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# Swedish Forest Owners' Associations - Development after the 1970s

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## Abstract

The first Swedish forest owners' associations were established in the 1910s and 1920s. The purpose was to promote and improve management of the small scale forests. Since then the society, the forest sector and the conditions for the small scale forest owners have changed dramatically. Thus, it is no surprise that also the conditions for the associations themselves have changed. The purpose of this paper is to describe the development after the 1970s. The theoretical base is the typical development cooperation and its causes. The annual reports and other secondary sources are used as data sources. The number of forest owners' associations have decreased dramatically and presently is only four. Staff and forestry areas also have declined sharply. These consolidations can be explained by a wish to achieve increased efficiency through economies of scale. After the economic crises during the 1970s the number of members decreased but has since then increased but is still less than before the crises. However, the members' forest area didn't decrease as much as the number of memberships and it also has increased more rapidly. The average forest area has increased by 15 hectares. Financial growth in the forest owners' associations has increased dramatically during the period studied. In the 2000s sales increased almost linearly with the exception of 2009 when the next recession caused by the global financial crisis temporarily reduced associations' turnover. Although the final results for the associations most years are positive and the losses reported some years are relatively small, some associations have had significant financial problems. In the 1970s it became apparent that during economic downturns the relatively low proportion of equity made them vulnerable. Therefore, they started to build up the equity. Return on equity has as an average during the 2000s been around 7-8% and some percentage lower if total capital is used as denominator. The last ten years, the solidity has remained relatively unchanged at about 50%. The number of association-owned sawmills has continued to decline while production in the remaining sawmills have increased dramatically. Production in the associations' sawmills has doubled since the early 1990's. Of the associations-owned pulp and paper companies only Södra's mills remain. One problem for the associations are a risk that the intent to form larger and more efficient organizations leads to increased "distance" between the associations and their members. This may mean a risk to lose "anchoring" to the members and that the officers start to act on their own as regular forest products companies. Another problem is that the members cannot take advantage of the large value growth that has occurred for the associations. Moreover, there are a lot of capital tied up in operations that do not really have any formal ownership.

**Keywords:** cooperatives, forest history, family forest, non-industrial forest owners, small scale forest owners

# 1 Introduction

Forest owners' associations' aim is to promote the profitability of its members' forestry. This is achieved through acting as an intermediary in members' timber selling to the forest products industry, offering service and advice, and lobbying, respectively. In Sweden there are 2012 four forest owner associations affiliated to LRF Forest owners, a national organization (LRF: The Federation of Swedish Farmers). Together they cover the whole country. Unlike a forest products company, forest owners' associations are owned and managed entirely by its members through a non-profit democratic organization. Role and function of the associations have changed a lot over the almost one hundred years that they have existed. Much of their history is already compiled and described by among others: Sveriges Skogsägareföreningars Riksförbund (1957), Andersson et al. (1980), Andersson KG (1988), Dahlgren (1990), Gummesson (1993), Åsling (1999), Karlsson (2001), Norra Skogsägarna (2008) and Karlsson (2011). However, there is a gap between the time the literature describes and the present time. This study may at least partly be seen as an extension of Anderson et.al. 's study from 1980 describing the development of the first forest owner associations from the 1910s to the late 1970's. The purpose of this report is through a number of key indicators to describe the development of Swedish forest owners' associations over the past three decades. The focus is financial development. Some data will also be presented for the four presently existing associations.

There have been a number of small forest owners' associations that are not connected to the National federation of Swedish Forest owners associations, SSR (Sveriges Skogsägareföreningars Riksförbund), and after a reorganization 1999 was named LRF Forest Owners (LRF Skogsägarna). These small independent associations are often breakaways from major associations which have prevented them from joining the national federation. The number of members of these independent associations was estimated at about 1% of the total membership of the associations that were connected to the SSR. Turnover was also approximately 1% of the total turnover (Andersson et.al. 1980). Since these small, independent associations do not have any major impact on the outcome, they will be excluded in this work.

Industrial policy and lobbying have played a major role and have also been an important part of associations' development. Sometimes it has even been the same people who held senior positions in both the associations and in government or parliament. This interaction has sometimes been critical for the development of the associations. This aspect will however not be addressed in this article.

## 1.1 Cooperative Theory<sup>3</sup>

Nilsson (1991) identifies three criteria which must be satisfied in order to determine whether an organization is cooperative or not:

- financial activity,
- promoting members' common needs and
- owned and controlled by its members.

Cooperative activities may be viewed as a partial vertical integration. Partial integration means that the participating companies retain their independence and only keep some of their freedom. The members accept a certain dependency to the cooperative association if they get some benefits in return.

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<sup>3</sup> This section is based on Nilsson (1991)

The members have a double relationship with the cooperative. They are both owners and users of the cooperative's products or services. The members have formed an organization to operate a particular type of production or to meet certain needs. Simultaneously the members are customers or suppliers to the cooperative, thus own and control the company's operations. This means that the exchange of resources such as goods, services and money between the members and the company is not controlled by pure market mechanisms. Instead, they are influenced by mechanisms that are determined through a democratic process.

A cooperative organization can either consist of individuals, small business owners or entrepreneurs. By combining different types of members with possible business relationships, i.e. buying or selling goods and services to or from the members, four types of cooperatives can be identified:

- Consumer Cooperative
- Working Cooperative
- Purchasing Cooperative
- Supplier Cooperative

Consumer cooperatives and Working cooperatives consist of individuals and are therefore private cooperatives. Purchasing and supplier cooperatives instead have small business owners and professionals as members, making them production cooperatives. Consumer and purchasing cooperatives are procuring cooperatives with backward integration that provide members with goods or services while working and supplier cooperatives are selling cooperatives with forward integration.

However, it is far from always that a cooperative is the best way to coordinate the various parties in a supply chain. At least two requirements must be met when forming a cooperative. (1) Coordination involves an exchange between different parties. This exchange is associated with transaction costs that vary depending on factors such as the involved parties' level of knowledge and investment. According to the theory the parties choose coordination based on the lowest transaction costs; when transaction costs for a party increase, the incentive to integrate vertically decreases. Often management costs increase with increased vertical integration. Therefore the organizational structure depends on transaction costs relative to administrative costs. The prospects for vertical integration are greatest when high transaction costs are combined with low management costs. (2) Another criterion is that "coordination costs" are perceived as sufficient to justify the formation of a cooperative organization. Those who may benefit from a cooperative need not be interested in forming one. They may, for various reasons choose to accept a somewhat more expensive solution. It can even, due to various reasons be impossible to form a cooperative organization.

If an organization generates benefits that everyone can enjoy without having to give anything in return one consequence may be that nobody wants to bear the costs associated with the production of these goods. Individuals do not want to invest resources in an organization unless they get some benefits that are worth more than the input itself. Those who choose not to engage in a cooperative can still utilize and share the common values that a cooperative generates. The costs of running the organization are beard only by the members, i.e., "the free-rider problem". This means that "everyone" is in favor of the formation of a cooperative, but none wants to become a member because the estimated investment cost is negative for each individual. To be able to establish a cooperative, investment calculation for each member must be positive. There are several possibilities for the individual calculation to become positive. If the weight of individual values is large enough, they will exceed the costs of forming an organization. In addition the value of public goods that a cooperative creates should be added.

Although the value of the social and individual values themselves are not large enough for the whole community, there may be a small group for which the individual calculation is positive. They can then themselves establish and manage an organization that creates public goods to a larger group. An organization with sufficient power can in various ways force or influence individuals to join the organization. The means may consist of different kinds of physical, economic and social sanctions against those who choose to remain outside the organization.

It is also possible that the decision to become a member is based on more aspects than a financial calculation. Factors such as social identity, moral conviction and similar aspects influence the decision. It may be that membership itself has a positive value to the individual or the existence of social relationships that gives her/him a social context. In addition, the decision may also be influenced by moral or ideological motivations, i.e., the individual is not acting only for financial gain but also because of a belief that it is right to get involved. Individuals with such motives can even get involved in the organization even though they are aware that the membership will “cost”. External actors can also act as a catalyst for the formation of a cooperative. Examples are politicians, authorities, other existing cooperatives, current and potential members of cooperative organizations, NGOs, mass media and creditors.

Cooperative failures happen. They occur mainly in situations where the cooperative was formed during a period when there was a failure in the market plan even if the social conditions were good. Values of the members may change and as a consequence they lose interest in the cooperative. Changes in the outside world may also take place.

## **1.2 Approach and methodology**

Data for this report are gathered from forest owners' associations' annual reports. All annual reports from 1979 to 2010, except three, have been studied at LRF's archives. Thus, this study cover a period of 30 years and the result is based on 251 annual reports. Data have been compiled and analyzed. The three missing annual reports have been researched at the present forest owners' associations and also by former active employees in the association but without success.

A weakness for this type of sources is that they are influenced by the purpose of the financial statements, i.e. the impression the associations want to give and also legal and formal requirements. Thus, to some extent this report reflects the forest owners' view of themselves. This is a limitation that the reader should be aware of. (Andersen and Gamdrup. 1994) There are other aspects in the history of forest owners' associations that are worth examining in future research.

There is no template for how an annual report from a forest owners' association should look besides what is required by Swedish law. Because of the long studied period and the large number of annual reports, variations exist. In some cases it has been difficult to determine how a particular variable is defined. The requirements for financial statements have also changed over the 30 years. On a few points, however the differences between associations and over time have been so great that adjustments have been necessary. An organization may choose whether to report for a calendar year or for a specified financial year. During the studied period, some associations used a divided financial year, while others have used a calendar year. Associations using a divided financial year have defined the financial year in different ways. In addition, some associations changed from a divided financial year to calendar year, and vice versa. In special cases, the financial statements included a period from eight to 16 months and thus represent a period twice as long as others. In this work, all statements except two covered a full

financial year and have been transformed to the calendar year where most of the months belong. During the storms Gudrun and Per, Södra forests' owners' association choose to extend the financial year 2005 to 16 months. The same happened the following year. During the period January 2005 to December 2007 Södra forest owners' association only published two reports, each one covering a period of 16 months. To avoid misleading results, data from these two statements were separated into three years.

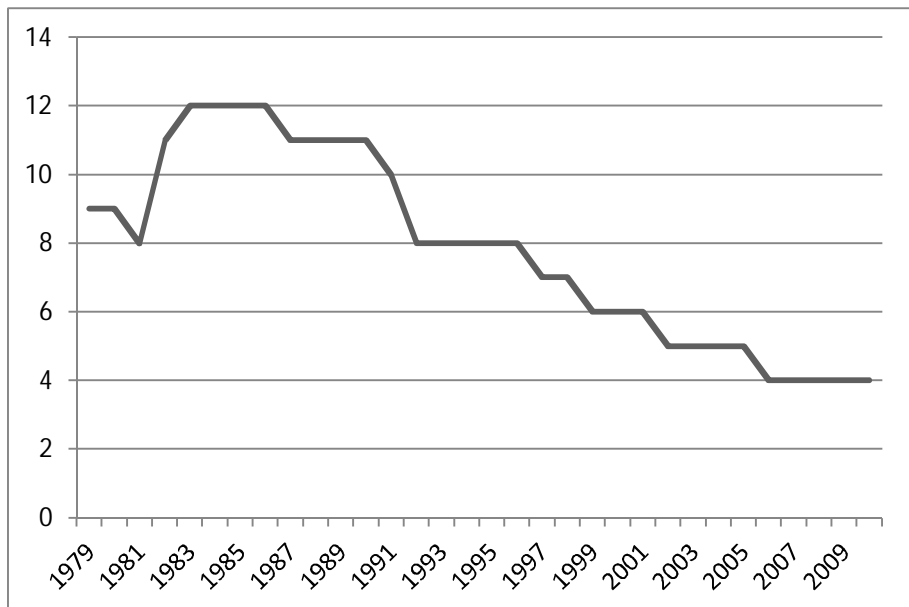
## 2 Results and analysis

### 2.1 Organizational Structure

During the 1980s the trend from previous years that the associations merged with the aim to increase the influence on the roundwood market and make it possible to finance investments in production facilities ended. A consequence of the bankruptcy of Vänerskog (1981) became that forest owners around Lake Vänern for a shorter period had no association. Instead of letting any of the existing associations close to this area expand, the forest owners chose to create four entirely new forest owners' associations:

- Skaraborgs skogsägare
- Västra skogsägarna
- Värmlands skogsägare
- Örebro skogsägare

However, the break in the “merging-trend” was temporary. In 1987 the structural changes continued and the number of associations once again decreased. Fig. 1 illustrates the development of forest owners' associations between 1979 and 2010. From 1987 and until 2006 the number of associations decreased by a fairly steady rate from twelve to four. Since then, the number has been constant.



**Fig. 1.** Number of forest owners' associations

The four associations that are active 2012 include from south to north:

- Södra Skogsägarna
- Mellanskog
- Norrskog
- Norrlands skogsägare

The area covered by these associations has been established through a series of mergers and expansions, often because of the need to rationalization due to financial crises. For a complete description of their “family trees” up to 1979 see Andersson et al. (1980); the period after 1979 is summarized below.

#### Södra skogsägarna

The association has received its present extension by merging with Skånes skogsägare in 1992 and by taking over operations from Skaraborgs skogsägare when it went bankrupt in 1999. In addition, Södras skogsägare took over Mellanskogs operations in Bohuslän and Dalsland in 2005.

#### Mellanskog

In 1991 Örebro's skogsägare merged with Mälarskog. Västra skogsägarna and Värmlands Skogsägare merged in 1992 and changed its name to Värmland-Bohuslän-Dals skogsägare. In 1997 the name was once again changed to Västra skogsägarna. Mellanskog and Mälarskog merged 1997. Västra skogsägarna merged with Mellanskog 2003.

#### Norrskog

Norrskog was formed in 1970 as a management association between Jämtland's, Medelpad's and Ådalarna's forest owner associations. These associations merged fully 1987 under the name Norrskog.

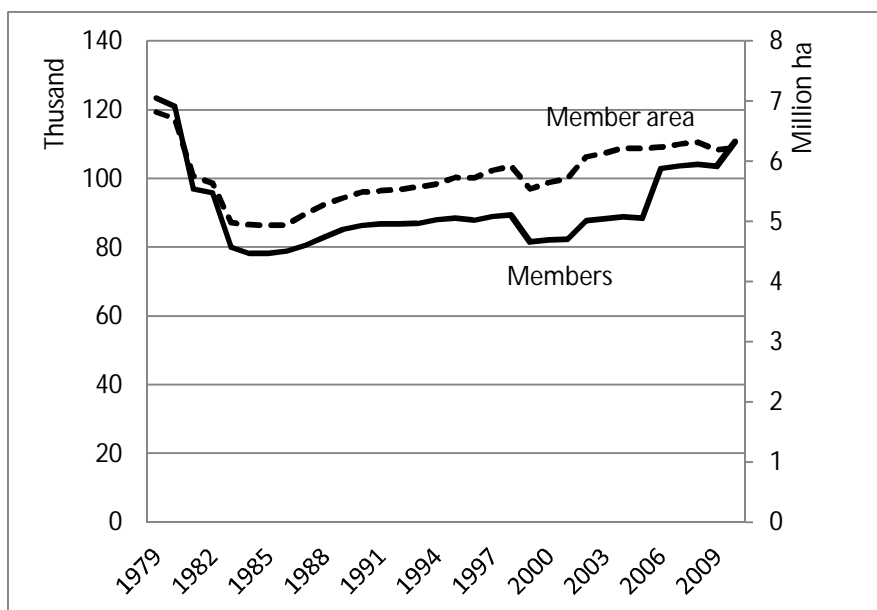
#### Norrlands skogsägare

In 1987 Västerbottens skogsägare merged with Örnköldsviks skogsägare under the name Västerbotten-Örnköldsviks skogsägare. In 2005 the name was changed to Norrlands skogsägare. The following year this association merged with the Norrbottens läns skogsägare.

## 2.2 Members

The serious crisis late 1970s had quite an impact on member development in the early 1980's. Many members chose to leave their associations when they realized how serious the situation was. Among those associations that survived the crisis years Södra was hit hardest by member losses. In addition, the bankruptcy of Vänerskog meant that 22 000 forest owners lost their association. Fig. 2 shows the membership development from 1979 to 2010. In the first half of the 1980s, total membership plummeted from over 120 000 to 78 000. Vänerskog and Södra had most of the losses. During that period, the associations also removed double registrations and inactive members from their registers.





**Fig. 2.** Total number of members and total membership area

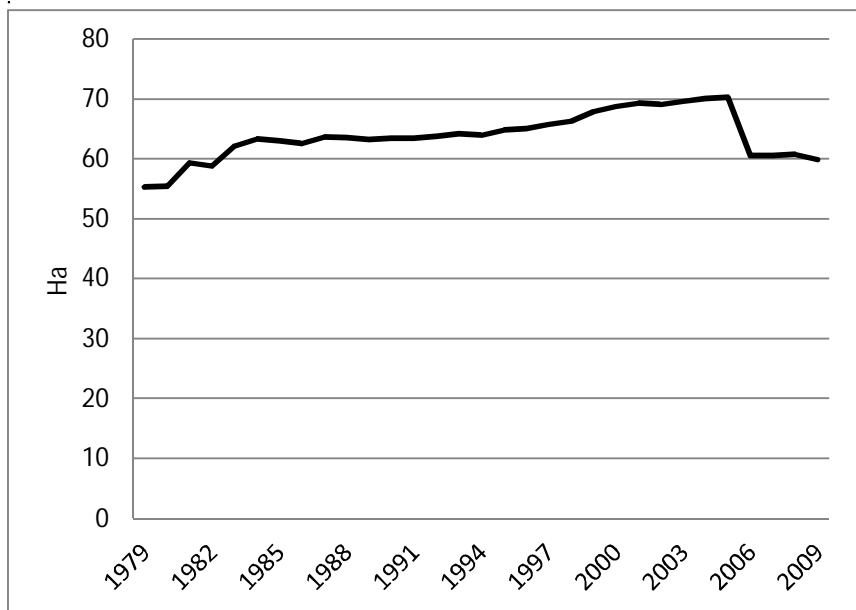
The owners who previously were members of Vänerskog chose to a limited extent to join any of the new forest owners' associations formed after the association's bankruptcy. During the time these new associations existed as independent associations they managed in total to get about 6 000 members. After the large losses the associations in southern Sweden slowly started to increase membership numbers. Between 1984 and 2005 the total number of association members increased with 10 000.

Changes in the Association Act forced forest owners' associations to count their members based on number of individuals instead of number of estates. It required a review of the entire membership register. Södra started to disclose their members in the new way 2006 and in 2010 also Mellanskog followed the new guidelines. The increases in number of members these years can be explained by the new way of counting. The number of members 2010 is shown in Table 1.

Total forest area belonging to members is shown in Fig. 2. (About half of the Swedish forest are owned by small scale forest owners is connected to a forest owners' association.) The area did not fall as sharply as the number of members after the crisis years. This means that those members who chose to leave the associations during the period owned relatively small holdings. In Vänerskog, the average area per member was about 39 ha before the association went bankrupt while the equivalent average area for all associations was approximately 55 ha. Those members leaving Södra also consisted mostly of landowners to small holdings. The average area per member increased from 46 to 50 ha between 1982 and 1984. In the period after the crisis total member area has also increased at a faster rate than the number of members. Generally, all associations have a higher average area per member after the crises years. Forest area per member is shown in Fig. 3. Between 1979 and 2005, the average member area increased from 55 ha to 70 ha. After introduction of the new method for counting membership the area per member decreased to 60 hectares. Table 2 shows differences between the associations.

**Table 1.** Associations, number of members and member area 2010

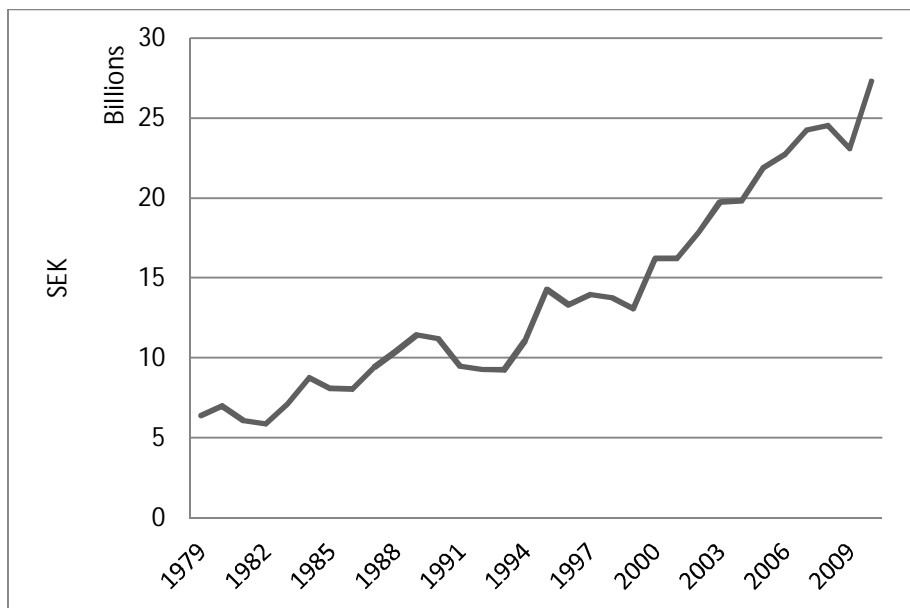
Associations	Members	Member area 1 000 ha
Södra	51 346	2 366
Mellanskog	32 398	1 723
Norra skogsägarna	12 979	920
Norrskog	14 022	1 218
Total	110 745	6 227

**Fig. 3.** Forest area, hectares, per member.

Neither the number of members nor the area has recovered fully after the sharp decline in the 1980s. Relative to the size of the decline, the forest area belonging to the members has recovered significantly better than the number of members. The increase in the member area corresponds approximately to three-quarters of the decline. Until 2005 the corresponding figure for the number of members just came up to a quarter.

**Table 2.** Area per member 2010

Association	Forest area per member, ha
Södra	46
Mellanskog	53
Norra skogsägarna	71
Norrskog	87
Total	56



**Fig. 4.** Forest owners' associations' and subsidiaries' turnover

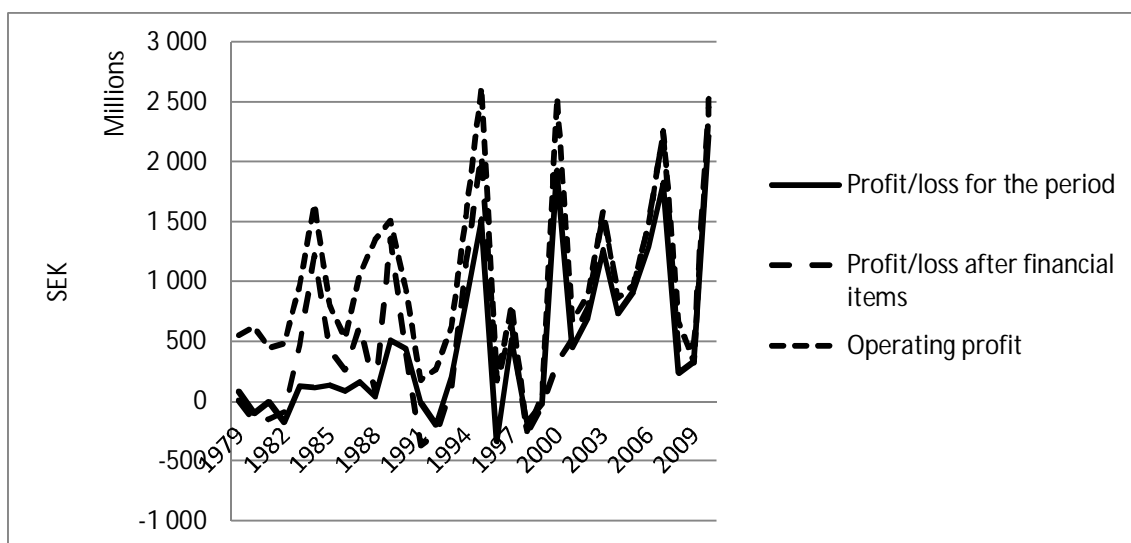
### 2.3 Turnover

Financial growth in the forest owners' associations has increased dramatically during the period studied. The total turnover including subsidiaries is shown in Fig. 4. (No adjustment has been made for inflation during the 1980s that was relatively large.) In the early years of the 1980s, the turnover falls due to a sharp drop in production in the industrial part. Starting with 1983 production starts to grow and sales doubled during the remainder of the 1980s.

The 1990s was marked by two recessions, as a consequence sales decreased during much of the 1990s. The exception was years 1994-95, when turnover instead increased rapidly and in 1997 when one can see a slight increase. In the 2000s, growth takes off again. Sales increased almost linearly with the exception of 2009 when the next recession caused by the global financial crisis temporarily reduced associations' turnover. Over the past ten years, sales doubled. Overall, Södra has a much higher turnover than the other associations as can be seen in Table 3. Södra also had a significantly higher growth rate. From 2000 onwards Södra stands for the lion part of total sales. The subsidiaries account for about ten billion SEK of the average turnover over the last four years.

**Table 3.** Total turnover for associations and its subsidiaries, average 2007-2010.

Association	Turnover in million	Association's share of total turnover
Södra	17 963	72%
Mellanskog	3 178	13%
Norra skogsägarna	1 855	8%
Norrskog	1 822	7%
Total	24 818	100%



**Fig. 4.** Financial results for forest owners associations including subsidiaries

## 2.4 Financial Results

Financial results from the four associations' total operations are shown in Fig. 5. As can be seen they have varied considerably during the period. At the beginning of the period the associations reported low or negative results, since the previous crisis forced them to close or sell a large part of their industrial enterprises at substantially lower price than the book value. In addition, they had to make large depreciations on the value of several of their existing industries. After these years the associations continued to report low results to build up a reserve of untaxed capital. These reserves were then used during the 1990s recession. In the 1990s, the financial situation turned sharply and the associations reported one of the best results over the entire period between the two recessions. During the 2000s, the results remained at a relatively high level. The financial crisis in 2008-09 affected the associations' results negatively but the total reported result was never negative.

Although the final results for the associations most years were positive and the losses reported some years were relatively small, some associations had significant financial problems. It is worth mentioning that both Mellanskogs and Skaraborgs skogsägare had trouble to manage on their own in the late 1990's. Skaraborgs skogsägare went bankrupt in 1999, while Mellanskog was supported by the LRF and was forced to sell a majority of its shares in its industrial companies. The financial results were also influenced by supplementary-payments to those members who had supplied timber during the past year. Associations' part of the overall result at the end of the period is shown in Table 4. Because of its large industrial operations Södra stands for the vast majority of the results.

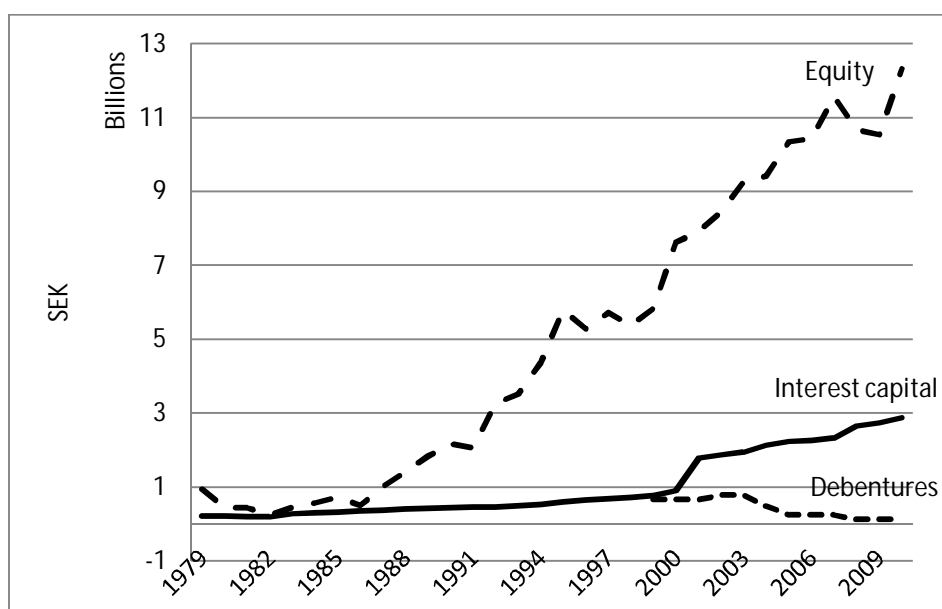
**Table 4.** Financial performance, average 2007-2010, million SEK

Association	Operating profit	Profit after financial items	Profit/loss for the year
Södra	1 343	1 358	1 112
Mellanskog	24	26	18
Norra skogsägarna	24	- 6	- 4
Norrskog	30	29	23
Total	1 421	1 408	1 149

## 2.5 Equity

In the 1970s it became apparent that during economic downturns the relatively low proportion of equity in forest owners' associations made them vulnerable. Therefore, they started to build up the equity. Equity and members' capital contribution is shown in Fig. 5. Associations' equity can increase by balancing a portion of financial result or by the members' capital contribution.

At the beginning of the 1980s, equity had about the same size as members' capital contribution and was at a low level compared with the total capital. Members contributed capital increased at a fairly slow rate through a percentage deduction made from the reimbursement for timber deliveries and associations every year paying a certain rate for the capital contributed. The equity of the associations increased considerably faster because of the financial results of the associations and subsidiaries (production of owned forest products companies). This has meant that most of the equity in the associations is no longer linked to any individual member. Thus, the members cannot take advantage of the increased value of the associations and their subsidiaries.



**Fig. 5.** Forest owners' associations including the subsidiaries' equity, members' participation issue and debentures

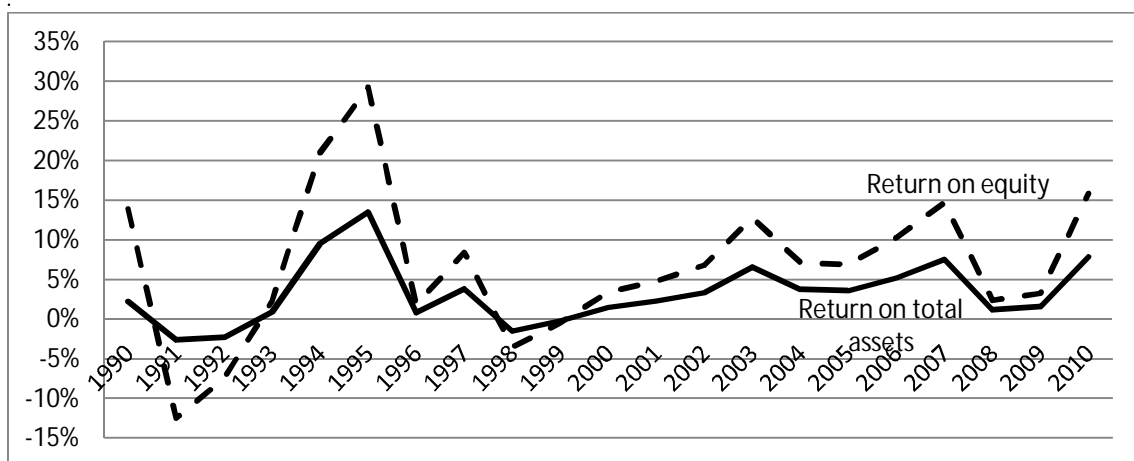
**Table 5.** Total equity in the associations and its subsidiaries, average 2007-2010, million SEK

Association	Equity	Participation issue	Debentures
Södra	10 362	2 120	160
Mellanskog	152	279	0
Norra skogsägarna	345	113	0
Norrskog	430	140	0
Total	11 289	2 654	160

In 2002 it became possible for associations to introduce debenture issue. This means that it is possible to transfer part of the “free” equity not linked to any member to contributed capital. The associations utilized this opportunity, which means that the contributed capital doubled. A few years earlier, the associations also began to use subordinated debentures as an opportunity for members to invest in the associations in a way that can be considered as a mixture between member loans and intermediate debenture issues similar to buying shares. This was also a way for associations to attract new capital to finance new investments. Debentures were used mostly by Södra during the early 2000's and have after that decreased. The average equity, capital contribution and subordinated debentures, for the period 2007-2010 are shown in Table 5. Despite the emissions and subordinated debentures, only a quarter of the equity is attributable to members, the rest is owned collectively.

## 2.6 Return

During the 1980s, associations in some years had a very low capital base. This means that return on equity easily became very high when the associations had a positive financial result. In 1983, the combined rate of return for all associations was over 170% and for the years 1986 and 1988 the return was about 60%. The main reason was low equity. If one uses instead total capital as denominator the rate of return will be 14% and 8% in the corresponding years. The financial returns from forest owners' associations' and subsidiaries' operations are shown in Fig. 6. As the extreme rate of returns in the 1980s would completely “hide” the variations during the remaining period only the period after 1990 is shown. The average rate of return 2007-2010 is shown in Table 6.



**Fig. 6.** Return on equity and total assets, respectively, for the forest owners' associations, including subsidiaries, 1990-2010

**Table 6.** Associations' including subsidiaries' rate of return, average 2007-2010

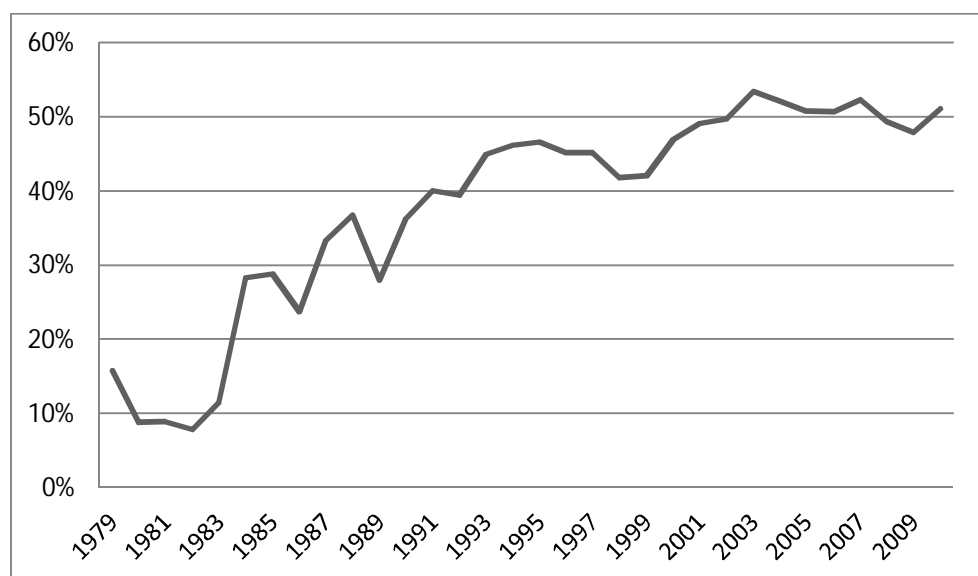
Associations	Rate of return on equity	Rate of return on total assets
Södra	9.5%	5.8%
Mellanskog	10.9%	1.1%
Norra skogsägarna	-1.2%	-0.0%
Norrskog	5.2%	1.7%
Total	9.2%	4.5%

## 2.7 Solidity

After the crisis years in the late 1970s, the forest owners' associations' solidity increased. Fig. 7 shows the associations' combined solidity. From a level of around 8% in the early 1980s, the solidity of the associations increased by balancing part of the financial result. In ten years the solidity increased to 40%. Since then it has continued to increase but at a much slower rate and the last ten years, the solidity remained relatively unchanged at about 50%. However, there are large variations between the associations as shown in Table 7. For example, Södra's solidity in 2010 was 51% while Mellanskog's only was 11%. The differences between the associations have also increased over the period.

## 2.8 Forest products companies

Forest owners' associations forest products companies were hit hardly by the crisis years in the late 1970's. The crisis meant that the associations in a few years had halved the number of association-owned companies. Meanwhile, production fell about the same. The number of association-owned sawmills has continued to decline while production in the remaining sawmills have increased dramatically. Production in the associations' sawmills has doubled since the early 1990's. Of the associations-owned pulp and paper companies only Södra's mills



**Fig. 7.** Solidity as an average for all forest owners' associations and their subsidiaries

**Table 7.** Associations' and their subsidiaries' solidity, average 2007-2010

Associations	Solidity
Södra	60.5%
Mellanskog	7.4%
Norra skogsägarna	17.6%
Norrskog	31.1%
Total	50.2%

remain. The production in these mills have also doubled but is still lower than the total production for all forest owners' associations' pulp and paper mills before the crisis years. The forest products companies have played an important role for strengthening the financial situation of the associations. They have also played a important role when financing larger investments.

### 3 Discussion

Concentration has characterized the development of forest owners' associations since the 1950s. There was a break when the consequences of the crisis years in the late 1970s became obvious. When the associations were forced to replace the vacant space after Vänerskog's bankruptcy the former members decided to establish four new associations. The option to form one new association, or alternatively let any of the existing associations around Vänerskog's region take over the business was less attractive because the bankruptcy had a deterrent effect on the former members. This made it easier to establish several small associations where it was possible to view and understand the entire business and the individual members had greater influence. However, it was only a temporary interruption in the concentration phase. Just a few years later, the associations began again to merge into larger and more efficient businesses. The driving force in most cases was that the financial situation which made it difficult for small associations to continue on their own. The smaller associations had either difficulties to manage their own finances or had trouble with keeping the same efficiency level as the big associations. After 2005, the associations' structure has remained unchanged. The number of associations is currently four, which means that the potential for further consolidation among the Swedish forest owners' associations is limited.

Also the organization with forestry areas has followed the same trend as the associations during the period studied. Much due to the forestry areas altered function from gathering members to jointly coordinate forestry work to instead being an interface between the association and its members. Difficulties in finding committed members who want to assume positions of trust in the forestry areas have also been a contributing factor. There may be a risk that the intent to form larger and more efficient forestry areas lead to increased "distance" between the associations and their members. It is then possible to lose "anchoring" to the members and as a consequence the officers start to act on their own as regular forest products companies.

The financial situation of forest owners' associations has improved considerably over the period studied. It should be noted that the variation between different associations is great in many areas. In addition, Södra stands for a relatively large proportion of the total financial result. The revolutionary crisis years in the late 1970s have made it necessary to inject new capital into the associations and increase the solidity to avoid that a similar situation occur again. In this



respect there are major differences between the associations. The average solidity of all the associations increased from 8 to 50% over the studied period. Profits accumulated in the associations and thus the solidity increased. Meanwhile, the portion of the equity that is linked to members has not at all followed the same trend. Members contributed capital has increased by a reduction of timber cash payments, interest, and sometimes by participation issues. This has meant that the members cannot take advantage of the large value growth that has occurred for the associations. Moreover, there are a lot of capital tied up in operations that do not really have any formal ownership.

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