

Does the new forest management regime of the Russia promote sustainable management of forests? – Institutional analysis

Tatu Tornainen

Researcher, M.Sc. (For.), University of Joensuu, Finland, tatu.tornainen@joensuu.fi

The legal basis of the new forest management regime has been laid by the adoption of the new Forest Law of the Russian Federation on Jan 1st, 2007. The main features of the new regime include the devolution of power from the federal level to regional governments and the transfer of forestry operations to private leaseholders. This paper analyses the new institutional arrangements of the emerging regime. Special emphasis is put on the analysis of the organisation of property rights with respect to forestry and the use of forests. Property rights are understood as streams of benefits and access rights. Results indicate that the new forest management regime to sustainable forest management have both positive and negative effects on the sustainability of the forest management. The new roles of the key actors are defined. The modernised system of forest leasing improves the economic efficiency of forest use. On the other hand, the presented system of public financing of forestry largely lacks the economic incentives necessary to sustainable management. The new operational environment established by the adoption of the new law may have profound impacts on the structure and development of logging industries.