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REALIZATION OF PRINCIPLES OF SOCIAL ECONOMY IN FOREST MANAGEMENT

Abstract: Sustainable management of forests is essential nowadays. It assures permanent capability of a forest to complete, currently and in the future, all crucial functions such as protective, economic and social without any harm to other ecosystems, both at local (municipality, county, voivodship) and also national levels, and consequently the global one. Forest management is above all conducted by the State Forests (National Forest Holding), and by owners of private forests. Neither the State Forests, nor private enterprises implement social economy activity as their main objectives. Nevertheless, the forest historically and currently, fosters the implementation of social economy assumptions including social entrepreneurship. The aim of the article is to identify the actions and functions of forest management fostering the development of social economy. While writing the article the authors used the inductive and deductive approaches on the basis of available literature on the subject of economics and forestry. Moreover, the information was gathered through face-to-face interviews and on the basis of case study analyses. The obtained results made it possible to identify and describe the common areas of forest management and social economy.

Keywords: Social economy, social entrepreneurship, forest.

INTRODUCTION

Sustainable management of forests is essential nowadays. It assures permanent capability of a forest to fulfil, currently and in the future, all crucial functions such as protective, economic and social without any harm to other ecosystems, both at local (municipality, county, voivodship) and also national levels, and consequently the global one (Szramka et. al 2016). Forest management is above all, conducted by the State Forests (National Forest Holding), and by owners of private forests (Adamowicz et. al 2014, 2016). Neither the State Forests nor private enterprises realize social economy activity in their main objectives. Nevertheless, the forest historically and currently, fosters the implementation of social economy assumptions including social entrepreneurship.

The phenomenon of marginalization and social exclusion is one of the most crucial social issues in the 21st century, both in Poland and in the whole European Union (Koczur 2013). The phenomenon in the context of forest management has been spotted and recognized before. E. Kowal referring to the meaning of the forest management pointed out: „Setting clear and explicit goals of global forest policy and the basis of sustainable multifunctional forest management has become a matter of interest of governments in many states and of non-governmental organizations. This concern is extremely important given the increasing demographic and food crisis, but also more and more threats appearing to natural environment. Many international conferences have been devoted to this problem. The United Nations Conference on Environment and Development (Earth Summit 1992) held in Rio de Janeiro in 1992 can be considered a world breakthrough. During this Summit it was stated that an important element of sustainable development is sustainable forest management, and the forest lands should be managed in such a way to be able to fulfill productive functions, but also meet social, ecological, cultural and spiritual needs of present and future generations (Kowal et. al 2013).

The aim of the article is to identify the actions and functions of forest management fostering social economy development, which will make it possible to identify and describe the common

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areas of forest management and social economy. The authors set the following research hypothesis: “the forest has always been and is a place fostering realization of social economy”. While writing the article the authors used the inductive and deductive approaches on the basis of available literature on the subject of economics and forestry and the real data provided by the media. Moreover, the information was gathered through face-to-face interviews with 15 employees of forestry management and teachers during meetings, which took place in 2017 while completing post-graduate studies “The Basics of Forestry Management” and on the basis of case study analyses. Due to the limited volume of the elaboration, the reflections on the topic have been mostly focused on the forest management conditions in Poland.

THEORETICAL BASIS OF SOCIAL ECONOMY INCLUDING ENVIRONMENTAL ISSUES

DEFINITION OF SOCIAL ECONOMY

In the literature on the subject there are a lot of different definitions of social economy provided. Most of them put stress on similar issues, particularly taking into account allocation of profit for realization of social aim, using the financial resources for the good of the community, and not in order to increase the owner’s personal income. Therefore, social economy is described as activity aimed mainly at achieving social goals, in which profits are assumed to be reinvested in such objectives or in the community, and not at maximizing profits or increasing the income of shareholders or owners (Defourny 2012). In a more general perspective social economy is perceived as a sector of economy, in which organizations are oriented on public utility and surplus made serves social purpose (Babis 2013). A particular attention should be paid to a publication which consists of elaborations by different authors who, with reference to development of economic thought, described a wide range of issues connected with social economy, such as: intellectual roots of social economy, models of social economy, relations between social economy and business and the third sector, instruments of social economy and management of social enterprises (Frączka et. al 2012).

It should be emphasized here that the primary objective of social economy is to help people who are socially excluded and it is important not to identify social entrepreneurship with corporate social responsibility, in which natural resources and taking care of them (e.g. forest) is one of the social objectives, but not the primary one (Janowski 2013).

SOCIAL ECONOMY AND NATURE CONSERVATION

In the literature on the subject one can come across a reasonable opinion that the concept of sustainable development (for which the natural environment issues are as crucial as society and economy) and social economy „meet” acknowledging that combating poverty and social exclusion, demographic problems, issues of ethnic minorities and immigrants integration have become current priorities (Rosiek 2012). Focusing only on the relationship between social economy and nature conservation one can observe the examples of social enterprises that promote and popularize pro-environment initiatives and others, whose basic economic activities are connected with environmental protection. In the first case educational activity and pro-environment activities are prevailing with a limited aspect of business activity. In the other case activities carried out to protect the environment are the tools leading to achieving an objective such as e. g. providing support for people excluded from the labour market by the means of revenues generated from business activities of that type.

The social enterprises in Poland whose economic activities concern environment and nature conservation can be divided into (Rosiek 2012):

- enterprises mostly involved in collection and transport of waste, recycling, ecological food production, looking after urban green areas and gardens;



- enterprises whose economic activities concentrate on education and promotion of ecological behavior.

Taking into consideration the topic of this elaboration the question arises whether forest as a part of the environment can be put down in the depicted relationship social economy and nature conservation? In the authors' opinion the answer is yes. It goes even beyond the presented frames and it is possible to point out common areas between social economy and forest, namely forest management.

FOREST AND ITS FUNCTIONS

THE DEFINITION OF FOREST

From a legal perspective forest is an area (The Act on Forests: art. 3):

1. of at least 0.10 ha covered by forest vegetation (forest crops) – trees, shrubs and forest floor – or temporarily without it:
 - a) designed for forest production,
 - b) a nature reserve or a part of a national park,
 - c) registered as a monument;
2. connected with forest management, i. e. under buildings and constructions, water drainage facilities, lines of forest divisions, forest roads, power lines, forest nurseries, landings, used for car parks and tourist facilities.

The definition quoted here is compared with the international regulations and definitions provided by different authors (Jabłoński 2015). However, as regards the topic, which is elaborated in this work, it is worth pointing out that the forest is:

- where trees, shrubs and forest floor grow;
- work, leisure activities, nature conservation.

In general forest can be defined as a natural or man-shaped vegetation, where there are mainly trees (Encyclopedia 1999).

FOREST FUNCTIONS

In the literature on the subject usually three basic functions of forests are mentioned, namely: ecological (protective), social and production (Kusiak and Jaszczak 2015), (Ważyński 2014). From the perspective of social economy the most crucial functions seem to be production and social ones. However, the ecological function implicitly plays its role in realization of social economy, what has been proved in the further part of this elaboration.

The productive function is connected with production of raw material, therefore providing timber, being accompanied by minor forest produce, which are very important in social economy (forest fruit, mushrooms, medical herbs, animal products). The forest is a place of work for people, and thanks to products coming from it, has an impact on creating many jobs outside forestry.

Within the social function forest is a place of relaxation and leisure, moreover, educational, spiritual, esthetic, cultural experiences and historical events. All of these things can serve as a basis for realization of social economy.

FOREST MANAGEMENT

THE DEFINITION OF FOREST MANAGEMENT

The Polish law defines both the concept of forest management, and the sustainable forest management (The Act on Forests: art. 6.1.). "Forest management" means activity in a forest in respect of the utilization, protection and management thereof; the maintenance and augmentation of forest resources and plantations; game management; the acquisition – other than by purchase – of wood, resin, Christmas trees, stump wood, bark, needles, game animals and products of the forest floor vegetation; as well as the sale of these products and the securing of the non-productive functions of forest.



On the other hand, “sustainable forest management” SFM means activity seeking to shape the structure of forests and make use of them in a manner and at a rate ensuring the permanent protection of their biological diversity, a high level of productivity and regeneration potential, vitality and a capacity to serve – now and in the future – all the important protective, economic and social functions at local, national and global levels, without harm being done to other ecosystems.

DEFINITION DILEMMAS OF FOREST MANAGEMENT AS REGARDS REALIZATION OF SOCIAL ECONOMY

According to Polish legislation the definition of forest management excludes from this type of activity purchase of timber, resin, Christmas trees, stump wood, bark, needles, game and also forest floor fruit, but not selling those products as well as the fulfilment of other than productive forest functions. A question arises if without taking into consideration produce of forest floor vegetation e. g. mushrooms and non-productive forest function, including tourism, we can still talk about realization of social economy. In the authors’ opinion the answer is yes because regulations concerning forests do not apply to the issue of social economy. Moreover, apart from this law, the side effect of forest management is nearly always something, which is in the mentioned definition excluded.

The definition of the sustainable forest management is formulated in a different way in relation to social economy what proves the authors’ correctness of views.

THE EXAMPLES OF SOCIAL ECONOMY IN FOREST MANAGEMENT THE RETROSPECTIVE PERSPECTIVE

When we look back at people living a few thousand years ago we can openly say that the forest was both – home and a place of work and a shop for them as well. During the Stone Age the forest played a lot of numerous functions and was (Jaszczak 2015): The source of food (wild game meat, mushrooms, fruit, herbs); The source of clothing (especially leather); The source of tools (made of bones and wood); The source of firewood; The shelter where people could hide when the weather was bad or enemies appeared.

In the world one thousand years before and later the wood was available in abundance in most places, nevertheless there was shortage of food (poverty was a common phenomenon). The forest provided valuable resources such as (Jaszczak 2015): Acorns and beechnut used as food for pigs; Cones for starting a fire; Honey used for sweetening and making mead; Wax used for making candles, and also tanning and woodworking purposes; Huge amounts of wood used as the source of thermal energy needed in metallurgy, especially in iron burning; Charcoal needed for lime burning, making gunpowder, iron burning; Resin used for making colophony (colophony needed for production of candles, soap, varnish and paints) and turpentine; Tar (dry distillation - residue of partially burned pine wood) used for roof insulation and sealing of ships, barrels and harbor constructions; Wood tar used for similar purposes as tar, but also for wheel flange lubrication of wagons and stage-coaches; Ash wood used for making tools and parts of wagons: Sycamore wood for making musical instruments; Linden wood for making cradles; Larch wood for building mansion houses and churches; Alder wood for making troughs/channels; Oak wood used for cemetery crosses; Birch and aspen wood for making pales and pan grain.

The presented examples concerning the use of forest resources by people prove that forest perfectly fitted in the current range of social economy because it prevented and hindered poverty providing food and resources needed to produce goods, which could be later sold, exchanged for other indispensable products or services (forest as a place of social entrepreneurship).

THE CURRENT PERSPECTIVE

Forest and forest management in the authors’ opinion fit in the concept of social economy, both directly and indirectly. Directly, because it still provides, as it was in the past, different types of products described as minor forest produce. In the contemporary world minor forest products are



classified according to the origin/extraction of these products and raw materials, namely (Głowacki 2014): Forest products of plant origin: forest fruit, edible mushrooms, medical and industrial herbs, resins, leaves, bark, tree sap, Christmas trees, charcoal, stumps, wicker; Forest products of animal origin: game, products of hunting and fishing, snails, forest beekeeping and sericulture products; Extracted forest products: peat, gravel, sand, clay.

Social enterprises can specialize in acquiring and selling or acquiring, processing and selling of minor forest produce. Forest products of a particular importance are: Forest fruit (barberries, lowbush blueberries, elderberries, hawthorn, juniper berries, rowanberries, blackberries, hazel, raspberries, wild strawberries, sea buckthorn, dog rose, blackthorn, cranberries), which can be used for products processed from fruit (dried fruits, frozen fruits, fruit pulps, jams, marmalades, juices, soups, to accompany meat, alcohols) (Głowacki 2000); Edible mushrooms and medical herbs; Forest beekeeping (traditional apiculture is reviving in Poland).

The indirect role of forest management in social economy demonstrates, first and foremost, in unorganized social entrepreneurship (situations described above as regards a household, and not organized business activity). Minor forest products frequently become an important source of income for households whose members have been socially excluded, what can be observed at car park areas and roadsides, where these products – blueberries, mushrooms, etc. (picked in forests) are sold by such people. Moreover, forest fruits are free of charge groceries (food products) used for preparing everyday meals and processed products (deep frozen, dried, pasteurized), which can be used later on. Therefore, it can be pointed out that forest may have an influence on reducing poverty.

Forest management is preventive in its nature in relation to social economy (indirect role). It is also demonstrated in preventing poverty or its increase thanks to forest impact on water balance and climate. The most striking example of forest influence on the occurrence of flood could be observed in China in 1998 in the Yangtze River Basin. „The water forced around 120 million people from their homes. As it was announced the death toll reached 3656 people; damages were estimated for 30 billion dollars. This huge flood happened during the year with above average rainfall, but not highest rainfall on record. The thing that made a difference and was meaningful for the year 1998 concerned the decrease in forest cover with comparable amounts of rainfalls. By 1998 the Yangtze River Basin had lost 85% of original forest cover, and the remaining one did not manage to prevent monsoon rains, which were above average” (Brown 2003, 181). In the water balance of catchment area forest plays the following functions, which are relevant for life and work of people (Kowalczak 2002): Increases outflow during the period of low water status (drought prevention) and decreases it during the period of high water status in watercourses (flooding and flood prevention); Decreases surface water runoff in spring (runoff being a result of the snow melting); Extends surface water runoff in spring and changes it into underground outflow (it prevents decline of groundwater, drying up wells, therefore availability of drinking water); Prevents rapid water increase in watercourses and reduces elevation of flood waves (an important role in prevention of flooding and floods, especially in situations when there are more and more frequent torrential rains); Prevents excessive water level decrease in the rivers during droughts; Forest plays a role of a filter and has a crucial impact on biological and chemical composition of groundwater, which constitutes a drinking water reservoir.

It is worth pointing out here the recreation functions of forest that are used, and even emphasized in case of social enterprises involved in agritourism. Forest plays plenty of crucial functions that foster and support the realization of social economy. For that reason it is possible to establish common area of social economy and forest management.

COMMON AREAS OF SOCIAL ECONOMY AND FOREST MANAGEMENT

In the light of presented reflections we are able to distinguish two types of social entrepreneurship directly or indirectly connected with forest management, namely:

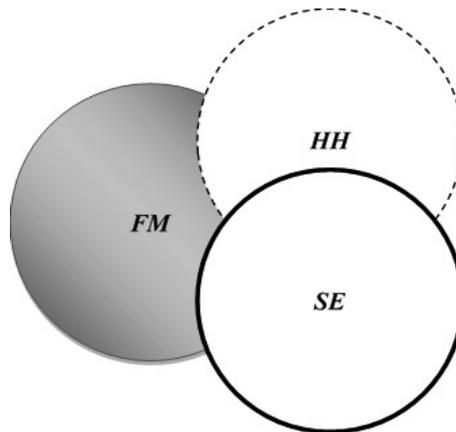


1. Unorganized social entrepreneurship (households).
2. Organized social entrepreneurship (social enterprises).

Unorganized social entrepreneurship corresponding to a household in this case can be described as involvement of members of the household in gaining forest products for their own use or in order to sell it away. The families that are meant here are poor, cannot cope with and adjust to market economy, who are excluded from the labour market because of place of living, lack of professional competences, having problems with alcohol or domestic violence, etc. in such households minor forest products are a crucial source of food or additional income. Moreover, twigs and cones can be used in the process of making decorations, wreaths, etc. and then sold.

Organized social entrepreneurship are identified in this case with cooperatives, associations, foundations, but also micro-businesses, often family businesses whose activities are connected with forest resources. Health and tourist benefits of forest are of a particular importance what in case of quest houses, agritourism become their advantage and strengths. These types of businesses often employ local people who would have a problem to find a job otherwise. Moreover, they take advantage of residents' services buying mushrooms, berries and fruit products from them, etc.

Both types of entrepreneurship (HH – households; SE – social enterprises) have a common part and both to some extent base their activities on forest management (FM), which was presented in picture 1.



Picture. 1: The common area of social economy and forest management.

Source: own elaboration.

According to picture 1 the following common areas can be distinguished: FM with HH – households for whom the forest becomes the additional source of income and helps to feed family; FM with SE – social enterprise, for which forest functions, especially non-productive ones, give an opportunity to run a business; FM simultaneously with FM and SE – it is the highest indicator of social economy realization in the forest management, which is equal to employing people socially excluded in the social enterprises, which use in their business activities forest functions or buying forest products from people. Moreover, this part encompasses preventive forest functions (flooding and flood prevention, maintenance of groundwater), which can be considered as activities carried out to prevent poverty of socially excluded people.

The identified common areas of social economy and forest management and chosen examples of social economy connected with forest management prove that the set hypothesis can be positively verified. The forest has always been and is a place fostering realization of social economy. For people it is one of the basic sources of satisfying their numerous and various needs. In the

contemporary world particularly for poor people, socially excluded because of different reasons. In the past for most of the society, which today we can consider as excluded.

CONCLUSIONS

While summing up the deliberations concerning the topic of realization of principles of social economy in forest management some conclusions may be drawn:

1. Forest shaped and still has an impact on people's habitat and living environment.
2. Historically forest production and non-production functions were the key within the realization of the principles of social economy.
3. In the contemporary world due to the forest management, the role of forest within social economy is perceived explicitly through the lens of non-production forest functions, thus tourism and recreation.
4. Minor forest products are a basis for realization of social economy activities in connection with forest management.
5. In the context of social economy the role of forest in shaping the climate, including hydrologic conditions, are of a particular importance.

The authors have spotted the need to carry out more detailed and broadened research on the edge of social economy and forest management. The examples of the subjects of such research could be: (1) The impact of forest management on decreasing poverty in Poland; (2) Factors facilitating and hindering the activities of social enterprises using forest resources - Polish and foreign conditionings; (3) The value of potential benefits of non-production forest functions in realization of principles of social economy in forest management in Poland.

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