

EFFECTIVENESS OF FOREST POLICY ON SMALL WOODLANDS
CONTRIBUTIONS OF WORKING PARTY 4.06.01 TO THE
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SELOSTE:

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Small woodlands are of special concern to public forest policy in many countries. It is known that the implementation of national goals for timber production, or for forestry in general, meets with difficulties in the privately owned forests. Although a large number of forest policy measures have been designed to help the achievement of these goals, the realization of the goals have often remained at a low level. In other words, the effectiveness, or the goal-output ratio, of forest policy measures has been quite weak.

Given this situation, it was decided at the XV IUFRO Congress at Gainesville, Florida, 1970 that a working party be set up within Subject Group 4.06 (Forest Policy) to study the 'Effectiveness of Forest Policy Measures as Applied to Small Woodlands' (Working Party 4.06.01).

As the subject was essentially a new area, it was felt that it was desirable to provide a preliminary paper on the subject. This paper was prepared by Mr. *Ilpo Tikkanen*, and it was circulated to IUFRO economists in 1973. The paper was also discussed at working party meetings in Helsinki in 1974 and in Stockholm in 1975 and at the XVI IUFRO Congress in Oslo in 1976.

In connection with a business meeting of Division 4, a working party meeting was held in 1978, in Munich, FRG, at which the problem of how to measure the effectiveness of policies in small woodlands was further discussed. It was decided to prepare a volume of papers under the title 'Effectiveness of Forest Policy on Small Woodlands' for the XVII IUFRO Congress in Kyoto, Japan, in 1981. *Silva Fennica* now publishes a collection of these papers. The papers have been written by eight forest economists from several different countries.

As could be expected from the different background of the writers, the papers consider the problems from different standpoints. Therefore, those who expected conformity among the contributions will be disappointed. It is hoped, however, that this collection of papers will benefit and enrich the scientific discussion and further the development of research into the effectiveness of forest policy on small woodlands.

The collection of nine papers considers theoretical and methodological aspects as well as empirical research problems associated with the evaluation of the effectiveness of forest policy measures. In the first two papers the elementary methodological starting points of policy analysis on small woodlands are considered. *Veli-Pekka Järveläinen* defines some basic concepts of forest owner studies and discusses the problem of the selection of the proper explanatory model in these studies. *Ilpo Tikkanen* outlines the conceptual frame for forest policy analysis and discusses the role of causality in the effectiveness analysis.

After that the problems of quantitative forest policy are considered. In his second paper, *Tikkanen* introduces the theoretical and methodological background and the main empirical findings of his study concerning the effects of public forest policy in Finland. In this study the analysis of the quantitative means of forest policy and the econometric approach to the problem are prevailing. The problems of qualitative forest policy are discussed in the papers by *G. Madigan* and *A. R. C. Jones*, *Shigeru Tanaka*, and *H. D. Brabänder*. *Madigan* and *Jones* introduce the main findings of their study which is a first attempt to evaluate private forestry assistance programs in a Canadian context. *Tanaka* considers the Forest Cooperatives as a policy measure for small woodlands in a Japanese context. The characteristics of the organizational structure and the business of these cooperatives as well as the needs for future development are discussed. *Brabänder* introduces a study concerning the subsidies and efficiency of the forestry co-operatives in the Federal Republic of Germany. The main results of the study are presented, and the methodological problems and alternatives in the evaluation of the efficiency of a forestry co-operative are considered. *Päiviö Riihinen*, in his paper, leads the discussion to the problems of reformative forest policy. Dealing with the effectiveness of forest taxation reform as a means of economic policy, his paper considers the effect of such a reform on investment, production, employment, differences in individual and regional income, and on the international balance of payments. The problem is illustrated by an example taken from Finland. The problems of taxation are also discussed in the paper prepared by *John Eid*, who discusses certain basic aspects of the capital management of forest assets and demonstrates how taxation can, to a great extent, influence capital management in forestry. In the last paper, *Lars Lönnstedt* discusses the problem of forest policy and timber supply in Sweden. The objectives and measures of Swedish forestry policy as well as the effects of this policy on the annual cuts of private woodland owners are considered. In achieving an increase in the cuts of private woodland owners silvicultural legislation is evaluated as the most effective mean of forest policy.

It is my pleasure to thank the authors for their contribution to this report. I extend my special thanks to professor *Päiviö Riihinen*, the leader of Subject Group 4.06 (Forest Policy) for his valuable advice during the preparation of this report and for his guidance of the activities of the Working Party in general. On the behalf of the authors, I also thank the *Society of Forestry in Finland* which has accepted the articles in its journal.

Tämä yhdeksän artikkelia käsittävä kokoelma on laadittu IUFRO:n XVII maailmankongressia varten metsäpoliittisten toimenpiteiden vaikuttavuutta käsittelevän työryhmän (Working Party 4.06.01) puitteissa. Artikkeleissa tarkastellaan pienmetsätalouteen kohdistuvan metsäpolitiikan vaikuttavuuden mittaamiseen liittyviä teoreettisia ja metodisia kysymyksiä sekä esitellään eräitä eri maissa suoritettuja aihepiiriä koskevia tutkimuksia. Yksittäiset artikkelit käsittelevät metsänomistajien käyttäytymistutkimuksen tutkimusstrategisia näkökohtia, metsäpolitiikan analyysin kehikkoa, julkisen metsäpolitiikan vaikutusten ekonometristä analyysiä, metsätalouden edistämishojelmien vaikuttavuuden arviointia, metsäyhteistyöalueuomintaa metsäpolitiikan keinona sekä metsäyhteistyöalueiden tehokkuuden arviointia, metsäomaisuuteen sitoutuneen pääoman hoitoa ja verotuksen vaikutusta siihen, metsäverotusreformin vaikuttavuutta talouspolitiikan keinona sekä metsäpolitiikan vaikutusta yksityismetsänomistajien hakkuukäyttämiseen.

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4.06.01