

The role of licensing of forest service enterprises in the vocational activation of the population in rural areas

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ABSTRACT

According to statistical data, today forest services in Poland are performed by over 4,7 thousand private transactors. As a result of the complex process of privatization of the service sector in forestry, after 17 years of its implementation, private enterprises have almost entirely taken over various forest management tasks in the State Forests. The present study is an attempt at showing the influence of licensing procedures concerning the quality of forest services, performed by the Forest Entrepreneur Association, on the vocational activation of the population living in rural areas and on the job stability in this sector of services.

KEY WORDS

licensing of forest service enterprises, quality of forest services, vocational activation

INTRODUCTION

The political transformation in our country has brought a number of economic, social and living standard changes for the rural population. Structural changes of the rural areas in Poland, the liquidation of state farms and of a number of enterprises active in the farming sector have caused the appearance of large unemployment in rural areas. A possibility of employing the rural population in the sector of private forest service enterprises has become a significant factor in the alleviation of the effects of the structural changes in rural areas, particularly in the ones with high forestage. The supply of workplaces in this sector has frequently been the only chance to find employment close to the place of living for those inhabitants of rural areas who have lost their jobs in the farming sector. Hence, the activity of

the private sector of forest services has been playing an important role in the vocational activation of the population of rural areas.

CHARACTERISTICS OF THE DEVELOPMENT OF THE PRIVATE SECTOR OF FOREST SERVICES IN POLAND

Extensive privatization of the performance of forest services, undertaken in Poland in the 1990s, has significantly affected the labor market in this region. As a result of the complex process of privatization of the service sector in forestry, after 17 years of its implementation, private enterprises have almost entirely taken over various forest management tasks in the State Forests. Data indicate that in Poland the number of private trans-

actors performing services for forestry reveals great dynamics. In 1994, management services were performed by over 4,500 forest service enterprises. Their number reached the peak of nearly 14,000 in 1998 and since then has gradually been decreasing: to about 8,000 in 2004 and about 4,700 at present. The dynamics of the development of private forest service enterprises is presented in figure 1 below.

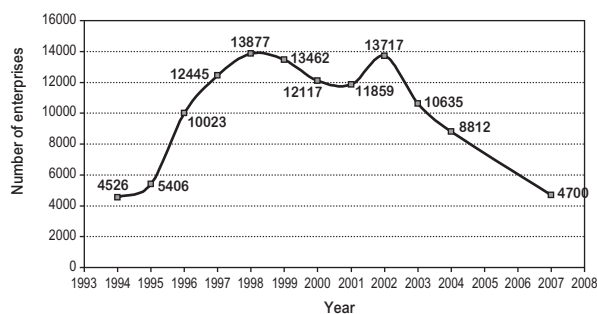


Figure 1. Dynamics of development of forest service enterprises in 1994 – 2007 (the Main Statistical Office 2005; the State Forests, 2007)

The complexity of privatization processes and the varied conditions of their implementation have resulted in a great diversification of the private sector of forest services.

Initially, in most cases the enterprises were one-man businesses, mostly underinvested ones and badly equipped. In time, there have appeared large companies which employ several dozens of workers, own expensive and modern technological equipment and have specialized administrative and technical staff.

The quality of the services has been very varied, too. For example, with regard to the services connected

with timber harvesting, many years of research carried out by the Department of Forest and Wood Utilization, Faculty of Forestry, Agricultural University of Cracow (Tab. 1) has shown that for nearly 5 thousand work-stands of the saw operator, the correct performance of the parameters of felling ranged from 22% to 41%. It is worth noting that a particularly low percentage of the correct tree felling technique was observed in mountain stands.

An element of the work which is usually incorrect is the preparation of the work-stand and, among others, the resulting excessive height of tree stumps which remain after felling (Fig. 2). A functional relation between the quality of preparation of a work-stand and the height of stumps entails, in such cases, a possibility of obtaining a worse financial result for the forest district, the forest service enterprise and the saw operator.

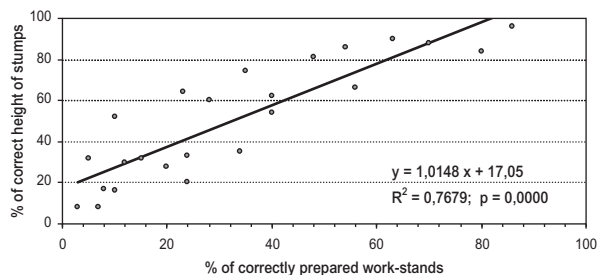


Figure 2. Relation between the correct stump height and the correctly prepared felling work-stand (Sowa et al. 1999)

Assessment of the quality of felling work allowed for stating that, in most cases, in the course of felling, more than one error was committed on a single tree. The largest deviations from the rules recommended in the felling instruction were noted when making the holding

Tab. 1. Results of assessment of the correctness of the felling technique in forest service enterprises (elaborated on the basis of Bartyzel 2000, Czwalinski 2000, Lasak 2000, Sowa et al. 1999)

Kind of activity or parameter	Unit	Assessment results Mountain stands	Assessment results Lowland stands	General assessment
Number of work-stands assessed	item	2157	2626	4783
% of correctly prepared work-stands	%	26,9	18,2	22,6
% of correct width of hinges	%	21,0	39,2	30,1
% correct height of safety threshold	%	21,2	54,1	37,6
% of correct height of stumps	%	19,7	33,1	26,4
% of correct depth of under cut	%	24,7	58,0	41,3

bridge (hinges). On average, in about 80% of cases saw operators do not employ the correct felling technique, which may testify to a low level of their training and their neglecting the basic rules of the correct and safe task performance. Moreover, many years of research indicate a lack of accordance of working conditions with safety regulations concerning the level of carbon monoxide, noise, mechanical vibrations and energy expenditure in the work-stands under analysis.

Low quality of the work, often due to insufficient training and low wages, very difficult working conditions as well as high risk and physiological load of an operator make forest work an unattractive job. It is increasingly undertaken by people who have not found better employment in other economic sectors. Therefore, it has become necessary to create mechanisms which can change this unfavorable phenomenon and build a system of improving the quality of work in forest service enterprises.

LICENSING OF FOREST SERVICE ENTERPRISES

In 2002, poor quality of work performed by private transactors in forestry, negatively affecting the implementation of balanced forest management by the State Forests, stimulated the Forest Entrepreneurs Association (Stowarzyszenie Przedsiębiorców Leśnych: SPL) and scientists of the Faculty of Forestry at the Agricultural University in Poznań to formulate an idea of granting a licence to the private transactors associated in the SPL as a method of improving the quality of forest work performed by them.

It was decided that the licence would be granted to enterprises by independent auditors from three agricultural universities: in Warsaw, Poznań and Cracow. The Regional Directorate of the state Forests (RDLP) in Poland was divided and ascribed to particular auditor teams (Fig. 3), and detailed licensing and licence granting procedures (to be granted by the SPL) were established.

The first licences were granted in 2003. Assessment of the licensing performed so far reveals a highly unsatisfactory level of its implementation. According to current data, out of about 180 enterprises associated in the SPL, only 19 entered the procedure and obtained the licence.

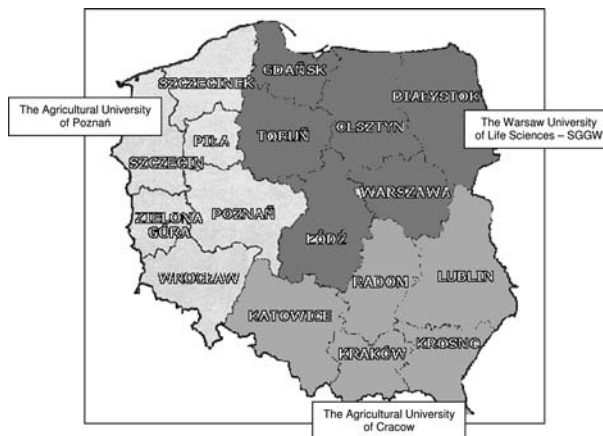


Fig. 3. Territorial division of the RDLP according to auditor teams

Such a low number of enterprises which have obtained the forest licence during the last 4 years is due to two factors. Firstly, Regional Directorates and, above all, forest districts, are unwilling towards the licensing, interpreted as an intrusion of the outside subjects into their internal forest management. Secondly, the State Forests have not presented unequivocal formal justification which would recognize the forest licence as an advantage of a given enterprise in tenders, increasing the enterprise's chances of winning a contract in the procedure of public orders.

With regard to the issue of the licensing of forest service enterprises, it is worth considering which current objectives of the licensing, provided on the Internet site of the SPL in 2006, can acquire a positive opinion in practice. The answer to this question is presented in Table 2.

It must be noted that, although the Regulation no. 79 of the General Director of the State Forests, issued in 2004, and concerning the creation of the forest work market by the State Forests, better motivates enterprises to apply for the licence, still this solution is insufficient. According to the author, emphasis should now be placed on the formal regulation – in significant conditions of public orders – of preferences for licensed enterprises, on the introduction of the mechanisms of the economic stability of enterprises (long-term contracts for services) and on changing the mentality of the forest service on the level of forest districts as regards the need, purpose and possibility of enterprise licensing by independent auditors from outside the State Forests. It is expected that positive changes with regard to the acknowledge-

ment of the licenses by forest administration units will be highly influenced by the results of the work of the team for the cooperation of the State Forests with the forest work sector, acting on the basis of the Regulation no. 59 of the General Director of the State Forests of 8th December 2006.

Tab. 2. Current assessment of implementation of forest service enterprise licensing (Sowa 2007)

Current objectives of forest service enterprise licensing (www.splgoluchow.pl 2006)	Opinion
A voluntary licensing system was introduced with regard to all subjects who want to guarantee excellent execution of forest work. The system aims at selecting enterprises with the highest level of work quality, taking into consideration the requirements concerning the natural environment and the specific character of forest work.	TRUE
Acquiring the licence allows enterprises for attractive cooperation with the organizational units of the State Forests thanks to long-term contracts.	FALSE
Acquiring the licence is also verified in the process of forest management certification in the system of Forest Stewardship Council (FSC) as the criterion of the accordance of an enterprise's forest work with the highest world standards.	TRUE
The licence allows for enjoying priority when applying for contracts and is a guarantee of work. The licence creates the basis and the conditions for safe investment, ensuring technical and technological development. It facilitates the signing of long-term contracts with the organizational units of the State Forests.	FALSE

VOCATIONAL ACTIVATION AND STABILIZATION OF THE POPULATION OF RURAL AREAS IN THE SECTOR OF FOREST SERVICES

Analysis of the activity of licensed enterprises indicates that all enterprises which have acquired the licence so far are transactions characterized by a high level of organization and task performance technique, with specialist equipment and highly qualified engineering-technical staff (it is precisely this condition that has allowed these enterprises to acquire the license). These enterprises employ several dozen workers each, and thus constitute serious potential on the labor market in their sector. A number of these enterprises also per-

form services abroad, where they successfully compete with transactions from other European Union countries. Therefore, the acquisition of the license undoubtedly is a confirmation of an enterprise's high capability of performing various services connected with the forest management.

A high production potential and a good quality of work of forest service enterprises guarantees the realization of services in, above all, national forestry. This is becoming increasingly important in view of growing competition from foreign enterprises which have a very good potential of forest work performance. A good condition of forest service enterprises will also help in the vocational activation and stabilization of the inhabitants of rural areas, who can fulfill their professional aspirations in stable and strong businesses.

As the above examples show, the State Forests should be vitally interested in the development of private service enterprise licensing and treat this sector as their partner. Only those enterprises whose quality of work is high will be able to meet the varied requirements of the implementation of balanced forest management in the State Forests.

Poland's accession to the European Union is creating new perspectives for the activity of forest service enterprises and for their licensing. It is expected that the European Union will want Poland to extent its private forest sector (Kocel 2003). In this situation it is bound that a new kind of complex forest services will appear, including all of the tasks: from planning measures to be taken in stands, through their execution, to the sale of the harvested timber. Prospective employees of these enterprises may appear on the labor market as a result of the rationalization of the employment of persons in non-labor positions in forest districts. This is going to be an opportunity to deal with the supply of workers and to reduce unemployment in rural areas in this social group.

According to some opinions, the State Forests, in search of savings, may entirely shift to the sector of services, i.e. work without its own staff and commission all aspects of its activity to service companies (Kocel 2003). The above predictions may result in considerable vocational activation of the population of rural areas, for whom new workplaces will be created in the developed sector of forest services. In view of the above considerations, it seems necessary for the Forest Entrepreneur Association to take steps to secure the interests of such new private

forest enterprises and to make it possible for enterprises to acquire licences for new types of jobs in forestry.

CONCLUSIONS

1. Analysis of the activity of forest service enterprises on the labour market in rural areas indicates that there may exist relations between the quality of service performance and the vocational activation of the population of rural areas.
2. It is in the interests of the State Forests to constantly improve the quality of services performed by private forest enterprises, which are their strategic partners in the execution of management tasks in forestry. As has been shown in the present study, granting licensees to enterprises is the way to stimulate high quality of the performance of forest work.
3. Licensing of forest service enterprises, conducted by the Forest Entrepreneurs Association, helps these enterprises to stabilize their activity and to occupy a significant place on the labor market in their sector.
4. Poland's accession to the European Union creates new perspectives of activity for forest service enterprises and for their licensing. It should be expected that the sector of forest services will extend considerably and that it will make possible the vocational activation of the inhabitants of rural areas by offering them new workplaces.

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