### Microeconomics of Wild Coffee Genetic Resources Conservation in Southwestern Ethiopia

### Institutional Change in Agriculture and Natural Resources Institutioneller Wandel der Landwirtschaft und Ressourcennutzung

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## Microeconomics of Wild Coffee Genetic Resources Conservation in Southwestern Ethiopia

Forest zoning and economic incentives for conservation

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### Aim and Scope of the Series

"Nothing endures but change". Heraclitus the Ephesian (ca. 535–475 BC)

Institutions, defined as "the rules of the game", are a key factor to the sustainable development of societies. They structure not only the multitude of human-human interactions of modern societies, but also most of the human-nature interactions. Poverty, famine, civil war, degradation of natural resources and even the collapse of ecosystems and societies often have institutional causes, likewise social and economic prosperity, sustainable use of resources and the resilience of socio-ecological systems. Agriculture, forestry and fisheries are those human activities where the interdependencies between human-human and human-nature interactions are perhaps most pronounced, and diverse institutions have been developed in history to govern them.

Social and ecological conditions are, however, ever changing, which continuously challenge the existing institutional structure at a given point in time. Those changes may be long-term, like population growth or climate change, medium-term, such as new technologies or changing price relations, or short-term, like floods or bankruptcies, but all of them pose the question whether the rules of the game need to be adapted. Failures to adapt timely and effectively may come at a high social cost. Institutional change, however, face a principal dilemma: on the one hand, institutions need to be stable to structure expectations and effectively influence human behaviors; on the other hand, they need to be adaptive to respond to the ever changing circumstance mentioned above. Understanding stability and change as well as developing adaptive institutions and effective, efficient and fair mechanisms of change are, therefore, of central importance for societies and an ongoing research challenge for social scientists.

If we want to improve the effectiveness, efficiency and adaptability of institutions, it stands to reason that we have to develop a good understanding of the causes, effects, processes and mechanism of stability and change. This is the aim of the series "Institutional Change in Agriculture and Natural Resources," which attempts to answer the questions "How do processes and mechanism of institutional change actually work? What and who are the main determinants and actors driving, governing and influencing these processes? What are the economic, political, social and ecological consequences? How can adaptive institutions be designed and developed, and what governance structures are required to make them effective?" These are the questions at the heart of the series. The works published in this series seek to provide answers to these questions in different economic, social, political and historical contexts.

Volker Beckmann and Konrad Hagedorn

Humboldt-Universität zu Berlin

# To the memory of Fitale Bedhane and Likke Wedajoo, whose counsel inspired me to reach here.

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## **Table of Contents**

A	ckno	wledgments	vii
L	ist of	Figures	xiii
A	bbre	viations	xiii
A	bbre	viations	xiii
1		troduction	
_	1.1	Background	
	1.2	Context	
	1.3	Objectives of the Study	
	1.4	Working Hypotheses	
	1.5	Organization of the Study	
2	R	eview of Literature, Conceptual and Theoretical Framework	
_	2.1	Introduction	
	2.2	Interlinkage between the Natural Forests and Local Livelihoods	
		.1 Natural Forest Dependency, Poverty and Equality	
		.2 Trade-off between Forest Extraction and Agricultural Activities	
		.3 Applicability of the Household Model in Forest Conservation	
	2.3	Conceptual Framework	17
	2.4	Theoretical Framework	19
	2.4	.1 Poverty and Income Inequality	19
	2.4	.2 Household Model	21
	2.5	Summary and Conclusions	22
3		verview of Coffee Production, Policies and Biodiversity Conservat	
	3.1	Introduction	
	3.2	Production and Export of Coffee: A Changing Trend	
	3.3	Natural Resources Conservation Policies and Strategies	29
	3.3	.1 Previous Regimes	29
	3.3	.2 Current Regime	31
	3.4	Biodiversity Endowment and Conservation Continuum in Ethiopia	33

	3.4.1 Biodiversity Endowment and Growing Threats	33
	3.4.2 Continuum of Implemented Conservation	34
	3.4.3 Rationale for In-Situ Conservation	36
	3.5 Institutions and Property Rights Related to Coffee Forest Conservation	37
	3.5.1 Institutions Involved in Conservation of Coffee Forest	
	3.5.2 Property Right and Its Role in Conservation of Coffee Forests.	
	3.6 Summary and Conclusions	
4		
4	4 Description of the Study Area and the Data	
	4.1 Introduction	
	4.2.1 Yayu Coffee Forest: Location and Phytogeographic Features	
	4.2.1 Fayu Coffee Forest: Location and Phytogeographic Features	
	4.2.3 Extractive Forest Uses	
	4.3 Survey Design	
	4.3.2 Data Collection Methods	
	4.4 Description of the Data	
	4.4.1 Demographic Characteristics of Sampled Households	
	4.4.2 Land Availability, Use and Crop Production	
	4.4.3 Livestock Holding and Management	
	4.4.4 Agricultural Input Use	
	4.4.5 Consumption and Budget Allocation	
	4.4.6 Access to Market and Credit	
	4.4.7 Off-farm Activities	
	4.5 Summary and Conclusions	
_		
5	5 Implication of Coffee Forest Conservation and Conservation Incentives to Local Household Economy	57
	5.1 Introduction	57
	5.2 Concepts and Scenarios	58
	5.3 Empirical Approach	62
	5.3.1 Poverty and Inequality Indices	62

	5.3.2 Econometric Model	64
	5.4 Results and Discussions	68
	5.4.1 Household Cash Income Sources	68
	5.4.2 Implication of Coffee Forest Conservation to Local Household Poverty	70
	5.4.3 Implication of Coffee Forest Conservation to Income Inequality	71
	5.4.4 Implication of Conservation Incentives on Poverty and Inequality	74
	5.4.5 Analysis of Negatively Impacted Households	77
	5.5 Summary and Conclusions	81
6	Forest Products Harvesting Decision of Local Households and Its Implication for Wild Coffea arabica Conservation	83
	6.1 Introduction	
	6.2 Analytical Models	84
	6.3 Empirical Models	92
	6.3.1 Empirical Model for Distance Households Traverse in the	
	Core Zone	93
	6.3.2 Empirical Model for Harvesting Decisions across Zones of	
	Coffee Forest	95
	6.3.3 Variables Consideration	96
	6.4 Results and Discussions	100
	6.4.1 Effect of Location and Resource Endowment on Encroachment	
	to the Core Zone	
	6.4.2 Spatial Forest Products Harvesting Decisions across Conservation Zones	
	6.5 Summary and Conclusions	108
7	Agricultural Activities, Labor Allocation and Sustainable Use of Coffee Forest	111
	7.1 Introduction	111
	7.2 Theoretical Model	112
	7.3 Empirical Models Specifications and Estimation Strategies	117
	7.3.1 Specification and Estimation of the Production Function	118
	7.3.2 Specification and Estimation of Labor Allocation	121
	7.3.3 Specification and Estimation of Demand for Forest Products	123

	7.4 Results and Discussions	125
	7.4.1 Production Activities and Shadow Values of Selected Inputs an Outputs	
	7.4.1.1 Agricultural Production and Forest Products Extraction	
	Activitie	125
	7.4.1.2 Elasticity of Labor Supply and Shadow Wages of Labor	127
	7.4.2 Labor Supply to Production Activities in Conservation Area	130
	7.4.2.1 Labor Supply to Semi-forest and Forest Coffee Production	131
	7.4.2.2 Labor Supply to Forest Product Collection from Conservation	n
	Area	133
	7.4.3 Local Households' Demand for Selected Non-timber Forest	
	Products	135
	7.4.3.1 Demand of Fuel Wood from Conservation Area	136
	7.4.3.2 Demand for Local Construction Materials from Conservation	l
	Area	137
	7.5 Summary and Conclusions	139
8	8 Summary, Conclusion and Policy Implications	143
	8.1 Introduction	
	8.2 Summary of Key Findings and Conclusions	145
	8.3 Policy Implications	150
	8.4 Issues for Further Research	153
R	References	155
A	Appendices	167
	Appendix A	167
	Appendix B	179

# **List of Figures**

Figure 2-1:	Schematic framework to depict protected area and local household interaction	18
Figure 3-1:	Coffee supply to the central market by regions	
Figure 3-2:	Contribution of coffee to total export value	27
Figure 3-3:	Quantity of washed and sun-dried coffee supplied to the central market	28
Figure 3-4:	Trend of average price of washed and unwashed coffee at auction center.	29
Figure 4-1:	Map of the study area	14
Figure 4-2:	Area allocated to cereal crop production for Ilubabor zone4	15
Figure 5-1:	Percentage share of household cash income by activities6	59
Figure 5-2:	Percent of households generating cash income by activities7	0
Figure 5-3:	Lorenz curve for household income under the different scenarios 7	74
Figure 6-1:	Predicted probability of HV and LV forest products collection from each zone	

## **List of Tables**

Table 4-1:	Household head and family characteristics	49
Table 4-2:	Land use of sampled households (in ha)	50
Table 4-3:	Livestock holding of sampled households (in number of heads)	51
Table 4-4:	Labor use in major activities in mandays/ha (in 2006/07)	52
Table 4-5:	Average production and consumption of sample household (in 2006/07)	53
Table 4-6:	Average expenditure of sampled household in 2006/07(in ETB)	54
Table 5-1:	Description and expected sign of variables used in fractional logit model	67
Table 5-2:	Local household poverty indices under conservation scenarios	71
Table 5-3:	Gini decomposition by income sources under conservation scenarios	73
Table 5-4:	Simulated scenarios of effect of possible conservation incentives on poverty	76
Table 5-5:	Simulated scenarios of effect of possible conservation incentives on income inequality	76
Table 5-6:	Factors explaining the negatively impacted household in each scenario	79
Table 5-7:	Marginal effect of factors explaining the negatively impacted households	81
Table 6-1:	Summary of variables explaining forest product harvesting behavior of household	99
Table 6-2:	Tobit model output for distance traveled into core zone	03
Table 6-3:	Ordered logit model output for spatial forest product collection 1	08
Table 7-1:	Average productivity of land allocated to different activities (kg per ha)	.26
Table 7-2:	Partial elasticity and average shadow wage of labor of sampled households	28
Table 7-3:	Testing of equality of shadow wages across activities1	29
	Shadow price of some forest products from the conservation area (ETB/unit)	30

xiv List of Tables

Table 7-5: Labor allocation to semi-forest production and forest coffee	
collection	132
Table 7-6: Labor allocation to fuel wood collection from conservation area.	134
Table 7-7: Demand for fuel wood from conservation area	137
Table 7-8: Demand for pole, liana and rafter collection from the	
conservation area	138

# List of Tables in the Appendix

Table A5-1:	Local market price of forest products (in ETB per unit)	168
Table A5-2:	Multicollinearity test for explanatory variables of fractional logit model	168
Table A5-3:	Implication of conservation on poverty indices (FGT) decomposed by districts	168
Table A6-1:	eq:multicollinearity test for explanatory variables of Tobit model	169
Table A6-2:	Marginal effects on distance to harvest HV forest product in core zone	169
Table A6-3:	Marginal effects on distance to harvest LV forest product in core zone	170
Table A6-4:	Factor change in odds for HV forest products	171
Table A6-5:	Factor change in odds for LV forest products	172
Table A7-1:	Function estimated fuel wood collection from transition zone $\ldots$	173
Table A7-2:	Description of explanatory variables of production, labor supply and demand functions	
Table A7-3:	Production function estimated for maize	175
Table A7-4:	Production function estimated for plantation and semi-forest	
	coffee	176
Table A7-5:	Function estimated for forest coffee and fuel wood collection $\ldots$	177
Table A7-6:	Wald test for properties of production function	177
Table A7-7:	Robust auxiliary regression test of equality of shadow wages across activities	178

### **Abbreviations**

AfDB African Development Bank

ADLI Agricultural Development Led Industrialization

CBD Convention on Biological Diversity
CFFA Coffee Forest Friendly Activity
CSA Central Statistical Agency

MoARD Ministry of Agriculture and Rural Development EIAR Ethiopian Institute of Agricultural Research

EPA Environmental Protection Authority

ETB Ethiopian Birr

FAO Food and Agriculture Organization FDRE Federal Democratic Republic of Ethiopia EFAP Ethiopian Forestry Action Program

EWCO Ethiopian Wildlife Conservation Organization

FGT Foster-Greer-Thorbecke HV High value forest product

IBC Institute of Biodiversity Conservation JICA Japan International Corporation Agency

NCS National Conservation Strategy NGO Non-governmental organization NPFA National Priority Forest Area NTFP Non-Timber Forest Product LV Low value forest product

OESPO Oromia Economic Study Project Office

ORS Oromia Regional State PAs Peasant Associations

PASDEP Plan for Accelerated and Sustainable Development to End Poverty

SNNPS Southern Nations, Nationalities and Peoples' State

UN United Nations