



Forest and land as a resource in Estonia Formas project 2006-2010

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Small-scale Forestry in Estonia 2010 (Cadastral Units)

- Total Forest Area: 2 300 000 ha
- Productive forests: 2 000 000 ha
- NIPF-owners share: 700 000 ha
- 1-5 ha: 30 %
- 5-10 ha: 32 %
- 10-20 ha: 25 %
- 20-50 ha: 11 %
- > 50ha: 2 %

(Source: CEPF: 2010)



The study objective: Property reforms – outcomes

- Two divergent counties: Põlvamaa (32 000), Läänemaa (27 000)
- *Land and (NIPF owners) Non-industrial Private Forest Owners: > 1ha/owner*
- Postal survey: N= 1165 n= 420
26 questions related to property, ownership, expectations, incomes and multifunctional land use.
- Qualitative interviews: N = 25

15 Estonian Counties

227 municipalities





Major aims

- To compare and explore different rationales for obtaining land and forest property
- To analyse the individual property holders' relation to – and use of – land and forests: present as well as future expectations

The owner's relation to the resource
(forest/land)



Methodology: Postal survey

- Põlvamaa (770)
- Random selection of landowners based on (14 000 units) units
- Names and social security numbers from the Estonian land Cadastre Registration Authority
- Properties from the land Cadastre
- Individual owners addresses reached from the population register in Põlvamaa

Bureaucratic and time consuming....

- Läänemaa (395)
- Three municipalities and easy access to the land register
- **25 Additional interviews based on questions derived from the survey:** (15 men 10 women)
- Personal experiences/background
- Individual relation to the property
- Owners' strategies for the property



Property relations: Historical legacies

- Land: politically burning issue since 1850s
- 1920-30s: Land expropriation/land reform
 - 50 000 peasant proprietors
 - Export oriented agriculture: dairy farming
 - State owned forest (500 000 out of 850 000 ha)
- 1940s onward:
 - Full-scale nationalization: kolkhoz/sovkhoz
 - Sovietisation – nationalisation - no private property
 - Substantial Post-War felling (1950s)
 - Natural reforestation
 - Marginal agricultural lands left behind

Substantial increase of forested area 1950s onwards



Property reforms 1987-

Informal: 1987-91: "Perestroika in the Countryside"

1991: Agricultural land: **restitution**, compensations (legal change)

- **1992 Forest lands: auctions, sales** (partially restitution – interwar state-owned forests remain in the hands of the state)
- **Legal vacuum:** Insecure property relations: insufficient legislation – theft/illegal logging & frauds
- Predominance of **small scale-forestry:** lack of modern forestry methods, knowledge and divergent views on forest property



Incremental Land and Forestry Legislation processes

- *Forestry Act 1993* – adopted 1997 (maximizing the economic and social contribution) insufficient monitoring.
- Problematic juridical issues – EU accession versus EU membership 2004
- Biodiversity conservation etc...
- Agricultural restructuring/transformation
- Neglected silviculture and forestry
- Unbalanced stock
- *More than 20 legal changes up to 2009*



Strategy and outcomes from property reforms

- To **regain/reconnect** to family land (emotional) → **Restitution** of land/forest - obsolete property structure
- **Privatisation** of forests = mainly previous agricultural land
- **Land fragmentation**: restitution, inheritance, splits (family possession)
- **Absentee** owners versus **settled** owners (activity – ambitions)
- From small-scale transitional family farms to “**large-scale**” production units
- Small-scale forestry - weak cooperative movement.



Landed property and the emotional components

- The transition approach: repossession or reconnecting = Family ties and memories
- Justice: to regain (land may have become forest)
- Age differences (age of respondents/owners in relation to national average) – memories.
- Estonian culture: from rural based to urban.

The emotional component hide several economic aspects.

- Low costs for repossession - Long-term / future returns/sales of wood
- Access to wood for heating/construction – low incomes
- Insufficient social security – pensioners, disabled
- Repossession for



Rational for land use

- Maintaining land within the family
- Reluctance to sell/subdivide land for economic gains
- Expectations for the needs of the next generation
- Land should be managed and actively used:
 - Leases
 - Tourism
 - Hunting
 - Weak ambitions to join forestry associations



1. The respondents: 48 % women and 52 % men

Age	Frequency	Percent
-34	40	9,5
35-64	239	57
65-	139	33
No answer	2	0.5
Total	n = 420	100

2. Respondents' ways of obtaining their first property of land/forest

	Läänemaa (n = 144)		Pölvamaa (n= 276)		Both counties
	Frequency	%	Frequency	%	%
Restitution	52	36.1	83	30.1	32.1
Combination: including restitution	14	9.7			3.3
Inheritance or gift	25	17.4	97	35.2	29.0
First refusal	17	11.8	28	10.1	10.7
Purchase or/and auction	25	17.4	63	22.8	21.0
Other comb./missing	3	2.1	5	2	1.9
Total	144	100	276	100	100

3. The owner's most important motives for obtaining property.

Most important motives for obtaining property. 1 = most important, 5 = not important at all.						
	Läänemaa N=144			Põlvamaa N=276		
Reason	Numbers	Mean	Std. Dev	Numbers	Mean	Std. Dev
Regain family property	100	1.95	1.438	189	2.14	1.56834
Access to wood for heating and construction	100	2.49	1.521	220	2.31	1.43243
Access to second home	88	2.23	1.491	174	2.48	1.52704
Re-establish contact with family home district	86	2.43	1.642	177	2.48	1.57071
Access to arable land for own use	95	3.0	1.624	213	2.56	1.52401
Income possibilities	87	3.13	1.500	191	2.76	1.44440

4. Estimations among non-residential owners of time spent on property in 2006

	Läänemaa n=106		Põlvamaa n=176		Both Counties	
	Freq.	%	Freq.	%	Freq.	%
Longer periods	33	31	67	38	100	35
2-4 weeks per year	19	18	24	14	43	15
Less than 2 weeks	33	31	56	32	89	32
No time at all	21	20	29	16	50	18
Total	106	100	176	100	282	100

Findings

Motives for obtaining property

- Restitution/compensation: most valued
- Inheritance/gift and purchase: common
- To regain family property/reconnect: *Second Homes*
- Access to wood is highly valued
- Low incomes from forestry
- Place means more in Läänemaa than in Põlvamaa

Non-residential owners:

- 35 % spend longer periods (More in Põlvamaa)
- 32 % spend less than two weeks/year on their property (relatively equal Põlvamaa/Läänemaa)



Individual land use experiences/plans

- *Land*: rented by locals (free or low rents)
- *Tourism activities*: few plans into action
- *Income from forestry*: insignificant beside wood for heating – important on the margin (low wages)
- *Investments and land improvements*: small machinery investments - planting, thinning, clear-up or drainage through own efforts
- *Debts*: low or insignificant in general
- *Legal problems*: compensations, insufficient property documentation, legal amendments
- *Illegal activities*:
 - Exceeded felling volumes
 - Illegal logging (theft or informal incomes)
 - Knowledge of forestry and silviculture?



Comments / Conclusions

- Small-scale ownership prevails
- Landowners' land use is dependent on:
 - Individual expectations and emotional/family relations
- Owners' emotional motives for acquiring land overrides economic rationality – at least in ranking
- Restitution confirmed emotional links to land and forest: strengthened personal/family ideals (to keep) and future expectations – at least for some years.
- Attitudes to cooperative associations: negative or indifferent
- Absentee owners living abroad are more likely to continue as passive owners



Future tendencies

- Next generation may lack the emotional links to property
- Short term: increased land fragmentation
- Long-term: More sales → large-scale property holders. Forestry and agricultural needs.
- Weak or divided cooperative associations: limits to capital – generational shifts
- Disappearance of family farming in favour of corporate farming – a visible tendency
- World Market Changes – sustainability and viability.



Major problems 2011

- Small-scale ownership dominates
- Tax legislation: Personal incomes from forestry taxed like regular incomes (flat tax)
- No deduction for investments made by NIPF-owners – only for legal entities
- Small-scale owners tend to preserve or to avoid public control – weak enforcement mechanisms – illegal logging
- Forests management plan not mandatory - legislation & incentives for logging?
- Reforestation of low productive areas: annual felling versus re-growth