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# **Small scale forest owners' economic, social and environmental responsibilities - literature review, discussion about responsibilities and results from case studies**

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## **Abstract**

Taking responsibility refers to balancing economic, social, and environmental concerns. Based on a short literature review about corporate responsibility and research about small scale forest owners this paper discusses small scale forest owners' responsibilities for achieving a true sustainable forest management as well as stakeholders' expectations on the owners, and potential conflicts between owners and stakeholders and between stakeholders. Results from an explorative study are reported. Interviews have been made with ten small scale forest owners, Swedish Forest Agency's local office holders and a representative from WWF. The results show that the interviewed small scale forest owners take economic, environmental and social responsibilities but stress their personal economic responsibility. However, no conflict exists between economic and environmental responsibilities. The economic benefits for the owners for taking more environmental och social responsibility are small. The interviewed stakeholders expect the small scale forest owners to take responsibilities but that the weight the interviewed owners put to their wishes is low. This is an explorative study and a broader study is needed for testing the presented hypotheses.

**Keywords:** CSR, corporate social responsibility, sustainable, cutting behavior, supply, non-market utilities, local communities

## **1. Introduction**

That businesses take responsibility is nothing new. In Sweden, for example, already during the 18<sup>th</sup> and 19<sup>th</sup> centuries the owners and managers of iron works took sort of a responsibility of the employees and their families. We talk about a special culture for these villages and their works. Also small businesses and their owners have for long taken responsibility, for example, small scale forest owners. The problems that we have identified are that

- the expectations are increasing for small scale forest owners to take responsibilities in a broader sense
- research about responsibilities for small and medium sized companies is to a large extent missing

Small scale forest owners' responsibilities are closely related to sustainability. In Swedish forestry this concept is defined as (Berggren 2007)

*Management and use of land and forest in such a way and time that its capacity, both today and in the future, maintain important environmental, economic and social functions on a local, national and global level without jeopardizing other ecosystems.*

The purpose of this article is to study

- what responsibilities small scale forest owners are willing to take
- expectations from stakeholders

The paper starts with an overview of the literature about social responsibility and is followed by a summary of relevant research about small scale forest owners. Based on this, different aspects of forest owners' responsibilities will be discussed and related to the demands from different stakeholders.

This paper is partly based on a master thesis written by Lagerlöf and Scheibenflug (2010).

## **2. Social responsibility**

Our impression after a literature review is that

- many unsupported statements exist about small and medium sized enterprises' (SME) responsibilities

- SME must understand what corporate responsibility, CR, is and how to incorporate it in their businesses
- for a better understanding of the stakeholders' role and expectations, influence can help
- a grading of stakeholders' influence will also facilitate the response and how to "manage" the expectations

Historically there were clear-cut roles and responsibilities for both businesses and governments, which were relatively independent of one another. And, these actors could neglect the impact on civil society. As complexity grew, business and government became mutually dependent entities. Since their coordinating mechanisms were incapable of adequately arranging various contemporary societal topics, the importance of the civil society increased. Various representatives stressed "new" values and approaches, which politics and business no longer could ignore (see, e.g. Albrict and van Gils, 2003, von Marrewijk, 2003). Business had and has to learn how to operate within interfering coordination mechanisms, with blurred boundaries and surrounding layers of varying degrees of responsibility, overlapping one other. Nowadays, governments increasingly leave societal issues within the authority of corporations (see, e.g. Grayson and Hodges, 2004, 234; von Marrewijk, 2003). To at least some extent this is also the case for small scale forest owners. The demands and viewpoints from the society, the public, consumers of forest products, tourists and politicians have increased. Forest owners can not neglect this in their management of their forests.

Within the European Union (EU), firms are expected to comply with a range of policy directives that address a wide range of concerns including protecting the environment and respecting employees' rights. A given policy can be seen as an emerging construct that arises to address unforeseen problems or new social issues (Ars and van Tatenhove, 2005). Such policies can be considered as a formalization of norms or values that have arisen in society in general.

Incorporating social responsibility principles in business conduct has been pioneered by socially mature businesses such as Body Shop and Ben and Jerry's (see, e.g., Hollender and Fenichell, 2004; Mbare, 2004; Thayer Robins, 2001). Large corporations have followed in their footsteps: McDonalds has implemented social and environmental programs, for example, promoting fish conservation, (Nilsson, 2005) and Unilever has started programs by including references about human rights in its business principles (Takala, 1996). Also

most large forest products companies have done the same which also has an impact on the small scale forest owners (Raditya, 2009).

Reasons for the increasing willingness of businesses to behave in an ethically acceptable manner and to carry their share of a wider non-economic responsibility can be changing values, building images, preparing for future regulations and standards, and globalization of corporations, societies and politics (Mikkilä, 2006). Also the values of the forest owners change. Besides many forest owners have always had a concern for the nature. However, the choice of behavior that is ethically “right” is problematic, as there is no model that defines how to behave in different operational environments. This problem has arisen especially in the natural resource-based industries such as forest products companies, as their dependence on natural resources binds them intensively and comprehensively to local societies wherever they operate. (ibid.)

Globalization has increased the number of stakeholders and enlarged the debate surrounding businesses. Some research has shown that firms that care for the environment and exhibit responsibility practices experience increased consumer purchase preference in addition to increased investment appeal (Gildea, 1994; Porter and Linde, 1995; Zaman *et al.*, 1996). It has been suggested that by adapting business practices and philosophies to social-cultural norms and societal values, businesses can improve the likelihood of securing their legitimacy or license to operate. The small scale forest owners also have a set of stakeholders with their demands for how to manage forests, for example, neighbors, the local community, local businesses, forest products companies and their costumers, environmentalists, forest civil servants, people visiting the forests, and politicians.

### **3. Small scale forest owners**

For giving a better understanding of the small scale forest owners’ interest in and possibilities for taking responsibilities, three different aspects will be presented: (1) Change of owner structure, (2) motives for ownership and (3) grouping of owners depending on their management strategies.

#### **3.1 Changing owner structure**

The owner structure of small scale estates has in western countries undergone major changes during the last three, four decades (Eriksson, 1989; Ripatti, 1996; Kvarda, 2004; Ziegenspeck *et al.*, 2004). Traditional family farms with a combination of agriculture and forestry still exist but have become less common. The agricultural farms have grown in size and become more specialized. Besides it has become quite common to only manage timberland. The farm area

is sold or leased to a neighbor. For running this type of estate it is not necessary for the owner to live on the estate. Thus, many owners live in a local village or in cities. The supply of different types of management services has increased which make this possible.

The major reasons for the changes of the owner structure are economic and social (see, e.g. Wiersum et al. 2005). The production efficiency has increased tremendously. This means that one person can manage much larger areas than before. As a result the standard of living has increased and by that the demands for material wealth. One way of achieving higher wealth has for many people living in the countryside been to move to the cities and wage work. The interests and demands for amusement have also changed, not the least among young people. Cities have more to offer in this respect.

### **3.2 Motives for ownership**

A common reason for ownership is that the owner has inherited the estate. To generalize, the first step in the "heir process" is a widow and in the next step children, sometimes relatives, and so on.

It is quite common, at least in Sweden, that a neighbor buys an estate adjacent to her/his own or is relatively close by. There is a tax incentive for this if it could be shown that it means rationalization. Other tax reasons also stimulate the buying of an estate. Another motive for buying an estate could be that it is relatively close to a city why the buyer can live on the estate and commute. Maybe the children are interested in horses? Maybe you just want to own a piece of land, enjoy working in the forest in your leisure time or are interested in forestry? Interest in hunting may be still another reason. Some persons may also buy an estate as an investment or for speculation purposes.

Zhang et al. (2005) argue that the number of small scale private forest ownerships in the U.S. has increased because a significant amount of forestland is no longer used economically primarily for timber production but rather for non-timber forest products and environmental services (particularly where population density is high). When a person makes frequent use of non-timber products and services, owning forest land is more efficient for them because it saves the transaction costs involved in getting them from the market. Forestland parceling-out takes place when non-timber value increases faster than timber value and the marginal value of non-timber products is diminishing much faster than that for timber production. However, in the literature Hugosson and Ingemarson (2004) could not find any consistent views on the subjective grounds for owning and managing small-scale forest estates.

### **3.3 Owner categories**

This section is structured into two subsections. In the first we present research results about why differences exist between different owners or why a specific group can be distinguished. In the following section that could be regarded as a form of synthesis of the first different suggestions for grouping small scale forest owners are presented. The intention with the grouping is to categorize the owners depending on the interest in forestry and different goals and strategies for the management. Certainly, the two sections are closely related and complement each other.

#### **3.3.1 Reasons for differences**

In this section special characteristics or features that may influence forest management behavior are presented. Examples are: Gender, education, profession (civil servant/worker or farmer), economic dependency on forestry, and living in cities (urban lifestyle).

Lidestav and Ekström (2000) find that sex of the owner has a significant effect on the (Swedish) frequency of harvesting, cleaning and supplementary planting, but not on planning and mechanized scarification. In cases when the sex of the owner was a significant factor, the degree of activity among the female owners was found to be lower. Results regarding harvested volumes did not expose any significant differences in harvesting management strategies between male and female owners.

A study conducted in Washington State by Creighton et al. (2002) suggests that educated and informed non-industrial private forest owners are more likely to show interest in ecosystem-based management programs. Uliczka et al (2004) show that attendance at the National Board of Forestry's educational programs, self-estimated knowledge about conservation and knowledge about forest species were all related with a positive attitude towards conservations. Education in forestry was related to knowledge about conservation but not to the attitude towards it. Dependence on income from the forest, age > 55 yrs and a land-use-related occupation, all indicated a less positive attitude. Compared with men, women were less active owners with less forestry education, but younger women with high formal education had the most positive attitude of all.

Kvarda (2004) finds that non-agricultural Austrian forest owners are living in more urban areas, having non-agricultural professions and are relying on other sources of income than primary production. The forestland is viewed from a more socially oriented perspective with concern for enjoyment and utilization of timber for own needs and by coming generations. Ziegenspeck et al.



(2004) write that the use of the forests by urban-oriented forest owners might be better explained by the specific features of such urban lifestyles rather than the classical features of income and social status. Wiersum et al. (2005) observe that many European small-scale forest owners are no longer economically dependent on their forests and these owners appear to increasingly focus their management on amenity functions rather than on production functions. Their result shows that about 30% of the forest owners have an indifferent attitude to their forests. This group includes many absentee owners and retired local owners, who own only forestlands but who are not economically dependent on their forests. Almost 40% of the forest owners are only modestly interested in forest management; often they have an environmental management orientation. This group includes many hobby owners and part-time employed people. Only one-third of the private forest owners are still economically dependent on their forests; they have predominantly a multifunctional management orientation. Jensen and Ottitsch (2005) come to a similar conclusion: In the light of social and economic developments, forest functions other than timber production have gained international importance and recognition. Resulting from this development, non-wood forest products and services are becoming more important, both for the general public and for forest owners trying to market them.

Hugosson and Ingemarson (2004) find that sets of interpretive and normative qualities are underlying people's actions, and that such sets are related to basic values. Four motivations were depicted: Conservation, utilities, amenities and economic efficiency. A move towards conservation interests was indicated. The authors suspect that economic development in society may place material objectives, including traditional forest management, in a less preferable position.

### **3.3.2 Grouping of owners**

Kurttila et al. (2001) grouped, according to McKinsey's matrix, small scale forest owners into four strategic groups: Stars, Cash cows, Wildcats and Dogs. This grouping was based on the forest owners' attitudes to the internal and external operational environments of forestry. Enggrob Boon et al. (2004) identify three groups of owners: The classic forest owner to whom the forest has economic importance; The hobby owner who enjoys work and recreation in the forest; and The indifferent farmer to whom the different values provided by the forest are equally (un)important. Ingemarson et al. (2006) have classified the owners into five types: The "economist", The "conservationist", The "traditionalist", The "multiobjective owner" and The "passive owner". The results confirm recent studies suggesting that a sole emphasis on economic benefits is not

desirable from the forest owners' point of view. Suggestions for how to group small scale forest owners can also be found several decades ago (Trant et al. 1979; Kurz and Lewis, 1981; Green et al. 1986; Bliss, 1988; Lönnstedt, 1989, 1997).

#### 4. Materials and methods

The approach taken is to put the small scale forest owner and his family at the center. In the surroundings she/he finds different stakeholders that can be grouped depending on their influence on her/his attitudes and decisions (fig 1).

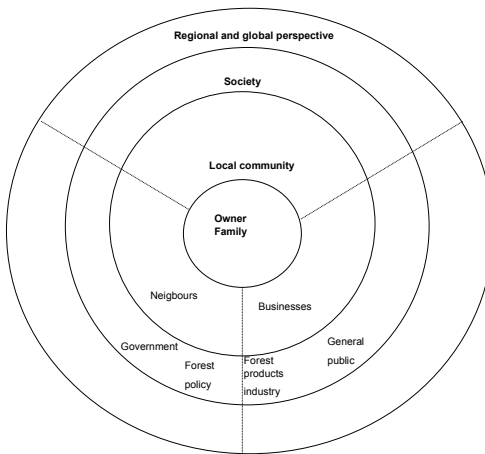


Figure 1. Small scale forest owners, stakeholders and a grouping depending on expected influence.

In the following text we will start with presenting our view on responsibilities that the small scale forest owners are willing to take. After that we present our view on stakeholders' expectations on the owners' responsibilities. This will be followed by a discussion about potential conflicts between the owners and the stakeholders, and between the stakeholders.

Responsibilities that the small scale forest owners are expected to take:

- Financial aspects
  - Financial performance, wealth creation and cash flow
- Social aspects
  - Interaction with local community and local businesses (timber supply, tax-payments)
  - Legitimacy (ethical considerations)
  - Recreational aspects, landscape view
  - Preserve nature and cultural values
- Ecological aspects
  - Concerns for the nature, i.e. a sustainable development of the nature with its plants, insects and animals, and environmental protections

Stakeholders expect small scale forest owners and her/his families to take economic, social and ecological responsibilities when managing their timberlands. In table 1 we present an overview of our view on different stakeholders' demands for responsibilities. It could certainly be discussed which stakeholders have what demand.

Table 1. Overview of responsibilities that different stakeholders expect small scale forest owner to take.

STAKEHOLDERS		RESPONSIBILITIES		
		Economic	Social	Ecological
<b>LOCAL COMMUNITY</b>	Neighbors		X	X
	Local businesses	X		
	Local society	X		
<b>SOCIETY</b>	Forest products industry	X	X	X
	Consumers of forest products			
	Environmentalists			X
	Tourists		X	X
	Hunters		X	
	General public		X	X
	Politicians and public authorities	X	X	X
<b>THE GLOBE/ WORLD</b>			X	

Responsibilities that stakeholders expect small scale forest owners to take:

- Economic
  - Stakeholders as the forest products companies, local communities, political parties and public authorities expect the owner to show economic responsibility
- Social
  - Most stakeholders expect the owner to show social responsibility
- Environmental
  - Most stakeholders expect the owner to show environmental responsibility

In the following text we will present a background for our view.

#### **4.1 Economic**

Predominately economic aspects are of interest for the owner and her/his family but also for the businesses using wood raw material as a base for their production and for the local community. It is in the long run important for forest products enterprises that the profits of small scale forest owners are high enough for them to stay in the business, make investments in silviculture and roads and thus continue to produce timber. Also for the local community this is important as it means an important base for local businesses based on wood and also tax incomes. This is also a reason for politicians and authorities looking after the implementation of the forest policy to be concerned on the financial situation of the small scale forest owners.

Even if the income from forestry for most small scale owners is marginal compared with income from employment or other businesses it has a financial role. It is important with a positive cash flow, not the least when there is a need of money. In the long run the wealth creation is important as it represents the state of the forests. For many families it is natural that the estate should stay in the family and that it should be in a better shape when it is inherited by the children than when they inherited it.

However, nowadays the values have changed with new generations of forest owners, especially if they do not live on the estate but in a city and have wage earnings. The economic importance of the timberland has decreased while other aspects have increased in importance.

#### **4.2 Social**

When writing about the economical aspects we already touched upon the interaction with the local community and the local wood based businesses which are examples of social considerations. For a forest owner it can give legitimacy to sell timber to a local mill instead of to a distant mill.

One aspect of the social responsibility is the recreational aspect that has become quite important with increasing standard of living and more leisure time. More emphasis has been put on cultural values represented by remains of old settlements both from the 19<sup>th</sup> century but also centuries ago. It is in the interest of the society and local communities to save these remains but certainly also because it is in the interest of many people. Many forest owners will happily preserve these cultural values.

The same group of stakeholders can also be interested in the landscape picture and scenic beauty. Also the financial performance of the small scale forest owners is of interest as it gives economic possibilities. Our experience is that many small scale forest owners are interested in the "small picture", i.e. they

are willing to keep meadows, open grasslands or single trees because it makes a “beautiful picture”. Perhaps this could be seen as an example of ethnical values?

#### 4.3 Environmental

It has for long, more than 100 years in many western countries, been natural for the small scale forest owners to manage their forests in a sustainable way. This was in line with the wish to leave the estate to the next generation in a better state than it was inherited. This was also in the interest of the forest products companies, the society and the local communities.

However, the concept of sustainability has since a couple of decades ago been given a much broader meaning. Sustainability today includes concern for plants, insects, animals and also social aspects. Environmentalists, consumers of forest products, the public and politicians are demanding a sustainable development in a broad sense. Many forest owners do or did not have enough knowledge about rare species for being able to preserve them. It can also have quite a negative impact for a small scale forest owner if a major part of his timberlands has to be put aside as natural reserves.

Environmental concern today also includes ecological aspects. The forests assimilate carbon dioxide which is of importance for handling the greenhouse effect. As timber is a renewable resource it may to a certain degree replace fossil fuel. The greenhouse effect is a global concern as well as a national.

#### 4.4 Conflicts

In our opinion small scale forest owners are interested and willing to take economic, social and environmental responsibilities. There may be an argument about to what extent social and environmental aspects ought to be taken into consideration. Over the years the potential conflicts have decreased. It is likely that it will be even more so with new generations of owners with other values.

Our view on potential conflicts between small scale forest owners and stakeholders, and between stakeholders

- Timber production for the forest products companies ↔ Environmental and social concerns
- Cash flow for the owner ↔ Environmental and social concerns
- New generations of small scale forest owners → Forest products companies
- Recreationalists and local communities → Small scale forest owners
- Social interests ↔ Environmental interests

Over the years the potential conflicts have decreased. It is likely that it will be even more so with new owners with other values. In the following text we will present a background for our view.

There is a potential conflict between the interest of timber production for the forest products companies and the cash flow for the owner on one hand and environmental and social concerns on the other. However, it must be said that nowadays the owners and the companies accept that environmental and social responsibilities must be taken. However, if there is a shortage of wood supply there may be a limit to this understanding. One result may be in a country like Sweden that the pressure for the establishment of plantations increases. Environmental and social considerations may also have an impact on the efficiency of the operations which will affect the financial result.

For a small scale forest owner there may be an essential economic drawback if a major part of her/his timberland area is put aside because of its environmental values. However, in many countries she/he will have a financial compensation.

As have been said some owners today do not see timber production as their primary goal. They may be more interested in environmental and social considerations. For them no conflicts will arise. However, still to the forest products companies needing wood raw material new generations of small scale forest owners with new values and behavior may be a threat.

Another conflict may exist between recreation and financial interests. In many countries recreation does not for many small scale forest owners create any economic value. On the contrary, if the number of visitors is big as it can be close to large cities it may create a problem. However, for the local communities it may mean a lot of tourists which will spend money at the local shops, restaurants and hotels.

Another type of conflict may exist between social and environmental considerations if areas are put aside with no access. This may be the only way to prevent heavy wear and tear.

As can be understood conflicting interests exist between some of the stakeholders, often between those stressing the financial values and those stressing the social and/or environmental values, for example, between the forest products industry and environmentalists. However, these conflicts are much less pronounced nowadays.

#### 4.5 Sample

The intention is not to test the hypothesis, it is to give a better idea about what hypotheses might be of interest to test and how to formulate them. Because of limited resources the study has been performed in the county of Uppsala. Kvale (1997) stresses that quality is more important than quantity. A local representative of the Swedish Forest Agency helped with a list of small scale forest owners in Uppsala County. They were grouped depending on timberland area and whether they lived on the estate or not. Table 2 presents the number of cases in each group and also the total number of owners. The intention was not to cover all forest owners but to study more “normal” owners regarding timberland area and those with bigger areas. From each category five owners were selected that owned the estate her/himself.

Table 2. Sample size and total number of small scale forest owners in each group.

GROUPING	FOREST AREA (ha)	
	50 – 100	>250
LIVING ON THE ESTATE	3 (756)	2 (44)
NOT LIVING	2 (118)	3 (15)

An introductory letter was sent to the selected owners. After about two weeks they were contacted for discussing time and place for an interview. Not all of them had time or possibility to make it. The final number can be seen from table 2. Regrettably only two women are included in the study. Each interview was taped and later printed. A summary was sent to the owner for possible comments.

Due to limited resources and the time frame given only two stakeholders were interviewed: three local representatives of the Swedish Forest Agency and one representative of WWF. The local representatives have knowledge about the owners and their forestry. The WWF-representative has a national view.

The analyses of the transcripts were based on Coffey’s and Atkinson’s method (1996) for interpreting qualitative data.

#### 5. Results

It should be stressed that this is an explorative study. Against a short literature review about corporate responsibilities and research about small scale forest owners we discussed possible responsibilities that the owners could be willing



to take and possible expectations from the stakeholders. It is not our intention to test these “hypotheses” but to get a better understanding of the topic that can be used for a coming study. In the following text we will briefly present the results of the interviews starting with the owners.

It should be noted that none of the ten interviewed forest owners is characterized by embracing all the motives found in this study. What is a strong motive for one owner may not be that for another. One motive can influence taken responsibilities but it can also be a combination of different motives. Personal values and own moral motives to a large extent influence the responsibilities that the owners take.

## **5.1 The interviewed owners’ view on their responsibilities**

### **5.1.1 Economic responsibilities**

It is a key concern for the interviewed owners to secure the long term profitability of their forestry by diversified management and handling the risk. This “goal” coincides with the wish to hand over the estate to the next generation. In the short run it is important for them to secure income for the family. Some of the owners stress the importance for forestry for Sweden’s economy.

### **5.1.2 Environmental responsibilities**

The interviewed owners say that they have moral obligations when it comes to managing the forest in a sustainable environmental way. The owners of the bigger estates say that they think it is fair to put aside 5% of the timber area for nature conservation. The owners also say that it is important to manage the forest in such a way that the one take advantage of forests’ carbon sequestration.

### **5.1.3 Social responsibilities**

Most of the owners stress that they manage their forest in such a way that it will facilitates recreation, not least close to densely built up areas. However, they also stress that they expect visitors to respect the nature. It is also in line with their principles to manage the forest in a way that preserves historical and cultural values. Most of the owners have an esthetical perspective on management of the forest. They also stress the close ties with their estate and its neighboring area.

## **5.2 Small scale forest owners’ responsibilities according to Swedish Forest Agency’s local district officers**

The expectations follow what is said in the Forestry Act. The owners should

- At least follow the law
- Regenerate after final felling
- Facilitate outdoor recreational life
- Preserve cultural values

They stress that the law sets the minimum requirements and that the ambitions of the Swedish Forest Agency are higher. The mean for achieving this is through extension service.

### **5.3 Small scale forest owners' responsibilities according to WWF**

The interviewed representative for WWF stresses that the small scale forest owners are not a target group for them but forest products companies Swedish Forest Agency, other public authorities and forest owners' associations. The main goal for the organization is to increase the sustainability of forest management not the least when it comes to environmental considerations.

## **6. Comments**

Small-scale forests play a key role in supplying raw material to the forest products industries. The globalization means that the importance of competitiveness and cost efficiency in production will increase. The forests will also play an important role for achieving the goal for to decrease carbon in the biosphere through increased used of renewable energy as bioenergy. The income from forests can play an important role in maintaining a sound social structure, and forestry can contribute to the overall economy of rural areas. However, the impact and importance of the non-market values of the forests have increased and will continue to increase, not the least among new generations of forest owners. The land ownership structure and management goals for forestry are heterogeneous and becoming even more so. A major future issue in addressing the concern for environment is the allocation of the costs of nature protection. Forest certification and the role of forests in implementing the Kyoto Protocol have raised much discussion. Thus, it is no wonder that small scale forest owners have interested researchers for many decades.

The owner structure has undergone large changes. Originally forestry was for many farmers a "subsidiary" that was managed together with the main business, farming. Today it is common that the owner only manages forest and that many of these owners are living in villages or cities and have a wage income. This has an impact on the management strategy. For some owners the major goal is not timber production but more soft values. The owners can be grouped with this as criteria. However, there are many other ways and reasons for

grouping the owners. Quite a common way for becoming an owner is to inherit the estate from the parents. However, it seems as if the “market way” is increasing.

During the last decades the interest in social responsibility has increased. Responsibility includes economic, social and environmental aspects. It has become natural for more and more businesses to incorporate their responsibilities towards the environment and society. Many stakeholders demand this. Also for small scale forest owners it is natural to consider their responsibilities towards their stakeholders. However, the demands have changed over time as have also the weight put on the different responsibilities of different stakeholders. Even if some aspects of the responsibilities have existed for a long time the dominating responsibility was until some decades ago timber production which was a major concern of forest products companies and many governments. However, the importance of more soft values from the forests has increased as has the demand and weight from other stakeholders than those mentioned.

A small scale forest owner has economic, social and environmental responsibilities, towards herself/himself and the family but also towards stakeholders. Different stakeholders at least partly stress different demands on the responsibilities. The forest owners comply with many of the demands but not with all. It must also be remembered that the small scale forest owners are a heterogeneous group which means that the fulfillment varies between the owners. Furthermore, the owner structure changes as do the responsibilities.

A stakeholder that wants to be successful in explaining her/his demands to responsibilities must argue based on the motivations of private forest owners. It is also wise to actively involve the owners in the discussion and decision making.

A study by Rickenback et al. (2005) suggests that new ex-urban forest owners, who are found in most industrialized countries, will seek to reshape the forest policy arena to meet their values and objectives. Their study examines the motivations of predominantly new ex-urban forest owners interested in forest management in pursuing collective action through participation in a cooperative. (While common elsewhere, forest landowner cooperatives in the USA are an anomaly.) Motivations for joining a cooperative were that it was an attractive alternative to the typical timber sale scenario that often places the forest owner at a disadvantage, and the primary government tax incentive program.

The explorative empirical study presented in this report shows that:

- Small scale forest owners take economic, environmental and social responsibilities

- The owners stress the personal economic responsibility but no conflict exists for the interviewed owners between economic and environmental responsibilities. The economic benefits for the owners for taking more environmental and social responsibility are small. There is no need for “brand building” for the individual owner
- Stakeholders demand small scale forest owners to take responsibilities but the weight the interviewed owners put to their wishes is low
- The pressure the National Forest Agency’s local district officers put on the owners for more environmental considerations than according to the Forest Act is low. However, the environmental awareness is increasing due to societal development
- The interviews also showed that contractors are good examples to the small scale forest owners. The contractors have attended courses about how to achieve sustainable forest management, something that the forest products companies require. The same contractors are working for the small scale forest owners

Garriga and Melé (2004) write that businesses that only have financial motives for taking economic responsibilities would look at CR as a mean for creating financial value for the owners. This is not the case for the interview owners. As the result shows for them other motives exist for taking environmental and social responsibilities. Henderson (2001) claims that another reason for CR is that it will increase competitiveness of the business. Also in this case, the interviewed owners differ. One theory says that it is difficult to find the relationship between ethical actions and the societal value or the benefit for the enterprise (Nystad and Haugland Smith, 2006). This explains why it is difficult for some managers to adopt CR to their business strategy. The interviewed forest owners do not have this problem as it does not seem that the reason for taking responsibility is goal achievement. The reason seems to be their morale. The interviews showed that strong reason for taking environmental and social responsibility was an interest in the nature and cultural values. The district forest officers express the same view. According to Hemingway och Maclagan (2004) the values of the top manager is of importance for the adaptation of CR and how it is implemented. The small scale forest owners are both owners and presidents. Support for this statement can be found in Murillo and Lozano (2006) that found that the values by the founder of an enterprise if important for decisions concerning social and environmentally sustainable business strategies. Support for this conclusion can also be found in Gabzdylova et al. (2009).

Nystad and Haugland Smith (2006) write that in reality some stakeholders will be given more attention than others. The result shows that usually the interests or views of the stakeholders are not considered, i.e. the owners make the decisions themselves. A priority is made between different alternatives based on the owners' own values which may coincide with stakeholders' wishes. For example, a forest owner interested in the environment will take more environmental responsibilities than an owner more interested in social responsibilities. The local district officers agree that, for example, a cultural interest is a strong motive for the owner.

In this paper we have stressed the importance of incorporating aspects of responsibilities for the small scale forest owners when managing their forests but also for us researcher to consider this aspect. We have outlined our view of what responsibilities the owners can be expected to take and what responsibilities a few stakeholders expect them to take. We presented an explorative study. However, much more research is needed about this topic. Future research ought to test more elaborated hypotheses than those presented. Certainly both the perspective of the small scale forest owners and the stakeholders should be covered. Different owner categories should be included. It would also be of interest to compare the results from different countries.

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