
Discussion paper

Speaking with one voice

***The role of small and medium growers' associations
in driving change in the South African forest sector***

Septi Bukula and Mzwanele Memani

2006

Upstart Business Strategies, South Africa



Contacts:

Septi Bukula
Upstart Business Strategies
115 4th Street, Linden 2195
Republic of South Africa
Tel: +27 11 888 2744, Fax: +27 11 888 8953
Email: bukula@ubsmart.co.za; septi@ubsmart.co.za

Duncan Macqueen
Forestry and Land Use Programme
International Institute for Environment and Development (IIED)
4 Hanover Street, Edinburgh, Scotland EH2 2EN, UK
Tel: +44 131 226 6860, Fax: +44 131 624 7050
Email: duncan.macqueen@iied.org Website: www.iied.org

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Small and medium forestry enterprises for poverty reduction and sustainability

Most international attention in forestry has been given to improving the conditions for large-scale or micro-scale forestry, and much less to the 'messy middle' – which produces a high proportion of forest products and involves huge numbers of people. Ways need to be found by which small and medium-scale forestry enterprises (SMFEs) can better contribute to reducing poverty and improving the prospects for sustainability.

IIED, with partners in Uganda, South Africa, India, Brazil, Guyana and China have been investigating these issues. Country diagnostics show that the SMFE sector is of major significance for livelihoods in these countries – the net effect of myriad small players represents a substantial part of local economies. Yet, these are largely invisible economies, and policy and programme developments almost completely ignore the SMFE sector. Raising the sector's visibility such that its impacts can be better assessed, and then going on to explore how the positive links to sustainability, livelihoods and poverty-reduction can be enhanced, is a major challenge to which this initiative seeks to rise.

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Acronyms and abbreviations

BBBEE	Broad-Based Black Economic Empowerment
DFID	Department for International Development (United Kingdom)
DWAF	Department of Water Affairs and Forestry (South Africa)
FOA	Forest Owners Association
FSA	Forestry South Africa
IIED	International Institute for Environment and Development
KWANALU	KwaZulu/Natal Agricultural Union
NEMA	National Environmental Management Act
NWA	National Water Authority
NWRS	National Water Resource Strategy
SAFCA	South African Forestry Contractors Association
SATGA	South African Timber Growers Association
SAWGU	South African Wattle Growers Union
SEDA	Small Enterprise Development Agency
UWC	University of the Western Cape
WFSP	Water and Forestry Support Programme

Executive summary

The major reason for the creation of forestry SME associations in rural communities is to strengthen the capabilities of those involved in making a decent living. Small-scale tree growers in South African rural communities operate under severe conditions due to political and socio-economic marginalisation. Construction and upgrading of infrastructure tend to favour urban and peri-urban areas – and the little enterprise support that is available tends to do likewise. Small growers increasingly recognise that working as individuals reduces their chance of success and sustainability, and see better opportunities to earn a living, fight unemployment and tackle poverty, by working together.

This report focuses on 10 small and medium growers' associations with the purpose of understanding how their formations and operations contribute to addressing the challenges and difficulties faced by members. Characteristics or factors that enhance or hinder a successful association are also explored. The report sets out to test four hypotheses about associations. Conclusions relating to those hypotheses are summarised below:

Cohesion – does association functionality depend on particularly strong mutual aspirations?

- Evidence shows that all associations were created in order to deal with a range of specific issues facing the members. There is a strong sense of a need to work together to resolve these issues. This was the motivation for the establishment of the associations as vehicles for collective action in solving the common challenges faced by members. These aspirations inform and underpin the ongoing functioning of the associations.
- The most common interest for these communities is to ensure that they have a voice to challenge the government to support them and bargaining power to negotiate with big firms for better opportunities.

Resilience – does association functionality depend on the legitimacy and credibility of decision-making?

- All associations have put in place and follow democratic processes of decision-making, which have built-in mechanisms for interfacing and consulting with the broader membership. Quarterly meetings with regional representatives of the membership or with the membership at large are the norm, and annual general meetings play an important role in ensuring membership participation in decision-making. Elected executives take certain decisions, with the requirement that a minimum quorum is met, and certain major decisions are referred to meetings with members.
- This high level of membership participation in decision-making plays an important role in ensuring the legitimacy and credibility of the decisions made and the high level of support these decisions enjoy among members.

Equity – does association functionality depend on the adequate representation of interest (including gender)?

- Small associations do not appear to have problems of domination of the agenda by specific interests. Given that the associations are either very small, thus enabling a higher level of interaction among members, or structured in such a way that issues discussed or positions taken are properly mandated by members, there is a strong feeling of equity in handling association affairs.
- The only association where an issue of inequity emerged is Forestry South Africa (FSA) where the large grower group (which comprises only eight large corporate members out of a total membership of approximately 26,000) holds five positions in a 10-member executive committee. There is a feeling among medium and small grower groups, represented on the association's executive by three and two members respectively, that the large grower group dominates executive decision-making.

Support – does association functionality depend on the degree to which institutions and policies are supportive?

- All small grower associations have benefited to some extent from external support such as financial resources, technical assistance and inputs for planting trees from various sources including the government, large firms and FSA. Where this is significant, it has made a major contribution towards enabling the ongoing functioning of small grower associations. Even FSA has received financial support, in particular from DFID, for supporting their small grower development programme. Although the absence of this support would not negatively impact the ongoing functioning of FSA, it has helped the association to implement programmes of support for small grower groups whose numbers and ambitions have risen dramatically.

Many associations have achieved some short-term objectives such as getting recognition from a government department or receiving some financial and technical support. Some associations have long-term objectives such as competing fairly with large firms and accessing domestic and international markets independently of their trading relationships with large firms. This is a major challenge for small grower associations in all parts of South African rural areas, because large firms tend to dominate every aspect of the value chain, including setting price parameters for forestry products.

The following recommendations are offered as ways to continue improving the ability of small grower associations to contribute to sustainable rural development:

1. **Continue support for building robust small grower associations** – this will contribute to clarity on the needs of small growers in policy dialogues and is likely to speed the development of more enabling policy and support programmes.
2. **Strengthen communal and smallholder tenure** – the Communal Land Rights Bill (2004) is an important step in the right direction but much more remains to be done.

3. ***Focus on cost-effective technical support for smallholder tree-growing*** – such as growing methods and forest maintenance, including fire protection.
4. ***Improve financing options and market intelligence for small growers*** – new approaches to loan funding and other support packages managed by associations are needed, as is better information on prices and market mechanisms.
5. ***Prioritise policy frameworks enabling small forest business models*** – development of the Small Forest Enterprises' Support Policy and the forestry charter for Broad-Based Black Economic Empowerment are particular opportunities that need to be seized.

1. Context

1.1 The nature of the South African forest sector

The South African forest sector is dominated by the plantation of commercial forests which, at about 1.4 million hectares, cover 1.1% of the country's land area (DWAF, 2005). The White Paper on Forestry (DWAF, 1997) indicated that commercial forests were established to supply raw materials to satisfy mining, construction, and industrial markets. Indigenous or natural forests are estimated to cover 500,000 hectares, which represents about 0.5% of the land area. The White Paper and other policy documents have sought to provide protection to these natural forests since they are slow-growing and considered inadequate and inappropriate to supply the majority of the country's wood requirements (UWC, no date).

The land area of woodlands is estimated at 29 million hectares. The White Paper (1997) notes that "rural people use natural forests and especially woodlands for many purposes", including:

- timber for housing, kraals and fencing;
- fruit as an important dietary supplement, and sap for brewing of beer and wine;
- bark for making ropes and weaving;
- medicinal products from bark, bulbs, leaves and roots;
- honey production;
- harvesting of insects, mushrooms and other edible plants;
- grass for thatching and weaving, and for grazing cattle;
- local craft industries.

The private sector owns 70% of the country's total plantation resource and virtually all of the country's timber processing plants (South African Consulate General, no date). The two largest private sector companies – Sappi and Mondi – started their own programmes of involving small and emerging forest firms in the forestry industry. However, the South African government has recognised the need to further transform the industry and has published the Broad-Based Black Economic Empowerment (BBBEE) Act to be implemented through development of economic sectors. The forestry industry is working on its charter under the BBBEE Act. The Department of Water Affairs and Forestry states that the charter should commit the sector to equity goals, not just in growing trees, but throughout the value chain. DWAF is also aware that it needs to address some problematic policy issues that have been raised by small enterprises. These include forestry licensing, land claims, and transfers of state-owned forest areas to other managers (DWAF, 2005).

1.2 The drive towards economic growth

The South African government's vision for development is based on economic growth and the redistribution of wealth (Department of Finance, 1996). The government sees small enterprise development in general as a vehicle for stimulating the economy, thereby fighting unemployment and reducing poverty. At present, the national government has consolidated its agencies that deliver non-financial services to small enterprises under one body – the Small Enterprise Development Agency (SEDA). This

agency is currently setting up offices throughout the country so that all small enterprises in the country can access non-financial services.

Through forestry associations, small-scale growers have an opportunity to tap these services in order to develop their skills. Beyond the technical skills needed to grow trees, there is a particular need to develop enterprise-management skills since many of these growers have been excluded from attaining higher levels of education.

The BBBEE strategy provides a platform that forestry SME associations could utilise in order to help their members to foster partnerships with large firms. Howard *et al.* (2005) indicate that “probably one of the most significant actions with regard to BBBEE, taken by the private forest industry, has been the creation of Forestry South Africa (FSA) and the provision for small-scale growers to be represented.” Clarke and Isaacs (2005) (citing Glen Michael and Associates) note that “the goals of BBBEE are largely congruent with poverty reduction, providing the basis for much greater involvement of black people in the economy, not just through equity transfers, but also through enterprise development, employment equity, skills development and training.”

1.3 Specific forest-based policy frameworks

The South African National Forest Act (DWAFF, 1998) promotes the sustainable use of forestry for environmental, economic, educational, recreational, cultural, health and spiritual purposes. This entails creating conditions necessary for the restructuring of state forests, providing special measures for forest preservation, promoting sustainable and efficient management and development of forests and promoting forestry for the benefit of the local community.

Together with the 1997 White Paper, this Act lays out a vision somewhat contrary to the traditional view of forestry as the science of managing forested land. It is a vision of forestry as the relationships between people and the resources provided by the forest. It includes the use and husbandry of the wood, fruits and other products that come from trees, as well as the wildlife that dwell in the forest.

1.4 Survey of associations

This report presents results from 10 small and medium timber tree growers' associations in South Africa. These associations include one national umbrella body, six associations based in KwaZulu/Natal, two in Limpopo, and one in each of the Eastern Cape and Western Cape provinces. Some other forms of small forest-linked enterprise associations are known to exist but their profile is very low and initial scoping work revealed that they are difficult to engage with. Hence it was decided to restrict this survey to small grower associations. Further work on these other association forms at a future date would likely prove valuable. The associations surveyed are described in Table 1.

Table 1. Associations interviewed

	Name of association	Description	Status
1	Forestry South Africa (FSA) – Head Office is in Sandton (Johannesburg), Gauteng Province	FSA is an umbrella body that represents timber growers throughout the country	Well-established association with all the necessary infrastructure
2	Sakhokuhle Association – Ilembe District, KwaZulu/Natal Province	The association was established by small timber grower individuals and associations in the district of Ilembe	Less established association with limited resources
3	Kwangwanase Association – Kwangwanase, KwaZulu/Natal	The association was formed by small growers in the community of Kwangwanase	An under-developed association with no infrastructure at all
4	Zamukuthula Platt Estate Association – Ixopo, KwaZulu/Natal	The association was formed by small timber growers in Platt Estate	An under-developed association with no infrastructure at all
5	Masibumbane Small Growers Association – Harding, KwaZulu/Natal	The association was formed by small growers in the community of Santombe	An under-developed association with no infrastructure at all
6	Swayimane Small Growers Association – Warburg, KwaZulu/Natal	The association was formed by small growers in Warburg	An under-developed association with no infrastructure at all
7	Soekmekaar Trust Farmers Association – Munnik (near Tzaneen), Limpopo	The association was formed by small growers in Munnik	An under-developed association with no infrastructure at all
8	Vhembe Small Timber Growers Association – Limpopo Province	The association was formed by small growers in Vhembe	Less established association with limited resources
9	South African Forestry Contractors Association (SAFCA) – George East, Western Cape	The association represents forestry contractors throughout the country	Well-established with an office, equipment and internet access
10	Zintwala Community Trust – Umzimkhulu, Eastern Cape	The association was formed by small growers in Umzimkhulu	Less established association with limited resources such as an office and equipment

Interviews were carried out with the leaders of the 10 associations described above. The associations were categorised into three groups:

- Well developed – with the necessary infrastructure and resources to run an organisation effectively. Only two established associations, FSA and SAFCA, were willing to participate in the study. The rest of the established associations were unwilling to engage, generally citing lack of time as the reason.
- Partially developed – less established associations with limited infrastructure and resources. This segment has access to equipment such as fax machines, telephone lines and in some instances an office space.
- Under developed – associations with no infrastructure and resources at all. Communication with this group was very difficult. This group comprises almost exclusively small rural community-based associations.

According to Lewis *et al.* (2004), a small grower is defined by holding a land area of between a hectare or less and 100 hectares, and is either part of a corporate outgrower scheme or cultivates timber independently. FSA adds that a small grower is defined as a person, family and/or community that plants trees for commercial timber production, predominantly of eucalyptus or wattle species, utilising minimum technological operations, employing up to 11 people at a given point, and with an annual turnover and/or asset value of less than R 5 million.

Most members of these associations cultivate timber on their own after having experienced difficulties previously as members of corporate outgrower schemes. Constraints include lack of marketing skills, shortage of educated people (because educated individuals tend to migrate to urban areas for better opportunities or venture into industries other than agriculture), high levels of poverty and unemployment in rural communities. The associations assist their members to deal with these constraints by way of marketing products on their behalf, seeking training opportunities for members to enhance their skills, and negotiating better deals for members.

2. Survey results and analysis

Two of the associations surveyed are dominated by women, and one of these is entirely owned and run by women. The average age of the interviewees was 45 years. The oldest small grower association (Swayimane Small Growers Association) has been in existence for approximately 20 years, and is chaired by a 30-year-old woman in KwaZulu/Natal. The average year of establishment for associations was 1999, with the oldest having been established in about 1984 and the youngest in February 2005. Most interviewees have been involved in their associations for more than five years. Over 50% of interviewees have previous leadership experience in another association.

All the small grower associations, especially those classified as partially developed and under developed, share the same history of exclusion from owning land. Most of these timber growers typically were employees in large timber grower companies. Small growers emerged when large companies started programmes to encourage the participation of rural communities in forestry. It was at this stage that individual growers saw a need to mobilise themselves as they perceived exploitation by the large companies. Today, a major objective for these associations is land redistribution, given that large parts of land are still under the control of the state and/or tribal authorities.

2.1 Cohesion – reasons behind the formation of associations

The following reasons were given for the establishment of associations:

- Bargaining power and to speak with one voice (8)
- Develop skills of members through sharing information, networking and experience on a variety of topics including maintenance and sustainability of trees (6)
- Pull resources together in order to have access to finance (2)
- Avoid exploitation of small groups by large firms (2)
- Get recognition from authorities as a representative structure (1)
- Share costs and benefits amongst members (1).

Primary motivations for establishment amongst almost all the associations were couched in terms of bringing back the dignity of timber growers. The favoured way to ensure that dignity is restored is to 'speak with one voice' when approaching government or any support entity. As one association puts it: "as an individual, no one listens to you, but an association 'carries some weight' because support agencies understand that it represents organised individuals." Associations highlight a wide range of constraints in the legislative environment, including laws on land, water (National Water Authority [NWA], National Water Resource Strategy [NWRS], etc.), environment (National Environmental Management Act [NEMA], Biodiversity Bill, Heritage Act, etc.), property rates and the minimum wage. On business issues like credit, marketing, business services and insurance, it is not so much a case of legislative hostility *per se*, but of inappropriate systems making it difficult for small enterprises to access or use such facilities.

When dealing with large companies, the associations see themselves as trying to exert bargaining power on behalf of their members – primarily to gain better offers on the price paid for the growers' logs. In dealing with government, the associations want their

members to gain access to financial, business management and technical support and also to operate their forest activities in a stable and enabling policy environment.

Government has provided assistance in the form of inputs such as seedlings and fertilisers, and also technical support in the form of agricultural extension officers, but not all associations have been able to access these inputs. The associations see a major role for themselves in ensuring that business management support is provided or accessed by their members. But a major challenge highlighted the inaccessibility of support programmes from government agencies as most of these agencies are located in urban or semi-urban areas.

The issue of land is still problematic for rural communities who largely depend on agricultural and forest activities. In the majority of cases, land is either owned by large firms, the state or tribal authorities. However, the introduction of the BBBEE charter is expected to require that private companies involve rural communities living adjacent to the land in the ownership of the forestry activity, support enterprise development, create employment and provide skills development for such communities.

Land owned by the state is sometimes made available for access by small growers. In instances where this land is not made available, the state typically has plans for other activities – for example building roads, housing units and other infrastructure development programmes.

Land under the jurisdiction of the tribal authorities has generally been badly managed. These authorities have not, for example, allocated land to forestry on the basis of its soil suitability (Box 1).

Box 1. A small grower association at the mercy of tribal authorities

Trees planted by the Masibumbane Small Growers' Association have not been growing well. It was not clear from the association whether the problem was the type of soil or seedlings. Without attempting to explore the reasons, the tribal authority requested that the association relocate to another piece of land, which was very stony and clearly unsuitable for growing trees. An alternate piece of land has been identified but, showing how entirely dependent the association is on the support of the tribal authority, it still awaits the authority's approval.

Tribal authorities are not well resourced and face many capacity challenges, thus making it difficult for them to provide appropriate assistance to land users or timber growers. If associations in disadvantaged communities could affiliate to a provincial or national forest body, their needs could be voiced at higher levels. But some associations seem to lack the aspiration, ability and initiative to foster such collaborations. High hopes are thus placed on the mandate given to FSA to develop the capacities of small timber growers.

It is not only small growers that are concerned with intractable land issues (Box 2). Medium and large growers have raised concerns about the future of their enterprises given the prevalence of land claims on forest land. Whilst most of these claims are handled by the affected landowners themselves, FSA has agreed to try and develop a consolidated overview so that affected members can interact and learn from each others' experiences. Of particular concern is the problem that government has in

funding land restitution and the possibility of introduction of a 'land tax' to help pay for it. FSA has committed itself to monitor such developments very closely (FSA, 2004).

Box 2. An association with land but no title deed

Zamukuthula Platt Estate Association was allocated a forest area through the government's scheme of providing state-owned forests to communities living adjacent to them. Initially, this community had made a claim for land which was historically taken away from them. Then, during the process of resolving the land claim, a suggestion was made that the community should acquire the forest area in the place of the land under claim. It was suggested that because the forest activity was operational, they could continue to cultivate and maintain the forest, whereas a piece of undeveloped land would require huge amounts of capital investment.

The members of the association opted for acquiring the forest, and the land was transferred to them. But no title deed was given because they did not have a constitution as an organisation. Another requirement was that the association should have a bank account, so that they could invest their profits. Part of the deal involves the authorities auditing the association's financial books to assess how their forest is performing. If performance is not satisfactory, in terms of mismanagement and poor governance, the forest would be taken back by the state. The association is in the process of getting their constitution ready for submission to the authorities. It is desperately in need of assistance to fence the forest land from invasion by both people and animals.

The second most important reason for working together is to share information, experience and collaborate with other structures (Box 3).

Box 3. Associations share information and experience

FSA as an umbrella body facilitates acquisition and sharing of information on a number of fronts, including areas of legislation such as the Municipal Property Rates Bill and Communal Land Rights Bill, and research and development issues. FSA is in a strategic position to share information with other associations because they aim to represent emerging, small, medium and large timber growers. The interaction between them enables relevant and accurate information to be shared amongst members. Likewise, members can share their constraints and difficulties so that ideas and solutions could be discussed. Issues and positions can then be taken forward with relevant institutions, for example lobbying government on legislation.

Sharing of information and experience is vital to ensure that small timber growers grasp and apply new skills and techniques in their enterprises. This is especially important for those new to tree growing. Some members of associations bring contacts and intelligence to enable the association to make new links and seize opportunities. For example, the project co-ordinator of Sakhokuhle association chairs the district committee of FSA and is the secretary of KwaZulu/Natal provincial committee on forestry matters. This allows him to share much information with his association about developments, trends, opportunities and challenges in the forestry industry in KwaZulu/Natal.

2.2 Resilience – credibility and legitimacy of decision-making

All the respondents mention that leaders are chosen by a membership vote, usually by a show of hands in small associations and anonymous voting in large associations. This indicates that these associations are governed by the members themselves and signals credibility and legitimacy in the leadership.

40% of associations hold elections of new leadership once every three years, 30% conduct elections once every two years, and 20% once a year. Only one association (Zamukuthula Platt Estate) indicated that they have not resolved the issue of re-elections until authorities give them their title deeds. In small associations, there is a tendency to rotate positions amongst the committee members. FSA has a policy of rotating the chairperson's position amongst its groups. This is done in order to ensure that all groups have an opportunity to chair meetings.

All associations indicate that there are no particular requirements for the positions of leadership because members are elected in confidence by popular vote. This trend might change in the long run when associations are well established and matured.

50% of respondent associations meet once a month to discuss important issues, 20% meet twice a month and another 20% quarterly. Only one respondent association mentions that their leadership meets once a year. All respondents indicate that the leadership makes decisions with their input. Decisions with few negative consequences can be taken by the leadership with only a minimum quorum of 50% plus one. For example, the leadership of Zintwala Community Trust used this minimum quorum to make a decision about signing a lease agreement by the Trust chairperson. The leadership did not have to wait for all the members of the executive to be present in order to make this decision.

Members associations have various channels to express their opinions and raise issues for discussion by the leadership. Respondents stated that the leadership generally does its best to ensure that members are consulted before taking any major decision. For example, FSA leadership mandates the Executive Director together with group co-ordinators to consult with respective group structures whenever an issue is raised by an ordinary member so that an informed decision can be taken. For example, a decision was taken by FSA on a Sirex pest control programme following consultation with all structures of the association in deciding on the scale, financing and implementation mechanisms of the programme (the programme is now being implemented through a consortium co-led by the Institute for Commercial Forestry Research).

Domination of some interests by others was not highlighted by respondents except in the case of FSA – which is clearly a very different sort of entity to the other associations. With five of the 10-member committee representing the large-scale forest industry, the medium-scale and small-scale industry (with three and two members respectively) feel dominated. It is not surprising that at this stage of its history the FSA is shaped in this way – it was only established in 2002, amalgamating several previously separate large-scale industry bodies. Perhaps with time the representative muscle of the small-scale group will grow. It is possible small and medium groups will merge to form one group at some point.

2.3 Equity – adequacy of representation of interests

Box 4. Objectives of an association: Forestry South Africa

Some of FSA's objectives are:

- To promote the interests of all growers of all commercial tree species and to create unity of purpose amongst members.
- To promote the commercial production and utilisation of timber and forest products in an environmentally sound manner and to use natural resources without detriment to their long-term sustainability.
- To promote the growth, development and well-being of the South African Forestry Industry locally and internationally.

FSA notes that its objectives might change in the future to reflect the changing environment. But, at only four years old, they still capture the members' aspirations.

Members of associations generally seem to accept that their associations are heading in the right direction – and that their own investments in time, money and energy in their associations are not wasted. Even respondents who are not entirely satisfied recognise that there are valid reasons why their needs are not met, such as the following:

- Their associations are fairly new.
- There are financial constraints.
- Some association have inadequate amount of members with skills in forestry-related matters.

80% of respondents indicate that the costs of membership and the benefits of being a member are shared reasonably equitably (Boxes 5 and 6).

Box 5. The costs and benefits of membership

Sakhokuhle Association requires that individuals or institutions should pay a certain percentage of their revenue as a cost of being a member. Members consider this fee to be reasonable because it is contingent on selling their goods. All members have found the opportunity to sell their goods because the association has worked to secure a market for their goods. This has inspired members to concentrate on maintaining their forests, knowing that marketing is taken care of by the association.

Box 6. High hopes from an association's initiative to reduce poverty

In facilitating growth and development of the industry, FSA seeks to engage with other players to put in place necessary development frameworks. One such initiative is the development of site suitability maps for tree-planting amongst communities in some 40,000 hectares of Kwa-Zulu Natal. FSA hopes to attract multi-agency interest in working with growers in these communities to realise some of this potential. A substantial injection of investment (over R 280 million) to communities is the objective – and the resultant tree-growing would, it is estimated, reduce poverty and create somewhere in the region of 2,000 to 4,000 jobs. FSA's continued commitment to build the capacity of small timber growers will be critical to the chances of such vital rural development.

2.4 Support – adequacy of external institutional and policy help

All the respondent associations, with the exception of SAFCA, mention that they have received support of some kind from the government, private sector and/or donor agencies. Generally, organisations that operate in rural settings find it difficult to attract funding and support. The more successful organisations, even those that fight for the rights of rural communities, are usually located in urban areas. Similarly, social movements tend to be biased towards urban areas. The perception of neglect of rural communities is perpetuated further when government does not appear to give adequate priority to rural infrastructure such as roads, electricity, water, and telecommunications.

Rural organisations tend to be highly appreciative of what little support they get from institutions and individuals. Sources of financial and technical support described by the small grower associations were the Department of Agriculture (especially in the licensing process), the government of Taiwan, Sappi, Mondi, DWAF and FSA.

The Department of Agriculture in the Limpopo Province has appointed agricultural extension officers to provide technical assistance to small grower associations in the shape of assessment of soil-type during licensing, the nature of trees to be planted, and the type of chemicals and fertilisers to use. In other provinces, this type of support has been provided by large companies to small timber growers – or at least those that participate in the companies' outgrower schemes (Box 7).

Box 7. Large forestry company support to an association

Masibumbane Small Growers Association entered into an agreement with a large firm, Sappi, in order to supply them with logs. In turn, Sappi provided the association with seedlings, chemicals and also technical and business management support. The large firm has agricultural and forest experts that provide assistance in terms of surveying the type of soil, to assess whether the soil is mudstone or sandstone, and what tree species to plant for a certain type of soil. The association has been provided with seedlings of eucalypts, which is the dominant fast-growing tree species. Interest-free credit is sometimes provided and is deducted from the value of crops. There is supervision throughout the process of planting, maintaining and harvesting the forests. Technical training also includes training the association members on how to use dangerous equipment and how to handle dangerous chemicals. The association members appreciate the intervention of Sappi because without it, they would still be far away from realising their objectives.

The government of Taiwan provided one-off financial support to Soekmekaar Trust Farmers Association in order for them to purchase seedlings, fertilisers and other inputs for tree growing.

Sappi and Mondi¹ have assisted a number of emerging and small growers with seedlings and other type of support to grow trees. Since 1983, more than 4,000 black farmers in KwaZulu/Natal have joined the small grower commercial timber schemes administered by Sappi Forests, Mondi Timber and the Lima Rural Development Foundation (a non-government organisation contracted to Sappi). Farmers join the schemes under contract and are provided with technical assistance, subsidised inputs

¹ Sappi and Mondi are members of FSA – most certainly in the 'large' group category.

and loans for the establishment and maintenance of small *Eucalyptus grandis* plantations. The average size of these plantations is 1.2 hectare. Trees are planted in plots on land where individual farmers have rights to use the land this way.

After six to eight years, the timber companies expect to purchase all trees subsidised by the schemes. They retain first rights to the timber from subsequent coppice regrowth. The cost of loans and certain inputs are then deducted from the gross payment to farmers. There was little in the way of development of grower associations in these schemes until the late 1990s when they began to emerge in KwaZulu/Natal as individual farmers felt that they were being exploited by these big firms.

Over the last couple of years, FSA (with help from some funding from DFID) has provided significant support to organising and mobilising emerging and small grower groups into associations (Box 8).

Box 8. FSA providing assistance to a small grower group

FSA has provided assistance in the formation of Vhembe Small Grower Association in collaboration with other role players – DWAF and DFID. The support started off with an inception meeting amongst these role players and individual timber growers. There were about 40 timber growers in the meeting. The meeting sought to outline roles of each player as follows:

- FSA would provide organisational development support.
- DWAF would deal with technical-oriented issues (marketing).
- DFID would focus on the water and forestry programme, but also fund some activities.

FSA aims to provide a platform for small grower groups by integrating them into its committees, so that small grower groups can increase their voice and knowledge on forestry issues. In the case of Vhembe, one of the leaders is on the FSA executive committee. This provides many opportunities for the small grower association to learn about forestry issues in the country and strengthen the local association in its drive to succeed.

An amount of R 1.2 million has been made available to FSA by DFID, through the DWAF-DFID Water and Forestry Support Programme (WFSP), to be spent on the following projects:

- The establishment of a representative small grower structure and the development of capacity building and skills development support systems for these structures.
- The development of a small grower database.
- The development of a small grower communication and information strategy.

These interventions had achieved considerable impact by late 2005. Not only is there now small grower representation at FSA board level, but FSA now has a well-established dedicated small business development manager and two small grower group facilitators – with funding commitments to support for the next three years – and plans to include representation by, and support to, contractors. There are 70+ small grower committees established under the FSA drive in KwaZulu/Natal and two in Limpopo (each of six or seven people) – all with some degree of heightened organisational capabilities and preparedness to undertake more growing. The big

challenge now is to attract loan funding and other support packages to realise some of this great potential.

Spin-off benefits from the FSA work also include a skills development and support programme for small growers prepared by FSA for support by the government's Forest Industries Education and Training Authority, and a draft management system for small grower group certification developed and proposed for consideration by a newly established National Certification Initiative. A forest worker empowerment scheme has also been piloted on a KwaZulu/Natal forestry farm and other models are planned for trial. These models also have great potential if local government agency capacity can be improved to support them.

3. Conclusions

Small grower associations play an important role in their communities. This role is beginning to change. Most associations have formed rather opportunistically to receive support from large companies, government and other potential service providers. Today though, their members are increasingly coming to the conclusion that, if timber growing is going to help in addressing systemic rural challenges such as lack of access to finance, lack of access to markets, exploitation by big firms and general lack of basic infrastructure, then they need to increase their bargaining power by mobilising themselves, learning together and speaking with one voice.

Most association members are content with the way their associations are run and appreciate the support they receive from various institutions such as the government, large corporations and FSA in particular. FSA was formed largely from a merger of old forest associations, which excluded emerging and small grower groups, yet it took the decision to help concertedly to build capacity in emerging and small timber grower groups. Through its small grower support programme, FSA has made much progress in being able to help support meaningful changes to the lives of small growers and their communities.

Government has also made moves to enable rural communities to take ownership of forest enterprises as opposed to them being employees or part of outgrower schemes run by large companies – but there is much government work still needed to provide practical policy frameworks supporting small forestry business models.

Association members highlight the above needs, and more immediate concerns for technical assistance on tree growing, and business management skills. Some members see even more immediate priorities such as fencing their forest areas to protect them from encroachment.

In conclusion, the following recommendations are offered as ways to continue improving the ability of small grower associations to contribute to sustainable rural development:

1. ***Continue support for building robust small grower associations.*** More emerging and small growers should be helped to mobilise and encouraged to form their own associations focused on their own objectives. This will contribute to clarity on the needs of small growers in policy dialogues and is likely to speed the development of more enabling policy and support programmes.
2. ***Strengthen communal and smallholder tenure.*** Many timber growers are concerned at what would happen to their forest activities if the land belongs to tribal authorities or under land claim. However, the promulgation of the Communal Land Rights Bill (2004) has provided some relief since it enables any group of people who have land tenure rights within a geographic area and who wish to be associated as a community to apply to the minister for the transfer of communal land or any rights in land to them. The Minister may initiate the transfer of land or land tenure rights to a community, family, household or person.

3. ***Focus on cost-effective technical support for smallholder tree-growing.***
Small growers are keen to develop skills – best done through associations. Tree-growing methods and forest maintenance are key areas. Wild fires are a major problem and DWAF has proposed the formation of forestry fire protection associations. The intention of these associations is to decentralise governance of fire prediction, prevention, managing and fighting to the lowest practical level for the landowner (DWAF, 1998).
4. ***Improve financing options and market intelligence for small growers.***
With organisation and expectation raised, new approaches to loan funding and other support packages managed by associations need to be explored to enable small grower potential to be realised. For associations that receive seedlings from large firms on condition that small growers sell to them, better information on prices and market mechanisms is needed, so that small growers can negotiate better deals.
5. ***Prioritise policy frameworks enabling small forest business models.*** The development of the Small Forest Enterprises' Support Policy by DWAF and other implementing agencies represents a particular opportunity to install an enabling framework for small forest enterprise associations. The negotiation of the forestry charter for BBBEE represents another important arena for recognising the role of associations in helping previously disadvantaged individuals into the mainstream of the forest activity.

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Annex 1. Descriptions of associations

FORESTRY SOUTH AFRICA (FSA)

Introduction

Forestry South Africa (FSA) is South Africa's largest and most established forestry association representing growers of timber in the country. FSA was granted registration as a non-profit organisation in terms of the Non-Profit Organisation Act (Act No. 71 of 1997), by the Department of Social Development. The association was established in January 2002, as a result of merging three old forestry associations – the Forest Owners Association (FOA), South African Timber Growers Association (SATGA) and South African Wattle Growers Union (SAWGU). The association has approximately 26,000 members including large, medium and small growers. FSA has its head office in Johannesburg and has one branch office in Pietermaritzburg, serving the medium and small grower groups.

Objectives

One of FSA's founding objectives is to bring the emerging small-scale timber grower sector into the mainstream of forestry activities, through membership of FSA. The idea of creating a single national association arose from the fact that forestry activities were dispersed. It was felt, therefore, that all forestry industry activities needed to be co-ordinated by one body to ensure efficiency and effectiveness of services rendered to members. The creation of the new association was influenced by three factors:

- The need to create a new association, embracing all enterprises within the industry, including those that were not part of the old associations, such as emerging and small growers.
- The public sector played a critical role in promoting business unity among various groups to form one association that represents the needs of forestry stakeholders so that they could approach government as one voice.
- The emerging and small growers also needed to be represented by an established, well-recognised forestry association.

The membership of the association is divided into three categories: large, medium and small growers, motivated by the needs of forestry growers. For example, the small growers were not affiliated to any national body in the past. However, in 2002, it was felt that they needed to be part of the new association so that they could be ring-fenced as a group and be provided with a focused support. FSA is also playing a role in assisting emerging growers to be organised into groups so that they can establish an association of their own. The association is busy putting together a database of all these emerging growers and groups in forestry-based provinces such as Limpopo, KwaZulu/Natal and Eastern Cape.

The association places emphasis on collaborating with other industry associations so that they can deal with issues that have a bearing on agriculture and forestry. For example, FSA has worked in collaboration with KwaZulu/Natal Agricultural Union (KWANALU) to inform their members about the Property Rates Bill that had a bearing on agriculture. The main points noted by the two institutions were that:

1. Farmers including timber growers need to be aware that municipalities would be imposing rates on their properties.
2. They need to show property or land valuers around their farms and point out features that would lower the value of their farms. These could include servitudes, informal settlements and conservation areas.
3. They need to work through their Farmers Association to start gathering information on at least:
 - a. the cost to the farming community of supplying services;
 - b. the level of services provided by their municipality;
 - c. the economic importance of agriculture in their municipality;
 - d. how the farming community contributes to social upliftment.
4. Liaise effectively with their municipalities and form a position of strength.

There are three reasons outlined for opting to work together as an association rather than as individuals:

- Strengthening bargaining power in relation to the government and other interests.
- Pulling together resources to achieve greater impact.
- An association also helps the interaction amongst various stakeholders in the public and private sectors.

FSA's objectives are as follows:

- To promote the interests of all growers of all commercial tree species and to create unity of purpose amongst members.
- To promote the commercial production and utilisation of timber and forest products in an environmentally sound manner and to use natural resources without detriment to their long-term sustainability.
- To promote the growth, development and well-being of the South African Forestry Industry locally and internationally.
- To promote policies and operating practices that support free competition and which foster and encourage entrepreneurship and innovation.
- To promote, support and encourage education and training, research and development and technology transfer in the interests of members.
- To collect, analyse, exchange and disseminate information, literature and statistics relevant to the need of members.
- To represent the interests and views of members to Parliament, Government, Provincial and other public or private bodies and officials in South Africa, and elsewhere, as may be necessary.

FSA's executive committee was crucial in the development and finalisation of these objectives. The process followed was that each of three groups – large, medium and small – recommended issues to the executive committee, which, in their view, would address the needs of the group. The executive committee would prioritise these issues and make decisions based on available resources on which objectives to prioritise. The association said that the objectives still represent the main purposes of the association today, and these objectives meet the needs of members adequately.

Membership

The membership of the association is open to both individuals and institutions. The association has approximately 26,000 members. Membership is not restricted in any way, but an individual or institution needs to be involved in timber growing and/or should share the same objectives of the association in the case of service providers. There is a membership fee of R 0.70 per ton of timber sold, payable by timber growers. However, service providers and other institutions can negotiate a fee if they have an interest of taking membership with the association.

The association has three levels of membership: ordinary, association and honorary. The ordinary members have full membership and voting rights, whilst the association and honorary members have full membership status but no voting rights. The costs of membership and the benefits thereof are considered to be perfectly equitable. FSA is undergoing transformation, given that old associations are part of the new structure. It is envisaged that as the association develops, participation by all the groups will improve.

Governance and decision-making

The association has a 10-member executive committee or board of directors, which is chosen by members. It provides for the establishment of three separate and distinct entities under the umbrella of an overall executive committee, namely:

- large growers group
- medium growers group
- small growers group.

Each of these groups has its own committee structure with proportional representation on the executive committee. The association conducts elections of new executive committee members once every year. Each group nominates representatives to be elected to the executive committee. It is possible that groups may decide to keep their representatives in the committee. However, the association's constitution stipulates that the position of a chairperson should rotate among groups.

There are no particular requirements for the positions of leadership in the association because it is assumed that groups have nominated representatives in confidence. The executive committee meets once a quarter to discuss important issues. The executive committee makes decisions based on the recommendations of the different groups. A minimum quorum of two thirds of members of the executive is required for certain decisions to be made. The executive committee meets with members once a quarter. If an ordinary member has an issue to raise for discussion by the executive committee, the group members are expected to endorse the issue and make a recommendation for the issue to be discussed by the executive committee.

At the same time, the group co-ordinator approaches other groups to secure their comments and input on the particular issue. Having consulted all groups, the group co-ordinator tables the matter before the executive committee. The executive committee, through a negotiated process, makes a decision on the issues at its meeting. Below the executive committee, there is also a management committee, which consists of the executive director and the three group co-ordinators. These are full time managers.

The association believes that all members are treated equally. However, there is a dominating group within the association. The executive committee is composed of five representatives from the large group, which has only eight large corporations as members, three from medium and two from small groups. This composition exists because of a feeling that the old organisations needed to be protected from drastic changes. Given its majority status, the large group tends to dominate the discussions. However, it is envisaged that over a period of time, the medium and small groups might merge to form one group, which would have the strength to interact adequately with the large group.

The association, since its establishment, has promoted the principle of negotiations. As such, decisions have been based on this principle, and no voting has taken place yet. The members of the association are at liberty to express their opinions. Overall, the small grower co-ordinator indicates that the association is well managed.

SAKHOKUHLE ASSOCIATION

Introduction

Sakhokuhle association is an umbrella body with approximately 1,400 members. The association was established in 1999 and represents various small forestry groups in the Ilembe District, KwaZulu/Natal Province.

Objectives

The small growers were motivated by the following reasons to establish an association:

- Speak with one voice.
- Avoid exploitation of small growers by large firms.
- Monitor and evaluate the sustainability and maintenance of forests (especially that it takes seven years for trees to grow and be ready for harvest).

The idea of creating an association came from the current project co-ordinator's father. A special meeting was called to discuss the creation of an umbrella body and those who attended the meeting saw value in the proposal and became part of the new concept. The concept of creating an association for small growers was new, as the project co-ordinator mentions that they "had never heard of any umbrella association in forestry." In the process, other members have joined the association because they see the benefits of membership.

The executive committee hosted a workshop to develop the objectives of the association, and some of the objectives are to:

- Develop and expand the farming community.
- Ensure an effective transportation system.
- Ensure the sustainability of farming.
- Expand the market share of the association.

These objectives continue to represent the main purposes of the association today. Given that the association is five years old and is learning new things, the current objectives are considered to meet the needs of the members in a reasonable manner. For example, the association believes in sourcing reasonable quotes or negotiating with transport owners for cheaper rates so that its members could benefit.

The association would like to expand its services throughout the KwaZulu/Natal province, and also to have lobbying powers with private sector corporations. A provincial committee has been established to look into the issue of establishing an association that would represent aspirations of forestry groups throughout the province. The association plans to meet with existing groups or associations in other regions of the province. Their intention is to sell the vision of working together so that they could establish a provincial association that would, for example, play a critical role in identifying market opportunities for local or regional associations.

Membership

The association's membership of approximately 1,400 consists of both individuals and institutions. Even though the association's project co-ordinator did not have a breakdown by gender, he was confident that women were the majority within the association. Most individual members of the association are people older than 35

years. Membership is not restricted to any geographic region, type of employment or gender. Everyone who has a plantation field and who shares the same vision of the association is free to become a member.

Members of the association pay a membership fee that is in proportion to their sales. There is no fixed membership fee. For example, members pay R 1 for every ton of plantation they sell, which costs R 260. The association believes that the costs of membership and the benefits of membership are shared perfectly equitably. Members have full rights, including voting rights, to participate freely in the association's activities. Membership benefits include:

- Protection against exploitation.
- The association has an agreement with buyers of timber such as Tugela Mill (TWK) that any small grower who does not have an association voucher would not get support from these buyers.
- Members' problems are attended to by the association, e.g. if a member needs a contractor to cut trees down, the association would organise a reasonable contractor.
- The association provides its members with good quality service.
- They represent the aspirations of their members by speaking "what is in the mind of members."

Governance and decision-making

The association has a formal structure or executive committee that is elected by members. The structure has seven members: chairperson, deputy chairperson, secretary, deputy secretary, project co-ordinator, treasurer and an additional member. The project co-ordinator chairs the district committee of Forestry South Africa and is also the secretary of the KwaZulu/Natal provincial committee on forestry issues.

The term of office for committee members is three years. However, the chairperson and project co-ordinator were re-elected into their positions in the last elections. The association does not have any particular requirements for the positions of leadership. The leadership of the association meets once a quarter to discuss important issues, unless there is an urgent issue, in which case a special meeting would be arranged. The association decisions are taken by a membership vote in a general meeting, and the leadership is mandated to implement those decisions. A minimum quorum is 50% plus one and all decisions made by this number are binding to all members.

The association runs a 'cascading model' of interacting with members. According to this model, representatives of members, per region, meet with the leadership every three months. In these meetings, representatives point out the concerns and proposals of members in their region, and in turn, report to members on decisions taken by the leadership. This platform provides an opportunity for ordinary members to raise issues with their regional representatives and leadership. There are also two general meetings per annum where the leadership meets with ordinary members. This is a platform for ordinary members to raise issues directly with the leadership. The association has no dominant group. Overall, the association is managed well in spite of challenges such as limited financial resources.

KWANGWANASE ASSOCIATION

Introduction

The association was established in 1999 and has approximately 500 members. The association is located in the area of KwaNgwanase, KwaZulu/Natal Province. KwaNgwanase is in the north of Richards Bay bordering Mozambique.

Objectives

The association was formed after individual farmers were facing various difficulties such as exploitation by big firms, lack of skills in the forestry sector and lack of access to finance. The current chairperson of the association came with an idea of establishing an organisation that would combine efforts of various individuals to fight these difficulties. The idea to start an association is viewed to be innovative and new. A special meeting with other individual farmers who also experienced similar difficulties was called to discuss a solution. Those present overwhelmingly shared the founder's vision to establish an association. The original stated objectives were:

- To help small growers to run their farming enterprises themselves, instead of them being run by SAPPI, a large forestry and pulp and paper manufacturing corporation, as was the case at the time.
- To employ more people from the community of Kwangwanase.

These objectives were decided by the executive committee of the association in consultation with members. The chairperson confirms that these objectives represent the current main purposes of the association. It is also acknowledged that the objectives meet the needs of the members well.

Membership

Membership is open to both individuals and institutions. The ages of members include both young and old people. It was difficult to know the gender of members as some members were institutions and did not provide this information.

Membership is no longer growing because it is restricted to a geographical area. Their farming land belongs to traditional leaders. Therefore, only members of Kwangwanase community can apply and acquire land in the area. At the moment, the association members are residents of the community. If a person or institution wants to become a member of the association, they need to have a plantation.

The benefits of membership include trucks hired on behalf of members during harvest time; the association also organises harvesters or contractors to assist farm owners; and tractors are arranged to transport logs to a central place. The association hires trucks from timber contractors. Plantations are transported to Richards Bay and trucks travel distances of 150 km one way.

The membership fee is a R 50 one-off payment, and members acquire full membership and voting rights. It is mentioned that the costs of membership and the benefits of membership are [well] equitable.

Governance and decision-making

The executive committee has 11 members including the chairperson, deputy chairperson, secretary, treasurer and seven additional members. The association has decided to have more members on the executive committee because the organisation is large and therefore they need to be representative of all the regions where their members come from. Due to low levels of education among the majority of members, there is a sense that a large executive is important, so that executive members can assist one another in decision-making.

The members of a committee are chosen by a membership vote. There are no particular requirements for the leadership positions. The term of office for the leadership positions is three years. The leadership meets twice a month to discuss important issues. At least seven executive members should form a minimum quorum for certain decisions to be made. However, major decisions are taken by a membership vote.

The leadership of the association meets with regular members once a quarter. An ordinary member who wants to raise an issue for discussion should bring the matter to the attention of the secretary, who in turn would make sure that it is included in the agenda. All members of the association are treated equally and they raise issues freely in quarterly meetings. The association does not have a dominant group within its structures and regions. Overall, the chairperson states that the association is well managed.

ZAMUKUTHULA PLATT ESTATE TRUST

Introduction

The association is very small with 15 members and is still fairly new, having been established early in 2005. The association is located in Ixopo, in the southern regions of KwaZulu/Natal.

Objectives

The idea of starting an association came from the community members because of a government promise to allocate forests to the rural communities. When allocated forests, the communities should maintain the forests but also derive an income by harvesting forest products. Indeed, the government promise of allocating forests was fulfilled but no title deeds were provided, which is frustrating for these community members because they cannot invest huge amounts of effort and resources without clarity on the ownership of land.

The community members decided to establish an association that would advocate on behalf of the community so that their needs could be addressed by the government. The establishment of the association is something innovative and new, seeking to highlight community needs to the government. Over and above the advocacy role, the association is formed in order for the community members to work and benefit together.

A special meeting was called for the entire village community to discuss the issue of starting an association, electing a leadership and drafting the objectives for the association. The two major objectives are that the association should represent the needs and aspirations of members, and seek opportunities that would enhance the development and maintenance of forests for the benefit of community members in general. The executive committee was given a mandate to develop these objectives into specific and achievable goals. The association is still in its infancy stages and the chairperson believes that members are satisfied with the development of these objectives.

Membership

Membership is open to individuals, with the requirement that an individual who wants to become a member of the association must be part of the local community and should be on the beneficiary list of the government's land redistribution programme. Membership, although still small, is growing as new beneficiaries of the government's land redistribution programme join the association. The association has 15 members at the moment: 10 women and five men, aged between 40 and 60 years. Membership is restricted to a geographical region because land is allocated to beneficiaries of a particular area. It is only members of a community that falls within the jurisdiction of the association that can take membership with the association. There are no membership fees collected. As long as members have been allocated a forest, they can acquire full membership and voting rights.

Governance and decision-making

The executive committee of the association has five members: chairperson, deputy chairperson, secretary, deputy secretary and treasurer. Members of the committee are chosen by a membership vote. There are no particular requirements for the positions of leadership in the association. The chairperson indicates that the process of re-

selecting a new leadership would only be addressed when title deeds have been given by the authorities.

The leadership of the association meets once a month to discuss important issues such as fencing the forest land, hire contractors or community members to take out weed, and generally to maintain the forest. The association decisions are taken by the members in a general meeting, once a quarter. For certain decisions, the leadership can make decisions in consultation with other members, especially since the association has 15 members. The ordinary members approach committee members to provide them with issues to be discussed in a committee meeting. All members are treated equally, and there is no dominant group within the association. The members are free to express themselves; even women, who are traditionally scared of voicing their opinions, do so freely especially as they are the majority in the association. Overall, the chairperson states that the association is well managed, even though it is fairly new with no infrastructure and resources.

MASIBUMBANE SMALL GROWERS ASSOCIATION

Introduction

The association is very small and is located in the south region of KwaZulu/Natal Province, Harding. It has been in existence since 1996.

Objectives

The idea to create an association came from the chairperson after realising that the small growers of forestry do not have a voice and influence to fight for their survival. Their individual forests were not growing to reach readiness for harvest, so they wanted to collectively seek advice from government and other role players on aspects such as appropriate chemicals to use or land suitability for forest growing. The establishment of an association was their own original concept and initiative. Working together is also seen as very important because it means that small growers can share information and learn from each other.

In its establishment, the members stated clearly that they wanted the association to be a vehicle for mobilising small growers to work together to ensure growth and sustainability of their forests. All the members of the association decided on this objective because it would address challenges of unemployment and poverty in their families in particular and in the community in general, with community members benefiting through short-term employment during harvest time. This objective still represents the main purpose of the association today because poverty and unemployment are rife in rural communities.

The members of the association have not benefited a lot from the process of growing trees as it has taken a long time for trees to grow. Furthermore, things became worse when the tribal authority that owns the land requested them to relocate their forest activity to another area. The recommended area was unfortunately not suitable for growing trees, as it had stones and made it difficult for trees to be planted there.

Membership

Membership is open to individuals, and the association has 15 members who are all women, aged between 40 and 60 years. It is said that in the community, young people are still reluctant to get involved in farming activities. Membership is restricted to a geographic area because the tribal authority owns the land where the forest activity is run. The issue of recruiting members is difficult in that no one knows what would happen to the size of land they would get if relocation takes place. The fact that tribal authorities own land creates uncertainty, which has discouraged some members of the association.

The members of the association paid a one-off joining fee of R 100 and pay an annual subscription of R 10. The subscription is low due to high poverty and unemployment levels, and the fact that there is not much income derived from the forest initiative. All the members have full membership and voting rights. The costs of membership and the benefits of being a member are [well] equitable, because with the little resources they possess, they have managed to receive fertilisers from the government.

Governance and decision-making

The association's executive committee has seven members: chairperson, deputy chairperson, secretary, deputy secretary, treasurer and two additional members. These leaders are chosen by a membership vote. The election of new members takes place once a year. The small size of the association means that members have a good chance of participating in the leadership of the association. The association does not have particular requirements for the positions of leadership in the association.

The leadership meets once a month to discuss important issues and members are always consulted in the decision-making process. The leadership meets with regular members once a month. The small size of this association allows members to communicate with each other with ease. As such, an ordinary member would raise an issue with the secretary of the association to take note of it when drafting the agenda of the executive committee. All members are treated equally, and there is no dominating group within the association. Overall, the association is reasonably managed, given that it operates under scarce financial resources.

SWAYIMANE SMALL GROWERS ASSOCIATION

Introduction

The association is large with approximately 500 members, and has its offices in Warburg, next to Pietermaritzburg in KwaZulu/Natal Province. It has been in existence for about 20 years.

Objectives

The idea of creating an association was inspired by the principle of working together with the aim of solving challenges facing individual small growers. It is not clear who suggested the idea of establishing the association, given that the organisation is quite old and no records of its establishment seem to exist. There seemed to be an indication that the establishment of the association was a new initiative from the community.

The association views the issue of working together as critical even to date because small growers can speak with one voice. The second reason is that the association has become a platform for small growers to learn to develop from one another through sharing information and knowledge.

The main objective of the association is to fight poverty and unemployment by giving an opportunity to small growers to develop their forests, market their products, and earn a living for themselves. The objective comes from the members, and it continues to represent the main purposes of the association today. Members are satisfied that they earn a living, even though they need to expand their market share and generate more revenue. The association has played an important role in the marketing area, through negotiating with large firms for better prices.

Membership

It was not clear what method was used to encourage small growers to join the association, but these small growers belonged to the same community and were allocated tribal land to work from. Recruiting members to join an association that runs a forest activity in a tribal land is problematic unless the small growers belong to the community. In a sense, there is a restriction to taking membership if one does not belong to this particular geographic region.

Membership is open to both individuals and institutions. Members belong to all age groups. The current chairperson of the association is a 30-year-old woman. Members are required to pay an annual membership fee of R 5, due to scarcity of resources as a result of poverty and high rates of unemployment in the community. The association provides training and information workshops on forestry-related matters to all its members. All members of the association have full membership and voting rights. The costs of membership and the benefits of being a member are considered to be [well] equitable. For example, if the association has negotiated good prices with large firms, all the members benefit from earning good revenue.

Governance and decision-making

The leadership or executive committee of the association has eight members: chairperson, deputy chairperson, secretary, deputy secretary, treasurer and three additional members. The leadership is chosen by a membership vote. The process of re-selecting a new leadership takes place every two years. There are no particular requirements for the positions of leadership in the association. The leadership meets once a month to discuss important issues. Decisions are taken by a membership vote. The association requires a minimum quorum of 50% plus one to make certain decisions.

The leadership meets with representatives of members once a month. An ordinary member can raise an issue with his or her representatives in their plot. In turn, this representative highlights the issue when meeting with the leadership. All members of the association are treated equally, and there is no dominant group. Overall, the association is managed reasonably well.

SOEKMEKAAR (MOREBENE) TRUST FARMERS' ASSOCIATION

Introduction

Morebene is a small association of 14 rural farms, located in Munnik near Tzaneen in Limpopo Province. The association was established in June 2001, and it represents farm owners. Its establishment came at a time when the South African government was rolling out its land redistribution programme, goals of which are to redress the injustices of a grossly skewed land distribution system, to reduce poverty, to contribute to sustainable land use and economic development, and to establish tenure security for all.² Rural communities that make land claims either receive their land back or are granted financial resources.

Objectives

From those that received land, there were individuals who started farming activities. It was always difficult for these individuals to access government support for their enterprises. It was at this juncture that the idea of creating an association was born. The association's public relations officer mentioned that they needed to "speak with one voice when approaching the government", since their experience of lobbying as individuals was a fruitless exercise because they were not recognised. The main role of the association was to do advocacy on behalf of farm owners. All the farm owners who shared a common interest participated in the establishment of the association. The association started the process of informing other farm owners about the newly established entity through word of mouth.

The farm owners were also inspired to create an association by the local office of the Department of Agriculture, in particular the department's Agricultural Extension Officers. They encouraged the new farm owners to set up an association as a mechanism of accessing government support. For these new farm owners, the idea of creating an association was new and not their original idea. The following three main reasons motivated the farm owners to work together in an association:

- To lobby authorities and other role players.
- To share ideas.
- To facilitate the creation of jobs through implementing a learnership programme.

The original stated objectives of the association are:

- To create jobs.
- To ensure that all the farms are in a good standing.
- To market products.
- Acquire skills.

The objectives were decided by the association's council, a 28-member body comprising chairpersons and secretaries of the 14 farms. The association's respondent said that these original objectives still represent the main purposes of the association. The members were satisfied that the objectives met their needs. The association has an idea of establishing and strengthening sub-structures that would focus on various activities such as forestry, cattle farming, avocado and citrus growing. At present, the

² Cheryl Walker, Land Reform and Gender in Post-Apartheid South Africa, United Nations Research Institute for Social Development.

association only has one strong sub-structure on forestry, which meets twice a week and involves six farms.

Membership

Membership is growing and some farms have indicated that they would be joining the association in future. The benefit of collaborating with the agricultural extension officers is attracting other farm owners to join the association. Membership is open to institutions (farms), but there is a plan to open it to individual farmers as well, for them to be given an opportunity to learn farming principles and techniques. The association has a membership of 14 farms, and each farm has an average of 120 people. Women are the majority in these farms. The age of people working in the farms ranges from 40 to 60 years.

Membership is not restricted. To become a member, an individual should own a farm and possess a title deed; and a farm owner should pay or commit to pay an annual membership fee of R 350. Members are required to work hard in their farms, and should attend association meetings or events. All members of the association acquire full membership and full voting rights. The costs of membership and the benefits of membership are shared reasonably equitably.

Governance and decision-making

The association has 10 executive committee members: chairperson, deputy chairperson, secretary, deputy secretary, treasurer and four additional members. The four additional members advise the committee on various issues and step in when a member holding a key position moves on during the term of office. The leadership is chosen through a membership vote. The association considers only active members suitable for a leadership position.

The term of office is three years for all positions. The committee meets twice a month to discuss important issues. Association decisions are taken through a membership vote. Usually, the procedure is that the leadership makes proposals and members are required to engage and interact with these proposals in order to finalise a decision. At least seven members of the executive should be present in a committee meeting as a minimum quorum for certain decisions to be made.

The leadership of the association meets with representatives of members once a month. This meeting takes the form of a council meeting. If an ordinary member wants to raise an issue, he or she approaches the chairperson or secretary of a particular farm to communicate the issue, and the representative would then table the issue at a council meeting. Ordinary members also have the platform of the annual general meeting to raise issues freely. The association indicated that all members were treated equally. There is no dominant group within the association.

Overall, the association's respondent felt the association was reasonably managed. However, the association lacks adequate resources to tackle all their challenges, in particular those related to skills development. There are also times when the association meets and discusses issues pertaining to forestry activity growth and development, but no action would be taken, which has been disappointing for some members. For example the association might need individuals with skills in citrus or avocado growing but would struggle to find such skills. Thus they need to find sufficient financial resources to develop specialist types of skills for their sub-structures.

VHEMBE SMALL TIMBER GROWERS ASSOCIATION

Introduction

The association has a membership of 33 farm owners. It was established in 1995 and is located in Vhembe district, Limpopo province.

Objectives

The common interests of farm owners were the main motivating factor leading them to work together so that they could put pressure on the government to assist them in various ways. The idea of creating an association came from two individuals, and was copied from established agricultural unions in Limpopo. The main reasons the individuals wanted to work together are:

- To put more pressure on the government to address their needs which relate to acquiring land (communal land is under the control of chiefs and other traditional leaders); access to finance; access to markets; and to receive technical training on timber growing and processing.
- To be recognised as a structure that represents the growers' aspirations.
- It is easy to access assistance if working together as a group.

The stated original objectives are:

- To engage all stakeholders in the timber industry.
- To speak with one voice on behalf of the growers.
- To establish a growers' co-operative.
- To facilitate the aims and vision of the growers.
- To have a share in the transfer of government plantations.

All members of the association decided on these objectives. These objectives were identified in the association's founding meeting. They still represent the main purposes of the association today and meet the needs of the members.

Membership

Membership is open to both individuals and institutions. At the moment, the association has 36 members: 33 men and three women. The members are between 21 and 40 years old. There is no restriction to anyone who wants to take up membership of the association. An individual or institution that wants to take membership must be involved as a timber grower or timber contractor, be committed to the business of the association and be willing to pay contributions. The association collects fees and members pay R 50 per annum. Members get full membership and voting rights. The costs of membership and benefits of membership are [well] equitable.

Members have the following responsibilities:

- To attend association meetings.
- To act responsibly if elected to a specific position.
- To make meaningful contribution that helps the association to develop.
- To unite all members of the association.
- To facilitate collaboration with other associations.

Membership of the association is growing. New members were attracted to the association by the fact that in 1995, existing members had received a one-off allocation of seedlings from the government, aimed at encouraging communities to be involved in timber growing, and one-off financial support from the Taiwanese government in 1996.

Governance and decision-making

The association has seven members in its executive committee: the chairperson, deputy chairperson, secretary, deputy secretary, treasurer, and two additional members. The leadership of the committee is chosen through a membership vote. New leadership is elected every three years. There are no particular requirements for members to hold a position of leadership in the association. The leadership meets once a month to discuss important association issues. Major decisions are taken through members' resolutions in general meetings. At least five executive committee members can make decisions. The executive meets with members once a month.

A member wishing to propose an issue for discussion by the executive communicates the issue to an executive member, who then ensures that it is captured in the executive's agenda as a discussion item. Members are treated equally, and there is no dominating group within the association.

SA FORESTRY CONTRACTORS ASSOCIATION (SAFCA)

Introduction

The association represents 320 members, and is located in George East (Western Cape Province) and also has offices in Johannesburg (Gauteng) and Pietermaritzburg (KwaZulu/Natal). It was established in 1989 to respond to challenges that were facing contractors in forestry operations such as transport, planting and harvesting, including:

- Poor quality of work by contractors, related to being under-equipped, lacking experience, and employing workers without the necessary skills
- Failure to adhere to accepted operating standards
- Payment of unacceptably low wages
- Insecurity among workers employed by contractors
- Social problems in some of the forest villages.

Objectives

The managing consultant introduced the idea of establishing an association because he needed a platform where knowledge, cost and benefits would be shared amongst contractors, and to strengthen their bargaining power as contractors. Contractors had similar needs, and this led them to talk about ways of addressing their needs. These contractors became founding members of the association. The initial recruitment of new members was done through word of mouth, as contractors knew one another.

The association's stated original objectives included the following:

- To operate a grading system, reflecting the quality of work of each of its members.
- To negotiate group rates on insurance and facilitate access to training services.
- To assist companies to work at improving the standard of contractor work by selecting contractors according to quality of work, requiring minimum wages and employment conditions, and pressing for improved skills and equipment.

The objectives continued to represent the current main purposes of the association. The objectives reasonably met the needs of members.

Membership

Membership is open to both individuals and institutions that are contractors in the forestry industry. Membership is growing, and at the moment stands at 320 members. Members are not required to pay any membership fee, because the association raises funds by charging for the services rendered to members. For example, if they facilitate a basic business management course, members would pay for this service. Members are granted a status of full membership and have full voting rights.

Governance and decision-making

The association has six members in its executive committee, which consist of two non-voting full-time staff and four chairpersons of the regions. The four regions are Mpumalanga, Highveld, Zululand and Midlands. Each regional structure elects its own leadership and its chairperson sits on the national executive committee. Leaders are chosen via a membership vote. The association elects new leaders every two years. There are no particular requirements for holding a position in the leadership of the association.

The leadership meets only once a year to discuss important issues. Decisions could either be taken by the members or the executive management, depending on the type of decision required. A minimum quorum is a requirement for making decisions. The leadership meets with members of the association once a year. An ordinary member who has an issue to raise for discussion by the leadership must put the issue forward to executive management, and in turn, management draws up the agenda for discussion, capturing all issues raised. Members are all treated equally and there is no dominant group within the association. Overall, the chairperson mentioned that the association was well managed.

ZINTWALA COMMUNITY TRUST

Introduction

The association has a membership of 400 individuals, and is located in Umzimkhulu, Eastern Cape. The association was established in 1999.

Objectives

The members of Zintwala community wanted to start their own timber plantation and were given an idea to start an association by the department of land affairs. The idea for establishing an association was new and members contributed a total of R 9,000 from their housing grants to raise capital for leasing the land to operate their plantation.

The members of the association realised that they needed to work together to pool their financial resources and ensure that the benefits of the forest project were spread across the entire community of Zintwala. A special meeting was arranged with all the potential members, and the plan of creating an association was presented to them. Having agreed to establish an association, the association was incorporated as a Trust. The original stated objectives of the association were:

- To produce poles for building.
- To produce timber for firewood.
- To sell timber for profit.

The community was instrumental in deciding on these objectives. A formal meeting was called and community members discussed the issues freely. Even today, these stated objectives still represent the main purposes of the association. The chairman of the association indicated that the objectives meet the needs of the members well.

Membership

The membership is not growing as all the members of Zintwala community joined the association in 1999. The association membership comprises approximately 400 individuals, in all age categories. 50% of the members are women. Membership is restricted to the Zintwala Tribal Authority. No membership fees are collected. To become a member, an individual had:

- To be a resident of Zintwala Tribal Authority.
- To contribute towards the forestry project.

Governance and decision-making

The association has an executive committee comprising: chairman, vice chairman, treasurer, secretary, and the trust manager. The members vote every two years to elect a new leadership. The association does not have any particular requirements for members to hold a position of leadership. The leadership of the association meets once a month to discuss important issues. The chairman indicated that a minimum quorum has to reach 50% plus one in order to make certain decisions.

The leadership meets once a quarter with association members. Members raise matters for discussion either at the quarterly meetings with the leadership or at the association's annual general meeting. The trust manager mentioned that all members of the association were treated equally. It was also reported that no group was dominant within the association. Quarterly and annual meetings are open to all members to express themselves freely. In general, the trust manager noted that the association was managed well.

Annex 2. Introduction to the project

The International Institute for Environment and Development (IIED) has embarked on international studies on forestry and poverty alleviation. This project has taken the developmental approach in which studies build on preceding studies to further explore, substantiate and ascertain issues in forestry Small and Medium Enterprises (SMEs) in relation to poverty reduction and sustainable livelihood in developing countries.

It has been established that forestry SMEs do contribute to the reduction of poverty and to sustainable livelihood in most rural areas of developing countries. However, several characteristics of SMEs (e.g. lack of finance, inadequate human capacity and poor bargaining power) inhibit their growth and therefore constrain their potential to make this vital contribution. It has been further ascertained through previous research studies that this contribution can be fostered and strengthened through associations or collective action by reducing some of the factors that inhibit the growth of forestry SMEs.

This report is part of a four-phased project based on a series of studies conducted in six countries.³ These phases are:

- Preparatory phase – preliminary survey into project design, association types and functionality.
- Diagnostic phase – research tool development and implementation of survey in each country.
- Synthesis and feedback phase – data compilation and analysis; report writing and presentation.
- Influence phase – the use of outcomes for further action plans.

A preceding diagnostic study has been conducted in the six countries and the results in all countries reveal the pertinent potential that SMEs have for reducing and alleviating poverty by providing opportunities for job creation and livelihood sustainability. An analysis of the key issues in the SME forestry sector in South Africa reveals that the environment in which SMEs function is not adequately enabling.⁴

This makes it challenging for forestry SMEs to function in the legislative, financial and skills development terrain of their existence, pushing most of them into survivalist mode. This finding formed the rationale behind developmental intervention in which SMEs can be more empowered in the disabling environment that they find themselves in. This report is a component of the main project described above and is the diagnostic phase of the project, which involves developing specific components of in-country surveys. Of the six countries, three are primary focus countries whilst the other three are secondary-focus countries. South Africa is one of the secondary-focus countries.

The purpose of this study is to improve the understanding of how to make forestry SMEs in South Africa work for the poor. This follows the realisation that improving this understanding is a high policy priority. It is envisaged that strengthening this

³ Six countries: Brazil, China, Guyana, India, South Africa and India.

⁴ Lewis, F. *et al.* (2004). Small and medium forest enterprises in South Africa.

understanding will aid the preparedness of policy makers and practitioners to foster effective, equitable and sustainable forest-based SME associations.

Specifically, the findings of this research study aim at:

- Increasing the preparedness of policy makers and practitioners to foster an effective, equitable and sustainable forest-based SME association.
- Exploring and mapping associations by unpacking associations in terms of: the various types; conditions under which they diminish costs for proper functioning; ways in which associations strengthen representation in decision-making; their ability to introduce economies of scale and how they can attract long-term investment and planning.
- Increasing an understanding that associations can result in a shift to a developmental paradigm, which is a more holistic vision of human thriving. Strengthening an understanding that associations can have a wider impact on tracking processes of social and political marginalisation. Other disadvantages that come with the nature of SME in general like size and scale could also be diminished.
- Making recommendations to policy makers and practitioners on the approaches for fostering a more enabling environment for forestry SMEs and poverty reduction.

The study design comprised primary and secondary data gathering methods. Primary data was sought from association leaders and members of the associations by:

- The use of a detailed semi-structured questionnaire initially prepared by IIED and adapted to include research items that captured further information to enhance the achievement of the aims and objectives of the study.
- A working group that was established consisting of association leaders in two forestry associations.⁵ Other association leaders were either not available to participate in the working group or were not interested in the study itself.

Secondary data emanated from a review of documentation from preceding research conducted as part of the whole IIED project, IIED documentation on the framework and recent interdisciplinary terminology used to put the forestry sector in theoretical context as well as other forestry studies done in South Africa and other countries on forestry SME and poverty reduction.

The primary research component of the study focused on testing four hypotheses formulated by IIED in order to achieve the aims of the study. The following were the set hypotheses:

Hypothesis 1: Cohesion – Association functionality is dependent on particular strong mutual aspirations.

Hypothesis 2: Resilience – Association functionality is dependent on the credibility and legitimacy of different types of decision-making processes and association governance.

⁵ Mr Steven Ngubane (FSA) and Mr Jaap Steenkamp (SAFCA).

Hypothesis 3: Equity – Association functionality is dependent on the extent and adequacy of representation of different interest groups including gender representation.

Hypothesis 4: Support – Association functionality is dependent on the degree to which policies and institutions are supportive.

An adapted IIED questionnaire was sent to association leaders or their representatives via email and fax. The association leaders were based in four provinces: KwaZulu/Natal, Limpopo, Eastern Cape and Western Cape. The information provided by association leaders was cross-referenced with members of the associations to determine in particular:

- whether members were playing any role in electing their leaders,
- whether there was equity and freedom of expression,
- respondent perceptions on how associations were managed.

It was difficult to communicate with emerging and small grower associations due to lack of infrastructure such as telephones, fax and email. The majority of these small grower associations are located in deep rural areas. The only means of communication was through their cellular phones, in areas where there was good network coverage. Discussions with association leaders, either carried out telephonically or based on faxed or emailed questionnaires, included the following main aspects:

- History of association formation, longevity and drivers behind the establishment of the association.
- Decision-making processes and governance – the transparency of decision-making, accountability mechanisms and re-election of new structures.
- Credibility of representation including selection procedures, measures to address gender balance, criteria for membership and extent of active enrolment.
- Presence of active support structures or constraints – policies and institutions, their origin and functioning and level of interaction with associations.