

OWNERSHIP AND PROPERTY RIGHTS

- Supporting and limiting aspects of OPR for enterprise development, innovation and competitiveness

OPR: social setting, long dated

- Forest ownership: legal entitlement to the land (utendi, fruendi, ab utendi). The benefit of sole ownership is the possibility to use as collateral
- PR: rights to forest utilization (access, withdrawal, manage, exclude, alienate) // economic and legal meaning (Bouriaud and Schmithüsen, 2005)

Aspects of OPR system working against innovation and enterprise development

- ❑ SSF a standard problem of economies of scale and costly PR enforcement
- ❑ The forest itself: a Common Pool Resource (CPR) dilemma
- ❑ Low level of commercialization and access to the market

Exemples from country reports: How far the specification of rights allows or impedes entrepreneurship / innovative forest management?

- ❑ Legal impeachments
- ❑ Common pool resources dilemma
- ❑ Public servitudes when public rights on private lands without compensation
- ❑ A cultural problem

Legal impeachments

- ❑ Transferability of the land, land title registration, transaction fees, preemption rights, ongoing restitution (LT, RO)
- ❑ Definition of the rights, e.g. restrictions of the content of PR on forestland or on trees, imperfect definition (public access RO)
- ❑ Security of rights, timber theft
- ❑ Totally abandoned forests (1.2 mil ha IT)

Public servitudes when public rights on private lands without compensation

- ❑ Hunting (when a State right), public access in valuable tourism areas, forest protection
- ❑ FMP in Eastern Europe, the strict control of harvesting
- ❑ Remove combustible material from forests in Portugal

Common pool resources dilemma

- ❑ Open access on NWFP; every man's rights mushrooms, berries, FI, SW, BG, RO, NO (but not for cloud berries), viewed as obstacle for local-based exploitation
- ❑ Lack of control or enforcement: how control if the picking is for recreation, self consumption, or for the commercial purposes? Indirect commercial effects hard to regulate; the shadow value of forests for the real estate UK;

A cultural problem

- ❑ No entrepreneurship, but *pater familias*; Not sold, but inherited
- ❑ Stocking is costless, harvesting is expensive
- ❑ While harvesting, no market signal, but “my daughter will get married”
- ❑ On the wake: using forests for private amenities, UK; hobby owners, HO, forest is an extension of their garden

OPR – related facts relevant for enterprise development

- ❑ Several types of production organization / separation ownership and withdrawal rights
- ❑ Access rights and withdrawal rights on NWTPs
- ❑ Lessons learned – changes on OPR system

Several types of production organization/ separation ownership and withdrawal rights

- ❑ Increased number of forest associations since 1990 in Italy, Portugal, and RO.
- ❑ 20 forest co-operatives in Lithuania; 64 thousand ha forest associations in form of land communities PL, but only 4 associations of owners
- ❑ Forest Support Group, a co-operative with private owners, nature conservation group and municipalities (power-sharing approach)
- ❑ Regional forest owners association Norway: conduct price negotiation with purchasers and broker timber from the small woods held by the member (three quarters of the industrial roundwood Norway brokered by 9 regional associations); Austrian Forest Management association – joint timber sales, 2.2 mil cubic meters (benefit-sharing approach)

Access rights and withdrawal rights on NWTPs

- Access to the resource NTFPS is on informal and ad-hoc bases UK, RO, PL; in PL, the administrator may refuse the access if threatening the environment.
- Charges for car parking or for facilities provision
- Swiss Federal civil Code: collection of berries and mushrooms allowed in reasonable amounts
- Interdiction if owner invested, eg chestnut orchards, Swiss, berries in Baltic countries, professional cultivation Italy, near to the owners' houses
- Hunting and fishing exclusive to the owner in Norway; not to the owner, in LT, RO, PT, in *res nullius* regime or in the State property
- Income of physical persons not subject to tax, if resulted from mushrooms and berries collection in LT, FI

Lessons learned – changes on OPR system

- Separation of ownership and management: HU (forest integrators), A, FI, NO (forest cooperatives); Separation of ownership attributes, between the owner, the renter (pulp and paper industry), the manager (case study, PT)
- Integration of public servitude and ownership: Natuurmonumenten and the provincial Landscape, Holland, Nature Conservancy UK.
- Allocative solutions. In Scotland, consultation for increasing opportunities to purchase or lease forest land. Under Countryside an Right to Way act, UK, the possibility to designate the land for public access in perpetuity; changes in Italy concerning the collection of mushrooms, exempted now from the every mans rights



Some policy implications

- Change in property rights, e.g. secure ownership, enhance the transferability of land (ex. annual rent for owners putting the land on the market in RO), or even reform rights (rights to collect mushrooms reformed in IT due to the too high pressure)
- support innovative behaviour and entrepreneurship, but not looking at only the owner as entrepreneur – consider the local innovation system
- support co-operation as organizational solution (organization of production from SSF)
- property rights system is context specific, so does the policies