SMALL-SCALE FOREST-BASED ENTERPRISES:
BENEFITING RURAL LIVELIHOODS IN DEVELOPING COUNTRIES

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Major paper submitted to the Faculty of the
Virginia Polytechnic Institute and State University
In partial fulfillment of the requirements for the degree of

Masters of Urban and Regional Planning

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21 December 2001
Blacksburg, Virginia

Keywords: Forest-based enterprise, microenterprise, rural livelihood, community forestry

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Small-scale forest-based enterprises (SSFBEs) are enterprises that utilize any material or product that is derived from forests, woodlands, or trees outside of forests and woodlands for income generation. Characteristically, they are small, rural, household-based operations that are technologically simple, requiring limited skills and little capital investment. Little attention has been paid to the importance of these enterprises in supporting rural livelihood in developing countries. At the same time, the income earned from SSFBEs provides an incentive for forest dwellers to manage their resources at a sustainable level, as well as helping to alleviate rural poverty. SSFBEs are, however, not without their problems. They face unstable markets, lack of raw materials, few financial resources, poor market access, and constraints on forest use and control, to name a few.

The purpose of this paper is to provide a qualitative overview of SSFBEs by discussing their role in and importance to rural communities in developing countries, their significance in poverty alleviation and forest conservation, problems they face, and possible solutions.