



# **Linking Natural Resource Management and Poverty Reduction**

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## **Abstract**

Over 75% of the Tanzania's population resides in rural areas where people rely upon agriculture and other natural resource uses. Consequently, the link between rural livelihoods and natural resource management is of fundamental importance to effective poverty reduction strategies. Although a number of national policies and strategies recognize this link, natural resource use and conservation issues have not been effectively incorporated into documents such as the Poverty Reduction Strategy. In practice, land and natural resource management remains centralized and essential local economic opportunities are foreclosed or restricted. This paper explores both these policy issues in brief as well as practically exploring rural development, poverty reduction, and natural resource management issues in northern Tanzanian rangelands. Ultimately, it concludes that strengthening the conceptual and strategic links between natural resource management and poverty reduction, as well as democratizing natural resource management in practice, will largely determine the success or failure of efforts to improve livelihoods and reduce poverty in Tanzania.

## **Introduction**

Poverty reduction<sup>1</sup> has emerged over the past decade as the principal focus of development efforts for the Tanzanian government at both national and local levels of society. Although contemporary poverty reduction issues are often discussed in the arcane jargon of technical documents, policy statements, and donor planning papers, poverty reduction is by no means a recently propagated national goal. Rather, from the first days of independence the issue of poverty reduction- how to improve the quality of life and economic welfare of Tanzania's citizens- has been the chief task and focus of government. History in Tanzania and

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<sup>1</sup> This paper uses the term *poverty reduction* at the exclusion of *poverty eradication*. No human society has ever eradicated poverty, and nor is this likely to ever happen anywhere in the future, rendering the term rather misleading and inaccurate.

throughout sub-Saharan Africa shows that effectively combating and reducing poverty is no easy task. Unsuccessful efforts to lift the yoke of poverty from the citizenry, such as Tanzania's experiences with rural development and villagization in the mid-1970's, are far more common than successful long-term poverty alleviation efforts.

Poverty reduction efforts in Tanzania must be considered within the context of three fundamental realities. First, over 75% of the country's population lives in rural areas (World Bank, 2002). Thus effective poverty reduction strategies must target the rural population and the rural economy in order to have significant impact. Second, in these rural areas people overwhelmingly depend on agriculture and other natural resource uses for their livelihoods and survival. For example, approximately 92% of Tanzanians rely on fuel wood from trees and other vegetation for their domestic energy supplies (URT, 1998). Rural economies are therefore largely a product of the use and management of land and natural resources. And finally, Tanzania possesses a wealth and abundance of natural resources to employ in the battle against poverty. Tanzania has been classified as one of only four 'mega-diversity' countries in the world<sup>2</sup> in terms of biological richness, and has an extraordinarily varied topography and suite of natural habitats (Stuart and Adams, 1991). As a consequence of these factors, strategies and practices which ensure sustainable use and conservation of natural resource must become central elements of successful national poverty reduction efforts.

This paper is the first in a linked set of three at this Forum<sup>3</sup>, and explores this crucial linkage between rural development and natural resource use, and examines the current state of affairs with respect to both the rural people who use these resources, and the state of the resources themselves. Several key questions are addressed: Are economic opportunities for

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<sup>2</sup> The other three countries are Indonesia, Brazil, and the Democratic Republic of Congo.

<sup>3</sup> The others are M. Akunaay et al., *Tourism Development for Poverty Reduction in Tanzania: Linkages and Constraints*; and R. Nshala et al., *Institutional Reform and the Rule of Law: Experiences in Environmental Governance*.

rural communities being created by current national policies in a way that is improving the livelihoods of these people? Are such rural opportunities a sufficient component of existing poverty reduction strategies, both in policy and in practice? Are natural resources being effectively and sustainably managed so that they can ensure the security of rural livelihoods and provide for new economic opportunities based on Tanzania's extraordinary biological wealth? While GDP growth rates, levels of foreign direct investment, and inflation rate targets tend to dominate contemporary economic analyses, it is the answers to these questions which are more likely to determine the outcome of Tanzania's current poverty reduction efforts.

### **The Natural Economy of Tanzania**

The historical dependence of Tanzanian livelihoods on natural resources covers the basic requirements for human life: food, shelter, and energy. People throughout the country's rural areas continue to rely on wild plants, animals, insects, and fish for food; trees and shrubs for fuel and building materials; wild plants for traditional medicines; and soil and water for producing crops (Mariki et al., 2003). Biodiversity, another popular modern catchword, is thus not some scientific abstraction to rural Tanzanians but the foundation of human sustenance and prosperity. As the basic element of natural resource use, control and ownership of land remains the most prominent socioeconomic and political issue in rural areas throughout the nation (e.g. URT, 1994). The rights of local people to use, control, and manage the other resources on that land such as water, forests and wildlife are equally central to the functioning of rural economies.

Just as natural resources have underpinned human livelihoods in Tanzania since pre-historic times, they have been responsible for the critical sociopolitical event in Tanzanian history: the settlement of East Africa by Europeans in the late nineteenth century. The wealth

of natural resources to be found in Tanganyika and surrounding areas- such as ivory, arable land, and timber- was a fundamental reason for the establishment of European colonial states, and thus of all that has followed as history unfolds. While this background is undoubtedly familiar ground, one cannot understand natural resource management dynamics and rural economies in Tanzania today without the colonial context of resource appropriation. Land and natural resource laws and policies established by colonial rulers had as their fundamental aim to place control of these valuable resources in the hands of foreign settlers and functioned to alienate access and ownership rights from indigenous people. Wildlife, land, and forest laws all were emblematic of the process of alienation; large tracts were removed to central control, local people began to be moved out of new protected areas, and the use of particular species was proscribed (Wily and Mbaya, 2001; Shivji, 1998; WSRTF, 1995). The result was the increasing loss of native lands to foreign settlers and impoverishment of indigenous communities as the resources their lives depended upon slipped from their control and became increasingly inaccessible.

In general, the framework of central control over resources established during the colonial period persists today and is perhaps the most important characteristic of natural resource management in Tanzania today. If anything, the country's socialist era may have entrenched and reinforced centralized natural resource management practices. The nation's primary governing wildlife legislation<sup>4</sup>, for example was propagated during the *ujamaa* period and strongly places authority and responsibility for wildlife resources in the hands of the State with few provisions for community participation (WSRTF, 1995; Majamba, 2001). Although many of the government policies in natural resource sectors- forestry and wildlife, for example-

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<sup>4</sup> The Wildlife Conservation Act No. 12 of 1974

call for greater local participation and resource rights through the devolution of authority, progress in implementing these reforms has been limited.

The endurance of the centralized colonial models for natural resource management in Tanzania is now juxtaposed with the post-liberalization development of new economic growth sectors based on natural resource uses and a leap in investment in these uses. For example, the two sectors responsible for most of recent growth in Tanzania's export earnings and foreign investment, and thus keys to the sustained GDP growth of the last decade or so, are mining and tourism. Both are reliant on natural resources- mining very directly so, and tourism more indirectly in terms of wildlife, forests, pristine coastlines and coral reefs, etc.- and both occur mainly in rural areas. While these growth industries have clearly been productive at the national macroeconomic level, they have been less effective tools in reducing poverty in rural areas where the majority of Tanzanians live.

### **Rural Livelihoods: Diversification or Deterioration?**

For rural livelihoods to improve and poverty to be curtailed as national objectives demand, it is imperative that rural economies be both strengthened and diversified. By strengthening, we mean ensuring that the basic elements of rural production- land tenure, agriculture and livestock, forests and woodland resources- are reliably accessible to local people and existing use practices are supported. Ensuring secure individual and communal land tenure is a central element of this strategy, as the National Land Policy, National Forest Policy, and draft Rural Development Strategy all explicitly recognize (URT, 2001; MNRTa, 1998; MNRTb, 1998; MLHSD, 1997).

Diversification of existing resource uses to enable new economic opportunities is equally important, given the limitations on agricultural production from soil and rainfall

conditions in many parts of Tanzania and rapidly growing human populations which exert increasing pressure on resources. Livelihoods diversification is a key coping strategy for rural communities, particularly in semi-arid or climatically unpredictable areas, in that it reduces vulnerability and promotes economic resilience (Shackleton et al., 2000). The draft Rural Development Strategy prepared by the Prime Minister's Office highlights the "need to emphasize economic diversification in the rural areas...diversification of opportunities for earning income in rural areas is crucial for rural development" (URT, 2001). This strategy also identifies tourism as one of the key areas of diversification that rural communities must be able to access in order to improve their welfare and join in the national tourism boom. It advocates the promotion of "Pro-poor tourism based on natural and cultural assets of the poor" in order to "unlock opportunities for economic gains and other livelihood benefits" (URT, 2001). The Wildlife Policy of Tanzania rings a similar tone, focusing many of its provisions on goals relating to increasing benefits and securing user rights at the local level in order to integrate wildlife with rural land uses and improve livelihoods (MNRT, 1998b).

While policies, strategies, and other government documents dealing with rural development and natural resource management almost uniformly aim to both strengthen and diversify local rural livelihoods in the interest of poverty reduction, the situation on the ground does not necessarily reflect this rhetoric. In northern Tanzanian rangelands the broad reality is more one of spiraling poverty rather than strengthening and diversification. Pastoralism, which is the dominant land use in this part of the country, has been in decline for at least several decades due to declining per capita livestock numbers (e.g. Homewood et al., 1987; Mwalyosi, 1991) and a lack of viable livelihood alternatives. The roots of these problems, inevitably, center on land and natural resource management.

One of the by-products of the liberalization policies adopted in the mid-1980's- those same policies that led to the investment-driven mining and tourism booms- has been increasing pressure on rural land tenure. In northern Tanzania, lands used by pastoralists for livestock grazing have come under increasing pressure by outside sources during this period (Igoe and Brockington, 1999). Pastoralists have been forced into smaller and smaller tracts of land as outside investors, National Parks, and immigrant cultivators from overpopulated highlands elsewhere in northern Tanzania encroach upon and take over what were formerly traditional grazing areas. Land legislation remains complex, occasionally contradictory, and weakly enforced by administrators and the judiciary, despite policy objectives to the contrary.

The process of land loss curtails the resilience and flexibility needed by livestock managers in semi-arid rangelands, undermines the viability of pastoralist land uses which are generally the most sustainable and appropriate in these dry areas, and forces people to look for and choose other livelihood options. Where residents of these rangelands choose cultivation, it may simply accelerate the poverty spiral by damaging soil fertility, increasing erosion, and rendering people dependent on an activity that is marginal at best in semi-arid areas. Many other pastoralists are forced to immigrate to urban areas, where they become watchmen or hawk crafts on the street, livelihoods that are not likely to prove prosperous and merely transfer poverty from rural to urban areas.

Diversifying rural economies in these rangelands is essential if this poverty spiral is to be countered and meaningful livelihood gains achieved. As the draft Rural Development Strategy and numerous other government documents state, tourism provides one of the main opportunities for achieving this given the sector's rapid growth in this part of the country over the past decade. Community-based tourism, where local people engage directly in tourism enterprises, stands to unlock new communal and individual opportunities from this powerful

growth sector<sup>5</sup> (TDP, 2002). In many areas tourism has had a major positive impact in a very short period of time in channeling new economic opportunities to local communities living in marginal rural areas. In remote Loliondo Division in Ngorongoro District, for example, seven villages now earn a total of over US\$110,000 annually from a variety of joint ventures with high end tour operators. One of these communities, Ololosokwan Village, is Tanzania's outstanding example of community-based ecotourism, earning US\$55,000 per year from two ventures situated on its land. The village uses this income to invest in social infrastructure, resource stewardship, and other community needs.

But this type of diversification is the product of hard-won socioeconomic gains on the part of these rural communities, rather than an outcome of enlightened development planning. Community-based tourism receives little actual support in terms of empowering villagers to engage in such activities. By contrast, Ololosokwan's hallmark ventures have succeeded in spite of numerous efforts by district and national authorities to foreclose them (Masara, 2000). Major conflicts currently exist, for example, between centrally managed tourist hunting concessions throughout northern Tanzanian rangelands and village lands, and these community-based tourism ventures. Existing statutes and actual practices, if not the aspirations of sectoral policies, do not support local empowerment and greater rural economic opportunities, but rather exclusive centrally controlled uses of wildlife and tourism activities *at the expense of local opportunities*. Thus while the pastoralist livestock economy continues to descend into a poverty spiral, new opportunities such as tourism are proscribed to local people due to conflicts with central interests. Under such conditions the goal of rural diversification is inevitably undermined, and the outcome is a continued deterioration of the rural economy.

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<sup>5</sup> See Akunaay et al., this Forum.

The failure to diversify and strengthen rural economies in places like northern Tanzanian rangelands is largely a result of a startling gap between rhetoric- what is said- and reality- what is actually done. More than anything, it is the endurance of centralized modes of managing lands and natural resources with control remaining in the hands of the State at the expense of local communities that hinders the development of new opportunities and continues to marginalize local people. It should be noted that another product of this situation is the degradation of natural resources through over-reliance on the State for custodianship and resultant open access exploitation. Wildlife is the prime example of this problem. Large mammal populations in key dispersal areas and corridors in northern Tanzanian rangelands have become widely depleted through bushmeat poaching as a consequence of open access use, as well as habitat loss resulting partially from wildlife's inability to compete locally as a form of land use (see WSRTF, 1995; MNRT, 1998b; Barnett, 2000). Thus the lack of local economic empowerment with respect to natural resource management not only undermines poverty reduction in rural areas, but leads to loss of Tanzania's irreplaceable natural resource base as well.

## **Conclusion**

At this point in time, Tanzanian policy-makers must ask exactly where poverty can be most effectively attacked, and with what tools. The 2002 *Poverty and Human Development Report* has recently highlighted the lack of progress in combating rural poverty and the increasing inequality in the country between urban and rural areas. This document concludes that "the prime focus of poverty reduction should be rural" but that "reflection is needed to consider how the efforts to promote pro-poor growth, particularly in rural areas can be enhanced" (URT, 2002). This paper has argued that poverty reduction issues in these rural

areas must be pursued by focusing on the natural resources that form the foundations of livelihoods and economic activities for the communities living there. Confronting rural poverty is not so much a problem of policy as it is of implementation and bringing about structural changes in economic relationships and resource management rights. Numerous policies, such as those for Land, Forestry, and Wildlife, identify and detail the link between rural resource rights and socioeconomic improvement. The draft Rural Development Strategy produced by the Prime Minister's Office and awaiting implementation does so eloquently and precisely. The Poverty Reduction Strategy Paper and the National Poverty Eradication Strategy, by contrast, do not highlight the link between rural development and natural resources as a key to poverty reduction.

These key omissions merely contribute to the failure to integrate natural resource management practices with poverty reduction. Current national investment in sectors like mining and tourism largely fuels an increase in urban wealth, and in cases where foreign investment leads to land alienation from locals, these macroeconomic advances may even increase local rural poverty. The current dynamics of investment are leading to an increase in economic inequality nationwide, a consequence of rural people's inability to access opportunities from these activities in an entrepreneurial way and from an empowered position. Where local initiatives that increase rural benefit flows do develop, such as in the case of community-based ecotourism ventures in northern Tanzania, they often encounter stiff resistance from external interests. Thus diversification of the rural economy is lauded but in practice local rights and opportunities are curtailed more than supported. If this situation persists, the outlook for successfully reducing poverty in Tanzania's rural areas, and therefore in the country as a whole, will remain rather gloomy.

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