

Associating of Small-scale Forest Owners in Slovenia

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SUMMARY

Slovenian private forests cover 0.8 million ha. They are split into more than 300,000 properties and even more owners. A small-scale estate is one of the main reasons for low efficiency and unfavourable position of private forest management. Voluntary associating of small-scale forest owners is a new process for Slovenian circumstances.

An active group of forest owners was analysed. They established their own local association in the Mirna dolina valley in 2001. The case study among the members (n=40) of the association was made in spring 2005. Another survey, which included all field foresters of the Slovenia Forest Service, was made at the end of 2005 (respond n=444). In both studies questionnaires were used for collecting data.

The goal of forming an association is to increase the positive results of sustainable nature-oriented management of private forests and thus increase the economic strength of forest owners while not disregarding all the various forest functions. Owners were satisfied with the association's activities. They had become members because they felt their knowledge and skills in forest management were not sufficient. In the future, the members expect the association to provide more education and trainings, give them as much information as possible regarding the wood market, wood purchasers and forestry service providers, and also to organize various social activities such as meetings, excursions and field trips. Local associations of private forest owners are important partners for regional and rural development and for

directing forest management challenge. The foresters who are employed in a public forestry service estimate that associations of forest owners are even more important in terms of finding solutions to problems related to the construction of forest roads, wood sales, prevention of further fragmentation of forest holdings and countryside development. Opinions obtained are often significantly different between the areas, in particular with regard to the factors which are determined by the ownership structure and geographic, natural and socioeconomic conditions.

Forest owner associations will play a decisive role in connecting, organizing, extending and representing owners' interests. Professional instructions of field foresters will greatly influence the future development of associating process.

Key words: private forest owners, professional foresters, associating, questionnaires, Slovenia

1 INTRODUCTION

As regards private forest management, Slovenia is faced with similar problems as most European states. For over 150 years, the majority of Slovene forests have been owned by small holders. Owing to continuous fragmentation of forest holdings through inheritance proceedings, the number of owners is constantly increasing, consequently reducing the average size of forest holdings and leading to a gradual decrease in the dependence of forest owners on their woodlots and harvested timber. Not surprisingly, the average harvest remains below the annual allowable cut. Activities aimed at promoting associations of forest owners

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are one of the measures to improve forest management.

After the Land Absolution Decree of 1848 (Austria-Hungary), the majority of Slovene forests were brought into family ownership. Initially, forest owners had to pay substantial compensations, and many took out large loans to cope with increasing liabilities. As a result of high interests charged by lenders, forest owners were forced to start organizing into credit cooperatives. In 1873 the Commercial Cooperatives Act was passed, followed in 1903 by the Auditing of Profitable and Commercial Cooperatives Act. Agricultural cooperatives experienced a boom at the beginning of the 20th century, but their growth was stopped by World War I and the Great Depression that followed. In 1918 Slovenia became a part of the Kingdom of Serbs, Croats and Slovenes, which changed its name into the Kingdom of Yugoslavia on 3 October 1929. In 1937 the Kingdom passed the Cooperatives Act.

By World War II; cooperatives had attracted over 250,000 members (Avsec et al. 1998). As the borrowings of farmers were very high, the government abolished farmers' debt with a special law soon after the war. After-war reforms led to a reduction in the number of cooperative members. As the state administration took over control of cooperatives, they were soon deprived of their original meaning. The Federal Republic of Yugoslavia (1943 – 1963) passed the Fundamental Law of Agricultural Communes in 1949, which clearly expressed that the state intended to exercise control of farmers as a tool of enforcing socialism in the countryside. Joint organisations – cooperative associations – were abolished. Increasingly, the principles of cooperatives were lost in companies which were gradually becoming state-owned, the ownership shares of members were cancelled and cooperative members were reduced to workers. Although the Law on Farmers' Associations was passed in 1972 with an attempt to revive the original mission of cooperatives, the government continued to take the top-bottom approach to operation and management of cooperatives. Following the collapse of the Socialist Federal Republic Yugoslavia (1963 – 1991), the Republic of Slovenia (RS) became an independent state. In March 1992, RS passed a new

Cooperatives Act (Official Gazette of RS, 13/92), which revived the idea of cooperatives and provided for establishment of all types of cooperatives.

In the last period of the socialist regime in Yugoslavia, associations of forest owners were regulated within the framework of organisations called Basic Organisations of Cooperants. Only one in ten private forest owners was actually a members of such an organisation (Winkler and Gaspersic 1987). The share of members was higher in areas where the average size of forest holdings was larger. In the areas of Bled, Postojna, Nazarje and Slovenj Gradec more than fifty percent of forest owners were also members of these organisations. With an exception of Kranj (22%), Ljubljana (18%) and Celje (13%), the proportion of members remained below 10% in all other areas of Slovenia (Tolmin, Kocevje, Novo mesto, Brezice, Maribor, Murska Sobota, Sezana).

Since 1994 forest owners have been able to protect their interests within machinery hire syndicates (21 machinery hire syndicates and 833 members), where they carry out services for other members through their work and use of own machinery within the framework of an activity defined by regulations on neighbour assistance (Dolensek 2006/Klun 2002). Machinery hire syndicates are voluntary associations of farmers operating on a group basis. These associations do not require a lot of administration. The main purpose of their operation is rational usage of expensive machinery and work capacity rather than profit. In 2005, there were 45 machinery hire syndicates with 5519 members registered in Slovenia. If these syndicates only attract one member per farm, they cover 7% of all farms in Slovenia. On the national level, machinery hire syndicates are connected into the Association of Machinery Hire Syndicates of Slovenia and, in international terms, form the European Machinery Hire Syndicate Association.

The Chamber of Agriculture and Forestry Act (OG RS 41/99), adopted in 1999, requires compulsory membership for all forest owners and agricultural land owners whose cadastral income exceeds a prescribed limit (approx. EUR 85/ha in 2005). The forestry field within the Chamber is not

sufficiently covered as 13 regional units only have 3 advisors (as of March 2006). The Chamber has about 170,000 members (natural persons), 146,000 of whom obtain cadastral income from forests.

After 2000, forest owners in Slovenia launched a series of local initiatives aimed at establishing special associations within forest owner societies. The Societies Act (OG RS 60/95) forms the legal basis for such organisations. In their efforts, forest owners are helped by field foresters employed with the Slovenian Forest Service. At the end of 2005, seven local forest owners' associations were registered.

An NGO has also been formed by the owners of land which was nationalised after World War II. Their efforts are concentrated on fighting for the right to hunting on one's own property. The Slovenian Association of Forest Owners and Claimants to Hunting Rights is a member of the international European Landowners Organisation.

Although several different forms of co-operation and association of forest owners exist in Slovenia, we cannot be satisfied with the current conditions, mainly because the management of private forests is lagging behind the allowable and potential forest exploitation, in particular in private forests. As a result of rapid changes in the social and economic structures and further fragmentation of ownership, forest owners, forestry and the state are now faced with a number of challenges and problems in sustainable management of private forests in Slovenia. After 15 years of democracy and state independence Slovenia still has no representative in the European Forest Owners Association. Forest owners' societies and machinery hire syndicates are expected to merge into an Association of Forest Owners Societies in April 2006.

The paper presents an analysis of an active group of forest owners who founded their own society of forest owners in the Mirenska dolina valley (South Slovenia) in 2001 and states their reasons for forming this local association.

Considering the important role of field foresters in local (self)organisation of forest owners, a survey has been conducted among the foresters working in various areas of Slovenia in order to

assess their attitudes toward associations of forest owners.

2 METHOD OF WORK

The research into associations of forest owners in Slovenia focused on two groups, namely members of the Society of Forest Owners in Mirenska dolina and on field foresters employed with the Slovenian Forest Service.

A sample questionnaire conducted with members of the local association (society) of forest owners in Mirenska dolina (n=40) in the spring of 2005 was aimed at determining the interests and reasons for associating, up-to-date experience and future expectations. Forest owners were divided into classes regarding the size of their holdings.

In November 2005 all field foresters employed with the Slovenian Forest Service were asked to fill out the questionnaire. Our intention was to determine how foresters as experts on local conditions and relations among owners evaluate the importance of forest owners' associations and other organisations. The questionnaire was filled out by 444 foresters. In this scientific paper, Chapter C – »Associations of private forest owners« has been analysed in detail, special attention being put to the question: »How important is association of forest owners in your area?«, which gave 5 possible answers. The questions were based on the questions which were asked forest owners in the course of previous researches (Medved 2001). Opinions were evaluated on a 5-stage Likerton scale where 1 is not important and 5 is very important. The results were processed in the Statistica programme.

3 RESULTS AND DISCUSSION

3.1 Case study – Society of Forest Owners in Mirenska dolina

In 2001 Slovenia saw the formation of the first society of forest owners – Society of Forest Owners of Mirenska dolina. The society was formed by forest owners in association with the Slovenian Forest Service (Mokronog

Administrative Unit). The society, which has 170 members (as of March 2006), is dedicated to serving its members through assistance in all fields of forest management where forest owners may experience problems. The basic role of the association is educating forest owners in quality, safe and efficient forest work. Special attention is given to training forest owners and to provision of counselling on timber marketing, purchase of forestry equipment and selection of contractors. The utmost importance of the society lies in the fact that it is not only intended to suit the narrow interests of forest owners but invites memberships of any person who wishes to express his/her positive attitude to forests through work in the society (Mori, 2002).

The average size of forest holdings owned by the members of the local association is 2.5 ha, which is also the Slovenian average. High proportion (50%) of fragmented holdings is a serious obstacle to effective and efficient management. Associations of forest owners are indeed a way to cope with the weaknesses of forest management and increase the efficiency of private property management.

The survey conducted among society members mainly focused on their reasons for joining the society, their experience with regard to the society and their expectations (Table 1).

The results of the survey (Table 1) show that the reasons for joining the association vary within forest holding size classes. In all forest owners, regardless of the size of their property, better access to forest management information was the main reason for joining. In addition to information, small scale forest holders (from 1 to 4.99 ha) also joined the forest owners society because of training and

other reasons linked to the social life of an individual. Forest holders with holdings ranging from 5 to 9.99 ha and from 10 to 24.99 ha stated the same reasons, but also expressed a need for better exchange of information. Better sales of wood, acquisition of management funds and rational execution of forest operations is considered an advantage only by large forest holders (over 25 ha of forest). It can be concluded that large forest owners had sufficient access to information prior to joining the society and also possessed the necessary knowledge on forest management. Other reasons stated by forest owners include socializing, trips, parties and excursions, which means that these forest owners joined the society for reasons of primarily social nature.

The members of the society who participated in the survey are satisfied with the operation of the association as it has connected people living in the countryside and given them access to information on forest management. Being a member of the society gives the forest owner an opportunity to perform in the market more successfully as the society concludes a yearly wood purchase agreement with several wood trading companies. The agreement states the payment terms and prices which remain the same even if the market price of timber drops. The society has thus encouraged many people, in particular small scale forest holders, to start harvesting wood in their forests not only for domestic use but also for commercial sales. Consequently, it has given them a chance to make additional income.

The members expect that the society will provide them with more information on forest management, conditions in the market and activities aimed at countryside development. They

TABLE 1: Reasons for joining the society, by forest holding size class

Size of holding	Reasons for joining, by importance (from left to right)				
1 - 4,99 ha	information	training	socializing		
5 - 9,99 ha	information	training	socializing	sharing information	
10 - 24,99 ha	information	training	socializing	sharing information	
over 25 years	information	training	better wood sales	acquisition of funds for management	rational execution of forest operations

also wish the society to organise a lot of training sessions and excursions related to private forest management.

3.2 Opinions of Field foresters on the Role of Forest Owners Associations

At the end of November 2005, 479 people were employed at 86 local units of the Slovenian Forest Service (source: Slovenian Forest Service Personnel Dpt.). The number of filled-out questionnaires was 444, which accounts for 92.7%. Although approx. 2% of submitted questionnaires were not complete, the answers given represent the opinions of over 9/10 of people employed at the local units of the Slovenian Forest Service.

The average size of a forester's district is 2,940 ha, with 72% of these forests in private ownership. An average district contains 1,020 private holdings and 1,660 owners. According to field foresters, about a third of all holders are legally registered as farmers, and an equal share of owners have no interest in forest management. District foresters say that 5% of owners are not willing to co-operate with the forest service.

Slovenia is divided into 14 forest management units, characterised by a variety of geographic,

natural and socio-economic factors. Differences in the answers obtained from these areas were tested using the Kruskal-Wallis test. Table 2 shows the mean values of foresters' opinions on the importance of forest owners associating for various reasons. Variability of answers (standard deviation) is also shown along with significant differences in answers between forest management units (Kruskall-Wallis test).

Foresters believe that the most important role of forest owners associations lies in the construction and maintenance of forest roads (mean value = 3.39), timber marketing (3.7) and the impact of local associations on further fragmentation of forest property (3.19). Although there is some significant difference in answers, they nevertheless state the main problems arising in management of private forests in Slovenia over the last 15 years. On account of changes in the system of financing, the amount of funds invested into forests, especially as regards forest roads, has lowered significantly in recent years. On the other hand, denationalization and fragmentation of forest ownership to a high number of heirs only increased the number of smallest holdings (up to 3 ha) (Medved 2004). Wood selling is another burning issue as in the previous state-regulated system all sales of wood were conducted through state

TABLE 2: Mean answers on the importance of forest owners associations in their local areas and differences between forestry management regions

How important are forest owners associations in your area for the following:	Mean	Std.dev.	Kruskal-Wallis test	Valid N
Construction and maintenance of forest roads	3.39	1.18	p = 0.0187	436
Timber marketing	3.37	1.25	p = 0.0098	435
Prevention of further fragmentation	3.27	1.29	p = 0.0076	436
Countryside development	3.19	1.03	p = 0.0026	435
Socializing	3.16	1.08	p = 0.0003	434
Information	3.13	1.05	p = 0.2365	437
Nature protection	3.11	1.10	p = 0.1798	436
Silviculture works	3.06	1.14	p = 0.0158	437
Protection works	3.02	1.12	p = 0.0000	436
Promotion of innovations in forest management	3.00	1.04	p = 0.1847	432
Education and lifelong learning	2.96	1.00	p = 0.1288	437
Wood production	2.94	1.07	p = 0.0000	437
Exploitation of wood mass for energy use	2.89	1.12	p = 0.0179	437
Impact on forestry policy	2.83	1.13	p = 0.0050	434
Non-material forest roles	2.72	1.03	p = 0.1798	434

forestry companies. The rise of democracy and free market, however, has led to the establishment of many new companies which can easily manipulate unorganised forest owners selling small quantities of wood.

Significant difference in answers has been noted as regards the role of organised forest owners in countryside development (3.19), although the foresters ranked this reason fourth in importance. Covering nearly 60% of the entire Slovenian territory, forests will continue to play an important role in shaping the appearance of rural areas, which is not irrelevant for further orientation of countryside development. Quite possibly, recognition of this reason can be attributed to the negligent attitude towards agriculture and forestry in countryside development planning. Socializing (3.16) has been recognized as another important function of forest owners associations, which means that in the future the role of forest owners in countryside development will have to be acknowledged and identified. Significant differences in answers are quite understandable given the diversity of socio-economic conditions.

Insignificant differences in answers given by foresters were measured with regard to the importance of forest owners associations for better information (3.13, $p = 0.24$) and nature protection (3.11, $p = 0.18$). These two categories seem not to be affected by the diversity of the surveyed area and therefore the opinions of foresters regarding these questions are more uniform. Foresters have also assigned mean values higher than 3 to silviculture works (3.06) and protection works (3.02) in forests. Silviculture and protection activities in forests are essential for forest development, but as they do not generate any income they are not attractive for forest owners although they are subsidized by the state. Differences in the answers obtained from these areas are significant.

In terms of importance, the above stated reasons are followed by promotion of innovations in forest management (3.00, $p = 0.18$) and education and lifelong learning (2.96, $p = 0.13$), which indicate no significant differences between areas. The least important role of forest owners associations is impact on forestry policy (2.83), indicating

significant differences among areas. Nevertheless, foresters seem to agree on the relevance of non-material roles of the forest (social and ecological functions) (2.72, $p=0.18$), marking them least important issues in forest owners associations.

4 CONCLUDING COMMENTS

Various forms of forest owners associations have evolved through the process of changing social structures and legislation. In the associations which have emerged to date the public interest always seemed to have priority over the private interest. Establishment of a local forest owners' association (society), however, has shown that these organisations can also be centred on the interests of private forest owners.

Unfortunately, people involved in forestry are not sufficiently aware of the importance of associations, which stem from the fact that a private owner decides on and directs the execution of forestry operations depending on his/her motivation or lack of motivation to have the work done. Consequently, forest owners associations can become a tool to ensure that more forestry operations are actually carried out.

Forest owners associations are a major force behind all the activities which will need to be carried out in Slovene forests in the future and will have to be based on effective and efficient private forest management. A small scale forest owner alone does not have sufficient influence to be able to express his/her interests and proposals and to become actively involved in the environment and forest management, which is why association of forest owners into local societies is of utmost importance.

Most activities of a forest owners society are not identical with any activities of other organisations, and this is just another proof that forest owners need local associations. The importance of these organisations therefore lies in different interests which an individual forest owner may have. Priority is given to the economic interest, expressed through forest owners' needs for better information on market conditions, prices and management practices. In addition to the economic interest, social aspects of associations, expressed in

the need for socializing, exchange of information and opinions, are also important. Forest owners associations are not an end in themselves but are founded to contribute to better efficiency of private forest management.

Although several different forms of co-operation and association of forest owners exist in Slovenia, we cannot be satisfied with the current conditions, mainly because the management of private forests is lagging behind the allowable and potential forest exploitation, in particular in private forests. As a result of rapid changes in the social and economic structures and further fragmentation of property, forest owners, forestry and the state are now faced with a number of challenges and problems in sustainable management of private forests. After 15 years of democracy and state independence, Slovenia still has no representative in the European Forest Owners Association. Several forest owners associations and machinery hire syndicates are expected to merge into a Forest Owners Association in May 2006. The association will focus on representation and coordination of interests of its members, development of the private sector of forestry, concern for education and training and publication of specialized literature.

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