

Abstract 7: The Harvesting Quota: Impacts on Incentives for Sustainable Collective Forest Management. Author: Yang Congming, Guizhou Forest Department.

In 1985 the State Forestry Administration (SFA) adopted a national regulation prescribing an annual allowable cut (harvesting quota) for all forest management units – regardless of size or ownership. The implementation of the quota has been widely critiqued and is seen as one of the largest distortions in the Chinese forestry sector. This paper begins with a quick overview of the history of the quota in China. The paper then reviews the actual implementation of the quota over time at the county and village levels – drawing on empirical evidence from Guizhou Province and assesses the impacts of this regulation on incentives for sustainable forest management. The paper reviews the history of the allocation of the quota at the county and village levels, identifies how this quota is calculated and administered by local SFA authorities, compares the annual quota with annual forest production, as well as the level of annual demand by community households, for fuelwood and household construction requirements. The paper also identifies the financial impact of the quota on communities – the loss of income from implementation of the quota. The paper then draws on other literature to review the types of regulation by which other major forest nations have approached the harvesting quota issue, and presents recommendations to Chinese policy makers for their consideration in re-evaluating the harvesting quota in China.