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Present and future role of forest resources in the socio-economic development of rural areas

PLENARY SESSION

23rd June 2011

Present opportunities of sustainable and multi-functional forest management for the development of rural areas

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CONTEXT:

‘The order is rapidly changing’



Present and future role of forest resources in the socio-economic development of rural areas

The core message

- Forestry and its connected industries are perhaps the most sustainable of industries
- European forests are characterised by significant multifunctionality
- Sustainable forest management principles are firmly embedded in policy (but not always practiced)
- The overall context is appropriate for an enhanced contribution of forestry to sustainable rural development.....
- But there is no 'silver bullet', no easy solution

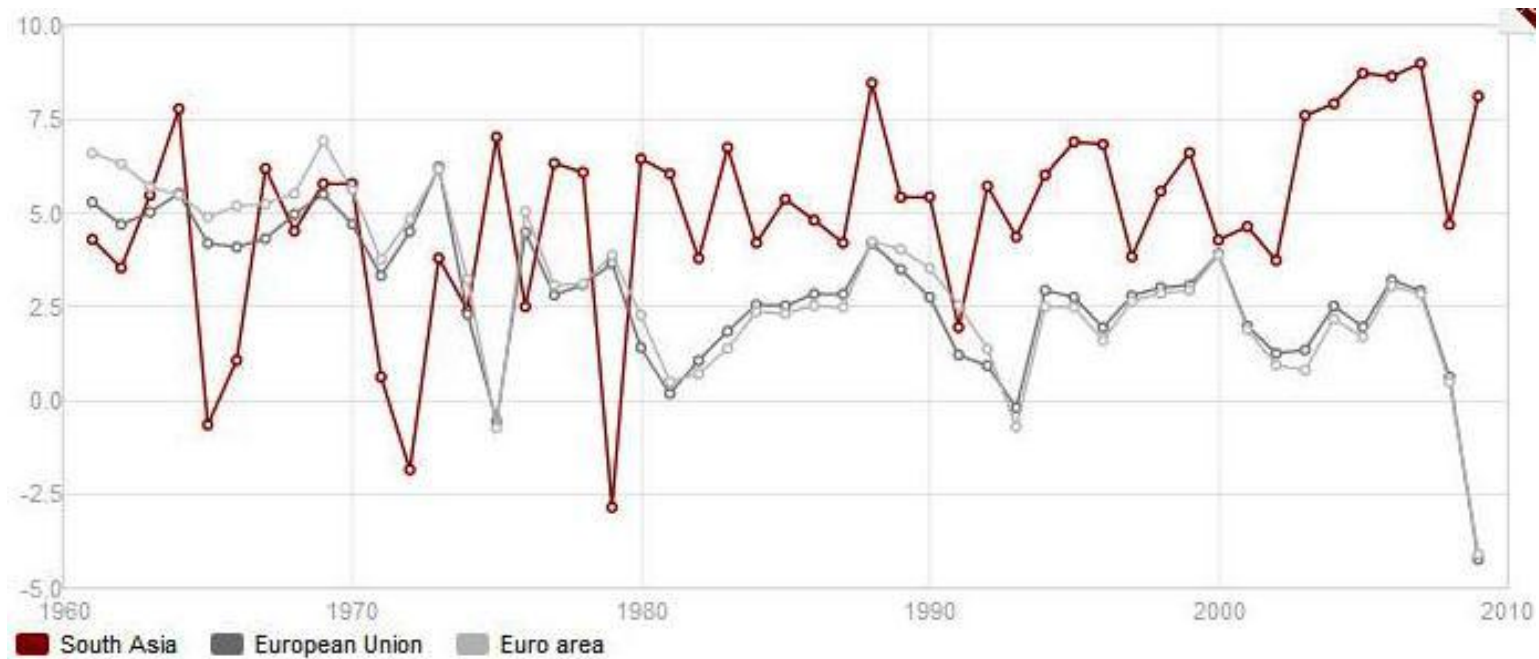
Indeed, there are obstacles

- Forestry's contribution to rural development is less than it could be
- There are great economic uncertainties at present
- Carbon emissions are largely unpriced
- Path dependencies (almost everywhere)
- Policy inadequacies (in some places, especially with pricing some Ecosystem Services)
- Slow innovation and incomplete understanding of the nature of innovation processes needed
- Lack of understanding of the transition challenge
- Competition for food production (in some places)

We are living in a time of significant challenge

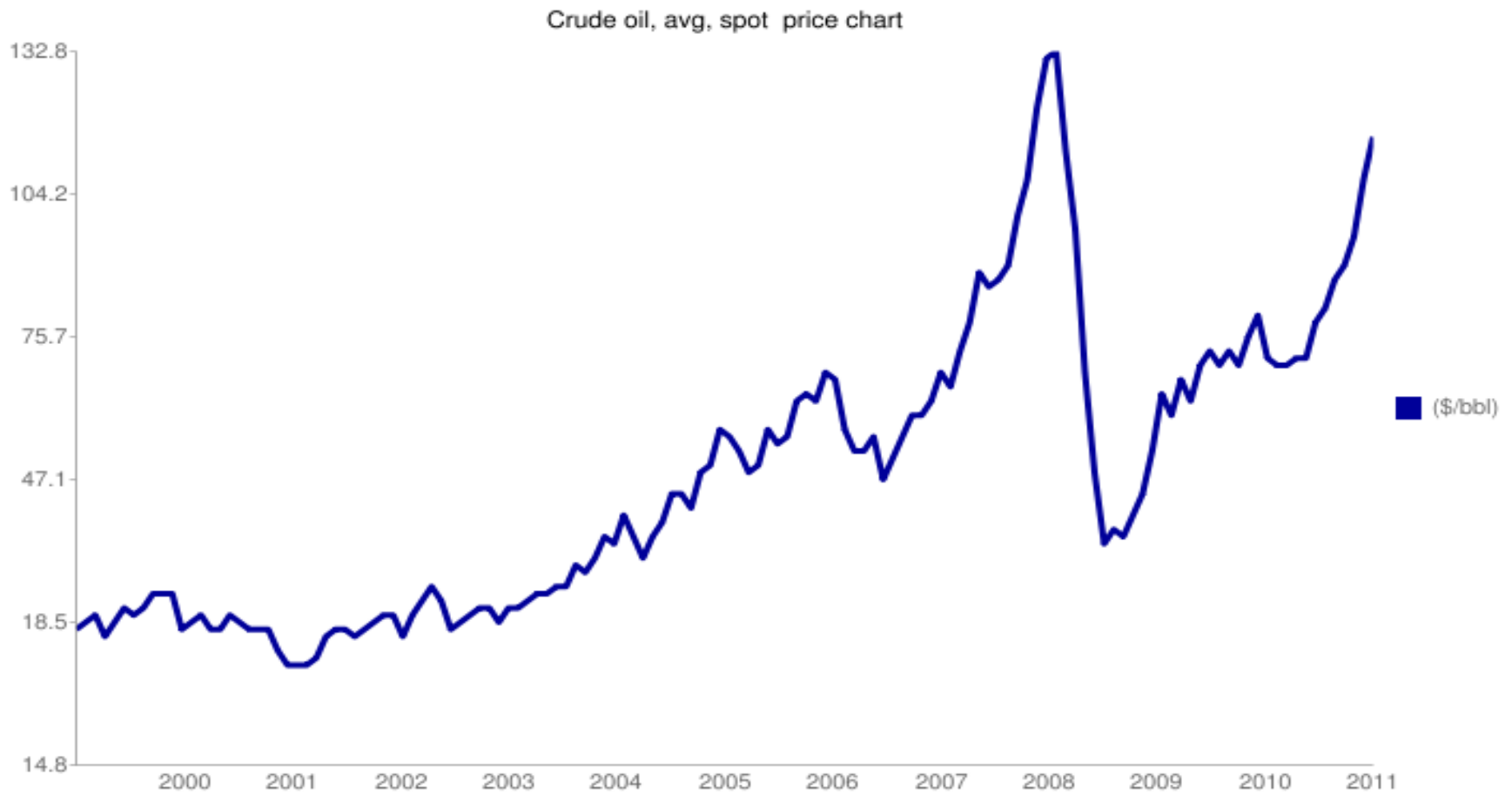
- **High hydrocarbon dependency and impending peak oil**
- **Climate change and the impending 'perfect storm'**
- **Economic restructuring at global scale –the rise of Asia**
- **The global (or European and US?) financial crisis**
- **Uncertainty about the capacity, capability and logic of continued economic growth**
- **Belief of some of a need to explore better indicators of wellbeing and quality of life**

Economic growth in Europe is relatively slow



Source: World Bank and OECD

Hydrocarbon dependency is high

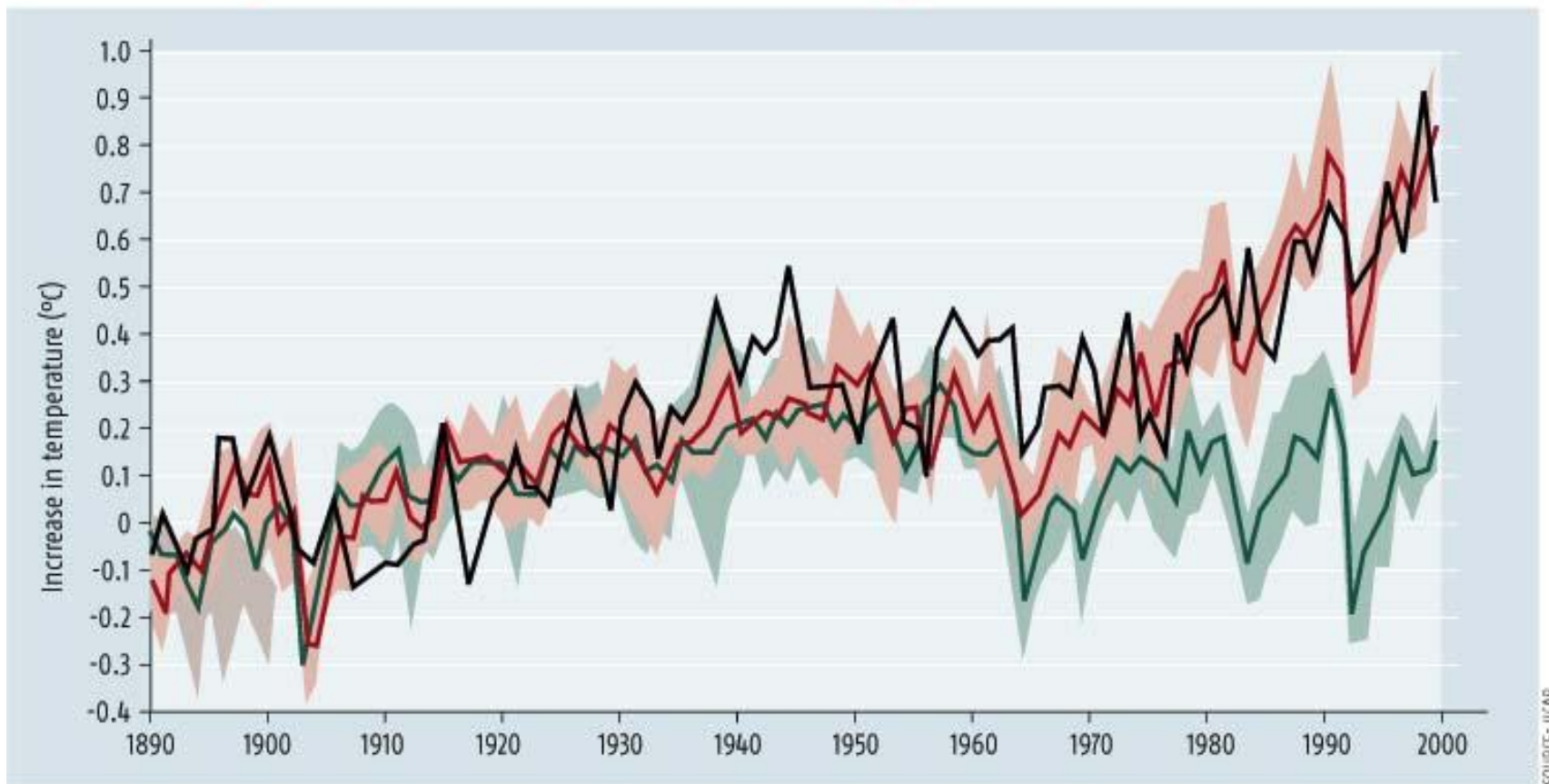


Climate change is happening

THE HUMAN IMPACT ON CLIMATE

Without human activities global temperatures might now be falling

● Observations ● Predicted sum of natural and anthropogenic changes ● Predicted natural changes



There is a real prospect of a 'perfect storm'

"There are dramatic problems out there, particularly with water and food, but energy also, and they are all intimately connected. You can't think about dealing with one without considering the others. We must deal with all of these together."

Sir John Beddington UK Chief Scientist

By 2030

- Growing population (7- > 9 billion)
- Water scarcity (30% increase in demand)
- Food scarcity (50% increase in demand)
- Energy scarcity (50% increase in demand)

Forests can deliver value both for livelihoods and 'liveability'

The search for better indicators of wellbeing

- The Sarkozy Report: Nobel laureate economists questioning the notion of GDP as an appropriate indicator of wellbeing

A forestry context

- Forests for livelihoods (conventional economic values)
- Forests for 'liveability' and wellbeing (wider social values with economic significance)
- We need to explore multiple dimensions of value.....
- Not just those reducible to an economic metric

CONCEPTS



Present and future role of forest resources in the socio-economic development of rural areas

Multifunctionality.....

- ...Is the delivery of more than one function/benefit/service and, in its normal European use, the existence of non-market benefits, in addition to those derived from the market
- ...and will vary greatly from place to place

Sustainability

“the stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, and that does not cause damage to other ecosystems.”

Source: MCFPFE

Multifunctionality varies between places

From a production emphasis...



...to a recreational emphasis

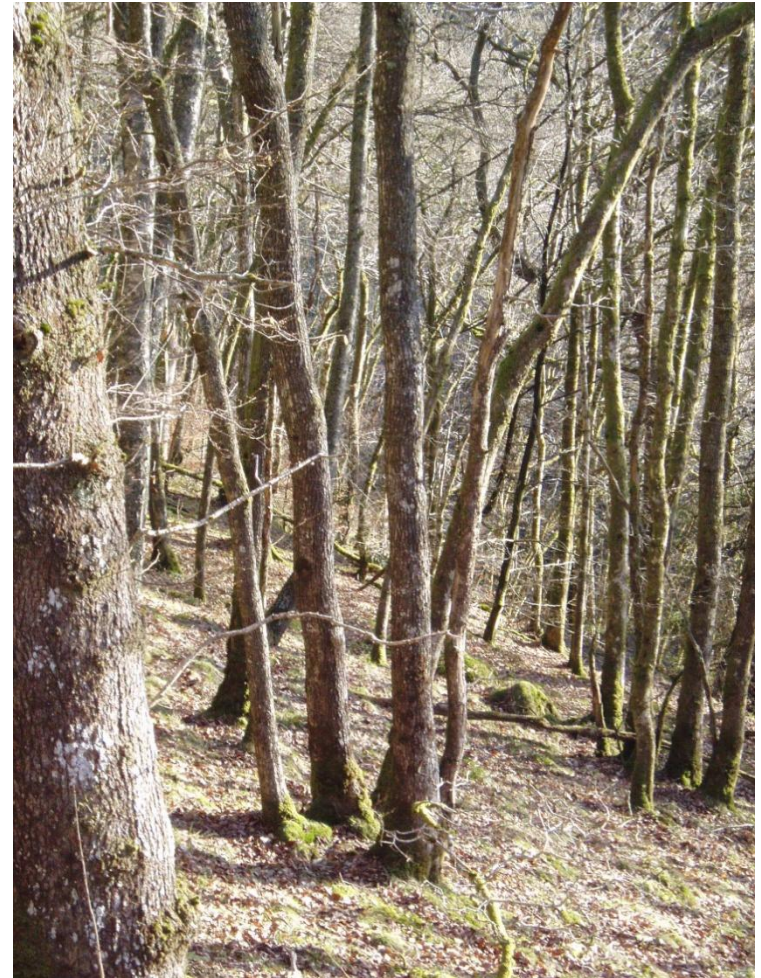


...to a conservation emphasis



Multifunctionality can be horizontal (between different places) or vertical (within any one piece of woodland/forest)

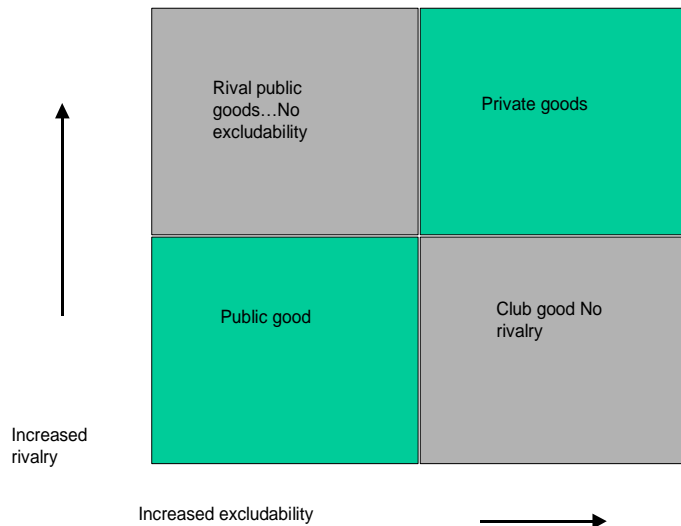
We must recognise the diversity of
European *forestries*



Other conceptual organising frameworks

Public goods

The public good private good split



Ecosystem services and PES

- Regulating
 - Supporting
 - Provisioning
 - Cultural
-
- New policy and market means sought to pay for those ESs outside current markets

FURTHER CONSIDERATIONS



Present and future role of forest resources in the socio-economic development of rural areas

Some key issues

- Landowner preferences and ownership structures
- Benefit measurement and optimising multifunctionality
- Property rights make it hard for forest owners to benefit sometimes
- Providing enhanced framework conditions to meet new challenges – innovation for transition?

Ownership and structural characteristics

- Many absentee owners
- Many forest and woodland owners are inactive with tiny restituted holdings in eastern Europe
- In parts of SW England the majority of woodland is unmanaged
- Some areas of Europe where ownership structures are more favourable

Benefit measurement: A UK example

- Mid Bedfordshire SE England
 - Annual contribution from wood production: £0.64m
 - Annual contribution (indirect from tourism): £3.04 m
 - Annual contribution from in-migration associated with forests c £15.0 m
 - Annual contribution (Non market informal recreation) c £2.0m
 - Annual contribution (Carbon sequestration) c £0.3 m
- The halo, indirect or shadow effects are by far the most important

THREE CASES



Present and future role of forest resources in the socio-economic development of rural areas

Wood for energy-Austria



A key role for municipalities and farmer organisations

Mountain biking –the UK



- The key role of the state forestry agency (Forestry Commission)
- Major economic injection into disadvantaged rural areas
- Good employment creation
- High return on public investment

Borgotaro -food forests and tourism- Italy



Il fungo di Borgotaro

From the website of Borgotaro:

‘Nei boschi di castagne e faggi che si estendono nel territorio comunale le particolari condizioni climatiche favoriscono la crescita di ricercati funghi, soprattutto porcini, questi preziosi frutti del sottobosco costituiscono la base della cucina tipica e rappresentano una voce importante nell'economia locale’

- The key role of network development
- The importance of LEADER and Pillar 2 support
- The importance of municipal leadership and partnership

We must recognise the range of wood and non-wood forest products..



Il fungo di Borgotaro



...and the key role of sometimes individuals and more often institutions in their valorisation

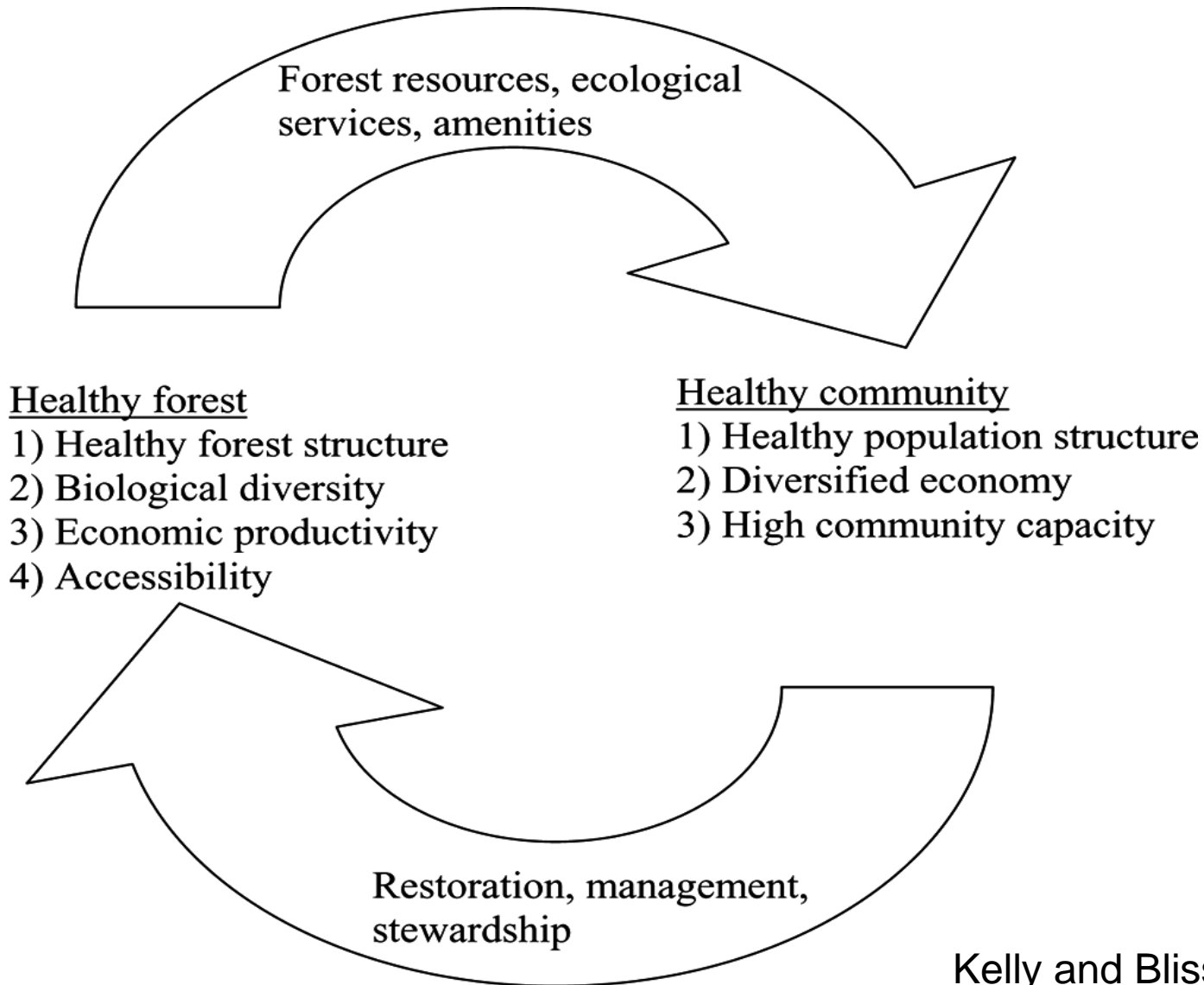
How can we support the necessary innovation?

- Innovation is more than an individual process
- A systemic approach to innovation needed
 - Products
 - Processes
 - Markets
 - Organisation
 - Institutions/Alliances
- A need to balance sectoral and regional innovation systems and interests
- A need to recognise that a highly developed wood supply chain may be antagonistic to the new rural paradigm because of its singular emphasis on wood products

Building the platform for transition

- Recognise that path dependencies may create obstacles-vested interests may want status quo
- Recognise that institutional architecture is not currently geared to delivering enhanced optimal multi-functionality or optimal framework conditions for innovation
- Explore innovative niche type developments (LEADER)
- Explore up-scaling constraints
- Create exploratory innovative way of thinking
- Consider with key actors and stakeholders the needs and scope for **regime change**

A North American perspective



Kelly and Bliss, (2009)

CONCLUSIONS



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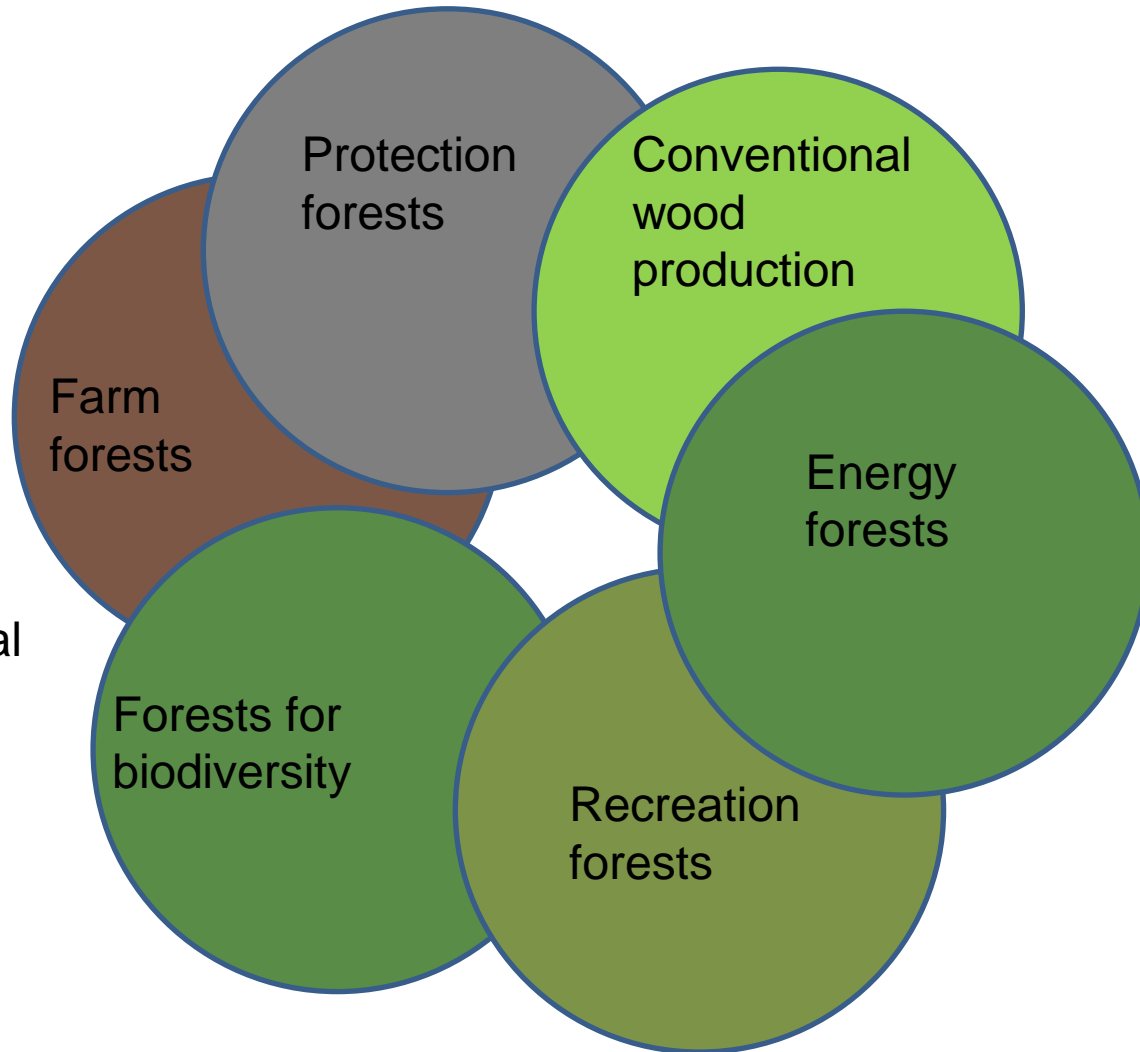
Conclusions (1)

- SFM and multi-functionality provide necessary but not sufficient conditions for enhancing the impact of forests on rural development
- We need to set different forestries in the wider context of the major global challenges
- We need a new economics and a wider notion of wellbeing
- We need to explore the challenges associated with a transition to a reconceptualisation of forestry

In summary:

Different policies at multiple scales

Agriculture
Forestry
Biodiversity
Recreation
Energy
Environmental protection
Rural development
Innovation
Industry



Different payment mechanisms

Markets
Direct
Indirect
PES
Carbon trading
No reward to forest owner

These different forestries, often multifunctionally, create highly variable opportunities for sustainable rural development, requiring different networks of institutions, policies and actors in different places

Conclusions (2)

- That reconceptualisation must prioritise the linking of people and place and the new rural development paradigm as well as sustainability and environment
- This likely to be associated with new forms of valorisation of forest products and services
- This can create significant employment and environmental gains for areas lagging behind in development
- BUT There is now magic bullet, no simple solution. Rural development through forestry can be supported by policies and enhanced framework conditions, but in the end it is dynamic individuals with the capacity to create innovative partnerships, new products and new niches that will be decisive. We must nurture that diversity.

Thank you



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