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Integration of forestry sector contribution to the system of national accounts in Sri Lanka: Evidence from household utilization of non-timber forest products in the dry zone

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Abstract

Natural forests provide a sizeable amount of benefits, both tangible and intangible, becoming a prime source of livelihood to the forest-dwelling communities in Sri Lanka. The recorded contributions of many such benefits, particularly those intangible, are, however, largely overlooked. Thus, the real contributions of forests are concealed resulting in under-valuation due to imperfections in estimating such benefits through the conventional system of Forest Accounting. However, the global trend in this respect has been changed towards employing a more comprehensive framework – the Environmental Economic Accounting (UN-SEEA) System, which accounts for the total economic value of natural resources. This paper focuses on the use of UN-SEEA to adequately value the contribution of Sri Lankan forestry sector, which is a main assessment carried out under a multidisciplinary research study to incorporate this approach to the process of National Income Account calculation. The information pertaining to household collection, subsistence use, and transaction of non-timber forest products (NTFPs) were retrieved by means of a structured questionnaire-based survey through Rapid Rural Appraisal. Two different sets of households: (1) those adjacent to a Dry Zone forest type (<0.5km) [n=250], and (2) away from a forest, but possess a home garden (>2 km) [n=250]) were selected from Anuradhapura, Polonnaruwa and Trincomalee districts. The outcome of analysis revealed that in spite of the location, almost all are dependent on NTFP for subsistence use and nearly 10% of households generate income through transaction. About 43% of NTFP were collected as "food" followed by "wood" (25%) for subsistence use. Further, fuel wood was responsible for generating the highest income through transaction. It was evident that, on an average, 55% of household food and energy expenditure was saved due to subsistence use of NTFP. The study justifies the use of this accounting approach suggesting strong policy recommendations for budgetary allocations and conservation of the forestry sector.

Keywords: Economic valuation, forest sector, national accounting, non-timber forest products (NTFPs)