



Forestry, cross-sectoral issues and globalisation:

Managing and adapting to change in a borderless world

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Forests – Common Benefits, Shared Responsibilities, Multiple Policies

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CROSS-SECTORAL ISSUES: Where are We?

- We know the importance of cross-sectoral impacts.
- But has anything changed?
- Is there a hope in the future?

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STRUCTURE OF THE PRESENTATION

- Losing the battle – But winning the war?
- Changing horizons – Impact of globalization.
- Institutional adaptation.
- Costs and benefits of addressing cross-sectoral issues.
- Conclusion.



LOSING THE BATTLE – WINNING THE WAR?

- Forestry is in the political agenda.
- Increasing attention by other actors.
- Most changes are emanating from outside the sector and not by design.



SHARE OF FORESTRY

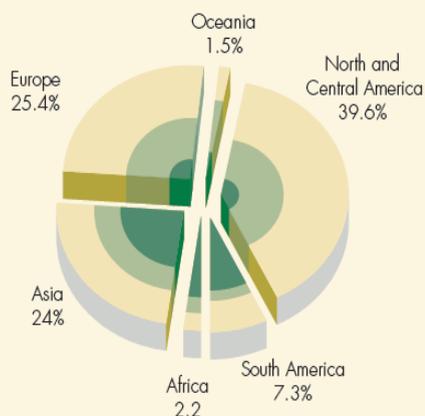
Region	Regional distribution of global forestry sector employment, value-added and exports in 2000						Change in absolute values over the period 1990 to 2000		
	Employment		Value-added		Exports		Employment	Value-added	Exports
	millions	%	USD bn.	%	USD bn.	%	%	%	%
Africa	0.5	4	8	2	3	2	+6	+5	+60
West and Central Asia	0.4	3	3	1	<1	<1	+28	-14	+169
Developed Asia-Pacific	0.6	5	49	14	4	3	-20	-20	+31
Developing Asia-Pacific	4.9	38	39	11	16	11	+16	+34	+57
Western Europe	1.7	13	81	23	61	42	-8	-13	+50
Eastern Europe	1.9	15	9	2	10	7	-15	-27	+137
North America	1.5	12	136	38	44	31	-1	+10	+33
Latin America & Caribbean	1.2	10	30	9	6	4	+39	+46	+90
<i>All tropical countries</i>	<i>3.0</i>	<i>24</i>	<i>48</i>	<i>14</i>	<i>16</i>	<i>11</i>	<i>+23</i>	<i>+34</i>	<i>+47</i>
<i>All temperate countries</i>	<i>9.9</i>	<i>76</i>	<i>306</i>	<i>86</i>	<i>128</i>	<i>89</i>	<i>-1</i>	<i>-2</i>	<i>+50</i>
World total	12.9	100	354	100	144	100	+4	+1	+50

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SIGNIFICANCE OF FORESTRY

2000



Subsector	Share by subsector (%)					
	Africa	Asia	Europe	Oceania	North and Central America	South America
Forestry	58	29	16	22	14	51
Wood industry	18	20	34	47	35	13
Pulp and paper	24	51	50	31	51	36

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IMPACT OF GLOBALISATION

- Changing comparative/ competitive advantage.
- Physical distance becoming less important.
- Rapid access to information – A flat world and level playing field.



IMPACT OF GLOBALIZATION

- Impact of decisions in far-flung places.
- Inability to predict the pathways of impact.
- Marginalisation of traditional players?



FUNDAMENTAL ISSUE

- **Approaches to decisions on resource use.**
 - **Through policy dialogue focusing on the larger societal welfare.**

- **Supremacy of markets?**



POLICIES AND POLICY FORMULATION PROCESSES?

- **Absence of policies.**
- **Ex-post policies: Failure to address the future?**
- **Weak policy processes – lack of debate and discussion.**



CHANGES IN THE FOREST SECTOR

- Institutional changes.
- Multiplicity of objectives.
- Unclear sectoral boundaries.



INSTITUTIONAL ADAPTATION

- Minimising rigidity of formal structure.
- Keeping alive informal networks.
- Costs of accessing and using information.



HOW ARE WE PREPARING THE FORESTRY PROFESSION?

- Are we still too much focused on narrow technical aspects of forest management?
- How much efforts are being made to provide cross-sectoral skills?



NEW KNOWLEDGE

“The rapid growth of cross-disciplinary and interdisciplinary work would indeed argue that new knowledge is no longer obtained from within the disciplines around which teaching, learning and research have been organized in the nineteenth and twentieth centuries”

Drucker, 1989



ISSUES IN ADDRESSING CROSS-SECTORAL IMPACTS

- Access to information.
- Adapting institutions to changes.
- Distinguishing real changes from superfluous signals.

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KEY ISSUE IN IMPROVING CROSS-SECTORAL DIALOGUE

- Reduce transaction costs.
- Difficulties in sustaining permanent networks .
Option= Ad hoc networks
- Lot of information – But making sense out of it is costly.

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CONCLUSION

- Are we the only ones talking about cross-sectoral issues?
- Does this indicate our helplessness?



CONCLUSION

- Change is the only unchanging rule.
- Most changes will be from:
 - outside the sector
 - often from unexpected corners.
- Our ability to influence them will be very limited.



CONCLUSION

- Enhance the vibrancy of institutions to adapt.
- Our business – Enhance quality to life.



Thank You