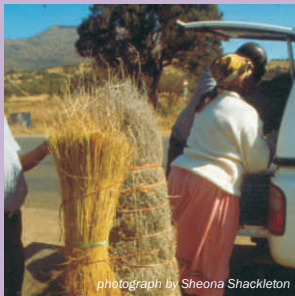




Ameliorating poverty in South Africa through natural resource commercialisation **HOW CAN THE PRIVATE SECTOR MAKE A DIFFERENCE?**

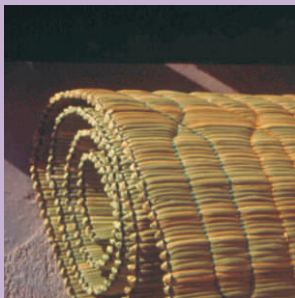
Prepared by Sheona Shackleton (s.shackleton@ru.ac.za) Rhodes University



photograph by Sheona Shackleton



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Some of the poorest rural people in South Africa are using traditional skills to convert a variety of wild resources into commodities that are sold in the market place. Wood and woven craft, medicines, fresh and processed wild foods, alcoholic beverages, building materials, fuelwood, dried mopane worms, cultural artefacts and brooms are just some examples of the array of natural resource products increasingly seen for sale in local and external markets. The majority of participants in this trade have minimal education, few assets to draw on, and little access to alternative sources of income or jobs. A significant proportion are women, with more than half heading their own households. Many come from households devastated by HIV/AIDS. *The cash earned from selling natural resource products, however modest, is of critical importance, preventing producers and their households from slipping deeper into poverty. "Since I have been making brooms my children no longer go to bed crying of hunger," observed one broom producer.* Research across the country has revealed that the private sector can play an important role in making some of the poorest people in our society a little less poor by assisting producers overcome some of the obstacles they face. Two main areas for private sector involvement were identified: securing raw material access and product marketing.

MAKING A DIFFERENCE

Facilitate access to raw material

The raw material for numerous natural resource products is harvested from private farm, company and forestry estate land. Case studies have shown that private land is a major source of reeds for weaving mats, *Athrixia phyllicoides* (Bostee) twigs for brooms, *Apodytes dimidiata* (White pear) branches for walking sticks, wild 'traditional' spinaches, thatch grass, broom grass, wild teas, *Aloe ferox*, and mopane worms to name a few. Landowners rarely utilise these resources, although they sometimes permit their workers to harvest them for both home consumption and sale. Access to 'outside' groups to harvest raw material is variable with some landowners being quite amenable while others are less so. Often a 'fee' in cash or kind is levied.

A difference can be made if:

- ◆ Landowners provide groups of poor producers with access to useful natural resources on their land in return for some small permit fee.
- ◆ Forestry and other companies incorporate systems for natural resource sharing into their social responsibility plans and, in the case of forestry, their requirements for FSC certification.
- ◆ Landowners and managers maintain good communications with producers and lay down clear conditions for harvesting to avoid misunderstandings.

- ◆ Landowners and managers build relations with particular groups of producers and strengthen their organisational capacity to facilitate future access to resources.
- ◆ Landowners and managers explore and develop management systems for sustainable utilisation of resources in partnership with their local conservation agencies, harvesters and appropriate research institutions.
- ◆ Conservancies formed by groups of landowners commit to reducing rural poverty by making natural resource utilisation, as well as conservation, one of their goals. They could work together with local government, conservation agencies and other stakeholders to develop appropriate strategies for this (for example, see the efforts of the Dargle Conservancy in the KZN Midlands).
- ◆ Landowners and managers reserve a portion of the resource for poor rural women who have few alternatives, rather than allocating it all to their workers as tends to be the case at present.

Provide markets and marketing support

Amongst the case studies, particularly those dealing with handicraft, the private sector showed little commitment to assisting with markets and the marketing of local products.

This can be changed if:

- ◆ Local game lodges, hotels and other tourist facilities find ways to incorporate locally produced products into their décor and design. For example, a lodge near Hoedspruit effectively used reed mats in their furniture and cupboard design.
- ◆ Local businesses, where possible, substitute factory-produced functional items with locally produced alternatives. For example, a restaurant in Sabie used locally carved wooden boards for serving pizza, while a nearby lodge made regular use of handcrafted outdoor twig brooms.
- ◆ Formal curio retailers create a special niche for locally produced handicraft and other products. Presently these shops are flooded with imported goods. This may mean working steadily with local producers to obtain the quality, quantity and style of goods required. Ideas for new products should be communicated to local producers.
- ◆ Buyers recognise the time and effort that producers invest in production and offer fair prices.
- ◆ Buyers find ways to reduce the cash flow constraints producers face by providing cash advances or by purchasing smaller batches of goods at more regular intervals.
- ◆ Tourism offices, lodges and hotels provide additional sales outlets for local producers.
- ◆ Tourism companies promote tours that include visits to local production centres or producers homes in nearby villages. This rarely happens. Local producers in Bushbuckridge lamented the failure of tour buses to stop at a locally managed craft centre at the Skukuza gate to the Kruger National Park.
- ◆ Buyers and exporters visit more remote areas and develop relationships with some of the poorest producers, facilitating access to new markets for them.
- ◆ Businesses producing, for example woven blinds and lampshades, consider models that outsource production to rural producers who can work from home.
- ◆ Companies, businesses and local entrepreneurs join forces with NGOs and local government to work towards a more conscious, and socially responsible, role in supporting poor local producers.

This policy brief is based on the original brief made available for a workshop in August 2006. It draws on, amongst other sources, the results of several case studies of natural resource commercialisation undertaken across South Africa. The project was funded by the South Africa-Netherlands Programme on Alternatives in Development (SANPAD), BP South Africa and the National Research Foundation (NRF). The Center for International Forestry Research, with support from SIDA, provided the funding to share these findings with key stakeholders including government policy and decision makers.

