CHAPTER 6

ORGANIZATIONS AND INSTITUTIONS

The composition of the forest sector and the characteristics of each of its three main parts have been described in previous chapters. In this chapter the focus of attention shifts from ‘parts’ to ‘people’. The sector is viewed from the standpoint of the men and women involved — all those who control its resources, participate in its activities and receive its outputs. They contribute as individuals, but also collectively and more importantly, in organized groups and administrative units composed of people who collaborate for particular purposes. The sector consists of organizations of various kinds, including government departments, private enterprises and NGOs. Perceived as a whole, it is a conglomerate made up of different units or groups, each having a particular role and contributing in a distinctive way to the wide range of activities which collectively distinguish the forest sector as an economic and social entity.

Human organizations are social systems of varying degrees of complexity. The forest sector contains a set of organizations, each of which is a distinct social unit. Seen in its entirety, the sector is also a large, complex social system which therefore can be regarded as a rather amorphous organization at a superior level. The sector has a multi-level structure, with subordinate organizations at subsector level and below linked to each other through their activities and outputs. Together, they form a recognisable whole, which displays its own set of distinctive sectoral characteristics.

The distinguishing feature of the sector is its dependence on forest resources. All the subordinate organizations which make up the sector, are involved, directly or indirectly, with forest-based activities. This dependency is obvious in the case of the individuals, groups and organizations engaged in forest management and tree growing; similarly, those employed in logging and other forms of forest harvesting rely on outputs from the forest. Direct dependency also extends further along the chain of production to organizations engaged in primary processing, secondary manufacturing, construction and overseas trade, which utilize wood and non-wood raw materials derived from the forest. The connection between forests and other organizations, which do not form part of the productive process, such as cooperatives and trade unions, is indirect; they serve the interests and protect the rights of people engaged in forest sector activities. Environmental NGOs seek to safeguard forest
resources by influencing public opinion and the media, altering the way forestry affairs are handled by governments, landowners and industrial enterprises; industrial NGOs look after industrial interests and may pursue different aims.

The forest sector is a loose conglomerate, held together by the interactions between organizations within it and by an institutional framework which supports its activities and controls its behaviour. Reliance on forest resources acts as a unifying influence. Market transactions connect organizations which manage forest resources to those that sell forest products; similarly, interactions between NGOs and other non-commercial bodies pervade the sector. All its participants have a common interest in preserving and protecting the forest resources on which their activities and prosperity depend, but different ideas on how that is to be done. The institutional framework regulates sectoral affairs by means of an infrastructure of policy, custom and law, allocates financial resources, and provides services, such as education and research. It contributes to the maintenance of harmonious relations within the sector and supplies leadership.

The behaviour of forest sector organizations and the institutional framework within which they operate can be influenced, for better or worse, by human intervention in sectoral affairs. The organizations which make up the sector have a mutual interest in promoting changes from which they can all benefit. Due to the interactions within the sector, it is necessary to manage it as a whole in order to obtain the benefits of synergy. A holistic attitude therefore implies the adoption of a comprehensive approach to sector management and the promotion of organizational change within it. As the forest sector is a voluntary association of member organizations, its development must be based on consent.

The organizational and institutional foundations for sector management are presented in the first two sections of this chapter. Section 6.1 deals with the way the sector is organized and the types of organization of which it is composed; Section 6.2 describes the sector’s institutional framework and the functions it performs. The third section considers how best to manage the forest sector and develop its potential.

6.1 ORGANIZATIONS

When people associate in groups to undertake particular activities, as in the forest sector, they are said to be organized. ‘Organization’ refers to group activities carried out in an orderly fashion; the groups which carry out these activities are called ‘organizations’. The members of each group share its workload, are responsible for its performance and contribute to its achievements. Some groups are highly organized and adopt formal working arrangements, others are loosely structured and informal. They vary in size from small families to large corporations with hundreds of employees.

Organizations are social groups that display organized behaviour (see Box 5.1). Each organization is a distinct unit, able to function separately, with its own internal distribution of power and authority, set of human relationships, aims and aspira-