Influence of Forest Owners as an Interest Group in Achieving the Forest Policy Goals in Finland: the Programme 'Forestry 2000'

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The importance of the forestry and the forest industries to the Finnish economy led, at a very early stage, to a close cooperation between the interest organizations concerned and the government which founded expression in an institution; the economic advisory council. The development of the social system in Finland since the 50's can be described with the help of the neocorporatist theory. This can also apply in part to the forest and forest industry policy. According to Olson's group theory the representation of interests of the forest owners as a free association was forced to use various incitements to win new members or to maintain old ones. This led to tension with the forest industry which had developed its own activities to approach forest owners. Following the economic crisis the wish was expressed for an official forestry policy programme. In response to indirect requests to the state, a project committee was formed by the economic advisory council in order to work towards a long-term plan to solve the problems and to carry out the objectives of the forestry and the forest industries. In formulating phase of the policy the marked neocorporatistic concensus between the associations concerned and the state became quite evident. Certain controversial questions were, however, postponed until a later meeting and thereby remained unresolved. The interest organization of forest owners held an important position throughout all the phases of program design right through to their realization.

Keywords: forest policy, neocorporatism, forest owner, forestry program

The political system of Finland

From pluralism to neocorporatism

The pluralist model is based on the assumption that the main interests of the society can be organized into associations and that through competition and compromise in the process of the formation of political will – analogous to Galbraith's 'countervailing powers' in the field of economics – a relative balance can be achieved which could be understood as the public weal (Heinze 1981). According to Richardson and Jordan (1979), founders of the group theory, like Bentley and Latham, see 'all politics, however derived, as essentially a compromise between the conflicting interests of competing groups'. Seen on the whole the pluralist model leads to political instability and ineffiency (Lehner 1983).

In the course of time it has been recognized that the associations are not practising biassed pressure politics, but that the policy of the state is dependent on the incorporation of the large associations, especially the trade unions. So institutionalized forms of functional representation have arisen which cannot simply be explained by theories of influence.

Through the expansion of state intervention the relationship of forces between the organizations has necessarily shifted (v. Beyme 1977). The state assumes more and more responsibilities which it attemps to control. However, since it cannot administer them alone it must refer partial responsibility and participation rights to the associations. In this way, in the long term, and not just under social democratic governments, mass organizations will show relative growth in political power.

Formerly the pluralist theory was used to explain the organization of interests of the forest owners in Finland (Huuska 1968). In this model the essential factor is the relationship between the associations and the political parties. Recently, the emphasis of the influence of the associations has changed its focus from the political parties to the ministerial bureaucracy. This has led to the fact that the representatives of the interest organizations have often been better informed about proposed bills and legislation than the parlamentarians themselves.

Neocorporatism

Neocorporatism is subdivided into two groups, namely into the state corporatism of the South American countries, and into the 'social corporatism' of the Western Industrial Countries. The 'decay of pluralism and its gradual displacement by societal corporatism can be traced primarily to the imperative necessity for a stable, bourgeous-dominant competition between national economies, expansion of the role of public policy and rationalization of decision-making within the state to associate or incorporate subordinate classes and status groups more closely within the political process' (Schmitter 1974). The control of these processes requires a stable, pluralistic system of order which is capable, through societal corporatism, of strongly binding together the previous fractured structure of pluralist interests.

The most important starting point for a discussion, according to Alemann and Heinze (1979) are of economic, political and sociopolitical nature. Winkler (1976), in his simplified economic model, presents neocorporatism as a system in which ownership is private but, on the other hand, control is public. In the centre of the neocorporatist discussion, according to Heinze (1981), stands the integration and functional representation of interest organizations in the state sphere. Neocorporatist structures have developed themselves most strongly in the field of economic policy. It is especially those countries with important forest and timber industries, for example Finland, Sweden, Austria, which demostrate marked neocorporatist characteristics.

Classic neocorporatistic bodies are founded on a voluntary membership and are informal; so they exist in fact, but they do not appear in public (Pleschberger 1985). Their membership includes some experts and functionaries of monopoly interest organizations. They cooperate mostly over long periods, have similar educational backgrounds and comparable expert knowlegde. This facilitates open-mindness for other interests, and also the fact that compromise solutions do not appear from the outset, to be impossible.

The political variations of the neocorporatist discussion emphasizes more strongly the new active role of the large interest groups as well as their institutionalized power in the political system. The interconnection organizations and state affords advantages for both sides – the state has greater controlling capacity over the members of the interest organizations and the organizations are quaranteed existence as well as effective opportunities to enforce their interests.

In Finland one could speak of a 'Tripartite Neocorporatism' between the state, industry and forest owners. And recently the trade unions have been added as a fourth factor. The neocorporatist strategies cannot, however, quarantee a stabilitation of the political system in the long term, since new conflicts constantly arise which systematically weaken the controlling capacity of the elite model (Heinze 1981).

Olson's group theory and the interest organization of forest owners

Olson (1968) explains the attitude and the behaviour of the interest groups with the help of the theory of public property. The activities of a free association constitute a public good or a collective good which also benefits the non-members. Accordingly small groups have more advantageous prerequisites for the provision of this collective good than the bigger groups. The latter must therefore offer special incentives to raise their membership figures. This can be done either through force (compulsory membership) or by offering special benefits which are only available to members.

The interest organizations therefore play an important role in the political process since they are in possession of considerable information which is essential for the state machinery. The interest organizations sell this knowlegde in exchange for certain services and they only impart information which will cause no hindrance to the associations' own objectives. Also important are the market power of the interest organizations and their potential to disturb and to threaten. Ultimately, especially with the larger interest organizations, it is a question of mobilizing votes.

At its lowest level, in the forest managament associations, the interest organization of forest owners has a rather complicated structure. Membership of the association, and thereby also of the interest organization, is voluntary. On the other hand, however, every forest owner is legally obliged to pay the silvicultural fee. The organization and planning of the duties of the forest management associations are partly on the responsibility of the state organization for the promotion of private forestry. The execution of the measures is mainly on the responsibility of the associations. Although every forest owner can make use of the services of the forest management associations, this is hardly a strong incentive to become a member. For this reason, in the 70's the interest organization of forest owners began to address the forest proprietors directly. This soon led to conflict with the forest industry, whose opinion it was that, with this action, the interest organization of forest owners was primarily supporting its own cooperative industry. As a counter measure the forest industry began offering its own forest maintenance contracts, which, in turn, was frowned upon by the interest organization of forest owners. This created a situation of selective competitive incentives. This controversy about the responsibilities of the forest management associations was resolved by the letter from the state organization for the promotion of private forestry (Talousneuvosto 1985b). In Finland, therefore, there is no clear representation of political interests of the forest owners at the lowest and local level, as there is in the agricultural section of the interest organization.

The position of the interest organization of forest owners in society

The strength of an interest organization can be explained through external and internal factors (v. Beyme 1980). To the external factors belong, among others, the position of the association within the legal system, the structure of the system of government and the political culture of the country. To the internal factors, we can include ideology, organization, representation, financial power and quality of management of the association.

About 70 % of all forest owners are members of the interest organization of the forest owners, known as the 'Central Union of Agricultural Producers' (CUAP) (Talousneuvosto 1985b). The interest organization has herewith a monopolising position as representative of the interest of the forest owners. The Forestry Council of CUAP constitutes the highest organ of the organization and its work is supported by the Forest Board and the Department of Forest Policy of the CUAP. At the regional level there are provincial leagues of the forest management associations and at a local level there are the forest management associations.

Since there are so many political parties in Finland, the interest organization cannot align itself with any particular party, it must cooperate with many political parties. The close connection between the representation of forest interests and those of the agricultural section of the CUAP and the timber processing cooperative industry is reflected in the treatment of the problems of forest politics.

The programme 'Forest 2000'

The policy of the Finnish forestry and forest industries is influenced by the paradigm of the theoretical economic policy and has basically taken over the situation-means-goal schema from economic policy. Because of the present paradigm, the practical forest policy is seen as a conscious design of the forestry activities in the light of certain goals with appropriate means (Glück 1976). In order to explain the evolution of the Finnish 'Forest 2000' programme more closely the phases of agenda setting, policy formulation and implementation will be described (Peters 1982).

The starting point of the perception of problems was the tense situation of the forest industry in Finland. In the case of Sweden Soyez (1980) had predicted that the growing scarcity of raw materials necessitated intervention by the state. This prediction was true for Finland, also. On top of this came the disagreement between the interest organizations of forest owners and the forest industry concerning their activities. Of particular importance was the poor competitive situation of the Finnish forest industry on the world market, which was partly due to Swedish devaluations in 1981. In addition the forest industry had to struggle with heavy debts and bad profitability. In the opinion of the forest industry the only way to reduce costs still appeared to be a lowering of the timber price. Finland's long tradition in designing forestry programmes made the approach to a new programme easier. The more a new issue can be made to look an old issue, the more likely it is to be placed on an agenda (Peters 1982).

In the course of public discussion the lack of an 'offical' forestry programme became evident. The interest organization of forest industry was the first side to state an opinion, in which the problems, especially the scarcity of raw materials and, in comparison to competing countries the excessively high timber prices were cited as the cause for the crises in the forest industry. These points were, however, rejected by the interest organization of the forest owners as inapplicable. Since both parties proclaimed the nessecity for an official forestry programme a potential open conflict had been avoided. An indirect appeal was made to the representatives of the state that the state should take on the role of mediator in these unsolved questions. The state accepted this role of mediator in the form of the economic advisory council. The intervention of the economic advisory council made the previously mentioned problems into a question of political argument and brought them onto the political agenda. A programme committee was founded whose main duty, apart from elaborating a long-term development programme for the forestry and the forest industry, was to discover methods of how to adapt the receding supply of wood in South Finland to the requirements of the forest and timber industry (Riihinen and Tikkanen 1985). Additional duties of the committee were to carry out research into the possibilities of increasing timber production as well as the estimation of potential capacities and the development of the forest industry (Talousneuvosto 1985a). The goals of the intended programme were on the whole, however, very ambitious, which later led to partial failure in the design of the programme.

The leading group (the project committee) and the working committee were formed from representatives of the interest organizations from forest industry and forest owners, of the representatives of the state, of the state forestry organizations, of scientists and of the trade union. The work of the scientists in the four working groups was defined especially by the secretaries who represented the interest organizations of the forest owners and the industry. The policy formulation took also place at the lowest level of programme design. Even before completion of the programme it was discovered that the means of achieving the goals were 'scuttled' (Talousneuvosto 1983–85). In the phase of the policy formulation essential basic themes of forest policy became the subject of argument; eg. the right of purchase of forest land by industry, the definition of minimum area of forest

property, forest taxation and timber trade (Talousneuvosto 1985a). No clear decision was reached in any of the principal questions since the political views of the forest owners, industry and trade union were so widely divided. Because of the partial failure at the phase of policy formulation, the unresolved problems were referred for further consideration by future committees. The formulation of policy will come up again in the phase of implementation.

The programme 'Forest 2000' has reached the phase of implementation at the present time, allowances in the financial budget have been made for the realization of the programme. An accompanying committee, with similar membership to the previously mentioned committees, has been set up, with the job of following and checking the implementation of the programme.

The interest organization of the forest owners and the 'Forest 2000' programme

In connection with the 'Forest 2000' programme it is clear that the influence tends, on the one hand, from the interest organization of the forest owners towards the other interest representatives, towards the state, towards the administration and towards the parties. On the other hand influence also flows from the association to its own members.

The association of the forest owners was very active at all phases of the programme design. Although all its points of view could not be enforced it could clearly defend its position against the strong negotiating partners. The head of the association was very active right through to the phase of implementation. Parallel to the phase of implementation the unresolved problems were being treated in a further phase of policy formulation. So the head of the interest organization is again involved in various boards and committees.

The forest management associations were mainly responsible for the carrying out of the measures for achievement of the proposed objectives. However, the opinion was voiced that the success of the programme 'Forest 2000' would primaly be dependent on the measures taken by the state (Takala 1985). The representatives of the state organization for the promotion of private forestry are of the opinion that their organization is responsible for the coordination and planning of advisory services for forest owners, while the active work still lies with the forest management associations (Kotkanen 1985). For this reason a good cooperation with the representatives of the state organization is essential. According to the statutes of the CUAP, the management and promotion of the activities of the forest management associations are on the responsibility of the Forestry Council and the Forest Board. It is clear from this that the responsibilities of the two organizations necessarily overlap. Moreover, also the trade union assumes that the associations should be impartial and that the associations should continue to be good promoters of silvicultural advice (Mäki 1985). Thus the interest organization of the forest owners has been severed from the representation of interests. The peculiar combination of an expected impartial activity on the part of the forest maintenance organization of the forest owners, with tendential representative political interests gives rise to more and more difficulties in the Finnish forest policy. The participation of the trade union, for the first time, in the design of the programme demonstrates its growing interest in questions of forest policy. A large number of union members are in fact also forest owners.

From a forest policy point of view there is a constant 'concensus struggle' taking place between the main interest organizations (forest owners and industry). Whatever interest organization is stonger at a particular time, it tries to have its requests supported by state intervention. The political system in the area of the forestry and forest industry cannot be clearly explained simply by the pluralistic or neocorporatistic theory but rather by a mixture of the two.

The impression is given, from the various phases of programme design and from the programme itself, that the interest organization of the forest owners has had to assure a defensive position, since the pressure on the organization has grown due to the fact that the interest organization of forest industry and the trade union have had the same opinion on a number of questions. How long the position of power and the strength of the interest organization of the forest owners can be maintained remains to be seen. The weight the interest organization can wield in the implementation of its forest policy objectives is largely dependent on the development of the structure of the forestry ownership. Since almost half of all forest owners are not farmers, this will have an influence on the membership of the associations. It is conceivable that the trade union will engage in his own activities or that new forest owner associations will be founded. Whatever the case, it can be seen that the interest organization of the forest owners, in its work of political interest, is restricted to the higher levels of the organization. Whilst this situation will enable the middle to concentrate on questions of substance, it will weaken the ability of the interest organization of forest owners to assert its claims as against the interests of the forest and timber industry. A new ruling to clarify the activities of political interest is to be expected. This, however, can only happen if all the groups concerned work in close cooperation.

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Zusammenfassung

Die große Bedeutung der Forst-und Holzwirtschaft für die finnische Volkswirtschaft führte schon früh zu einer engen Zusammenarbeit der einschlägigen Verbände mit der Regierung, die ihren institutionellen Ausdruck im Wirtschaftsrat fand. Seit der 50er Jahren kann man in Finnland die Entwicklung des Gesellschaftssystems mit Hilfe neokorporatistischer Theorie beschreiben. Dies gilt auch teils für die Forst-und Holzwirtschaftspolitik. Nach der Gruppentheorie von Olson ist die Interessenvertretung der Waldbesitzer als freier Verband zur Anwendung selektiver Anreize gezwungen, um neue Mitglieder gewinnen oder alte behalten zu können. Dies führte zu Spannungen mit der Forstindustrie, die eigene Aktivitäten entwickelt hatte, um die Waldbesitzer anzusprechen. Aus einer wirtschaftspolitischen Krise entstand der Wunsch nach einem 'offiziellen' Forstprogramm. Aufgrund indirekter Forderungen an den Staat wurde vom Wirtschaftsrat ein Projektkomitee gegründet, um einen langfristigen Plan zur Lösung und Verwirklichung der forst- und holzwirtschaftspolitischen Ziele zu erarbeiten. In der Phase der Politikformulierung wurde der ausgeprägte neokorporatische Konsens zwischen den einschlägigen Verbänden und dem Staat deutlich. Verschiedene Streitfragen wurden jedoch zu einer späteren Behandlung in die Zukunft vertagt und blieben somit ungelöst. Der Verband der Waldbesitzer nimmt in allen Phasen der Programmgestaltung bis zur Durchführung eine bedeutende Rolle ein.

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