

RECENT CHANGES IN SOCIAL WELFARE OF THE FOREST SECTOR OF THE RUSSIAN FEDERATION

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ABSTRACT

During the Soviet era, the employees of the forest sector were entitled to housing, medical care, pensions, social and athletic facilities, paid holidays, and pre-school education. The period of time in the mid-1980's ("perestroika") cut off most of these benefits, increased unemployment, and lowered salaries. Salary delays became common. These changes hit especially hard the ethnic minorities, because they had become dependent on the income and welfare systems provided by forest industries. The indigenous peoples only now are returning to their traditional livelihoods hoping to alleviate poverty.

INTRODUCTION

Forestry is a social discipline, simply because there is a direct link between the natural environment such as plants, animals, woodlands, and human beings. Conscientious forest maintenance, sustainable use, and augmentation of forest resources naturally lead to the growth of social welfare.

Today, forestry depends on the so-called "psychological climate" of the society much more than before. More and more often forest management actions and policies take into consideration one's views on forest harvesting, reforestation, and forest protection from fires, etc. Nature conservation and efficient multiple use of forest values has become a main objective for modern civilization.

The forests of Russia are worth being called the greatest national and world treasure. Indeed, where else but in Russia with its 20% of the world forested area should society:

- a) be involved,
- b) benefit from, and
- c) have an opportunity to influence the decision-making?

HUMAN RESOURCES

In the beginning of the last century, forest management in Russia was characterized by foresters' "freedom of creativity". Until the 1920's, a forester was a "creator" of a forest stand. This set-up allowed foresters to be creative and flexible in managing the forests and eliminated any pressure coming from complex methodologies and guidelines, rules and general standards. The forester's authority was undisputable and unquestionable. The forester served the forest and that's all that mattered. It might seem contradictory, but despite somewhat military discipline and the introduction of mandatory uniforms for foresters, a democratic approach to forest management was prevailing in the foresters' community.

In the Soviet period, during the years of the so-called "command-and-control system", volunteer actions of foresters

were restricted by "regulatory" activities. That was the system, where all management plans and future actions were designed by "top" authorities, where a strict reporting system that regulated any initiatives of foresters disabled their best professional qualities and ability perform their duties with passion and creativity. Foresters became simple executives of commands given by top authorities.

As Russia is a forest abundant country, forest policy implementation requires adequate and appropriate personnel. Nowadays, there are more 220 thousand employees currently working for the Federal Forest Service (Ministry of Natural Resources of Russia, MNR). Foresters are trained in 14 different higher education institutions all over Russia. Forestry faculties have been additionally opened in ten more higher education institutions. Specialized MNR higher educational institutions (15 vocational schools, 4 forestry colleges, and 3 technical colleges) offer vocational education in forestry (Russian Forests, 2003).

Different forms of continuous education and programs for raising qualifications are being developed. For instance, an intensive, three-year program is offered to obtain higher education. The program is designed for those, who have received special secondary voluntary education. Specialized institutions of continuous education carry out professional skills improvement for forest managers and other experts. Educated foresters, forest managers, forest scientists, and other trained personnel are the backbone of successful forest management.

SOCIAL AND ECONOMIC DEVELOPMENTS IN THE LATE 20TH-EARLY 21ST CENTURIES

Within the framework of a centrally planned economy (1950–1980) the forest sector (including forestry and forest industry), received considerable funds for its activities from the state budget. This allowed the employees to get many of their benefits such as housing, medical care, pensions, social and sport facilities, paid holidays, and pre-school education.

At an early stage of the Russian "transition" period (late 1980's), the forest sector was burdened with a dilapidated means of production as well as by an enormous number of social structures. Privatization and transformation of the majority of forest industrial enterprises into stock companies resulted in the disintegration of forest industrial production. Structural changes and numerous re-organizations of ministries and agencies aggravated the overall decline.

The forestry sector is characterized by low wages. For instance, wages in the forestry sector are twice half the wages in the black metallurgy sector, they are even less than half the energy sector wages, and almost three times lower than the fuel energy sector (Goskomstat 1997). One of the reasons for such low wages is inadequacy of payments for forest resources. For example, the rates for 1 cubic meter of timber (standing volume stumpage price) amounts to 5%–8% of the cost of round timber (i.e., 5-15 times less than the cost for the same product in the leading foreign countries). For many years wages did not reflect the actual labor cost involved in forestry production. Most leskhozoes use all possible means to

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provide economical support for their employees. Adjustment of wages, provision of uniform clothing, provision of firewood and timber for construction at low prices, provision of land plots and hay fields are proven to be a considerable support for the employees in the forestry sector.

Also, the input and hard work have been appreciated and encouraged by cash bonuses, benefits, and vacation packages to sanatoriums, resorts and rest houses. That used to be a considerable addition to wages. This often amounted to a de facto increase in salary. Workers of the forest sector were highly appreciated and distinguished by various governmental honors such as order, medals, diplomas, act of gratitude or titles of "Honored Forester of the Russian Federation" and "Honored Worker of the Forest Industry".

State owned forestry enterprises and leskhozoes secured their employees with housing, health and medical care, transportation, pensions, social and sport facilities, paid vacations, and pre-school education. In the late 1980's, almost all labor, education and health grantees were eliminated. A new approach: "everyone should pay for everything himself" resulted in a great number of unemployed, poor and homeless people. The underlying reason for such negative changes was a sudden and abrupt decline of state's social subsidies. With the decline of subsidies and the introduction of the new forms of management, responsibility for the provision and maintenance of these services was transferred to the regional and local administrations that were able to sustain only a minimal set of basic services. In many regions, enterprises had to cease operations or to operate without a profit. Many organizations have insufficient cash flows to pay salaries and taxes (salary delays vary from months to years), and thus, they constantly received fines.

The common reason for the decline of welfare, which is typical for the forest, coal, oil, and gas industries, is arrears of payments for the delivered goods and services. A wide local social service network could no longer be maintained. Most stores, canteens, cafes, bakeries, and subsidiary farms have been eliminated.

Nobody would argue that one of the main human needs is housing. People working in forestry and forest industries were (and still are) poorly provided with accommodation. The main reason is that the infrastructure and communications are far more difficult to introduce in some distant regions. Infrastructure requires huge capital investments and that explains the poor provision of sewer systems, central heating and water supply in middle-sized forestry settlements.

Logging enterprises, pulp and paper mills, and wood processing enterprises belong to branches of industry that have statutory "town and settlement planning" responsibilities. It means that they are obliged to cover all the expenses of building and maintenance. Nowadays, these costs are becoming too heavy a burden for the forestry enterprise budget, as there are more than 3300 forest settlements, which are dependent on the budget of forest industries (Roslesprom 1995).

Social services are mainly maintained from deductions from the enterprises' profits. However, an imperfect taxation system tends to decrease the payment of social service contributions. A refinement of the tax system might also allow the allocation of more funds to the social sector by e.g. improving, directly, the salary level of foresters, industrial workers, etc. and those of doctors, teachers, librarians, etc.

Until the year 2000, taxes were administrated both regionally and locally. Regional taxes include stumpage charges, non-timber value charges, land use taxes, and charges for forest leasing charges. The Government of the Russian Federation determines minimal

stumpage prices, and 60% of the received charges are channeled to the regional budget, 40% is transferred to the federal budget (article 106, The Forest Code of the Russian Federation, 1997). A certain proportion (sometimes up to 100%) is allocated to the local budget for the financing of reforestation activities. Local taxes, allocated for building maintenance, education, health care, etc. make up to 3%–5% of the gross revenues of forest enterprises.

During the period 1990–1995, the number of people involved in logging has been dramatically reduced (841.8 thousand employees in 1990; 540.3 thousand employees in 1995) (Goskomstat 1996). The situation got worse by the so-called "hidden unemployment" that was hard to monitor and almost impossible to record. According to the sociological surveys conducted in 2000, major social problems included inadequate financing, poor fire protection and weak restoration of the forestlands.

In February 2003 the All-Russian Forestry Conference took place, which was preceded by regional congresses. Foresters expressed dissatisfaction with the state of forestry financing, low wages of the employees of the Federal Forest Service, lack of sufficient investments for housing construction, acquisition of machinery and equipment.

The lack of adequate budgetary financing was caused by market transformations when the transition from strictly centralized planning was not adequately supported by the state. The main reasons for inadequate financing include: lack of marketing experience, superficial knowledge in the field of market relations, lack of experience in taking democratic decisions, weakness of the legislation, and the low level of political activity of the Russian population.

As a result, the process of development of non-governmental organizations (NGOs), public movements and associations, capable of contributing to the elaboration of forest policy and addressing the most acute concerns of the population, should be viewed as a positive step in the recent years.

DEMOCRATIC INSTITUTIONS AND THEIR DEVELOPMENT

In many forest regions of Russia public associations and NGOs occupied a prominent place as representatives and statesmen for forest settlements residents, negatively influenced by the forest sector re-organization. For the most part Russian NGOs emerged at the high tide of democratic changes of 1980-1990s when there was a quick rise in the number of NGOs, which covered practically all fields of public life. Unfortunately, in mid-1990s the mass character, influence and efficiency of the "green movement" considerably decreased. Nowadays, local self-government bodies, communities of small indigenous peoples of the North, public movements and business structures are starting to work together in addressing forest problems and social needs.

ETHNIC CONCERNS

Soon after the revolution of 1917, indigenous and aboriginal peoples as well as national minorities of the country were classified as "primitive and insufficiently developed." "National minorities" were (and still are) defined as "scanty national groups bound to areas of their settlement". As with many indigenous peoples they make their living from hunting, fishing, collecting, reindeer breeding, etc. They consider this life style to be vital to preserving their traditions and their unique culture. Some 90% of the aboriginal people of the Krasnoyarskii krai, Evenkiiskii and Taimyrskii autonomous okrugs view their future in such way (Gulevskii 1994, Shnirelman 1994). The role of aboriginal peoples

in Russian economic development is rather insignificant, but they have been provided a set of privileges. For example, according to the article 107 of the Forest Code (1997) of the Russian Federation, all the aboriginal groups and indigenous tribes are exempted from payments for the use of the forest for their own needs.

Today, the issue of ethnic groups contains certain contradictions. These derive from indigenous aspirations to preserve virgin lands (e.g. taiga) as natural sites for game and fur animals, in order to support traditional ways of living. The question is, how to ensure that the interests of local communities are protected, and that the strategic development options would minimize social tension?

The Russian government and local administrations support the indigenous aspirations to return to their traditions. Forest allotments are set aside and the rights for traditional forest management are in agreement with the Federal Forest Service of Russia (more than 18 mill. ha of the forest fund in the Sakha Republic (Yakutiya) were transferred to the Council of the National Clun Community in 1995 according to the law on the Nomadic Minorities of the Peoples of the North). However, to assist the revival of old traditions, local authorities are sometimes undertaking paradoxical decisions, for example forbidding fire protection, and allowing the expansion of pasturing.

SOCIAL RESEARCH WITHIN THE FOREST SECTOR

During the Soviet era, social science was stagnant, and social research was practically absent. As soon as a new study was proposed, a strict inspection was applied, and it was seldom released to a wider audience. However, social research concerning the Russian forest sector revived during perestroika. A comprehensive project titled "A Social Portrait of a Forester" was launched in 1989 to provide an actual description of the working conditions of people involved in forestry and the forest industries. This particular project uncovered some difficulties and challenges that people working in the forest industries were facing, talked about their life style, views, and attitudes towards socio-economic conflicts and the radical changes occurring within the forest sector. It was conducted in the Russian Federation, inviting more than one thousand professionals for participation in interviews and questionnaires. Unfortunately this research has been terminated due to lack of financial support.

Nevertheless, the work, which has done before the termination of the project, provided some insights. Thus, 70% of all people questioned in 1989 supported the introduction of the new forms of management (self-financing, leasing, co-operative initiatives). Only 3% of people were dissatisfied with their occupation, and more than 1/4 wanted their children to get a forestry education. There were five prioritized "bottlenecks" mentioned (in the order of importance):

- poor equipment and machinery, lack of spare parts, poor maintenance, etc.;
- unsatisfactory labor conditions;
- high share of low qualified, manual jobs, heavy work;
- huge forest losses in logging operations (waste);
- imperfect management and financial (salaries) system.

(VNIILM 1989, VNIILM 1998)

Due to the latest reforms and developments, such as the introduction of leasing and auctions, the range of problems to be solved changed considerably. A total lack of industrial equipment was the main problem 6–7 years ago. Nowadays, lack of financing has become an issue, as all the necessary equipment and machinery became available: goods, spare parts, and services can be easily

obtained. Considering that a company (or institution) is financially stable, working conditions for the employees can be improved as well. To solve the main conflicts and contradictions within forestry, a special program "The Forests of Russia" has been launched, and it is currently being coordinated with the Russian government.

PUBLIC PARTICIPATION

According to the Forest Code (1997) of the Russian Federation (article 102) "public groups and citizens are entitled to participate in promoting sustainable forest management and utilization, thus, supporting forest protection and reforestation." However, the term "public groups" is a very vague term. Even though, this term is commonly understood as "a group of any progressive members of society and leaders of representative organizations". For example, Greenpeace activists along with local supporting groups could be regarded as "the public" in their aspirations to abandon the harvesting of old growth forests in order to preserve virgin taiga for the future generations. Similarly, people that support local logging and wood-processing companies could represent a different "public."

Motivated and active public participation in debates dealing with forest issues is strongly encouraged. There are several modes of public participation. For example, partaking in committees involved in the planning of forest laws and guidelines, or in discussions concerning regional forest policies, and in designing the concepts of the forest utilization programs. Indeed, the Forest Code (1997) of the Russian Federation was widely discussed in the media, at conferences, and in workshops.

The approach towards improving social conditions in both forestry and in the forest industries is rather similar as it is rooted in Soviet history where a singular social policy was applied to all sectors of the economy. Both forestry and forest industries have one common resource, and that is FOREST. It has also a common cycle: - harvesting and regeneration that unites both foresters and loggers. As for the future, co-operation between communities, public involvement, and bringing national minorities and indigenous people into the discussion process should be taken very seriously and put into practice as soon as possible. Furthermore, the forest sector of the Russian economy has to support and reinforce research of the social issues in the forestry.

The place and the role of Russia in the world community today and the degree of its responsibility for the environmental situation both in its own vast territory, in Europe, and elsewhere are determined by the fact that Russia has nearly 8 million sq km of wildlife areas and that it represents over one third of the world wildlife area. It means that the Russian portion of wildlife is a valuable asset not just of the people in Russia but also to all humanity. Therefore, sustainable forestry, nature conservation, social sustainability, harmonized human-nature relationships and well-being are a job for the world civilization as a whole.

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