

# Short Term Scientific Mission Report

(Zivojinovic\_COST-STSM-FP1201-25170)

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<b>COST ACTION:</b>	<b>FP1201 – Forest Land Ownership Change in Europe: Significance for Management and Policy (FACESMAP)</b>
<b>REFERENCE NUMBER:</b>	COST-STSM-FP1201-25170
<b>HOST:</b>	Assoc. Prof. Dr. Jaroslav Šálka Technical University in Zvolen, Faculty of Forestry, Department of Forest Economics and Management, Zvolen, Slovakia email: salka@tuzvo.sk
<b>TITLE:</b>	<b>FOREST OWNERSHIP CHANGE IN CEE AND SEE COUNTRIES – LESSONS LEARNED FROM THE RESTITUTION PROCESS</b>
<b>TIME PERIOD:</b>	11 – 16 October 2015

## 1. Overview

This STSM is concerned with restitution process in forestry, which significantly influenced forestry sector in central-east (CEE) and south-east (SEE) European countries.

Since 1990s, the post-socialist countries in central-east and south-east Europe are facing challenging transition process. These, formerly communistic one party regime countries shifted to the democratic pluralistic system. This process of political and economic reforms has significantly influenced forestry institutional reforms in all these countries. Restitution process was initiated almost in all countries with the aim of recognizing private property rights, and it was one of the major changes with which forestry

sector was faced. This process was followed by many changes of forest policies and regulations, and was influenced by many different forces and interests from inside, as well as from outside the countries, mainly through the harmonization processes with international rules and regulations (which also gained importance and strength starting from 1990s).

Initially, change of forestry system, through the economic liberalization and democratization, was supposed to lead to alleviation of sustainability and environmental problems and modernization forestry sector, making it as more adaptable to forthcoming challenges and market needs. However, transition process opened many gaps and conflicts in those systems, and showed to be very difficult process in countries that were for long time dominated by top-down planning driven forest government. Capacities, skills and knowledge to change the system were not significant enough and were developed along with the restitution process itself.

Restitution process is still ongoing in many countries of this region. However, until now it influence changes in forest ownership structures in this part of Europe. In some countries, due to this process, share of private forest owners raised from 0 to more the 40-50% (Lithuania, Romania, etc.), while in others this change was not as significant in terms of the area transferred to private owners (Serbia, Croatia). Anyhow, in all those countries it shows that this rise of new private forest owners was challenging for forest management, mostly because many of those new owners have small and fragmented properties, and do not have adequate knowledge and skill to manage newly gained resources. Restitution process revealed many conflicting situations, which nowadays resulted in unclear or disputed forest ownership (Czech Republic, Romania, etc.). It also brought some new owners to the forest arena, such as church and monasteries (Serbia, etc.). The restitution process took various forms and pathways in each country therefore it provide unique opportunity to study the changes of institutional framework for the management of forests.

## **2. Purpose of visit**

Despite its short timeframe of this STSM, the research sought to achieve three objectives. Firstly, the intention was to contribute to the goals of the FACESMAP COST Action, and in particular to some of the questions raised by Working Group 1 (*'Forest ownership types and motives'*) and provide more detailed analysis of one of the main identified trends of forest ownership change in last three decades (i.e. restitution).

The second objective was to gain new knowledge related to development of the theoretical and methodological approach for studying one of the identified trends, which is restitution, and apply it in the STSM output. The STSM will result in the drafting of a peer-reviewed publication, which will be completed after the end of the mission through a voluntary collaboration of the FACESMAP participants.

The third objective was to network with researchers and academics from the host institution and strengthens the network cooperation.

## **3. Description of work carried out during visit**

I undertook a range of actions in carrying out my work plan during my time in Zvolen. Firstly, I conducted a rolling literature review, which started before I left Vienna and continued throughout my time in Zvolen. Here the purpose was to provide a foundation for the work on paper by highlighting the state-of-the-art regarding restitution process in the countries that expressed the interest in joining

publication (Slovakia, Czech Republic, Serbia and Croatia), but also related to those that are identified of our interest (e.g. Romania, Estonia, Lithuania). During STSM I prepared overview document with description of the restitution process per country, as well as comparative table with main indicators.

Furthermore, I discussed with my hosts which theoretical and methodological approach would best suit this study and how the collection of data should be done. We discussed the selection process of the countries, and agreed on next steps for the development of the paper.

#### **4. Approach and preliminary observations**

The aim of paper is to conduct comparative analysis of restitution process in selected post-communist countries from the region: Croatia, Czech Republic, Serbia, and Slovakia (and possibly other), with the **aim to analyse related institutional change and identify barriers that occurred during the restitution process and their consequences on overall forestry policy goals. Under barriers, we assume uneven influence and power of actors involved in the process** (e.g. influence of the state forest enterprises or bureaucracies with their power of expertise on the process, the role of forest owners in the process etc.). By this, paper might reveal structural shortcomings of forestry sector in selected countries, and draws conclusions based on the comparison of restitution processes between countries. Furthermore, lessons learned from more 'mature' restitution systems could be transferred to the countries that recently initiated the process.

##### *Overview of restitution process in selected CEE and SEE countries*

During the STSM overview of the restitution process was drafted, and at this point, comparative table with main indicators of restitution process per country can be presented (Table 1), as far as data were found (mainly it was developed based on the FACESMAP country reports<sup>1</sup> and project SUSI-CEE<sup>2</sup>).

This table, and description text (which will be presented as part of the paper), together with theoretical notions, will be used as a base for developing questioner for experts, in which we will try to identify how were the power relations between various actors involved in the process and to what extent did the succeed or not to influence it.

Countries that are marked in blue colour already expressed their interest to contribute to the paper. Countries that are in black colour are considered of primary interest based on the availability of the data found so far, and intention to illustrate variety of existing examples (those countries will be invited to join the paper). Furthermore, willingness of other countries (in grey letters) to join the paper will be checked (the second round).

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<sup>1</sup> <http://www.eficeec.efi.int/portal/news/?bid=2056>

<sup>2</sup> Innovation And Sustainability In Forestry In Central And Eastern Europe: Challenges And Perspectives (SUSI-CEE)

Table 1. Comparative table of main indicators of restitution process in CEE and SEE countries

COUNTRY	TOTAL forest area [ha]	ownership			No hectares restituted (still in process) [thousand ha]	Restituted area of total forest area (still in process) [%]	No. of new private forest owner	Year when it started	Lasted until	Relevant laws/legislation	Relevant for which type of private ownership	Additional explanations
		State	Private	other								
Bulgaria					987 (total?)		from 360568 to 552653 (physical persons)	1997	2002	Law on Restitution of Forests and Lands of Forest Fund		
Croatia	2 580 826 (National Forest Inventory (Čavlović, 2010))	77,2	22,98		30 (300)	2-3 (?)		1996	ongoing	Law on compensation		
Czech Republic	2 597 186 (MA 2013)	59,8	40,2		484 (66) private and legal entities	40 (2.5 (private) + 6% (church))		1991 – 1999 (Restitution on phase 1)	ongoing	Act No. 229/1991 Coll., on the adjustment of proprietary relations to land and other farm property	Private, municipal	returning of property and of real ownership rights to previous owners (not prior the year 1948)
					415 to municipalities (175) to church			2000 – till now (Restitution on phase 2)		Act No. 172/1991 Coll., on the transfer of some property from the ownership of the Czech Republic to the ownership of municipalities		
								2013 -		Act No. 228/2012 Coll.		
Estonia	2 234 000 (NFI 2012)	41	59		934 (85)		~250000	1993		Land Reform Act (1991) Ownership Reform Act (1991)	private	
Germany					85 (320)			1995	ongoing			
Hungary						35		1990	2000	Land privatisation and Land reallocation		Land privatization (state forest (250 thousand hectares forests)) Land reallocation (forests of agricultural co-operation (limited to members of the co-operation) (480 thousand hectares forests))
Latvia						50		1990-1996 1993 - 2008	2008	Law on Land Privatization in Rural Areas		Land reform
Lithuania	2 121 000 (Lithuanian Statistical Yearbook of Forestry, 2013)	49,6	39,2	11,2 (reserved for restitution)	243	38 (13)	247000	1991	ongoing	Law on Land Reform (1991) Law on the Procedure and Conditions of the Restoration of the Rights of Ownership to the Existing Real Property (1991)	private	Restitution model with the compensation elements. In three phases (up to 10 ha, up to 25 ha, irrespective of size)
Romania	6 520 000 (WB 2014)	66,41	33,59		364	5.5 (6)	400000	1992-2001	ongoing	Law 18/1991	individual private	Up to 1 hectare per claim
					1,833			2000-2004		Law no.1/2000	towns and villages, communities, church, school	Up to 10 ha per individual claim, and up to 30 hectares per claim for juridical persons and member of associations
					414			2005		Law no. 247/2005	former owners	"Restitutio in

COUNTRY	TOTAL forest area [ha]	ownership			No hectares restituted (still in process) [thousand ha]	Restituted area of total forest area (still in process) [%]	No. of new private forest owner	Year when it started	Lasted until	Relevant laws/legislation	Relevant for which type of private ownership	Additional explanations
		State	Private	other								
											irrespective of size, location and ownership type	<i>integrum</i>
Slovakia	1 941 521 (Green report 2013)	40	44,80 ('non-state')	15,20 (unidentified)	961 (200)	48.7 (11.2)	100000	1991	ongoing	Act No. 229/1991 on State Property Transfer Conditions to Other Persons (Land Law)	to private, municipal, church, cooperative (urbariat) and community (komposeseorat) ownership	Return of nationalized property to former owners.
Slovenia					180		40% of 180' to new owners	1991		Denationalization Act		
Macedonia								1998		Law for Denationalization		
Serbia	2 252 400 (Banković et al., 2009)	53	47		23 (9)	1.3		2006	ongoing	Law on restitution of property to churches and religious community	church and religious communities, their foundation and societies	
								2011		Law on Property Restitution and Compensation	physical persons	

### Theoretical framework

During the STSM we decided that in this paper we will use the work of Krott et al. (2013) "Actor-centered power (ACP)" to explain the power relations of forestry actors in the restitution process in selected CEE and SEE countries.

We will first identified **policy networks** of relevance to the process in each country,. Poicy networks are defined as interactions of various executive, legislative and societal institutions, organizations and groups in the formulation and implementation of public policies. The policy arena describes consensual and conflictual political processes in the policy formulation and implementation process. The concept of policy arenas correlates with policy impacts.

**Actor-centered power (ACP)** is conceptual framework for assessing actor's power, where "actor-centred power is a social relationship in which actor A alters the behaviour of actor B without recognising B's will" (Krott et al., 2013, p. 4). This can happen at all levels, concern various interaction forms, forest management under the supervision of public administration, receiving advice and extension service or paying for work (Krott et al. 2013). Three core elements of the ACP are coercion, dis/incentives and information.

- Coercion is defined as altering actors' behaviour by force. The proposed model looks mainly at whose force prevails, and describes the amount of dominance as power. No restriction on one actor is given, it can also comprise network of actors (Krott et al. 2013, p. 5).
- Dis/incentives are altering the behaviour of the actor by means of disadvantages or advantages without recognising his will. The actor-centred power theory assumes that, within a power-free environment, all actors would have free access to all sources. Limiting the sources of specific actors is a power process and without such limitation the value decision of the actor would be different. Therefore decisions are not only value-driven but power-driven as well (Krott et al. 2013, p. 5-6).
- Dominant information when becoming a power process aims at "altering the behaviour of the subordinate by means of unverified information". If the subordinate does not verify the information received from the potentate and makes a decision based on this information the potentate will have

altered the subordinate's behaviour without recognising his will (Krott et al. 2013, p. 6).

#### **5. Future collaboration with host institution**

It is foreseen that the work on publication will take place during this and next year. It is planned to prepare the questionnaire for the country experts, to be sent by the end of this year, and to work on the data analysis and paper writing during next year. Paper is intended to be published as part of the Special issue of the FACESMAP COST Action (which is foreseen to be done in Forest Policy and Economics Journal).

We are also hoping that the collaboration with host institution will be performed also in the frame of other project and other scientific activities (also in the frame of the EFICEEC-EFISEE office).

#### **6. Projected publications/articles resulting or to result from STSM**

The STSM will result in the preparation of a peer-reviewed publication, which will be completed after the end of the mission through a voluntary collaboration of the FACESMAP participants. It is planned to publish paper by the end of 2016.

#### **7. Confirmation by the host institute of the successful execution of the mission**

Please see the attached letter from Assoc. Prof. Dr. Jaroslav Šálka from the Technical University in Zvolen, Faculty of Forestry, Department of Forest Economics and Management.

#### **8. Other comments**

I would like to thank everyone who made this STSM possible. In particular, to the relevant individuals in the FACESMAP COST action who approved this mission. I would also like to thank my host institution for warm welcome, especially Assoc. Prof. Dr. Jaroslav Šálka, Dr Zuzana Dobšínská, as well to colleague Dr. Zuzana Sarvašová from National Forest Centre, Forest Policy and Economics (Zvolen).