



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

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photograph by Sheona Shackleton



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Some of the poorest rural people in South Africa are turning to the natural resource base for income generation. Using traditional skills they are converting 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. Many of the 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 to the households involved, preventing them 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.* NGOs, particularly those involved in rural development, can play an important role in assisting producers overcome some of the obstacles they face and in enhancing the opportunities to grow this informal sector.

WHAT IS NEEDED?

Build on what exists and be realistic about what can be achieved

- ◆ Recognise the local natural resource trade as a legitimate means to generate much needed income although it is unlikely, on its own, to provide a route of out poverty for most households.
- ◆ View support for natural resource commercialisation as part of an integrated approach to rural development, with this being only one of a number of strategies households rely on for income. Think in terms of supporting livelihoods rather than developing enterprises, unless there is real potential for the latter. Evidence shows that only in special cases can local natural resource trading activities be turned into sustainable, full-time, high-income occupations. Be realistic about what can be achieved, and view even small increments in producers' incomes as progress.
- ◆ Build on what is already happening. There are many producers who show considerable initiative and who have been trading for years. Aim to improve their incomes and remove barriers and constraints. This means providing a service-orientated approach to dispersed producers rather than working intensively with a small group of people in one place. Ensure that intervention does not undermine what already exists, nor creates dependency where there was previously self-sufficiency.

Diversify products and markets

- ♦ Aim to diversify markets so producers can sell via a variety of channels. While continuing to find ways to expand local markets, also work with the private sector to seek new markets. Research undertaken on the Wild Coast showed that even limited access to outside markets via an NGO helped to smooth producers' incomes over the year. Build on the opportunity presented by the fact that many locally produced products have important cultural value. Look for new domestic markets amongst urban dwellers that want to retain a link to their rural roots. In areas that are important tourist destinations, work with the tourism industry to enhance opportunities for local producers (see brief on the private sector).
- ♦ Facilitate mechanisms for feedback from buyers and increase producers' exposure to outside markets by linking them with higher-level associations and initiatives, e.g. crafters from the Wild Coast attended exhibitions organised through the district municipality. Link with product designers and developers, e.g. CSIR, the Craft Council of South Africa, to adapt products to new markets and to develop informative and attractive packaging, labelling, etc.

Improve access to and management of raw material

- ♦ Advocate for producers to have access to resources on state, municipal and private land and facilitate this process. Poor, illiterate producers have very little voice and are often afraid to approach or negotiate with officials and landowners. Often all it takes is a 'go between' to facilitate communication. Ensure that clear guidelines and conditions for harvesting are in place and there is no room for misunderstanding between the different parties. Encourage producers to adhere to all the access conditions and train them in any special harvesting techniques.
- ♦ Raise awareness about the importance of good resource management and work with producers and other stakeholders to develop local community-based management plans for the particular resource/s they are using.
- ♦ For easily, and often already, cultivated resources such as *Cyperus* reeds and marula (*Sclerocarya birrea*) trees work with producers to expand this potential.

Strengthen local capacity and facilitate linkages

- ♦ Liaise with local municipalities and appropriate provincial departments (e.g. the Department of Sports, Arts and Culture in the Eastern Cape), to seek ways to support part-time, informal traders and to ensure they are not discriminated against in the market place (as is often the case).
- ♦ Strengthen local organisational and institutional capacity by assisting producers to organise themselves better so that they have an identity and greater visibility, and can lobby and negotiate with different stakeholders regarding their needs, undertake group activities such as sharing transport to distant markets, and cooperate in terms of, for example, pricing, market access, etc.
- ♦ Explore options for increasing access to micro-credit, and strengthen and build on traditional, often group based, lending and savings schemes (see IFAD www.ifad.org resources on micro-lending).
- ♦ Form collaborative alliances with other NGOs and community-based organisations with the goals of strengthening rural producers capacity in the management and marketing of natural resource products. Good examples of what can be achieved by pooling resources, knowledge, expertise and effort are illustrated by the Non-Timber Forest Products Exchange Programme (EP) in Asia (www.ntfp.org) and Phytotrade Africa (www.phytotradeafrica.com) in the SADC region. Both these networks have succeeded in developing successful export markets for craft in terms of the former and natural products (such as oils and medicinals) in terms of the latter.

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