

# ***REFGOV***

***Reflexive Governance in the Public Interest***

***Global Public Services and Common Goods***

**Sustainability Transitions in Transition Countries.  
Forest Policy Reforms in Southeastern Europe**

By Sabine Weiland

Working paper series : REFGOV-GPS-18



Forthcoming in: *Environmental Policy and Governance*, special issue on Governance Innovation for Sustainability: Exploring the Tensions and Dilemmas, edited by Liza Griffin

## **Sustainability Transitions in Transition Countries. Forest Policy Reforms in Southeastern Europe**

*Sabine Weiland*<sup>1</sup>

### **1 Introduction**

Environmental capacity-building across the post-socialist countries in Southeastern Europe is one of the key challenges in the transition process. Since the early 1990s, the countries have rapidly adopted new policy and legislation in forestry and in other areas of natural resources management. Sustainable development is generally an express objective of the new policy. The past emphasis on productivist values in resource management has been replaced by a broader approach that recognises also environmental and social functions of forest and other natural resources. The reforms have been related to new regulations in the area of land tenure, mainly the recognition of private property rights, and other legal reforms aimed at privatising various aspects of the economy. As a result, forest policy and management are now shaped by a much broader set of actors than in the past, not only policymakers and administrative staff but also private forest owners, industry and various NGOs with different stakes in forests (Schmidthüsen *et al.*, 2002; Jansky *et al.*, 2004). Under these new conditions, the challenge is to build governance arrangements to achieve sustainable development.

Policy reforms in the transition countries were mainly driven by the European and international influence. Membership in the European Union is connected with the obligation to implement the EU regulatory regime and this is a powerful incentive for these countries to accept the environmental conditionality of the Union. However, the impact of the conditionality on the newcomer countries has been subject to debate (Schimmelpfennig and Sedelmeier, 2005; Hughes *et al.*, 2004). EU conditionality might vary in its effectiveness from one policy issue to another, and

---

<sup>1</sup> Sabine Weiland, Centre du philosophie du droit, Université catholique de Louvain, Collège Thomas More, Place Montesquieu 2, 1348 Louvain-La-Neuve, Belgium, Email: [sabine.weiland@uclouvain.be](mailto:sabine.weiland@uclouvain.be). This research was conducted under the project ‘Biodiversity Governance and Global Public Goods’, as part of the EU-FP6-project ‘Reflexive governance in the public interest (Refgov)’.

from one country to another – and often it is not easy to determine the actual causal impact on domestic policies. Moreover, the term conditionality is often used rather loosely in accounts of the Unions' influence on accession countries. This is all the more true in policy fields, such as forest policy, in which an EU Common policy does not exist and, thus, harmonisation of the countries' forest legislation with EU requirements is not necessary. Nevertheless, there exist European policy initiatives, such as the Resolution on a EU Forestry Strategy adopted in 1998 which emphasises the multi-functional role of forests and the importance of sustainable forest management (Hogl, 2007). Also the EU environmental, agricultural and rural development policies do have an impact on the transition countries (Pülzl, 2005). Moreover, an international forest regime has evolved since the 1990s. Both the United Nations' international arrangements on forests (IAF) and the Ministerial Conference on the Protection of Forests in Europe (MCPFE) were directed at the promotion of sustainable forest management (Tikkanen, 2007). Most significantly, the MCPFE has promoted 'national forest programmes' as a new policy instrument that calls for a holistic approach and the participation of private actors into programming, implementation and evaluation of measures to promote sustainable forest management. The idea is to initiate a process of policy learning based on the diversity of national experiences with reform experiments. Finally, international donor organisations also work to develop environmental governance capacities, as part of poverty reduction strategies in developing and transition countries. All of the above developments have influenced and shaped national forest policies in the transition countries.

The reforms in forest governance are underway. It should not be overlooked, however, that legal reforms and the introduction of new policy approaches do not automatically imply sustainable forest policy and management. The initial assumption after the collapse of state socialism in Europe that economic liberalisation and democratisation of the post-socialist countries would almost automatically alleviate environmental problems has proven too simplistic. This is not a catch-up development in which the transition countries would just need to follow the predetermined path of the 'advanced' European nations (Herrscher and Forsyth 2001). Instead of alleviating sustainability deficits the transition has opened up conflicts around environment and development that begin to show only after the end of the paternalistic and planning-driven policy approaches of the socialist era. Hence the capacities and governance arrangements needed in post-socialist countries to deal with sustainability issues certainly differ from those in Western late-capitalist societies. The resulting question that this article addresses is threefold: What forms of sustainability governance are built up in the transition countries of Southeastern Europe? In particular, how are the tensions between environment and development

addressed or resolved? What does this tell us about the governance of sustainability transitions in general?

This article deals with forest policy reforms in Southeastern Europe. It investigates the recent developments in the forest sectors in three countries of the region, namely Slovenia, Croatia, and Albania. The countries were chosen according to their different degrees of ‘relatedness’ to the EU and represent different stages in the building of sustainability governance. Whereas Slovenia’s accession to the Union was in 2004, Croatia is in the status of an accession partnership and is likely to join the Union in 2012, and Albania recently submitted the formal application to become a member. Nevertheless, the countries also differ in their way of addressing sustainability problems, according to their specific political, institutional, and cultural conditions. The article proceeds as follows: In Section 2 the general themes of building sustainable governing arrangements in forestry under post-socialist transition are outlined. Section 3 presents three country studies on Slovenia, Croatia and Albania on current developments in forest policy and management. These serve as illustrations of the different approaches to sustainable forestry in transition countries. The final section addresses the question of sustainability governance in forestry in general and draws some general conclusions for sustainability transitions in post-socialist countries.

## **2 Sustainability transitions in post-socialist countries: The case of forestry**

Forests constitute an important sector in the countries of Southeastern Europe. Most countries have a long tradition in forest management dating back to the 19<sup>th</sup> century. During the socialist era emphasis was however on the economic exploitation of forest resources. After the end of the regimes the countries are set on a path of fundamental transformation of their central planning regimes to open market economies and democracy. They now face the challenge to adapt to changes occurring from the political and economic transition which have an impact on the forest sector as well (Pachova *et al.*, 2004).

The major reform issue in the post-socialist states has been the ‘privatisation’ of the forest sector. This included the restitution of forest land to former owners and the establishment of a regime for private forest management. In addition, privatisation required a number of other strategies, such as the transformation of State enterprises carrying out forestry works; forest works, e.g. harvesting and planting of trees, carried out by private entities; and liberalisation of forest product prices (Mekouar and Castelein, 2002:8-14). Yet the transfer of ownership and management tasks to private hands does not automatically result in a stimulation of economic activities, in

increased investments and the protection of natural resources. The above strategies require an adequate legal regime and institutions to advance sustainable development of forests. The crucial task is to strike an appropriate balance between governmental control and encouragement of private initiative. Most of the new forest owners are lacking the professional experience and sometimes the financial capacity to manage their forests. Furthermore, private forest holdings are often very small, hence efficient and sustainable management is difficult. Forestry administrations therefore claim that appropriate management cannot be carried out by actors other than themselves. On the other hand, excessively rigid rules, such as the imposition of detailed management plans prepared by the administration, may discourage private activities and are difficult to implement. The challenge thus is to establish a regime that provides for the active involvement of private actors, that stipulates capacity-building amongst the new forest owners through training, information and extension and that is at the same time able to safeguard sustainable management and public interest (Herbst, 2002:108-110).

Since the end of the socialist regimes, the transition countries in Southeastern Europe have launched policy reforms and the adoption of new legislation in forestry. The aim was to establish a policy framework that effectively balances the economic, ecological and social functions of natural resources. Given the emphasis placed on development of economic values of forests in the past, the acknowledgement of environmental and social forest functions is particularly important. As a consequence, sustainable use of forests is an express objective of all new forest laws. This is an issue also in the light of the (re-)privatisation of forests that once again necessitates emphasis on non-commercial forest functions. Also the integration of forestry with related sectors, such as agriculture, industry, tourism, hunting and nature protection is required by an encompassing approach to forest policy and management. In many of the forest policy reforms, the coordination with other sectors has so far not been addressed (Mekouar and Castelein, 2002:16).

Forest administrations at large continue to follow a narrow and technical management approach. Traditionally, forest management has been exclusively within the hands of professional foresters. Management plans were prepared in a scientific style by the administration. This attitude is still reflected in the new management planning provisions. These require the preparation of forest management plans and the issuing of harvesting authorisations is tied to the existence of a plan (Mekouar and Castelein, 2002:6-7). This is an appropriate means of ensuring environmentally sustainable management of timber resources. Yet from the point of view of stakeholder participation and with regard to the integration of forestry with related sectors the technocratic management approach may be

inadequate. In many countries, people increasingly demand the consideration of other public values related to forest management, such as recreation, tourism, and biodiversity. As a rule, the new forest laws do not provide for public participation or the involvement of civil society in decision-making processes, however. The administrative bodies in the post-socialist countries seemingly do not believe in the potential benefits of participatory management, and the value of reaching a broad consensus among affected parties as a means of facilitating implementation of policy measures. The new provisions also remain silent on another component of public participation, the access to relevant information which may be available to the authorities. The tradition of paternalistic forest management is still prevailing (Mekouar and Castelein, 2002:14-15).

Overall, the end of the socialist era introduced complexity into forest policy and management. The productivist orientation of the past has been replaced by a multi-functional approach to forestry; and planning-driven approaches to forest management by the state have been replaced by multi-actor settings under which forests are governed, at least in principle. In practice, however, the introduction of multi-objective and multi-actor constellations does produce conflicts that were unknown before. The following questions arise: How can different objectives in forestry be reconciled? How can the tensions between environment and development be addressed? And how to involve different actors in forest management? In particular, how can private actors be encouraged to manage their forest holdings in a sustainable way? The building of appropriate governance arrangements that address these challenges is of vital importance in the post-socialist transition countries.

### **3 Forest policy reforms in Southeastern Europe**

This section outlines the changes in forest policy in the transition states of Southeastern Europe since the early 1990s. Closer attention is paid to three countries in the region: Slovenia, Croatia and Albania. Slovenia is *prima facie* a country with high forest endowments (forests cover 58 per cent of the surface area), and a higher level of economic development than the other countries studied. The latter are relatively less forest-rich (30 per cent in Croatia, 38 per cent in Albania). Also the relatively lower average level of economic development, particularly in Albania, and protracted warfare in the region has to different degrees limited the available capacities for policy reform and has resulted in a slower start of the transition process (LeMaster and Owubah, 2000:5; Pachova *et al.*, 2004:6-7). Beyond this first characterisation, we will now look at how the three countries deal with the task of building sustainable governance arrangements. As will be seen, the outlined general

developments are to different extents reflected in the forest policy reforms in all three countries, although broad differences exist.

### **3.1 Slovenia**

Slovenia already had a long tradition in forest management before the transition period which helped to rapidly formulate a new regime. The adoption of new forest legislation became necessary after the denationalisation of property nationalised after the World War II, the privatisation of socially-owned property, and the adjustment of domestic legislation to international standards. Several important pieces of legislation regarding forest management in Slovenia were adopted, the most important being the Forest Act (OG RS 30-1299/93) from 1993. The statute regulates the protection, silviculture, use and the management of forests as a natural resource.

A second important provision, the Forest Development Programme (OG RS 14-632/96) was adopted in 1996, on the basis of the country's international commitments (e.g. the resolutions of the Ministerial Conference on the Protection of Forests in Europe (MCPFE) in Strasbourg 1991 and Helsinki 1993, and the Convention on Biological Diversity 1992). The Programme lays down a national policy of so called 'close-to-nature' forest management, along with guidelines for the conservation and development of forests. The 'close-to-nature' paradigm used to be the traditional approach to forest management in Slovenia. It is a technical, expert-driven management approach that focuses primarily on the ecological dimension of sustainability. The Forest Development Programme however attempts to redefine this principle. The emphasis is now on the reconciliation of environmental and economic objectives. Close-to-nature forest management is characterised as 'one of the rare activities which constitute an organic link between nature conservation and an economic sphere. The main feature of Slovenian forest management is the recognition of the concurrence and interdependence of ecological, social and productive functions' (Republic of Slovenia/Ministry of Agriculture, 1995:7).

#### **Forest management**

Before 1993, a public forest enterprise was in charge of the forest management tasks. Each of the 14 management units was led by a forest enterprise. The primary task of these contractors was to manage the public forests, which accounted for 35 per cent of all forests. In addition, the forest enterprises also performed forest service



functions as they prepared forest plans and provided guidelines for both, public and private, forests (Robek and Marenc, 1998:1).

Under the Forest Act 1993, a new Forest Service was established, with a central unit in Ljubljana and fourteen regional units throughout the country. The Service is now in charge of all forest planning and management activities, regardless of ownership. It is responsible for increasing public interest in the preservation and development of forests and for providing guidelines for forest management. As with all other former public enterprises, the operation components of forest enterprises were privatised, most of them organised as joint stock companies. As a result, there existed some 106 forest enterprises in 1998 (Robek and Marenc, 1998:2). During the following ten years, however, competition has set off a centralisation process, with only four major forest enterprises remaining today. The Slovenian Fund of Agricultural Land and Forests, a body fully accountable to the government, is in charge of organising the operational management tasks in the state forests. The Fund makes annual contracts with the forest enterprises, i.e. the former managers of these forests, on the basis of a 20-year concession (Krajčič, 1997:86). Concessions are given for felling and skidding, the sale of forest products, for protection and silvicultural work, and for the construction and maintenance of forest infrastructure. The concessions will end in 2017 and it is expected that this will lead to a revitalisation of the market for forest works.

Forest planning is undertaken on three levels: There are management plans on the district level (14 regional districts), on the level of forest management units (93 units), and silvicultural and game management plans for forest districts (430 *Reviere*). The plans determine conditions for the co-ordinated use of forests, the required scope of investment into biological vigour, the highest permissible degree of harvesting and conditions for wildlife management. They follow the principles of close-to-nature forest management. The silvicultural plans, for example, determine the trees for allowable cutting. Forest planning is free for all types of property and the forest owners have the duty to manage their woodlots according to the plan (Krajčič, 1997:83-84). Overall, the traditional emphasis on technical forest management and a paternalistic planning approach is still prevailing.

### **Private forests**

In 1990, 65 per cent of Slovenia's forests were private and 35 per cent state-owned. In 2007, around 77 per cent of forests were private-owned, and the rate may rise to 80 per cent of private forests once the denationalisation process is complete. The average size of forest property is 2.6 ha, often split up into spatially separate parcels.

With more than 300,000 forest owners in Slovenia, private forest property is highly fragmented (Slovenian Ministry of Agriculture, 2007:30). This poses serious obstacles to professional work in private forests, optimal timber production and utilisation of the forest potential. It also impacts on the type and structural variety of private forests. Moreover, problems have occurred since few owners are properly trained or prepared for forest work and lack the necessary technical equipment. Work safety standards are often low. A number of private forest owners are farmers but the majority are non-farmers. For most of them, farmers and non-farmers, the forest is not the main source of income and they are often less interested in working in their forests. As a result, the amount of harvested timber is decreasing which also results in decreases of the forest sector's share of GDP. In mountainous farming regions the situation is slightly different since forestry is in many cases indispensable to the local economy (Golob and Ferlin, 2000:92-3; Boncina, 2001:249).

The governance solution to these problems is to regulate and even to limit the private property rights in forests. Both the Forest Act and the Forest Development Programme strongly emphasise the concept of multi-functional forestry and close-to-nature management. On the one hand, the statutes lay down that the owner is responsible for the condition of the forest and must manage the woodlots according to forest management regulations and plans. In private forests, forest operations are carried out by the owner as well. On the other hand, the forest owners are obliged to allow free access to and movement in the forest to other people, e.g. for recreational purposes. They must also permit beekeeping, hunting, collecting of mushrooms etc. In addition, a maximum allowable cut, both in terms of volume and structure, is defined by the forest plans. The clear-cutting of forests is prohibited; the same applies to activities which have a negative impact on growth, sustainability, stability and fertility of forests. In terms of practical management as well, private forest owners are to a certain extent patronised by the administration. For example, the trees for cutting are marked jointly by the forest owner and the Forest Service which then issues obligatory guidelines. In order to ensure appropriate qualifications for forest work, provisions for appropriate training for individual operations in forest management exist, as well as regulations related to work safety since forest work is considered to be very dangerous (Krajčič and Winkler 2002). Hence the property rights of the forest owners are limited by public interest and by the obligation to take into account multiple functions of the forests.

The forest management system under the auspices of the Forest Service provides a developed administrative structure and is as such capable to ensure the environmentally sustainable management in private forests. On the other hand, rigid

administrative rules also discourage private forest activities. The Forest Act sets out some provisions for participatory forest management, for example consultation with forest owners, other authorities and the public in the setting-up of management plans. But the planning system is still very much expert-driven and complicated and gives private forest owners and the public only limited opportunity to take part in the decision process. On the collective level, there exist a number of participation opportunities for private owners' interest groups within the forest administration. So far their organisational degree remains low, however. This problem seems to be acknowledged in the administration already. In our interviews, some Forest Service representatives complain that the majority of forest owners is passive. The crucial question therefore is how to promote the engagement of private owners in forest management.

### **3.2 Croatia**

In the first half of the 1990s, the Croatian government passed numerous pieces of legislation that deal with sustainability and biological diversity of the national forests. The most important act is the 1990 Law on Forests that aims at sustainable management through enhancement of multi-functional and economically sustainable use of forests. In 2003, the Croatian government launched the National Forest Policy and Strategy (NFPS). It was part of a series of strategies and legal amendments in the field of environmental, agricultural and regional planning in the reform process for the accession to the European Union. The NFPS contains more than one hundred strategic activities directed at the sector's adjustment to the conditions in the Union, among others regarding the economic viability and competitiveness of the forestry sector.

#### **Forest management**

Croatia's forest ownership structure differs significantly from the Slovenian situation. In Croatia, nearly 80 per cent of the forests are state-owned, only one fifth is private. Whereas the private woodlots are under the responsibility of the respective owners, the state forest is managed by the Forest Enterprise 'Hrvatske Šume'. It was founded in 1991 as a public company. Later the enterprise was restructured from a public into a Limited Trading Company, founded by the Republic of Croatia (Posavec and Vuletić, 2004:211). *Hrvatske Šume Ltd.* is hierarchically organised with the direction in Zagreb, 16 regional forest administrations and 169 forest offices. In addition, 14 forest companies, mostly for

forest works that require larger and special equipment, belong to the organisation (Hrvatske Šume, 2008).

The regional branches are the most important level of forest management. Here the management plans for each of the 650 management units are prepared, which then need to be approved by the Ministry of Agriculture, Forestry and Water Management. Each management plan covers a 10-year-period. They are translated into annual operational plans, prescribing for example the amount of wood for cutting and the necessary silvicultural works. Moreover, a business plan for each unit is set up. In general, the implementation of the management plans is high. Compliance with the management plans is supervised by the Forestry Inspection, a body attached to the Ministry, through a system of internal and public control.

The administration of the Croatian state forests follows the so called ‘model of self-financing forestry’ (Martinić, 2000:87). Administration tasks are performed by a company that is engaged not only in forest works but also in the marketing of timber and timber products. The transformation of the Enterprise into a Limited Trading Company was an attempt to transfer a post-socialist State enterprise into a commercial enterprise. *Hrvatske Šume Ltd.* hence pursues a twofold objective: to successfully manage the state-owned forests and to conduct an economically sound business (Posavec and Vuletić, 2004:213-14). The economic performance of the Forest Enterprise is considered satisfactory. About three quarters of the business income stem from sales of wood assortments. However, the selling of the wood is for the most part carried out under non-market conditions at administratively regulated fixed prices. Buying rights for wood are distributed according to certain criteria and by applying a pricelist, approved by the Ministry of Economy. The wood price is fixed annually, depending on factors, such as the volume and structure of the wood production and quality parameters (Posavec and Vuletić, 2004:220). As a consequence, the Forest Enterprise is hardly able to adapt to constantly changing market conditions. On the other hand, the Forest Enterprise is able to take advantage of the sustainable management practices as quality standards. In 2002, *Hrvatske Šume Ltd.* received the Forest Stewardship Council certificate for the forests under its management. National forests certification standards are currently in process of development.

Forest management in Croatia at this point seems to be half way between a socialist-style planning approach and a market approach. Sustainable management practices are achieved through state regulation and a well-functioning administration. The rigidity of the forest management planning system demands strict adherence to the plan and leaves little room for initiatives at the lower levels. The economic orientation that came with the conversion of the Forest Enterprise into a Limited

Trading Company is not fully realised yet. Here might be some potential for capacity-building when using the market mechanism in favour of sustainability goals, e.g. with the FSC certificate. Yet the marketisation can also have the reverse effect: the subordination of environmental goals to economic interests. The overall question is how the forest sector will adapt to the changing conditions occurring as a result of the upcoming membership in the European Union. Increased pressure from foreign wood producers and changes in the structure of wood assortments trade will radically transform the economic environment of the Enterprise.

### **Private Forests**

About one-fifth of the Croatian forests are in private ownership. The relatively low share of private forests is partly a result of the government policy to compensate the previous owners or to rebuy the restituted land. The present number of private owners is nearly 600,000, and the average size of the private holdings is 0.7 ha. In many cases, these forests are highly degraded due to over-cutting, with a growing stock that is considerably lower than in state forests. According to the Law on Forests, the private owners are required to manage their forest properties in a sustainable way. They are also obliged to provide for protection and reforestation measures. If the private owners do not carry out the appropriate measures and activities, the Forest Enterprise becomes responsible for the implementation of these measures. Due to a lack of financial support, however, the majority of private forests remain unmanaged (Martinić, 2000:84).

For that reason, the Forest Extension Service was established in 2006, a public institution that deals with private forests in Croatia. Organisation building was driven by a public debate in the course of the passage of the National Forest Strategy and the new process of certification in the state forests. Demands by the private forest owners, among them a number of owners of larger properties (e.g. the church), were to increase the activities in forests, for example with regard to the opportunities for private owners to market timber and other products. The objective of the new Service is to improve the management of the private forests, through organising the development of management plans and through giving advice and professional education to the forest owners. The Service also performs administrative tasks, such as selection of trees for felling and providing the necessary documentation. Finally, the Service also organises the selling of wood via tenders (Forest Extension Service, 2007).

One of the main obstacles to sustainable forest management in the private Croatian forests is the small size of the woodlots, resulting from the fragmented ownership

structure. The plots need to be integrated into larger units in order to facilitate sustainable management. The Forest Extension Service therefore aims at fostering the organisation of the private owners. Until the end of 2007, 17 associations of private owners were founded, and the establishment of a national association of private owners is planned. For the Forest Extension Service, the associations are the most important partners for co-operation and the Service tries to establish good working relations with them. The organisation of cooperation among the owners themselves however raises the issue of building sustainable governing arrangements from scratch.

### **3.3 Albania**

Forest resources in Albania are in a very vulnerable condition. A considerable loss of forest area already took place in the 1960s, due to agricultural, but also industrial and demographic expansion. Forest depletion has continued since then, mainly because of persistent poverty in rural areas (Naka *et al.*, 2000:153-4). Since 1990 the country has undergone a fundamental transition, marked by changes in production structures, high unemployment, and unprecedented emigration. The state of forests is closely linked to the livelihood of the Albanian people and, therefore, the forest sector has suffered much more from the transition than other sectors. For that reason, and also under pressure of international political and donor organisations – which presently play a much greater role in the country than the European Union – the Albanian government was urged to take action to stall further loss of forests.

The main piece of legislation to achieve more sustainable forest management is the ‘Law on Forests and the Forest Police’ from 2005, which aims at ‘environmental conservation and the production of wood material and other forest products’ (Agalliu *et al.*, 2007:19). Because of the poor condition of the forests, the Albanian government designed a strategy for the sector that aims to ensure ‘the management, [and] sustainable and multifunctional development of forestry and pasture resources’ (DGFP, 2005:7). Several priority objectives for the next ten years were outlined, including the halt of all commercial logging; protection and rehabilitation of forests and pastures through the increase of investments and incentives of private and collective initiatives; and further attention to other socio-economic functions and services and the multiple use of forest and pasture (DGFP, 2005: 14-5). One consequence of the strategy is the limited possibility for timber production. The restoration of the ecological functionality of the forests is given priority at this point.

## **Forest management**

About half of the Albanian population live in rural areas and this fact has created strong relations between the local communities and forests. For long, forests have been the main source of community employment and incomes. At the same time, however, this has put great pressure on forests, which have suffered from degradation, resulting from unregulated and intense wood-harvesting to satisfy household needs for fuel, timber and livestock fodder. As a result, the areas close to rural communities are particularly degraded.

Already in 1994, the World Bank launched a project to support better resources management, monitoring and control (World Bank, 2004). The project aims at achieving a sustainable increase in the productivity of forests and pastures and at empowering local governments. Poverty reduction, through improvement of forests in order to generate incomes from natural resources and employment, is the overriding objective of the scheme. Evaluations of the World Bank project revealed a positive impact on poverty alleviation. The communal forest and pasture management component in particular, with its targeted interventions in rural areas, has contributed significantly to reducing poverty in vulnerable areas (World Bank, 2004:7, 11-12). This success has set off broader policy reforms by the Albanian government to decentralise forest management tasks and responsibilities (see below).

A further objective of the project, to take initial steps in the forest sector's transition to a market economy turned out to be less successful. The initial privatisation of harvesting and wood processing enterprises proved difficult since the majority of private companies owned minimal and outdated equipment. Meanwhile, a system of issuing licenses to private companies undertaking activities in the sector of forests and pastures was introduced. Most of the licensed companies employed a small number of people and possessed some equipment that used to belong to state forest harvesting enterprises (World Bank, 2004:7). The 2005 legal ban on commercial logging however destroyed the delicate plant of economic development. Presently, the largest challenge for the establishment of a market for forest products and work processes is the substantial reduction of illegal logging activities. For that reason, the decentralisation of forest management is regarded as key to improve forest governance. A new World Bank project was launched in 2004 to develop and expand the community-based approach to forest management.

## Decentralisation

During the communist regime, all Albanian forests were state property. The restitution to previous owners began in 1996. In 2001, 81 per cent of the forest land was state-owned, 18 per cent was community-owned, and only 1 per cent was in private ownership (Dida, 2003:sec. 6.2). Hence, the Albanian situation differs significantly from the ownership structures in other countries of Southeastern Europe which reveal much higher proportions of private-owned forests after the restitution process (LeMaster and Owubah, 2000:32-33). In Albania the concept of land ownership traditionally played only a minor role. Forests and pastures were used on the basis of common law, meaning that the user rights were with the families and were inherited over generations. This is also the reason why the communities play such important role in forest management.

After the success of the communal forest component of the World Bank project, an official decision was made to continue the transfer of state forests to the local governments, as new policy approach to foster sustainable forest management. The decentralization process aims to accomplish the transfer of forests and pastures in use to 218 communities and municipalities, accounting for 40 per cent of the Albanian forests. Until 2002, the transfer already included 56 communities. Management plans have been worked out for all communities involved. The transfer of forests to the rest of the communities was officially approved in February 2008.

The process of transferring forest management to the communities is regarded as a procedure to increase awareness and responsibility of the local actors. Community boards have been installed, composed of representatives of the local government, stakeholders (user associations, local people), and the forest service. They collectively deal with the formulation of management plans and make the necessary decisions. The World Bank, as the international donor organisation, accompanies the transfer process. One obstacle however is the lack of a developed participation culture in Albania (Prifti and Hasko, 2003:248). For that reason NGOs, such as the Netherlands Development Organisation SNV, also support the capacity building in the local government.

At this point, the transfer process is underway, with still many unresolved questions. Considerable debate is about how far the devolution process should go. Is the transfer of *user* rights to the communities, which deal with the allocation of rights and duties, the best way to secure sustainable management? Or should *property* rights also be given to the communities and eventually to the local people? It is argued that private ownership is be the best way to increase the individual interest in natural resources management and to induce sustainable income generation



activities. Others however argue that private ownership leads to a fragmentation of the forests that contradicts sustainable management. Therefore, collective ownership at community level with individually granted user rights is regarded the better alternative.

Success or failure of the decentralisation processes depends on the governing arrangements for sustainable forest management that are built on the local level. It should not be overlooked, however, that the current reforms in the forest sector are only possible with the support of international donor organisations, in particular the World Bank. This is very typical for the Albanian situation. During the last decade, the majority of political conflicts have been solved with the intermediation or intervention of the international community. The political class proved incapable to resolve the political problems, which in turn led to a situation where foreign intervention became an important factor in domestic politics. In this context, commentators already speak of a de facto 'co-governing situation' (Ruli, 2003:153). The political elites may find this situation convenient since it relieves them from political accountability. Decentralisation of political responsibilities might on the other hand be a way to circumvent the political elites and to get other – local – actors involved in decision-making processes. The crucial question remains whether it will be possible to establish local governance to manage the community forests and pastures.

#### **4 Conclusion**

In the countries of Southeastern Europe, policy development resulting from European and international injunctions coincides with the transition from a centrally planned state structure to a democratic and market oriented society. The transition towards sustainability adds a normative orientation to societal change. But policy evolution in the transition states cannot simply be seen as adoption of existing rules and ready-made solutions to governance problems, provided by the EU and other international organisations. Arguments of a catch-up development of transition states fail to acknowledge the diversity and specificity of post-socialist societies. The major topics in forest policy reforms in the transition countries of Southeastern Europe have been the establishment of provisions for sustainable forest management and the privatisation of the forest sector. Effective strategies have to be developed to reconcile sustainable forest management and sustainable economic and human development.

These topics are not specific to the region, though. Other countries of the former Eastern bloc in Central Europe (such as Poland, Hungary, Czech Republic), in

Eastern Europe (eg. Russia, Ukraine), as well as transition states in the Caucasus and Central Asia (eg. Uzbekistan, Azerbaijan) have had similar experiences on their transition paths (Jansky *et al.*, 2004). Differences however exist related to significant physical and structural diversity. Even more important, the level of economic development and the socio-political and institutional structures in a state determine what governing arrangements are established to attain sustainable forest governance (Pachova *et al.*, 2004). Hence, the importance of building governance arrangements for these tasks also goes beyond the Southeastern European region – but without having a ‘one-fits-all’ type of arrangement for sustainability governance.

The outline of the policy reforms in Slovenia, Croatia and Albania already revealed very different approaches and problems in the pursuit of sustainable forest management. In Slovenia the long tradition in forest management helped to rapidly formulate a new forest regime. The long-established close-to-nature paradigm of Slovenian forest management seems well suited to realise ecologically sustainable forestry. At the same time, the paradigm is primarily directed at environmental objectives (‘close to nature’) and hence may be ill-suited to take into account other, economic and social, objectives in forestry. In particular, this is a problem in the building of a governance regime for private forests which now account for nearly 80 per cent of the Slovenian forests. The forest administration continues to follow a narrow approach characterised by technical forest management and a paternalistic management attitude. Although the involvement of private owners in forest management is required and wanted, the expert-driven and prescriptive planning system gives them little opportunity to participate in decision processes. The challenge therefore is to strike an appropriate balance between governmental control and encouragement of private initiative.

In Croatia, the majority of forests are still state-owned. Here privatisation in forestry was more directed at the adaptation of the State Forest Enterprise to market conditions. Yet the transition seems to be stuck half way between socialist-style planning and a market approach. In the management of the state forests, the Enterprise continues to follow a top-down planning approach that primarily serves environmental sustainability goals. The Forest Enterprise was converted into a limited trading company but still operates in a non-market environment, in which wood prices and buying rights are administratively regulated. Like this, the enterprise is hardly able to adapt to a constantly changing (international) market. In Croatian private forests, proper forest management seems almost absent. This raises the issue of setting up a sustainability governance regime from scratch. As in Slovenia, and in view of the even more fragmented ownership structures in Croatian

private forests, this includes organisation building among private owners and governance devices for fostering good management practices.

Albania in contrast seems to be on a very different post-socialist path. The devolution of forest management rights and responsibilities to the communal level, as alternative transition model, results from a number of factors characteristic of the Albanian situation. The concept of individual land ownership does not play an important role here. Forests have traditionally been used on the basis of common law and user rights in forests, inherited over generations. For this reason the communities play such important role in Albanian forest management. The severeness of forest degradation, particularly in community forests, and the urgency to take action are also much higher than in the other countries. Moreover, the weakness of the state institutions and the 'co-governing' situation with international institutions playing an important role in domestic politics is distinctive. Transferring forest management responsibilities to the communal level therefore is a promising strategy to address several problems simultaneously. The challenge of governing participatory management on the local level is however quite similar to the other cases.

In sum, there is no blueprint for sustainable governance of forests in these transition states. The countries are all experimenting with their own new arrangements and institutions that bring about novel practices in environmental and natural resources management. The overall aim is to reconcile ecological with economic with social development in forest policy and management. In addition, they all try to establish governance settings that transcend the traditional actor networks within the state and forest administration, to include also private stakeholders, particularly forest owners and enterprises working in the forest sector. As all three cases revealed in one or the other way, successful governance reform is very much about striking an appropriate balance between the state and private sector. Participation of stakeholders in forests and the general public is therefore crucial. But, as the cases also show, the state still remains an important player. At this point, this is obviously still due to the legacy of central and planning-driven policy approaches of the socialist era. It will be seen how the role of the state continues to develop in the future.

## References

Agalliu, Eugena, Mira Decka, Zamir Dedej, and Elvana Ramaj. 2007. "The Legal Aspect of Biodiversity-Related Problems." Pp. 10-30 in *Biodiversity Enabling Activity*, edited by the Ministry of Environment, Forest and Water Administration. Tirana, Albania: Ministry of Environment, Forest and Water Administration.

Boncina, Andrei. 2001. "Concept of Sustainable Forest Management Evaluation in the Forestry Planning at the Forest Management Unit Level: Some Experiences, Problems and Suggestions from Slovenian Forestry." Pp. 247-260 in *Criteria and Indicators for Sustainable Forest Management at the Forest Management Level*, edited by Alain Franc, Olivier Laroussinie and Timo Karjalainen. EFI Proceedings No. 38, 2001. Joensuu: European Forest Institute.

DGFP (Directorate General of Forests and Pastures). 2005. *The National Strategy for the Development of the Forestry and Pastures in Albania*. Tirana, Albania: DGFP.

Dida, Maxhun. 2003. "State of Forest Tree Genetic Resources in Albania." Forest Resources Development Service Working Paper FGR/62E. Retrieved April 5, 2008 (<http://www.fao.org/docrep/007/j2108e/j2108e00.htm>).

Forest Extension Service. 2007. *About Us: Forest Extension Service for Private Forests in Croatia*. Retrieved February 12, 2008 (<http://www.sums-ss.hr/home.html>).

Golob, Aleksander and Franc Ferlin. 2000. "Forest and environment legislation in Slovenia." Pp. 91-98 in *Challenges in Implementing Forest and Environment Legislation in European Countries with Economies in Transition*, edited by Franz Schmithüsen, Georg Iselin and Peter Herbst. Zurich: ETH.

Herbst, Peter. 2002. "Forest and Environmental Law Developments in European Countries with Economies in Transition." Pp.107-111 in *Forest Law and Environmental Legislation. Contributions of the IUFRO Research Group 6.13 Proceedings VII*, edited by Franz Schmithüsen, Georg Iselin, and Peter Herbst. Zurich: Chair of Forest Policy and Forest Economy, ETH.

Herrschel, Tassilo, and Timothy Forsyth. 2001. "Constructing a New Understanding of the Environment under Postsocialism." *Environment and Planning A* 33:573-587.

Hogl, Karl. 2007. "How to Co-Ordinate the Non-Integrated: Development and Recent Perspectives of European Union Forest Policy." Pp. 18-32 in "*Quo Vadis, Forestry?*", *Proceedings of International Conference, 29-30 June 2006, Forest Research Institute, Sękocin Stary, Poland*, edited by Zbigniew Sierota. Sękocin Stary, Poland: Instytut Badawczy Leśnictwa.

Hrvatske Šume. 2008. *Osnovni Podaci O Sumama U Republici Hrvatskoj I Hrvatskim Sumama D.o.o.* Zagreb, Croatia: Hrvatske Šume.

Hughes, James, Gwendolyn Sasse, and Claire Gordon. 2004. *Europeanization and Regionalization in the EU's Enlargement to Central and Eastern Europe. The Myth of Conditionality*. Basingstoke: Palgrave Macmillan.

Jansky, Libor, Radovan Nevenic, Ilpo Tikkanen, and Brita Pajari (eds.). 2004. *Forests in Transition II: Challenges in Strengthening of Capacities for Forest Policy Development in Countries with Economies in Transition*. Tokyo: United Nations University.

Krajčič, Darij. 1997. "Forest Policy and Related Research in Slovenia" Pp. 81-88 in *Review on Forest Policy Issues and Policy Processes*, edited by Ilpo Tikkanen, Peter Glück, and Birger Solberg. Joensuu, Finland: European Forest Institute.

Krajčič, Darij and Iztok Winkler. 2002. "Restrictions on Ownership of Forests in Slovenia due to their Environmental Role." Pp. 154-159 in *Experiences With New Forest and Environmental Laws in European Countries With Economies in Transition*, edited by Franz Schmithüsen, Georg Iselin, and Dennis Le Master. Zurich: ETH.

LeMaster, Dennis and Charles E. Owubah. 2000. "Nation states and forest tenures: An assessment of forest policy tools in Eastern European countries." Pp. 1-11 in *Challenges in Implementing Forest and Environment Legislation in European Countries with Economies in Transition*, edited by Franz Schmithüsen, Georg Iselin and Peter Herbst. Zurich: ETH.

Martinić, Ivan. 2000. "Croatian Forest Law and Environmental Legislation." Pp. 76-88 in *Forging a New Framework for Sustainable Forestry: Recent Developments in European Forest Law*, edited by Franz Schmithüsen, Peter Herbst, and Dennis Le Master. Zurich: International Union of Forestry Research Organisations/IUFRO Secretariat Vienna/Chair of Forest Policy and Forest Economy, ETH.

Mekouar, Ali and Astrid Castelein. 2002. "Forestry Legislation in Central and Eastern Europe – A Comparative Outlook." Pp. 1-26 in *Experiences With New Forest and Environmental Laws in European Countries With Economies in Transition*, edited by Franz Schmithüsen, Georg Iselin, and Dennis Le Master. Zurich: ETH.

Naka, K., Hammett, A. L., Stuart, W. B., 2000. Constraints and opportunities to forest policy implementation in Albania. *Forest Policy and Economics* 1(2), 153-163.

Pachova, Nevelina I., Ilpo Tikkanen, Brita Pajari, and Radovan Nevenic. 2004. "Introduction: Capacity Needs for Forest Policy Development in Countries With Economies in Transition." Pp. 1-16 in *Forests in Transition II: Challenges in*

*Strengthening of Capacities for Forest Policy Development in Countries With Economies in Transition*, edited by Libor Jansky, Radovan Nevenic, Ilpo Tikkanen, and Brita Pajari. Tokyo/New York: United Nations University.

Posavec, Stjepan and Dijana Vuletić. 2004. "Vision for Forestry Development in Croatia Through National Forest Policy and Strategy." Pp. 211-22 in *Forests in Transition II: Challenges in Strengthening of Capacities for Forest Policy Development in Countries With Economies in Transition*, edited by Libor Jansky, Radovan Nevenic, Ilpo Tikkanen, and Brita Pajari. Tokyo, Japan: United Nations University.

Prifti, Zh. and H. Hasko. 2003. "Forest Policy Development in Albania." Pp. 245-58 in *Forests in Transition II: Challenges in Strengthening of Capacities for Forest Policy Development in Countries With Economies in Transition*, edited by Libor Jansky, Radovan Nevenic, Ilpo Tikkanen, and Brita Pajari. Tokyo: United Nations University.

Pülzl, Helga. 2005. *Evaluation of European Community Regulations and Policies Relevant to Forest Policy*. Vienna: The Federal Ministry of Agriculture, Forestry, Environment, and Water Management of Austria.

Republic of Slovenia and Ministry of Agriculture, Forestry and Food. 1995. *The Forest Development Programme of Slovenia*. Ljubljana: Ministry of Agriculture, Forestry and Food.

Robek, Robert and Jurij Marenc. 1998. *Environmentally Sound Forest Operations in Slovenia for Whom?* Proceedings of the FAO/Austrian Expert Meeting on Environmentally Sound Forest Operations for Countries in Transition to Market Economies, Retrieved May 25, 2008 ([www.fao.org/docrep/004/X4009E/X4009E15.htm](http://www.fao.org/docrep/004/X4009E/X4009E15.htm)).

Ruli, Genc. 2003. "Albania: The weakness of the state." Pp. 151-162 in *Prospects and Risks. Beyond EU Enlargement. South-eastern Europe: Weak States and Strong International Support*, edited by Wim van Meurs. Opladen: Leske + Budrich.

Schimmelpfennig, Frank and Ulrich Sedelmeier. 2005. *The Europeanization of Central and Eastern Europe*. Ithaca and London: Cornell University Press.

Schmithüsen, Franz, Georg Iselin, and Dennis Le Master. 2002. *Experiences With New Forest and Environmental Laws in European Countries With Economies in Transition*. Proceedings of the Third International Symposium, Jundola, Bulgaria. Zurich: ETH.

Slovenian Ministry of Agriculture, Forestry and Food 2007, *Gozd in gozdarstvo Slovenije (Slovenian Forests and Forestry)*. Ljubljana: Association of Slovenian Forest Societies.

Tikkanen, Ilpo. 2007. "Forest Policy Development Challenges in Europe: What Focus On?" *Radovi Sumarski Institut, Izvanredni broj 10*. Retrieved December 13, 2007 ([www.sumins.hr/2007-izv.10/10\\_tikkanen\\_engl.pdf](http://www.sumins.hr/2007-izv.10/10_tikkanen_engl.pdf)).

World Bank. 2004. *Albania Forestry Project. Implementation Completion Report, No. 28783*. Tirana: World Bank.