropriate technology to rehabilitate CPRs as productive social assets; and ensure effective management and regulation that brings CPRs back from an open access situation to one which is appropriately regulated (Jodha 1990).

This can be done through usage regulations, user obligations and appropriate institutional arrangements that provide CPR user groups with equitable access and benefit, legally enforceable rights, and defined membership with binding commitment to adhere to user regulations and obligations as well as flexible exit and entry requirements that ensure stability.

**Bibliography**


The Co-Govern project

‘Co-Govern’ is a project that promotes common property in Africa by facilitating dialogue between researchers and professionals working on resource tenure issues in order to define a set of clear policy options. The programme is funded by the European Union, and is co-ordinated in southern Africa from PLAAS by Munyaradzi Saruchera. Other partners include the International Institute for Environment and Development (IIED), England; Groupe de Recherche et d’Action sur le Foncier (GRAF), Burkina Faso; Resource Conflict Institute (RECONCILE), Kenya; International Development Studies, Roskilde University, Denmark; Caledonia Centre for Social Development Land Programme, Scotland; Centre for International Environment and Development Studies (Noragric), Agricultural University of Norway.

Broad project objectives are as follows:

- To examine the changing status and availability of common property resources in the east, west and southern African sub-regions. This will be done by drawing on existing research, reviewing experience with different forms of institutions for managing these resources and their effectiveness in achieving sustainability and equity goals. From this Co-Govern aims to identify clear policy options and their implications.

- To investigate current processes of legislative and policy change affecting land and common property resource management in the three African sub-regions, and identify how lessons from local practice can inform and influence policy design and implementation of interventions relating to land matters. This is intended to enhance opportunities for different stakeholders to engage with and influence the outcome of policy and implementation processes.

- To communicate on land matters and CPR management through a variety of networking activities which promote exchange, dialogue and analysis.

www.uwc.ac.za/plaas/co-govern/

Programme for Land and Agrarian Studies

School of Government, University of the Western Cape
Private Bag X17, Bellville 7535, Cape Town, South Africa
Tel: +27 21 959 3733; Fax: +27 21 959 3732
E-mail: plaas@uwc.ac.za
Website: www.uwc.ac.za/plaas

PLAAS engages in research, policy support, post-graduate teaching, training and advisory and evaluation services in relation to land and agrarian reform, community-based natural resource management and rural development.

This is the second of a series of Co-Govern policy briefs published within the PLAAS series.