



Learning and institutional transformation:

The challenges for public sector forestry organizations in developing countries

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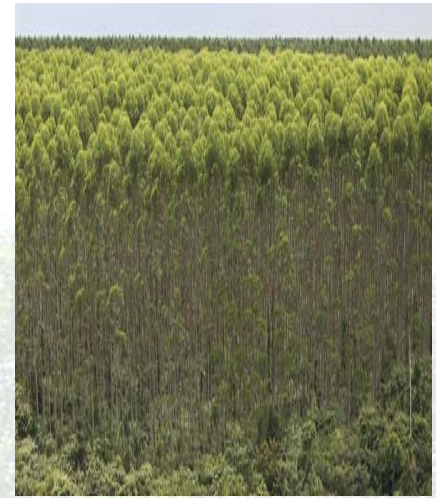
STRUCTURE OF PRESENTATION

- **The changing environment**
- **Forestry institutions in a changing environment**
- **Institutions and learning disability**
- **The world of informal sector**
- **Concluding remarks**

CHANGING ENVIRONMENT

Larger societal changes

- Demographic and economic changes
- Technological changes
- Societal transition
- Are the institutions adapting to the larger changes?



Agrarian
societies

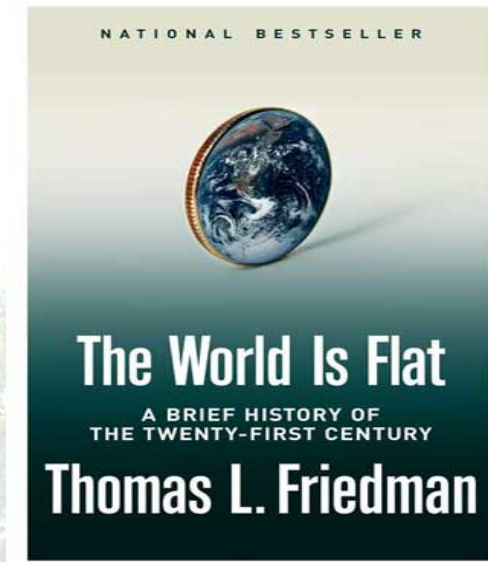
Industrial
societies

Post-industrial
societies

CHANGING ENVIRONMENT

Globalization and localization

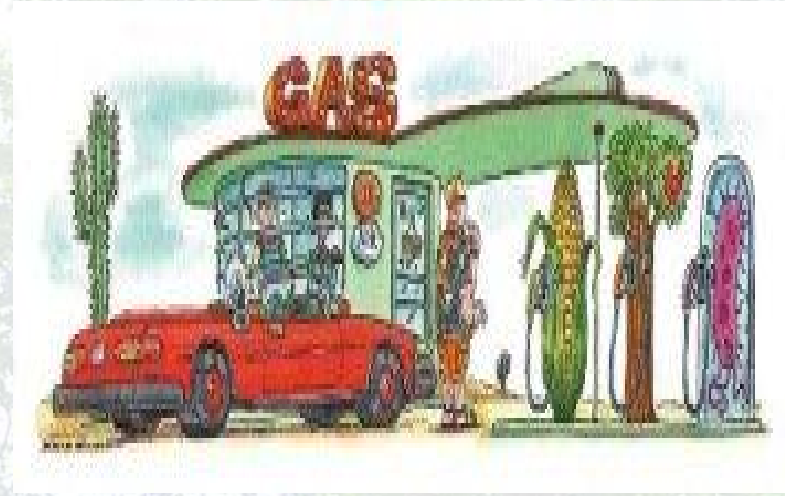
- **Accelerating pace of globalization**
 - **The “flat world”**
 - **Globalization in a broad sense to include economic, technological and institutional dimensions**
 - **Governance and globalization**
 - **Weakening governments/ nation states?**
- **Localization: A counter-force to globalization**



CHANGING ENVIRONMENT

Environmental challenges

- Ecology do not respect national borders
- The “specter” of climate change
- Impact on energy and environmental policies

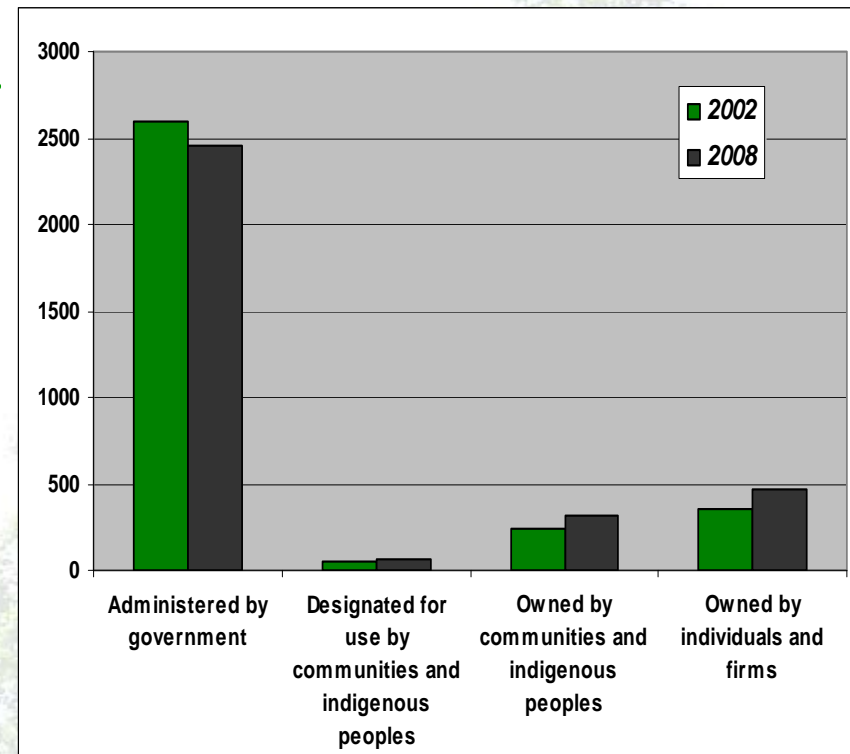


FORESTRY INSTITUTIONS AND CHANGE

Why changes required in public forestry institutions

- Preponderance of public ownership of forests.
- Influence of public sector institutions on other players
- Changing core competency of organizations (Some of the new players are in a better position to provide the services more efficiently)

Forest tenure distribution by tenure category in 25 of the 30 most forested countries, 2002–2008

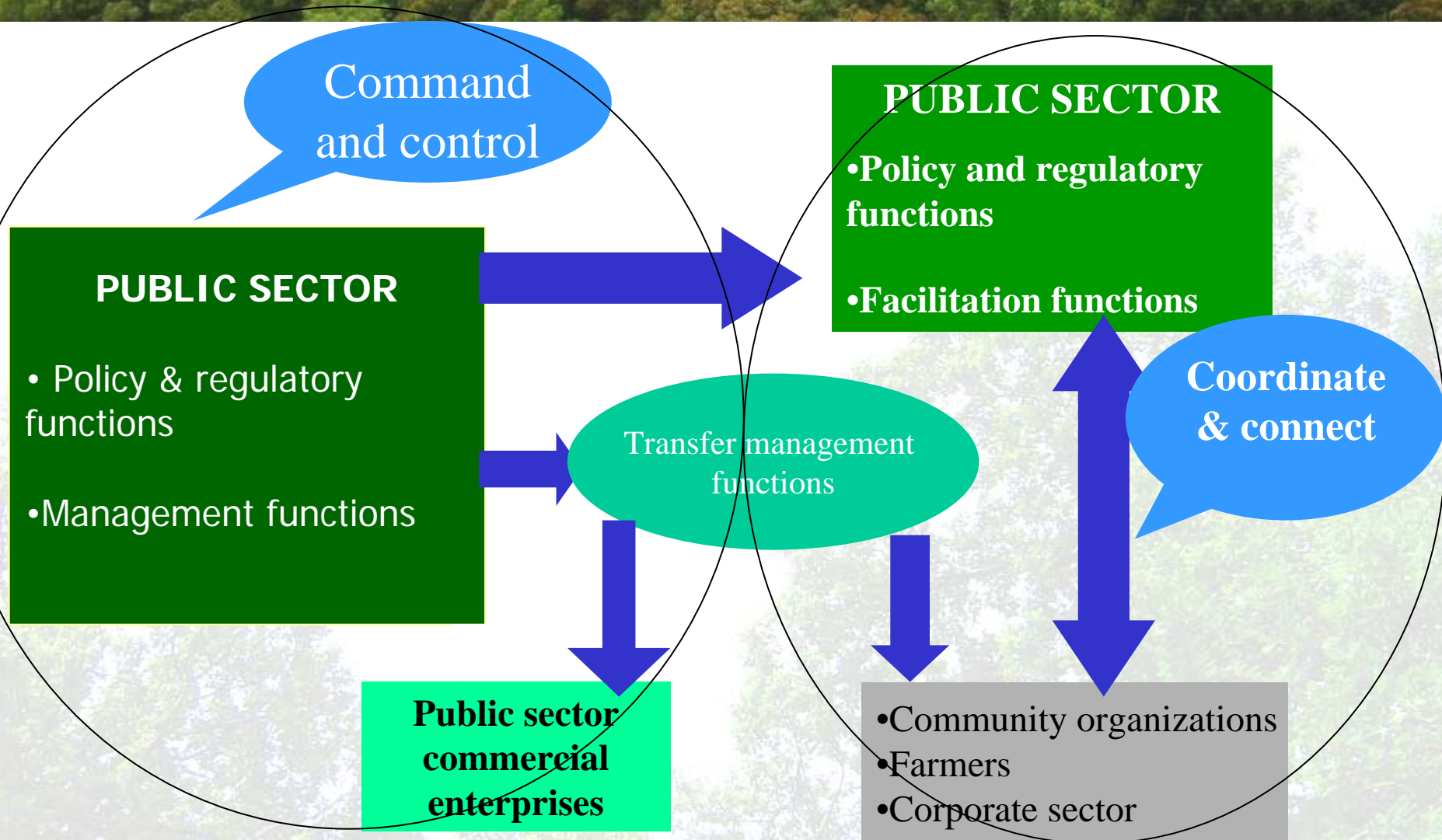


FORESTRY INSTITUTIONS AND CHANGE

- **Changes in institutional landscape**
 - **Emergence of new players and pluralistic framework**
 - Small holders as important producers of wood
 - Community forest management
 - Corporate players
 - TIMOs
 - **The end of dinosaur bureaucracies?**



CHANGES IN PUBLIC SECTOR INSTITUTIONS



CHANGING FUNCTIONS

- **Policy and regulatory functions.**
- **Protection of forests**
- **Resource management functions**
- **Facilitation functions**



FUNCTIONS AND KNOWLEDGE

Functions	Knowledge/ skill requirements
Policy and regulation	<ul style="list-style-type: none"> • Broader perspective of the role of forests and forestry in the economy. • Role of different players/ segments of society. • Approach to encourage positive responses by different players.
Protection	<ul style="list-style-type: none"> • Threats to forests and sources of threats. • Tools and techniques for dealing with various threats. • Cost-effective enforcement of forest legislation.
Resource management	<ul style="list-style-type: none"> • Economic, social and environmental aspects of forest management. • Implications of different interventions including costs and benefits. • Nature of conflicts in resource management and approaches to their resolution
Facilitation	<ul style="list-style-type: none"> • Behaviour of different players • Socio-economic conditions that encourage/ discourage forest/ tree resource management. • Responses to different market/ non-market mechanisms.

INSTITUTIONS AND LEARNING DISABILITY

- Learning and knowledge improvement to become key functions
- But most institutions are afflicted by severe learning disability
- Why:
 - Design deficiency
 - Role of informal systems/ structures

MECHANISTIC DESIGN

- **Organizations designed to perform a small number of pre-determined functions.**
- **Fragmented/ reductionist approach to dealing with problems.**
- **Command and control structure and flow of information highly formalized and regulated.**
- **Limited ability to sense changes in the external environment.**
- **Externally driven reinvention unavoidable in the context of changes in the environment.**



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ORGANIC DESIGN

❖ Organizations as living systems

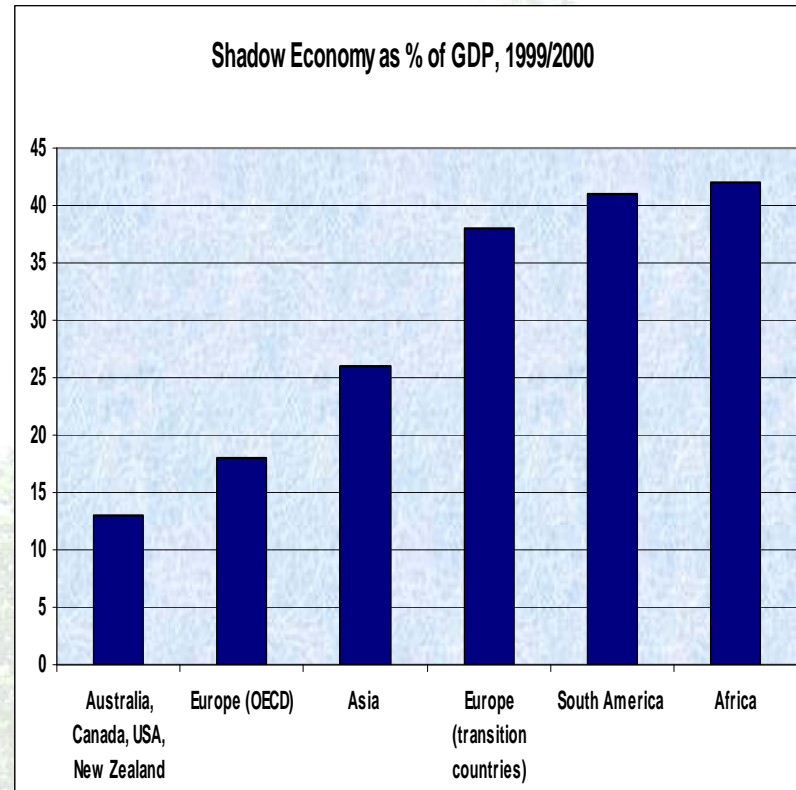
- Ability to sense external changes continuously
- Every part of the organization is able to sense the changes
- Continuous adaptation
- Competition and collaboration in nature



THE INFORMAL WORLD

❖ Preponderance of informal/ shadow/ invisible/ black economy

- **Very substantial in many countries and often much larger than the formal economies**
- **Ethics and governance**
- **Formulation of rules and regulations that exclude a significant share of the economic activity.**
- **Informal systems within and outside the formal systems**



THE INFORMAL WORLD


How an organization functions is often determined by the less visible informal part

- Very little analysis of the informal system.
- Informal systems within formal institutions
- Divergence between the objectives of the formal and informal systems.
- Most governance issues relate to the divergences between formal and informal systems
- Informal systems are stronger in the case of:
 - Larger organizations
 - Older organizations



CONCLUDING REMARKS

- ❖ **Changing institutional landscape**
- ❖ **Addressing the learning disability.**
- ❖ **Moving towards natural/ organic structures**
- ❖ **Governance, informal economy and informal institutional arrangements.**



“ When we look around our natural environment, we see continuous change, adaptation and creativity; and yet, our business organizations seem to be incapable of dealing with change”

Capra, 2002

An aerial photograph of a dense forest with a winding path. The trees are mostly green, with some brownish patches indicating a path or cleared areas. The text "THANK YOU" is overlaid in the center in a yellow, cursive font.

THANK YOU