

# Management and Marginalization: Organizational Structures and Associated Trade-offs in Oaxacan Community Forest Enterprises

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## Research Objective

Explore **how varying organizational structures of vertically integrated Community Forest Enterprises (CFEs) in Oaxaca, Mexico, advance some objectives (e.g., profit) at the expense of others** (e.g., participation, transparency, trust and accountability)

**Trade-off:** the negative relationship between two states, where the increase or fulfillment of one contributes to the decrease or forfeiture of the other



Oaxaca, Mexico

## Background

Poverty and environmental degradation remain pervasive challenges, with many of the world's most biodiverse regions also serving as home to some of the world's poorest populations.<sup>1</sup> Establishing systems and practices that address both human development and environmental concerns is thus of understandable importance. **Community forestry has been proposed as one means by which to address multiple objectives**, with scholarship suggesting that **Mexican CFEs are a global model due to the profitability and competitiveness they have achieved through vertical integration** of their harvest operations, sawmills and processing facilities.<sup>2</sup> But while **Mexican CFEs are frequently posited as an example of the theoretical 'win-win' nature of community forestry**,<sup>3</sup> this study hypothesizes that such **'win-wins' belie practical challenges that face CFEs who have altered their organizational structures to accommodate more profitable, vertically integrated enterprises**, and so proposes to explore the potential of CFEs to advance multiple objectives in terms of trade-offs.

E.g., while managerial positions in some communities rotate every three years, preventing corruption or the concentration of power, this rotation may also create inefficiencies and decrease profit as experienced personnel depart and inexperienced personnel enter.<sup>4</sup> In San Martin Ocotlán, increased income from logging contributed to the elite capture of resources, greater inequality in wages and increased embezzlement,<sup>5</sup> representing trade-offs between economic gains and inter-community equity and integrity.

## Theoretical Framework

To explore how varying organizational structures of vertically integrated CFEs result in trade-offs, **this study draws on themes from political ecology** to frame questions and guide coding and analysis. These include:

- **Community agency**, which is the 'capacity of people to [collectively] manage, utilize, and enhance those resources available to them'<sup>6</sup>
- **Marginalization**, resulting when 'winners and losers' are created through 'non-incidental structures'<sup>7</sup> that perpetuate **hierarchies of power**
- **'Chains of explanation'**,<sup>8</sup> which seek to explain phenomenon by looking at influences at different **geographic scales** or **levels of socioeconomic organization**<sup>9</sup>



Ixtepeji

Capulalpam

Mancomunados

La Trinidad

## Methods

- **Comparative case study** of four CFEs (pictured above) selected to demonstrate variability in organizational structure and size while controlling for typology (level of vertical integration) and forest ecology
- **Semi-structured interviews and focus groups** conducted with leadership, employees and other community members connected to the enterprise; audio recorded when permitted
- **Document collection** of relevant materials, including community plans, proposals and financial records
- **Coding and analysis** of interviews, focus groups and documents, beginning with open coding to determine emergent themes and followed by axial coding to develop concepts once initial categories are established

Phase I  
Data Collection  
Summer 2017

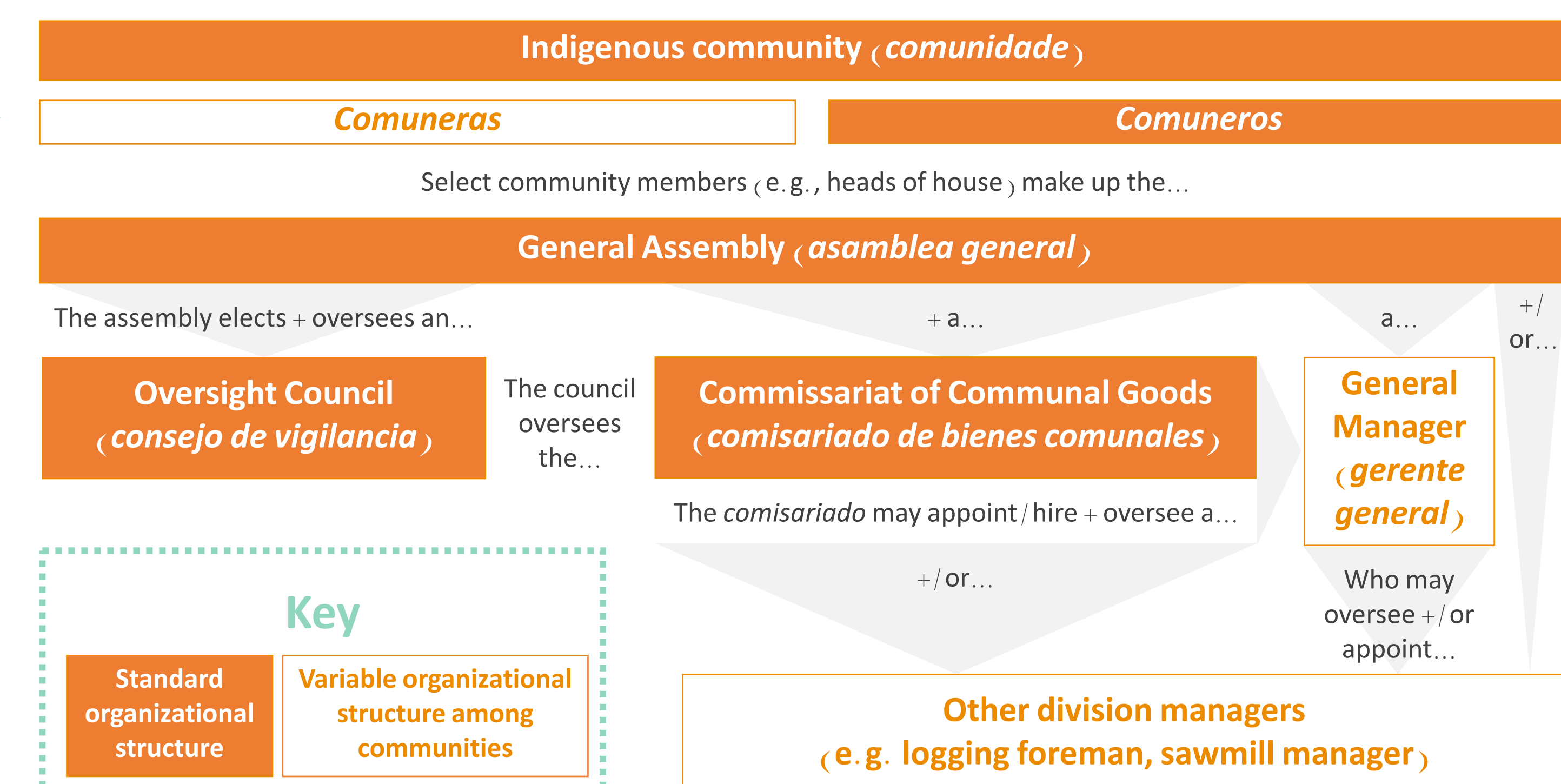
Phase I  
Data Analysis  
Fall 2017

Phase II  
Data Collection  
Winter 2018

Phase II  
Data Analysis  
Spring-Summer 2018

## Examples of Preliminary Results

- **Moving operations** from rural communities to urban centers may increase profits through reduced transportation costs ...but can reduce community participation and transparency, especially for women and individuals in remote areas
- **Seasonally or temporarily employing workers** can increase profits by reducing overhead costs associated with maintaining a workforce ...but can decrease participation through employment and drive out-migration, especially among single-parent or single-member households
- Hiring **personnel from outside communities** can increase profits through increasing managerially expertise and efficiency ...but may erode trust between the community and leadership as well as decrease participation through local employment
- **Limiting involvement in decision-making** bodies/processes may increase competitiveness and profits through faster and/or more expert deliberation ...but inherently decreases participation and may reduce transparency and accountability as well as concentrate power



The above diagram introduces the varying organization of CFEs

## Importance

Practically, the analysis of trade-offs can aid CFEs or other stakeholders by explicitly identifying potential or perceived drawbacks that may otherwise be hidden by the theoretical 'win-win' nature of communal ownership and governance of forestlands. This may **foster more transparent and deliberate decisions, allow for the more efficient or equitable distribution of resources or mitigation of undesirable outcomes, and help to avoid disillusionment or disappointment** over unanticipated consequences.<sup>10</sup> This research also **advances the theory and understanding of trade-offs and decision-making processes associated with multi-purpose initiatives**.

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