

# **Making Albanian Forestry Work**

**Kozma Naka**

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**William B. Stuart, Chair**

**A. L. Hammett**

**Ann LaBerge**

**George R. McDowell**

**Jay Sullivan**

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# Making Albanian Forestry Work

Kozma Naka

Committee Chairman: William B. Stuart

Forestry

(ABSTRACT)

Recently, Albania has had major transition from a state-controlled to a market economy. The economic reformation has led to widespread liberalization of prices, external trade, and domestic marketing. These changes have been positive for some segments of the economy, but to date the forestry sector has been negatively affected by the transition. The decline of forest resources accelerated and continues. Inefficiencies, price distortions, government fiscal austerity, rapid expansion of livestock, and illegal harvesting point to further deforestation.

This study identifies the social and political factors leading to the decline of Albania's forest resource through an examination of relevant information. Then, using the process approach of policy analysis, it assesses the barriers and incentives that impede or distort the intended effect of the current policy implementation. Third, it suggests new policies and/or changes with the aim to manage the forests sustainability and to attract investments in Albanian forestry.

Policy issues for areas and sectors important or related to forestry, including agriculture, livestock industry, tourism, and rural development are discussed. Successful implementation of forest policies will be achieved by encompassing all issues pertinent to rural development.

The focus is on formulation of forest policy, the evaluation of the current forest law, the role of the statute in the policy process, and guidelines in the preparation of the laws. However, the enactment of laws alone cannot ensure the success of a policy. Special consideration is given to the implementation part of the process, especially interpretation, organization, application;

tools (regulations, incentives, taxation), opportunities/constraints, priorities and suggestions for successful implementation. Finally, the topic of evaluation is addressed: its intention, possible analytical techniques and standards of performance, role and expectations of participants and analysts, and major obstacles to an effective evaluation.

Recommendations include changes in existing policies to allow the transfer of some state land to private and communal ownership, the expansion of the national parks to include more old-growth forests, and the adoption of concessionaires for the management of the state forests. Other policy proposals, such as a massive reforestation effort, promotion of community-oriented forest management, and forest certification, follow.

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## Abbreviations and acronyms

AFP	Albania Forestry Project
APFDP	Albania Private Forestry Development Program
ATA	Albanian state news agency
AUT	Agricultural University of Tirana
BBC	British Broadcasting Corporation
BRD	Bureau of Rural Development (proposed)
DGFP	Directorate General of Forests and Pastures
EFI	European Forest Institute
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FSC	Forest Stewardship Council
FPRI	Forest and Pasture Research Institute
GDP	Gross Domestic Product
GTZ	German Agency for Technical Cooperation
IUCN	International Union for Conservation of Nature and Natural Resources
IUFRO	International Union of Forestry Research Organizations
NGO	Non-Governmental Organization
NTFP	Non-Timber Forest Product
PPNEA	Organization for the Protection and Preservation of Nature and Environment in Albania
RDC	Rural Development Commission, England
REC	Regional Environmental Center for Central and Southern Europe
RTVSH	Albanian state radio and television
US	United States
USAID	United States Agency for International Development
VAT	Value-Added Tax



## CHAPTER 1: INTRODUCTION

Forests have been an important resource in Albania. A short historical description of Albanian forestry and forest policy since ancient times is helpful to better understand today's situation. This chapter presents the rationale behind the study, the need for and purpose of conducting it, a review of the literature, and objectives and expected output of the study.

### *Geographic and historical background*

The Republic of Albania (hereafter referred to as *Albania*) is located on the western part of the Balkan Peninsula between 40° and 43° north latitude. Albania's neighbors on the north and east are the former Yugoslavia (Montenegro, Kosova, and Macedonia) and Greece on the south. Italy lies on the west across the Adriatic and Ionian seas. The political borders, established in 1913 by the Great Powers, comprise a total land area of 28,750 square kilometers, about the size of Maryland. The population of Albania is estimated at 3.4 million (US Department of State 1996). About 70 percent of the country is difficult to access, as it is mountainous with rugged terrain and (Zickel and Iwaskiw 1994). The average altitude is 708 m, twice that of Europe as a whole (Muharremi 1992). While the rugged terrain makes harvesting and regeneration of the forests costly and difficult, it has also protected forests from human and livestock pressure.

The rugged topography and a wide range of altitudes make the climate vary substantially from region to region. The western part of the country has a Mediterranean climate, with dry, hot summers and wet, warm winters. The eastern part is under the influence of continental air masses with cold and snow in the winter, but hot days during the summer. Average annual precipitation is high (about 1500 mm) but unevenly distributed throughout the year. The flow of the rivers follows the pattern of the precipitation: streams are creeks in summer and torrents in winter. Steep terrain, summer droughts, and heavy rains make the soils prone to erosion.

Rivers carry the eroded soil and deposit the sediments in the lowlands, filling reservoirs and irrigation channels. The presence of a vegetative cover is important in the effort to contain the soil erosion.

Human settlements in Albania have a very old history. It is generally believed that Albanians are descendants of Illyrians, an ancient Indo-European people living in the Balkans, just north of Greeks, at the end of the Bronze Age. The history of the land was shaped by some of the greatest empires of the times: Rome, Byzantium, and Turkey as well as Venetian and Slavic invasions. Since ancient times, humans have played an important role in the forest evolution and species composition of Mediterranean forests. As in the other parts of the region, in what is today modern Albania, the forests were cut because of the demands for:

- Wood for metal smelting, construction of ships and buildings, and household energy
- Forage by grazing and mowing the grass in the forests and collecting oak leaves
- Land for agriculture and pasture
- Demographic expansion

Because of difficult accessibility—roads were absent and rivers are too turbulent to transport timber—forests in the northern and central part of Albania were spared. Fernow (1913), writing about Rumelia (European Turkey), mentioned large areas of forests with valuable oak and walnut, sparse local population, and the undesirability of developing them under the Ottoman rule. This was true of the forests of Mirditë and other regions in northern Albania (Chekrezi 1919). However, as in other parts of the Ottoman Empire, in central and southern Albania, deforestation continued because of neglect on the part of the authorities. The detrimental influence of forest destruction was repeatedly experienced in floods and droughts. Fernow concluded that the main cause of forest devastation was the pasturing of the woods, especially with sheep and goats.

Following the independence from Turkey in 1912 through 1945, Albania went through the turmoil of the two Balkan Wars (1912-1913), World War I, the War of Vlorë against Italy (1920), the Yugoslav intervention (1924), the Italian occupation (1939), the Greek-Italian War (1940), and World War II. As before, where accessible, the forests were mistreated and left in

poor condition. The export of forest products, particularly walnut wood and furs to Italy, increased. Because of the unprofitable exploitation of native timber, some construction timber was imported from Trieste, Italy (Chekrezi 1919). In towns, there was small-scale production of furniture, carts, and coaches.

Forest policy began with the establishment of the country's forest service in 1923. Those hired to fill the available positions were Albanian foresters who had studied in Western Europe (France, Italy, and Austria). Their approach was technocratic and centralized, shaped by the idea of the national state which the Albanian political class was so desperate to build during the inter-war period. To provide revenues for the state budget, in the late 1930s, the government began giving concessions to foreign companies (mainly Italian) for harvesting large areas of Albanian forests (Treska and Xheko 1982). This period marks the beginning of industrial harvest of the forests in Albania. The unsustainable rate of removals continued during the World War II to supply the Italian and German armies.

After the communists came to power (November 29, 1944), the technocratic legacy combined with the communist ideology became the basis of the forest policy. In 1946, as part of the agrarian reform, all the forests in Albania were nationalized and with few exceptions, are still state-owned. The communist government put emphasis on extraction of natural resources, especially timber and fuelwood, to meet the demands of an expanding controlled economy. The other important forest functions, such as soil preservation, wildlife habitat, scenic beauty, and recreation were largely ignored. These aspects of forest policy were delivered in the form of directives included in reports of the top communist leaders (see Hoxha 1969). The results of this policy were:

- Overcutting the forests, often exceeding 2-3 times the rate of growth, as management plans and allowable cuts were overridden by central decisions (especially for fuelwood in suburban and rural areas)
- Opening up of new arable land, and industrial and demographic expansion into the forest and grassland areas
- Overgrazing and abusive cutting of coppices
- Unsustainable exploitation of non-timber forest products

- Excessive hunting and destruction of wildlife habitats
- Low rates of afforestation, reforestation, and construction work for drainage and slope stabilization
- Little investment in forest infrastructure and forest protection
- Noncompliance with the forest legislation and management plans of the time

Because of these practices, the forest area decreased by 20 percent (200,000 ha) in the period 1959-1993 (Meta 1993), and inventories of timber, wildlife, and valuable herbs fell notably in about 50 percent of the more accessible forest area (Naka et al. 1995). Stripped of its forest cover, the soil became susceptible to serious erosion with off-site movement of topsoil exposing the underlying bedrock, thus reducing land fertility.

For the first time, a national forest policy for Albania as a single document was formulated in 1985 and updated in 1990 (see FAO 1988 and Çarçani 1994). An attached plan was prepared with guidelines for the development of the forest sector up to the year 2000. The main objective of that policy was to balance the removals and growth by reducing harvesting and increasing the productivity of the forests. The demand for wood would have been reduced by adopting new technologies capable to achieve a higher rate of wood recovery and substituting wood by steel, concrete, plastic, oil, coal, and hydroelectric power.

To increase the wood supply the formulators suggested:

- A more intensive management of existing forests
- Reforestation with fast-growing exotic species
- Harvesting of more old-growth stands

As mentioned above, the forest sector diverged further from these objectives, instead of achieving them. Despite genuine efforts of the staff at the Directorate General of Forest and Pastures (DGFP) to protect the forests, higher government levels outside the forest administration made decisions for inputs to the forest sector and annual quotas of harvesting that depleted the resource. While it is possible to mention many factors behind those decisions, the main reason was the economic crisis of the communist regime that began in the late 1970s and culminated with its collapse in 1991.

In the beginning of 1990s, Albania, along with other countries in Eastern Europe, experienced major political turmoil, culminating in the collapse of the communist government in 1991. During the chaotic months following the country's changeover from communism to democracy, the situation of forests worsened. Unregulated and unsustainable rates of harvesting occurred on forest lands, particularly those in the proximity of larger population centers. People felled trees in forests, national parks, and even alongside roads for timber and firewood. As restrictions on herd size were lifted, a rapid expansion of livestock followed, sustained by grazing in state forest lands. The combined effect of abusive harvesting and grazing has left extensive areas of the country in a seriously degraded condition. Between 1991 and 1994 alone, about 12,000 ha<sup>1</sup> were completely denuded by spontaneous cuttings without any regard for silvicultural considerations. The decline of the forest resource through deforestation has been economically inefficient since its causes have been arbitrary economic policies and ambiguous property rights.

History has shown that periods of economic and social uncertainty are always a risk to natural resources. Without confidence in the long-term stability of economic and social relationships—notably property rights—the natural tendency is to give priority to short-term benefits (income from resource harvesting). Another complicating factor is the general attitude of Albanians towards the forest as an open resource. Both the Albanian government and the public are not fully aware of the importance of the forests in environmental protection and economic development. Current and future forest policies should remember lessons from the past because those factors are still in the way of a successful implementation.

### *Rationale*

Most of the issues that affect forestry and forest policy today are not necessarily intrinsic to the profession. They are part of a broader scenario of the political, cultural, and economic landscape. World population is increasing, placing increased demand on natural resources for

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<sup>1</sup> According to FPRI, as cited in Annex B of World Bank (1996b).

physical goods, ambience, and living space. International trade in even the most mundane products has expanded tremendously. High speed and diversity of communication methods bring the problems of the world to even the most humble home with a speed and impact unimagined even a generation ago. The increasing wealth and urbanization of many societies have resulted in a reduced share of people with a direct economic interest in production forestry and have moved environmentalist opinions from the margins to the mainstream.

In the context of global forest decline and environmental concerns, Albania's forests are of great importance for the country itself, the Mediterranean basin, and the rest of Europe. All major importers of Albanian timber and other forest products are member countries of the European Union (EU). About 10 percent of forest land in Albania (FAO 1992) are old-growth, virgin temperate forests, which have almost disappeared in the rest of Europe.

Albania is going through major transition from a state-controlled to a market economy. The economic reformation has led to widespread liberalization of prices, external trade, and domestic marketing, making Albania one of the most open economies among the countries in transition (World Bank 1996a). These changes have been positive for some segments of the economy, but the forestry sector is, so far, negatively affected by the transition. The decline of forest resources continues. As of July 1998, forest ownership, management, and administration were still in the hands of the state bureaucracy. Inefficiencies, price distortions, government fiscal austerity, rapid expansion of livestock, and illegal harvesting point to further deforestation.

As a result, environmental degradation is becoming increasingly acute, manifested especially in:

- Excessive soil erosion
- Poor water quality
- Loss of biodiversity
- Increased incidence of forest fires
- Unhealthy forests

The need for an innovative national forest policy comes from the concern that the current economic behavior is unacceptable. The forestry of Albania is a classic example of market and

government failures. The forest resources have been both overused and abused. Forest areas are suffering external damage and bearing the costs of pollution generated by agricultural and industrial activities. An information failure exists because of the government's inability to supervise and keep records of the forest resources. On the other hand, the long-term nature of forestry makes it necessary to establish a clear perspective into the future.

The institutional development taking place in Albania includes the reorganization of the public administration by decentralizing its institutional structure from the national to the prefecture level and shifting some responsibilities to communes. These changes will apply also to the forest sector. A political landscape characterized by a high degree of decentralization encourages independence, intellectual freedom, and responsiveness to local problems while precluding a singular and authoritarian style. Decentralization, however, tends to complicate communication and coordination. It often fosters duplication of efforts and can inhibit concerted discipline-wide initiatives. Achieving effective coordination and cooperation among institutions and organizations involved in forest policy will be important because of the variety of such establishments. Another drawback of pluralism is the possibility of making it difficult to attain a clear focus on problems and the establishment of discipline-wide strategies to address them. The bureaucratic solution to these problems is to impose regulations, so that the government becomes a major player. As regulations are currently resented in Albania, this study explores a variety of mechanisms that would facilitate a more efficient policy in decentralized, pluralistic environments. These issues are critical in determining the future of the regulatory and central planning agendas. Validating property rights will avert many regulatory initiatives in favor of simpler evaluate-plan-and-recommend programs. The restrictions on property rights are likely to reduce the desirability of owning and maintaining property with the attendant diminution of wealth.

In 1992, the FAO and United States Agency for International Development (USAID) began to show interest in Albanian forestry. Both organizations conducted comprehensive studies with the intent of investing in projects that support the transition of the forest sector to a market economy and reverse the widespread forest degradation. These studies stressed the urgency of the reforms and recommended measures for policy change (Ljungman et al. 1992 and

Ruzicka 1994). The results of these efforts were the Albania Forestry Project (AFP) undertaken by the World Bank (1996) and the Albania Private Forestry Development Program (APFDP) that USAID has contracted to Chemonics (1996). AFP has an estimated cost of \$21.6 million provided by various donors and investors. The main component of the project is the institutional reform that includes the reorganization and strengthening of the forest administration by decentralizing its structure, developing its managerial capacity, and introducing skills required for operating in a market economy environment. APFDP (a \$5.5 million pilot project), under its objective to increase rural household incomes in Albania, is helping in the formulation and implementation of policies supportive of market-oriented initiatives in the forest sector.

Further integration into EU structures with the goal of achieving full membership will also have an impact on forestry. Although EU has not included Albania in its Accession Partnerships program, its involvement in Albania is substantial.<sup>2</sup> The policies of EU will increasingly affect Albania through trade relations and because the country is trying to align its policies and legislation with those of EU. As Albania moves toward an active involvement in the international community, initiatives relevant to forestry need to be explored.

The Albanian government, overwhelmed by a series of political and economic crises, has still to show a strong commitment towards forestry. Forestry is often neglected in favor of the other “more important” responsibilities such as law and order, international relations, economic development, education, and health. The forest policy has been constrained by:

- Lack of consensus concerning the future development of the sector
- A weak institutional structure
- Lack of defined analytical and theoretical frameworks
- Poor data for supporting the decision-making process

There is still a shortage of information to support the development and debate of alternative strategies for developing an appropriate forest policy for Albania. The quest for knowledge

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<sup>2</sup> For information about relations between EU and Albania check <http://www.eurunion.org>



and understanding must be broad and deep. Research and publications of every nature (governmental, popular, or scientific) are needed. This, in turn, will involve more participants in the policy process, including private landowners, loggers, politicians, activists, and the general public.

This study makes Albania's public and private forest sector aware of issues and factors in their effort to develop market oriented and environmentally sound policies. It also identifies positions and policies that have outlived their usefulness and need to be abolished or redirected. Forestry issues in Albania are contrasted with those of other countries. Methods of implementing forest policy that appear appropriate for Albania are recommended.

### *Literature review*

Forest policy literature in Albania is relatively new. Before the collapse of the communist regime, the only writings about policy issues were those published by the Party of Labor<sup>3</sup> top officials. Foresters had to apply directives and perform their task according to the "Party's teachings." Forest policy was not considered a separate subject; instead, forest policy issues were incorporated into political agendas and technical publications.

Only after four decades of command policies, an official summary report on the forest sector in Albania delineated the main objectives of national forestry policy, its principles, institutional mechanisms, and forest management and utilization (FAO 1988). The fundamental principle of that policy was stated as "the management of the forest as a renewable natural resource." The main objective was "to bring the removal and the net growth to a balance by reducing felling and increasing the forest productivity." The development of the forestry sector was viewed as an integral part of the centrally planned system (Hummel and Hilmi 1989). Since changes in the political, judicial, and economic frameworks of the communist regime were not feasible, the

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<sup>3</sup> Party of Labor of Albania was the official name of the former communist party that ruled in Albania from 1945 to 1991.

means defined for achieving this objective were simply technical: more reforestation, more mechanization, and more substitute materials for wood.

Mentioning policy and organizational issues was avoided at the time when the country began to fall into a severe political and economic crisis. To implement this policy the government would have had to rely on the broad participation of “the workers of towns and villages in the expansion, improvement, and protection of the forests.” Currently, this document has become completely outdated, because of the significant changes that Albania has been through since the late eighties.

Villaeys (1990), one of the few foreign foresters who visited Albania before the collapse of the communist regime and wrote about it, described Albanian forestry, but barely mentioned forest policy issues. Surrounded by officials, who at the time, fearful of the regime, were unwilling to express their true opinions, he wrongly concluded that Albania was able to overcome its environmental problems by itself.

In his description of forestry and existing forest policy in Albania, Meta’s (1993) views represented those of the officials who resisted changes in forest policy. The article was written in a propagandistic style. Although the author claimed that the principal threats to Albania’s forest are biotic, he also mentioned that the decrease of forested area was due to conversion to arable land. The picture portrayed in the article is an idealized past: young people planting trees, holiday cabins for workers, and government-run forestry enterprises managing and harvesting the forests. In 1992, when it probably was written, the reality was quite different.

In contrast, other studies have expressed concern about the forests and the failures of the forest policies in Albania. Studies conducted about Albanian forestry during the period 1992-1996 by FAO, World Bank, and USAID have produced different kind of reviews, plans, reports and studies that are now part of the documentation for the ongoing projects.<sup>4</sup> Using this documentation, Ruzicka (1994), in an USAID working paper, interpreted the information, described key features and a brief evaluation of the Albanian forest sector and discussed

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<sup>4</sup> Most of these documents are cited in References.”

options for forest policy questions with the aim of exploring the desirability of the involvement of USAID in the development of Albanian private forestry.

A short description of the forest policy, legislation, and institution can be found in Albania Forest and Forest Product Country Profile (Çarçani 1994). This document contains also valuable statistical data with series that go back to 1970. While recognizing the difficulties and shortcomings, the author was hopeful that the Forest Law of 1992 could be implemented and thereby reestablish the control of the government over the forest resource. State foresters would then determine harvesting quotas and guide the use of the forests based on technical criteria.

In his article about the forest situation in Albania, Pignati (1995) expressed concern that the diversity of the forests composed of natural relict species may be lost through unsustainable cutting and grazing as forests are neglected and control structures are deficient. He advocated “ecotourism” as an economic alternative capable of protecting the environment.

The shortcomings of the “socialist era” and challenges facing Albanian forestry as it seeks to ensure sustainable forest management were discussed by Naka et al. (1995). A new strategy of the planning process was recognized to be indispensable to the complicated, integrated approach to forest conservation. Other major points were the importance of identifying the needs of the forest sector, the necessity to support the new emerging private forest industry, the reform of the forestry institutions, and the development of household energy sources alternative to fuelwood.

### *Objectives and output*

This study will provide a basis for the discussion of the Albanian forest policy and policies in other sectors related to forestry. It is intended for use by people in Albania, especially key policy makers, officials, scientists, and faculty, respectively, at DGFP, Forest and Pasture Research Institute, Tirana (FPRI), Faculty of Forestry at the Agricultural University of Tirana (AUT), international organizations such as the World Bank and USAID, and environmental Non-Governmental Organizations (NGOs). The objectives of this study are to:

1. Determine and describe factors and issues crucial in formulating Albanian forest policy,
2. Prioritize methods of implementing forest policy that appear appropriate in Albania, and
3. Suggest forest policies and operating guidelines suitable for Albania.

The following steps will be taken for disseminating results of this study:

- Dissertation submitted at the Graduate School of Virginia Polytechnic Institute and State University (Virginia Tech)
- European Forest Institute, Joensuu, Finland (EFI) working papers and research report
- At least one article accepted in a major forest journal such as *Journal of Forestry*, *Sustainable Forestry*, *Unasylva*, or *Forest Products Journal*
- An article in *Buletini i shkencave bujqësore*, the leading agricultural journal in Albania (in Albanian)
- A booklet published by the Albanian Ministry of Agriculture and Food publishing house (in Albanian)
- Copies of the dissertation submitted at DGFP, the World Bank, USAID, and the libraries of AUT and FPRI

No major risks to the validity of the study are foreseen for the near future. The Albanian political situation, which in the spring of 1997 culminated into an armed uprising, is back to normal. However, the situation at the northeastern border region is deteriorating rapidly. As of June 1998, the number of refugees coming from Kosova because of armed confrontations was estimated at 13,000 (Radio Deutsche Welle 17 June 1998). It is impossible to predict future developments.

Plans are to expand this project to address similar forest policy issues of southern European countries in transition. The second stage is to be a joint effort of researchers from Albania, Bulgaria, Romania, and the republics of ex-Yugoslavia<sup>5</sup>. Despite cultural differences, there is a

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<sup>5</sup> The proposal sent to EFI for supporting international travel for this study contains some initial information about the multi-country effort, which is under preparation.

striking similarity in political and economic development of these countries, especially between Albania, Bulgaria, and Romania. Historically, they were all part of the Turkish Empire and after the war established very centralized, planned economies. Currently, they have moved towards a free market economy, which has been much more difficult because of historical and geographic factors than it was for the countries of central Europe. These changes are greatly affecting the forestry of southern European countries in transition. Economic problems are linked with nationalistic and political conflicts. There is a need for creative national forest policies to promote cooperation among these countries.

## CHAPTER 2: METHODOLOGY

The methodology used to study forest policy in Albania is set from the perspective of the *process* by which policies are developed, implemented, and evaluated; the *participants* in this process; and the *policies* that result from the interaction between process and participants (Ellefson 1992). The main advantage of this methodology is its applicability and validity in case of changes in the process, participants, and policies.

### *Theoretical approach*

The existing literature on Albanian forest policy has mainly described the historical development of forestry, current policies and programs, or controversial issues faced in the past or currently being debated. At the present stage, a different methodology is needed by which issues can be assessed and appropriate policies developed and implemented. While using historical and descriptive backgrounds as essential elements of the research, we have relied primarily on the *process approach* of the policy analysis to examine the Albanian forest policy process.

Analysis of the policy process was first used in the public policy domain (see Anderson 1984, Jones 1977, and Van Horn et al. 1989). The method was recommended, adopted and used in forest policy studies by several authors. Husch (1987) relied on the analytical approach in the compilation of the guidelines for forest policy formulation. Cabbage et al. (1993), depicting forest resource policies in the United States, used this approach to examine how issues arise, how political decisions are made, how legislative, executive, or judicial system operate, and how interest groups influence these policies. A more complete discussion of the process approach in forest policy was presented by Ellefson (1992), who focused on the policy process, on the participants who trigger and energize the process, and on major US forest policy initiatives which have resulted from the interaction of process and participants.

The process approach views the policy process as a sequence of the following simplified events that in total constitute the process: problem configuration → agenda setting → formulation → selection → legitimization → implementation → evaluation → termination, resolution or new agenda setting (adopted from Anderson 1984 and Ellefson 1992). Yet, this perspective is an abstraction of reality. The above events are seldom discrete, they need not be performed in the above order, and some may not occur at all. The dynamics of the policy process can be so complex that it is difficult trying to distinguish between two seemingly separate stages such as formulation and implementation because often both occur simultaneously. On the other hand, treating policy as a process provides a logical framework for development of an appreciation of how forest resource issues come into existence, how and why they work or do not work, and how they are revised or terminated. Moreover, the analytical approach provides a foundation for analyzing and dealing with new issues, which is lacking in other approaches such as historical, descriptive, and institutional (Cubbage et al. 1993).

This study is based on the following hypotheses about the situation of forestry in Albania:

1. The forest resource is declining rapidly as the result of the current policy situation;
2. The country needs a comprehensive forest policy;
3. Policies already in place have not been properly enforced; and
4. Most of the issues that impact the forest sector originally pertained to other related sectors.

Through the examination of the relevant information, this study identifies the social and political factors leading to the decline of the forest resource. Then, using the process approach of the policy analysis, it assesses the barriers and incentives that impede or distort the intended effect of the current policy implementation. Third, it suggests new policies and/or changes appropriate for the current stage of transition and future with a focus on promoting Albanian forestry and its forest industry to attract investments.

The focus is on formulation of forest policy, the evaluation of the current forest law, the role of the statute in the policy process, and guidelines in the preparation of the laws. However, the enactment of laws alone cannot ensure the success of a policy. Special consideration is given

to the implementation part of the process, especially interpretation, organization, and application; tools (regulations, incentives, taxation) and opportunities/constraints affecting policy implementation; priorities and suggestions for successful implementation. Finally, the topic of evaluation is addressed: its concept, intention, possible analytical techniques and standards of performance, role and expectations of participants and analysts, and major obstacles to an effective evaluation.

Proposals and conclusions follow the analysis. Proposals call for changes in existing policies to allow the transfer of some state land to private and communal ownership, the expansion of the national parks to include more old-growth forests, and the adoption of concessionaires for the management of the state forests. Included are other policy proposals, such as a massive reforestation effort, promotion of community-oriented forest management, and forest certification.

A strong national government is the most successful institution in implementing a policy, but not necessarily the most efficient. A government-will-solve-problem policy tends to be costly, and it often fails to promote the long-term solutions that most forestry problems require.

Facing harsh political and financial constraints, the government of Albania has recognized that the partnership with private initiatives and NGOs is more effective for achieving a sustainable development of forests (see Chemonics 1996 and Bego 1997). This is one option for the forest industry to enhance its ability to influence forest policies. In contrast, in the United States, government policies, such as antitrust laws, some environmental regulations, and other enforcement laws have put the government and the industry in different camps. Another option is through trade associations, organizations, and the like. An active involvement of the foresters and the forest industry in the political arena is vital for the whole of forestry. Otherwise, someone else will fill the void in the policy.

Marketplaces are one of the most effective and efficient instruments for determining the success of policy implementation. However, when welfare maximization conditions are not met, market failures are likely to occur (Klemperer 1996). Currently, the most important condition, *property rights enforcement* in forest resources, is inadequate. In the beginning of



the 1990s the problem turned into a crisis. Because of the political upheavals, the government has been unable to impose its authority in protecting the forests. The problem will exist unless measures are taken to define property rights. Another unmet condition worth mentioning is *imperfect market information*. The available information on inputs, prices, quantities, buyers, sellers, and credit mechanisms is not always easily accessible, and in most instances out-of-date, in which case new research or surveys will be necessary to support policy making.

### *Empirical data*

The broadest possible spectrum of evidence was used, to avoid conducting a restricted investigation or predetermining the outcome. Data collection was qualitative for the most part. All efforts were concentrated toward use of solid facts in the survey of the literature, documentation, and the key participants. Methods of data collection were:

1. Review of relevant documentation
2. Interviews and meetings, and
3. Review of cases and examples from selected countries.

#### **Review of documentation** Sources of documentation included:

- Publications of the Albanian government such as the Official Gazette, reports, administrative documents and publications of Ministry of Agriculture and Food, DGFP, FPRI, National Environmental Agency, Faculty of Forestry at AUT, and other governmental institutions.
- Reports, proposals, description of projects of international organizations and donors and companies contracted in these projects such as the Food and Agriculture Organization of the United Nations (FAO), the World Bank, USAID, and Chemonics International Inc., Washington, DC.
- News articles, papers, and programs appearing in the mass and scientific media.
- Publications from the Regional Environmental Center for Central and Southern Europe (REC), Budapest.
- Albanian-related pages on the Internet such as Albanian Daily News and Albanews.

We reviewed the documents keeping in mind that they were written for some specific purpose and some specific audience other than those of this study. As a result, the likelihood of the critical interpretation of the contents of documentary evidence increased (see Yin 1994).

**Format of interviews** The sampling of the interviewees was *purposive* with a sample size of about 30 people. Most of the data were gathered during trips to Albania, Finland, Hungary, the Czech Republic, and Italy through face-to-face interviews, personal contacts, documentation gathering, and direct observations. Other forms of communications include phone calls, personal letters, and electronic mail messages. Interviews were conducted with representatives of the institutions involved in Albanian forestry during the following events:

- The first exploratory interviews were conducted during a trip to Albania in January 1994. DGFP officials K. Malaj (the current Director General), N. Dragoti (Head of Wildlife Department), and J. Male (forest engineer at the State Forest Enterprise of Librazhd) were interviewed.
- In September 1996 a face-to-face interview was conducted in Columbus, Ohio with P. Çarçani (former Director of FPRI). Contacts with him followed by phone calls, electronic mail messages, and personal letters.
- In October 1996, we met a team from DGFP visiting Maryland. Interviewees included F. Hoxha (the former Director General), Zh. Prifti (Head of the Foreign Relations), K. Selimi (advisor to the Minister of Agriculture), and A. Postoli (the former Dean of Faculty of Forestry at AUT).
- Meetings in Blacksburg, Virginia in January 1997 with two visiting professors from AUT: P. Rama (the former Rector of AUT) and A. Civici (the Dean of the Faculty of Agriculture).

Interviews were also conducted with people from international organizations and companies involved in Albanian forestry during the following events:

- Meetings with forestry FAO officials in Rome in September 1997, including L. Ljungman (Director of Forest Policy and Planning Division), who has been the

leader of several teams helping the Albanian government to prepare AFP financed by the World Bank.

- Several meetings in Washington, DC with World Bank officials F. Wencélius, K. Funk, and P. Brylski.
- Several meetings in Washington, DC and Blacksburg, Virginia with people working in APFDP including L. Lind (USAID) and L. Nielson and D. Gibson (Chemonics International Inc.).
- Panel discussions and talks in Prague with J. Lohmann, coordinator of the GTZ project which is supporting the restructuring of AUT.

Most of the interviews were of an *open-ended* nature, i.e., the respondents were asked for the facts as well as their opinion about the events. During the interviews, every effort was made to preserve neutrality, i.e., not influencing the response or opinions expressed by the subject.

According to Babbie (1992), neutrality should be the essential characteristic of the interviewer.

Questions focused on issues such as the role of participants in the forest policy process, factors that affect this process, changes in forest legislation, institutional reform, and changes in forest land tenure. The data obtained were organized using a conceptually clustered matrix (Miles and Huberman 1984). The columns in the matrix brought together items with conceptual coherence. Comprehending the core of the issues was an adamant goal. Assumptions, speculations, self-serving explanations, and pseudointerests were carefully scrutinized: was a person/group really interested/committed to the issue or was he/she/it using it as a vehicle to promote another agenda?

Participation in international forestry events held in Finland, Hungary, and the Czech Republic were good opportunities for meeting people from EFI, Central European University, Budapest, and forestry officials from other countries in transition. These meetings and the review of an extensive literature on forest policy were helpful to expand our knowledge while contrasting forest policies of other countries with that of Albania. Usually, Albanian government officials do not welcome comparisons and suggestions based on examples from developing countries. As other former command economies in Eastern Europe and the Soviet Union, Albania has

been part of the developed world. Albanians are proud to be part of Europe and are aspiring to be included in NATO and EU soon. However, some of the problems Albania is facing now are similar to those found in many developing countries. Their approaches may be applicable and successful in Albania.

**Review of cases from other countries** Cases and examples from the selected countries are used throughout this study to gain a better understanding of systems/processes important to the establishment of forest policies, to learn from their successes and failures, and to support the results of the analysis. Criteria for selection of the countries were:

- Prominence of production forestry sector
- Social and political characteristics
- Economic development
- Cultural affinity

### *Characteristics of forest policy*

The following special characteristics of forest policies and the policy-making process (identified by Ellefson and Spurr 1977) were considered when conducting the study:

1. *Complexity and disorderliness of the policy-making process.* Forest policies are the end products of political processes. After all, political processes are molded by political institutions and/or organizations—which are many and quite variable in importance and impact. During the course of their development, forest policies find their way through complex political processes and are subject to seemingly random sets of social forces which enter their development. This study generalizes about the policy-making process that ultimately leads to the establishment of forest policies.
2. *Incremental development of forest policies.* Drastic changes in forest policies are the exception rather than the rule. Major changes from previously agreed to forest policy are seldom seriously considered as alternate means of achieving forestry goals. There are two main reasons. First, forest policies that are politically feasible are usually only

marginally different from existing policies because the political support for them is relatively easy to secure. Second, retreat from policies that are only slightly different from existing policies is usually less costly to the society. Keeping in mind the incremental manner in which policy is developed has consequences for policy research because it reduces the number and the complexity of the factors and consequently the number of policy alternatives to be considered by the researcher. While this may be true, this study deliberates policies that represent more than just incremental adjustments to the existing policy.

3. *Diversity of selection criteria.* Selection of a forest policy and the process through which it is developed involves the use of criteria. The major expectation, when adapting a preferred policy, is to achieve and maintain sustainable forestry. On the other hand, there are different views that try to define sustainable forestry, such as the philosophical view, the biological view, the policy view, and the economic view. Since forest policies evolve from such diversity, so too, can there be a similar diversity of criteria used to select from among many alternate forest policy choices. A set of criteria that are clear, consistent, and generally applicable needs to be developed because this will be useful in the selection process. Policies must also be meritorious in terms of technical feasibility, ecological integrity, economic efficiency, and distributional equity.
  
4. *Uncertainty over the goals of forest policies.* The goals, to which forest policies are addressed, are usually vague, often obscure, and quite unclear. This is often the result of the process by which goals and policies are adopted. Political reality implies that it is often necessary to appeal to a variety of groups with quite dissimilar values if the necessary support needed to secure adoption of a policy is to be attained. Yet, a very general policy, while easy to adopt, is difficult to implement. For policy research, focusing on the effectiveness of forest policy, vague and unclear goals are special burdens.

5. *Fragmented and inconsistent forest policies.* A fully integrated and highly consistent set of forest policies is the exception rather than the rule. Developed in response to often randomly occurring new issues, public and private forest policies may be fragmented and often display lack of consistency between and within organizations. They may be a void of the needed harmony with previously established policies. Most of these disparities stem from differences in the goals and objectives of various stakeholders of the policy.
6. *Uncertainty of implementation.* The successful implementation of forest policies is dependent on a number of conditions which are easy to define but difficult to accomplish: vague and general goals must be specified in operational terms, action programs must be designed and responsibility for their action assigned, and sufficient resources must be allocated to support the actual accomplishment of policy intent.

Forest policy in Albania has not been compatible with policies in other sectors of the economy characterized by mass privatization and liberalization. Using the example of the state-owned forest in the most developed countries as justification, top officials of the DGFP were resolute in their decision to retain the existing forest policy (see Meta 1993). At the present stage, the strains have become obvious. The pressure from the livestock sector and new emerging private timber harvesting and processing industries on the remaining forest resource has prompted the government to ask for international help to undertake changes in the forest policies through institutional reform and investments (see World Bank 1994).

### *Categorization of participants*

The analytical approach also encourages discovering the reasoning behind the actions of the participants (from Ellefson 1992). Special attention was devoted to describing and understanding the participants involved in the development of Albanian forest resource policies. This is important because the dissatisfaction with the implementation pace of certain forest policies has much to do with the manner in which both public and private agencies are organized. The participants include:

- **Government: legislature, judiciary and administration** The legislature is the major source of policies. This study identifies the structures relevant to forest policies process, the information flow through these structures, the role they play in each step of the process, and their effectiveness. As the country moves toward a market economy, the judiciary will have an increasing impact on the course of forestry. The judicial structure and its role in the forest policy process are analyzed. A brief description of the problems that the government administration is currently facing is also included.
- **Forest administration** Administrative systems are the means by which most forest policies are implemented. The study concentrates on the role of the public forestry administration in the forest policy system, particularly in the effect of policy on management, in the layout of management structures, and in formulation and revision of policy. Attention is devoted to the structures of the administration in terms of functions, effectiveness, personnel, and departments and prospects for improvement that will facilitate policy formation and implementation.
- **Research and education institutions** Although forestry research and education institutions in Albania are primarily engaged in research pertaining to management and use of the forest resources, they also contribute in policy development and implementation. The study discusses the responsibilities, structures, and constraints of these institutions and explores alternatives for the establishment of a forest extension service in Albania.
- **Private sector** The communist ideology and poor democratic traditions have fostered a mentality of dependence on intervention by others (successful relatives and friends, government, international donors) to solve problems. This attitude is changing as more people get involved in private initiatives. The main advantage of private management is its efficiency. In Italy, forest management costs for private forests are five times lower than for state forests (Merlo and Paveri 1997). The recommendations in this study are based on the belief that the most effective policy to increase the involvement

of private initiative in forest management is the transfer (through usufruct or change of ownership or use) of some portion of forest land to private businesses.

- **Non-governmental organizations** Special-interest groups, political organizations, and NGOs are now part of the Albanian political scene. The study investigates and categorizes some of the most prominent groups, their agendas, functions, power and influence, strategies and tactics, interests, and the need for the forestry profession to get organized.
- **Media** Mass media are used by all participants to publicize their views and try to convince the public and government official of the validity and correctness of their positions. In addition, the media are also participants in the sense that the owners/editors have their personal views that can be pushed effectively because they control the channels of communications. The study examines roles and effectiveness of different types of the media and how they can affect forest policy.

### *Factors and constraints*

Following are some important factors that constitute the environment in which the participants act. Other factors are examined during the analysis of the implementation stage of the forest policy process and policies in related sectors.

**Ecological factors** Clawson (1975, p. 18) stated, “There is no real sense in talking about a forest policy that is not physically and biologically feasible.” However, in practice things are not so clear. Opening up new arable land on poor sites and reforestation with unsuitable species are examples of failed policies. It is helpful early in any debate over forest policy to outline the relevant issues of ecological feasibility and consequences, to get as much agreement about the facts as the disputants are prepared to accept.



**Economic factors** The study reviews factors that have the most effect on forestry and shows how economic resources and conditions affect the implementation of forest policies. Some of these factors are:

- Economic prosperity and diversity
- Fiscal policy
- Interaction with the rest of economy: transfer of labor and capital
- Domestic marketing and pricing: methods of timber sales and floor prices, access to and sale of non-wood products
- External trade: prices, tariffs, bans, export quotas, and license requirements
- Budgeting and fiscal investment for the forest sector

**Land tenure** Type of land ownership and tenure are critical for the implementation of the forest policy during the present time of transition. The transfer of forest land in Albania has just begun. Expecting the emergence of new interactions, the study explores and proposes conventional and innovative tenure arrangements such as privatization and forest management concessions.

**Social and cultural characteristics** All the conclusions were derived by taking into account social and cultural influence on forest policy. Despite the diversity in religion (Christian and Muslim), ethnic groups (Geg and Tosk), attitude, and way of life, Albanians view themselves as a people united by the same language. Traditionally, the economic base of the Albanian society, as in other Balkans highlands, was the extended patriarchal family, held together by common kinship, ownership, and security. This legacy is the base of nepotism and parochialism of today. Another cultural factor is the general attitude of Albanians towards the forest as an open resource. Both the Albanian government and the public are not fully aware of the importance of the forests in environmental protection and economic development. Besides this general picture, forest policy makers and implementors should also take into account the considerable diversity that exist at the regional level when targeting policies to various prefectures, districts, or communes.

### *Models of analysis*

The approach we chose to analyze policy formulation in Albania can be described as *rational-comprehensive* because it is based on the assumption that policy makers will make decisions based on the rational assessment of costs and benefits. The main advantage of the rational-comprehensive model is its capability to provide a guide in the attempt to design a more rational public policy.<sup>6</sup> Other models such as the *incremental model* and the *system model* were considered less appropriate: the first is useful in explaining minor changes in policy and the second works well at federal levels.

Our formulation analysis focuses on three main areas of policy formulation: choice of objectives, suggestions for policy formulation, and evaluation of major policy tools that are used or may be used in Albanian forestry. Special attention is devoted to objectives as the milestone component of a national forest policy. The choice of the objectives depends on the issues with an impact on forestry. Setting priorities for the objectives will be influenced by the importance and magnitude of the benefits expected to be obtained by realizing the objective and the implications for other objectives in the forest or related sectors. Yet, the quantifiable estimate of the benefits of achieving many objectives is not feasible or may be insufficient at this time to permit an objective decision. In this case, objectives may be grouped into priority classes, ranked using the criteria (adopted from Husch 1987) presented in Table 2-1.

As expected, the possibility for changes, modifications, or even elimination of objectives is greater in the low-priority class. For the next planning periods only incremental modifications are to be expected for the high-priority objectives, unless major developments have occurred in the society that make radical changes necessary.

Next, the study examines functions, nature, and deficiencies of the current forest legislation. It also provides suggestions for the preparation of new legislation and a successful outcome. The evaluation of forest policy tools is based on the framework used by Merlo and Paveri (1997). The table presented (Table 6-1 in Chapter 6) is by no means exhaustive. The main purpose is

to demonstrate that there is a wide range of other choices besides punitive measures that dominate the current forest legislation in Albania.

**Table 2-1. Priority classes for forest policy objectives**

Priority class	Description	Importance	Implementation	Urgency
I. Maximum	Essential Serious deficiency if not specified and achieved	Significant contribution to the economy	Possible with available resources	Urgent or immediate attention
II. Medium	Desirable No immediate difficulty if not achieved in the planning period	Important to the forestry and related sectors	May require additional resources	Important in the future
III. Low	Desirable, but can be pursued by other agencies	Limited importance in general	Would require indefinite resources	Could be postponed

We chose a model classified as a “top-down” approach to provide a framework for the discussion of forest policy implementation in Albania. The “top-down” approach was considered more appropriate than the “bottom-up” alternative<sup>7</sup> because:

- It is a case of a dominant public program—the Albanian forest policy.
- A single public agency-DGFP-clearly dominates the field.
- The theoretical development of the “top-down” approach makes it possible to predict outcomes through the identification of specific variables and causal relationships.

The model, developed by Mazmanian and Sabatier (1983), contains the most comprehensive list of factors thought to affect the success of implementing a program. The model categorizes

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<sup>6</sup> See Lester and Stuart (1996) for a description of models developed to explain public policy formulation.

<sup>7</sup> See Sabatier (1996) for a description and comparison of “top-down” and “bottom-up” approaches used in implementation research.

these factors or variables in three categories: (i) the tractability of the problem, (ii) the ability of the statute to structure implementation, and (iii) nonstatutory variables that affect implementation. These variables are in turn related to stages of the implementation process. These stages include the policy outputs of the implementing agency, the compliance of target groups, the actual impacts of policy outputs, the perceived impacts by sovereigns and constituency groups, and major revisions in the statute. By using the Mazmanian-Sabatier model as a framework, this study tries to increase chances of success of current and future policies, projects or programs. It does not attempt to test the model or analyze the AFP or APFDP, which are sometimes used as examples.

The conflict caused by objectives and other policy issues is analyzed by conflict management and resolution methods (Burton and Dukes 1990). While searching for conflicts and inconsistencies in Albanian forest policy, the study explores the nature of the conflicts and their principal sources and suggests helpful attitudes for framing, managing, minimizing and resolving conflicts between the forest sector and other users.

It is the first time that the process approach to the forest policy analysis in a country other than the United States. Also, this study is the first to use the Mazmanian-Sabatier model in the area of forest policy implementation. Since the theoretical framework is general, the methodology of the study can easily be replicated in other countries. The desired outcomes of the proposed recommendations are community stability, preservation of the wealth of the society, and a minimum impact on environment. The policy process is dynamic. The main issues mentioned above will change in time with future conditions and issues different from today. Albania is undergoing a rapid transformation; therefore, policies must be flexible to permit their evolution according to changes in the policy environment and to future issues. This study is just one snapshot of the never-ending forest policy process.

## CHAPTER 3: ALBANIA AND ITS FORESTS

The purpose of this chapter is to present some information pertinent to Albania's forest resources and their importance to the country's environment, economy, and recreation. It also provides a general view of the economic and social situation of the country that will serve as a background to clarify the analysis and recommendations of the next chapters.

### *The forest resource*

The extent of forest land in Albania is 104 million ha or 38 percent of country's land area. Forest types are diverse because of local weather patterns and ecological and topographic conditions as well as millennia of anthropogenic influences. Despite differences in vegetation, habitat types, and human usage, Albanian forests also have some common features. Most of these ecosystems are particularly fragile, unstable, and unsustainable because of the interaction of natural factors (steepness, summer droughts, and torrential rains) and social forces (fire, grazing, and overcutting). Considering specific climate and vegetation criteria, naturalists have identified five phyto-climatic zones in Albania, which range from the maquis in the coast to alpine grasslands at the elevations above 2000 m.<sup>8</sup>

About 85 percent of the total forest area is covered by broad-leaved species and the rest by conifers. The most prevalent species are European beech (*Fagus sylvatica* L.), oaks (*Quercus cerris* L., *Q. frainetto* Ten, *Q. robur* L., *Q. macrolepis* Kotschy), pines (*Pinus nigra* Arnold, *P. pinaster* Aiton, *P. pinea* L.), firs (*Abies alba* Mill. and *A. borisii-regis* Mattf.), and poplars (*Populus tremula* L., *P. nigra* L., *P. alba* L., and many cultivated poplar hybrids). Less prevalent but important are sweet chestnut (*Castanea sativa* Mill.), common walnut (*Juglans regia* L.), maples (*Acer* spp.), ashes (*Fraxinus* spp.), hornbeams (*Carpinus* spp.), and black locust (*Robinia pseudoacacia* L.). The average standing volume is 78.8 m<sup>3</sup>/ha and the net

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<sup>8</sup> For details see Treska and Xheko (1982).

annual increment is 1.4 m<sup>3</sup>/ha (Çarçani 1994), considerably lower than the respective European average of 128 m<sup>3</sup>/ha and 2.5 m<sup>3</sup>/ha. The reason for the low density of many stands is human abuse. By contrast, the potential of the sites is much higher: in the well-stocked Austrian pine stands the volume can reach 500 m<sup>3</sup>/ha and in climax European beech stands it can reach even 1000 m<sup>3</sup>/ha. (Çarçani, personal e-mail, 21 June 1997)

According to 1991 statistics, the total standing timber inventory in Albania is approximately 81 million cubic meters. Of this inventory, 50 million cubic meters is timber and the rest fuelwood. About 910,000 ha are production forests, with a total standing inventory of 72 million cubic meters and a long-term sustained yield of about 1.5 million cubic meters per year. Nearly 480,000 ha of the production forests are seeded stands (beech, pine, fir, and other minor species), with a total standing volume of 63 million cubic meters. Almost 300,000 ha are coppices (mostly oak forests), with a total standing volume of 11 million cubic meters. The remainder is composed of watershed protection forests, national parks, and “hunting reserves.” Generally, the forests in Albania are regenerated naturally. Most of the forests have a mixed age composition, containing even, uneven, and all-age stands. Age distribution of productive forests has an excess of young stands coming from harvesting regeneration and an excess of old-growth stands from inaccessible forests.<sup>9</sup>

Non-timber forest products (NTFPs) are exported or used by home industries to generate revenues, but very little is done to stimulate their renewal. These products include charcoal, tar, pine resin, valonia acorn cups, willow shoots, heather roots, linden flowers, juniper berries, sumac leaves, pine needles and the flowers, leaves, bark, seeds, and fruits of many other medicinal and aromatic plants.

Albania has diverse wildlife. Valuable habitats such as natural forests, grassland, and water bodies are found in relatively undisturbed areas such as national forest parks, hunting reserves, and remote forests. The total area of the 11 national parks is 25,860 ha or 0.8 percent of the country total area (Bego 1997), too small to ensure effective protection of

the ecosystem and the genetic pool of the wildlife species. The so-called “hunting reserves” are species and habitat management areas set aside for wildlife protection and breeding of game fowl. Hunting is either prohibited (category A) or restricted (category B). There are 26 such areas totaling to 42,920 ha (ibid.). Some of the more well-known animals found in Albanian forests and pastures are hare, boar, deer, wolf, fox, bear, chamois, partridge, quail, pheasant, duck, and goose. Wildlife in Albania, including that in the protected areas, is affected by habitat loss and disturbance. Forested habitat area is fragmented by scattered villages and farms. Serious disturbances come from uncontrolled logging, grazing and collection of firewood, fodder, and medicinal plants. Hunting is another activity traditionally important for the forest sector, but the law on wildlife and hunting is not currently being enforced. Game populations have declined considerably because of widespread illegal hunting.

### *Silviculture, forest management, and utilization*

Application of scientific silvicultural methods has greatly influenced the timber harvesting process, in spite of the negative impacts of the command economy and inadequate investments. Whenever possible, the harvest cutting methods have been compatible with forest type, age and density. The combination of natural reproduction and reforestation has helped to alleviate the decrease in national net timber growth caused by excessive harvesting quotas. The most common technique for seeded stands is the shelterwood system in two or three stages. The coppice system is typical in oak forest types. Thinning, selective cutting, and clearcutting are less common. Shelterwood cuttings have been especially effective when combined with proper logging methods and equipment. Natural regeneration is well-established on 80 percent of the area in stands where the shelterwood system was applied

In Albania, reforestation has proceeded alongside deforestation. Conifers are preferred because of industry’s demand for softwood. The expectation from these forests is a higher

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<sup>9</sup> This information was courtesy of M. Kotro, the Dean of the Faculty of Forestry, AUT and F. Liqj, former Director of the Pasture Research and Projects Central Station, FushëKrujë

productivity (from higher growth and shorter rotations), greater uniformity of timber, and higher grade logs. Another objective of reforestation is to protect the soil from erosion, primarily around the banks of reservoirs. Most planting is done with indigenous species such as Austrian pine, black locust, and poplars, but some exotic species such as Douglas fir (*Pseudotsuga menziesii* L.) are also used.

Forest management is regarded as one of the most important components of forestry practice. It is the FPRI's responsibility to organize the process for the forest area of the country. Nearly all the seeded forest area is "covered" with management plans updated every 10 years to reflect new developments and new goals. These plans are based on the field data obtained from periodic forest inventories. Plans include details about methods of cutting and reproduction, sustained yield of timber, stand improvement techniques, forest regeneration, forest protection, and many other technical issues. For the coppice stands, planning consists only of periodic inventories. In the past years, this activity has come to a standstill, and the existing inventories need to be updated to include the recent changes in the forests.

Traditional management regulation techniques are still used. These methods, adopted during the period when timber prices were artificially determined by the government, employ inventory, volume, and growth as decision guides and generally ignore economic considerations. Efforts to introduce modern forest management planning that addresses explicit objectives and constraints were shunned by executive officials as unnecessary. Procedures such as linear programming and graph theory, though well-known in other scientific fields, are not yet used in forestry, due, in part, to the lack of adequate growth and yield equations to generate data for the matrices required by these procedures.

Forest protection from fires and pests has been inadequate (Kotro and Naka 1993, World Bank 1996a). The fire protection squads are poorly organized, equipped, and trained. The number of fires is increasing, reaching 564 (992 ha) in 1992, a very sharp rise compared to the average 94 (174 ha) of the 12 previous years (Çarçani 1994). Almost all are human-caused, either by negligence or arson. The most important pest is the processionary moth (*Thaumetopea pityocampa* Schiff), which has affected more than 50,000 ha of pine stands (Meta 1993).



Control measures include physical, mechanical, and chemical methods. The chemical method was used widely in the 1980's but declined after that as a result of the lack of pesticides.

Timber harvesting and fuelwood production are important economic activities of the forest sector. After the collapse of the state-owned forest harvesting enterprises, new private enterprises emerged from their ruins. The most common system is cut-to-length logging. Recently, tree-length systems have become more common. Logging operations are carried out in the following manner:

- Felling, limbing and bucking are accomplished with chain saws or axes, depending upon the size of the timber.
- Skidding of the logs or tree lengths is accomplished with tractors and skyline yarders. Horses and mules are used in fuelwood operations.
- Multipurpose tandem trucks are used for hauling.

Currently, the operations tend to be quite labor-intensive, because of lack of mechanized equipment, especially for skidding. The road system in industrial forests is in poor condition, and road density is about 5m/ha because of the difficult terrain and lack of road building equipment. About 11 percent of national standing timber inventory is located in remote old-growth stands and still inaccessible because of the absence of roads (World Bank 1994). The current rate of illegal felling, attributable to a scanty state control, rural poverty, fuel and forage shortage, as well as quick profits by exporting timber to Western markets, is a major concern.

The main wood consumers in Albania are the wood-processing industry, fuelwood production, and the construction industry. The existing equipment in the wood-processing and paper industries is outdated and inefficient by world standards. These industries were protected from international competition in the past. Some wood-processing plants are closed down and others are running at a reduced capacity because of lack of competitiveness, loss of markets, long hauling distances, environmental concerns, and failure to attract investment. The paper industry is virtually closed down and Albania has to rely on paper imports. Some facilities are bought by or have been established as joint ventures with Italian firms but, in general, investors, both domestic and foreign, are

reluctant to invest in such obsolete and polluting industries. Their place is being filled by small sawmills, which can more easily find labor and raw material.

Encouraging the export of processed or finished forest products instead of raw materials should be a priority in the formulation of forest and rural development policies. Domestic production of paper should be seriously considered, as demand for paper increases with personal income. New, modern, privately owned plants, financed by foreign and domestic capital, using domestic and imported raw material, and employing cheap but skilled local labor will be able to compete successfully in the European market.

Considerable reliance is placed on fuelwood for household energy demand, especially in rural areas. Although praised as a renewable resource, the current use of fuelwood is unsustainable and has put a strain on forest resources. Energy plantations are one way to relieve the pressure on natural forests. Better wood recovery can be achieved through green chipping and wood powder briquettes. The use of substitutes for wood energy should be further encouraged. The idea of building a pipeline to import natural gas from Russia has been around for some time. Hydroelectric power is also a good substitute, but the supply is not reliable because of the heavy load on the system caused by illegal consumption. Other alternative sources such as solar and wind energy should be explored. More efficiency in energy use and conservation should be encouraged in cooperation with other countries and the International Energy Agency. However, the most significant step in the energy sector, which is likely to increase the output and relieve some of the pressure on the forest, will be the relaxation of the state monopoly on the production of oil and hydroelectric power.

Construction, the most dynamic sector in the Albanian economy, is another consumer of wood. Construction experienced a tremendous growth because of chronic shortage of buildings and current urban migration after the government relinquished its control over the industry. Much of the capital has come from remittances sent by emigrants. Foreign investors are also attracted by the opportunities offered in the construction of hotels and highways. Consequently, demand for construction timber remains high. Construction also

affects forestry through use of forest land either legally or illegally for development. At present, most of the land used for development is arable. The emergence of a new affluent class is increasing the demand for construction in the forest land within commuting distance from urban centers. Forest regulations include provisions to ensure the preservation of the forest area, but they are not implemented (Çarçani, incorporated annotation, December 1998).

### *Forest legislation*

The legislative process in Albania has been hampered by ongoing disputes between the two main political parties, the Democratic and the Socialist. Although both parties claimed their support for a free market economy, they disagree, just for the sake of it, on nearly every political issue. Often, the party in opposition criticizes the government about legislation it was promoting when in government. Legislation concerning environment and forestry has not been the victim of political struggle, but delays of other legislation, including the country's constitution, have affected forestry indirectly.

In Albania, policy formation of the laws concerning environmental issues such as environmental protection, forestry, pastures, and wildlife has been straightforward and relatively simple. A short account about the formation of the current forest law can aid in understanding the process (as told by P. Çarçani, personal interview, 12 October 1996). The need for changes in forest legislation came as a reaction to the acceleration of forest destruction during and after the collapse of the communist regime. The Ministry of Agriculture and Food formally requested a new forest law. A team, with participants from DGFP, FPRI, the Juridical Sector of the Council of Ministers, and a lawyer from FAO, drafted the law and sent it to the government. The government endorsed the law and presented it the parliament. Some deputies asked for and obtained changes to provide more lenient punishment provisions to appeal to their constituencies. An exceptional unanimous approval showed that the parliamentarians were aware of the problems in forestry and agreed that "something should be done." Foreign analysts (Barresi 1994 and Ruzicka 1994) welcomed this law, despite some

shortcomings, as a transitional measure toward the goal of building a forest sector able to achieve its full potential.

The current Albanian forest law has four parts. Following are some highlights (as cited by Çarçani 1994 and Ruzicka 1994):

- The first part (articles 1-22) states the criteria for defining forest land and assigns agencies that can change forest boundaries. After nearly five decades of exclusive state ownership, the law also recognizes communal and private ownership. Land not covered with trees can also be included in forest land.
- The second part (articles 22-44) details the use of the forests according to their function: productive or protective. The law stipulates technical considerations on forest harvesting and regeneration. It requires that forest management and harvesting be based on technical plans approved by the DGFP. An entry fee is introduced for tourist and recreation use of protected areas.
- The third part (articles 45-62) deals with forest protection. A detailed list of regulation and prohibitions against grazing, forest fires, air pollution, erosion, and mining is included.
- The fourth part (articles 63-67) provides penalties for infringements. It established the Forest Service Police, assigned the enforcement of the law-including technical provisions (articles 54-65).

The attempt to define forest land is a remainder of the old forest law and all-state ownership period, when the process of passing land from one state enterprise or collective farm to another was irrelevant. Then, the use of the land was the criterion of jurisdiction; i.e., forest land was under the jurisdiction of DGFP. Today, after all these years of activity, the forest land base is known and forest state enterprises have a complete record of their boundaries. Maintaining definition criteria for forest land may open the way to challenges of the existing boundaries by people who want to use the land for other purposes. It also adds uncertainty about newly established plantations on non-forest land, which might be put under DGFP supervision, because the law authorizes forest authorities to retain some degree of control over all tree-covered land, regardless of ownership. The law does not recognize the differing needs and

interests of private and state forestry and the need to vary the regulatory role played by the state forestry authorities for each type of forest in accordance with those needs and interests. It allows private forestry to develop only to a certain point because policy makers believed that private owners cannot yet be relied on to manage forests sustainably.

Forest legislation in Albania needs to be changed to fit the current judicial and institutional framework. In particular the role of the state in the forest sector, as controlling authority, forest manager, protector of biodiversity, and provider of rural employment, needs to be redefined. Another drawback of the law is the absence of any provision for the transfer of forest land. While concerns have been expressed about the possibility of transfer of some state forest land to private ownership (Ruzicka 1994), the transfer of private land to public ownership should also be considered. The state's taking of private stands will cause future conflicts if necessary legislative arrangements are not in place. Although the current forest law mentions the government assistance to private forestry with credit and technical advice, it does not elaborate how assistance will be provided. The ability of the government to provide assistance is already severely constrained by its financial difficulties.

### *A country in transition*

Even though the United Nations has classified Albania as a "least developed country," the standard of living remains comparable to developing countries with a Gross Domestic Product (GDP) of less than \$700 (Albanews 29 May 1998). Main industries include textiles, shoes, mining, agricultural products processing, oil products, and cement. In rural areas, subsistence farming, especially the raising of sheep and goats, is predominant. Tools are primitive and productivity is low. Disputes over the scarce arable land are frequent and have sometimes ended in bloodshed. The transportation system is inadequate. The poorly constructed road network has been ruined by congested traffic and poor maintenance. The average speed on Albanian roads is one-quarter to one-third that of Western Europe. Nearly half of the population have poor access to national roads, especially during the wet season (winter and spring). Building new roads and improving the existing network is expensive because of the rugged topography.

Four-decade economic policies of the communist regime have transformed Albania from a largely pristine land into an overpopulated country with depleted natural resources. The changes from a centrally controlled economy toward a market economy have been drastic. Albania was one of the countries where the rule of autarky was the harshest and centralism was extreme. When the communist government decided to introduce reforms in 1990, it was too late. In a matter of months the economy collapsed and people took to the streets and overthrew the government.

After the dramatic economic decline of 1989-1992, recovery began in 1993. The external debt of \$500 million was rescheduled in 1994. Tight monetary and fiscal policies have reduced inflation to a low of 6 percent in 1995, from as much as 237 percent in 1992. Inflation began to rise again in 1996, and the standard of living remained low with a per capita income of \$800 (ATA 12 August 1997). Official unemployment was around 20 percent. Industrial recovery has been hampered by a desperate lack of capital, an outdated banking system, and shaky legal structures. Foreign investment is minimal, and the economy remains dependent on foreign aid and remissions from some 400,000 Albanians living abroad.

The rise and fall of pyramid schemes, which involved large segments of the population, constituted the biggest blow to Albanian investors and the country's macroeconomics. Many families invested their life savings along with the proceeds from the sale of their homes, land, and other properties, in the pyramids. International monetary organizations urged the Albanian government to take action to stop such schemes and accelerate the privatization of banks, but political interests on the eve of political elections kept them going. The inevitable collapse of pyramid schemes triggered an armed revolt in southern Albania by those who blamed the government for supporting the schemes. The 1997 uprising created a lack of the security necessary to continue normal economic and social activities. As a result, the GDP declined by about 8 percent compared with 1996. The state budget deficit was about 14 percent of the GDP and inflation was estimated at 52 percent. An estimated 60 percent of the population live under the poverty line ((Albanian Daily News 1997). About 40 percent of the poor are retirees who receive a monthly pension of less than \$22 (Government of Albania 1997).

The new affluent class—many of them are former communist favorites—is resented because of the economic disparity and widespread fraud. The political class is resented even more because of the perception, common since Ottoman times, that government officials show favoritism and are corruptible. There is a widespread loss of faith in the country's institutions, a decline in national self-esteem, and weakened moral values. Corruption is a crucial problem, as many officials try to get what they can out of their position. The eradication of corruption will be extremely difficult because of cultural acceptance.

Albanian economic and political problems have prompted the EU countries, especially Italy and Greece, to get increasingly involved in Albanian affairs. Currently, the EU and Albania are negotiating the signing of an association agreement (ATA 11 September 1996). The agreement will be bilateral and, as such, will not be affected by regional events. The EU is evaluating the Albanian government's stand on important issues such as economic liberalization and privatization, political democratization and decentralization, respect for human rights, and control of illegal emigration. The EU is well-inclined to further develop its relations with Albania, recognizing achievements and failures.

The achievements of her neighbors demonstrate that Albania has the potential of reaching much higher levels of productivity and income than are seen presently. Comparative advantages are good geographical location, favorable climate, fertile lands, mineral resources, and a cheap, but literate labor force. To realize this potential, Albania needs:

- A stable political system,
- An uncompromised fight against corruption,
- Effective enforcing of law and order,
- Necessary structures to define and enforce property rights, and
- Consistent support for open market economy.

While the current Albanian government seems committed to achieving positive results (Government of Albania 1997), the task ahead is enormous and uncertain. The history of the Balkans shows that the risks are high. Encouragement and assistance by foreign governments

and international financial institutions is vital for a small country such as Albania, if the goal of integration with the EU economy is to be achieved.

### *Land tenure*

The communists undertook agrarian reform for propaganda purposes soon after coming to power in Albania. They expropriated large land holdings and all forests and pastures owned by individuals, religious institutions, and communities. About two-thirds of the total arable land was redistributed to landless families. By 1948, most of the arable land had been divided into small plots. However, the real aim of the regime was nothing less than the nationalization of the land. Immediately after the agrarian reform, following the pattern of kolkhozes in the former Soviet Union, began the forced collectivization of private land, and by 1967 the process was complete. Another form of land tenure, the “state farms” (the sovkhoz equivalent), was set up on land taken from foreign owners or reclaimed from wetlands. The next step in the agricultural policy was the merging of farms and the expansion of arable land. Arable land increased 82 percent from 1950 to 1990 at the expense of forest, grassland, and wetland areas, reaching a total of 700,000 ha or 25 percent of the total area of the country (Zaloshnja 1997). The state control over collective farms was so tight that the farmers were practically under state bondage (Pata and Osmani 1994). The result was a steady decline of agricultural production and the standard of living.

The disintegration of the collective farms during the collapse of the communist regime (1991-1992) was dramatic. Peasants claimed land, seized livestock, and destroyed buildings of collective farms. The government, through its privatization plan, blessed the appropriation of land. In each village, the land was divided among every resident family, using the size of the family as the main criterion, without any regard for pre-war and post-war (agrarian reform) owners. This process fueled the concept of “the law of the strongest” by undermining historical property rights in the name of majority rule (see Zaloshnja 1997) and resulted in an expectation of ever-changing property rights in accordance with changes in the political regimes.



Spontaneous privatization has led to an excessive fragmentation. The number of farm holdings in Albania is about 420,000 with an area averaging 1.5 ha split in 3.3 plots of varying quality. (Economist Intelligence Unit 1996). Most of the farms depend on the forest for energy and forage. Although the privatization of the land in Albania was completed physically and legally in 1992, there are still disputes and uncertainties. Former landowners claim that the land privatization program has violated their property rights. In spite of laws and proposals to compensate them, the actual compensation will be much less than the value of the land they formerly possessed. There are requests for either a reasonable monetary compensation or the return of the land. Both alternatives seem unlikely to be met because of budgetary and political constraints.

The political struggle of former landowners was the main reason for the delay in passing the law that permitted agricultural land sales. The law passed in the beginning of 1996 puts restrictions on land sales. A farmer can sell his land only with the consent of his neighbors and relatives. In Zaloshnja's (1997) opinion, this restriction recognizes the reality that farmers can rarely sell their land without some preliminary agreement with the former owners. Forest policy makers should be aware of these issues and conflicts if privatization of forests becomes an option.

In contrast to arable land, most of the forest and pasture land has always been public. According to Ottoman law, all land was owned by the state. Communal ownership occurred in areas that had a certain autonomy from Ottoman rule. While arable land later became private, forests remained state-owned and with open access. Forests belonging to religious institutions were another form of communal ownership. This tenure system survived after independence, up to the end of the World War II. In 1946 all the forest and pasture land became state-owned.

State ownership of the forests has been appealing to Albanian government officials:

- The government owns and manages the resource with its own employees and according to its own policy

- As forestry is a long-term investment, the state seems the perfect owner: perpetual and powerful.
- Large areas of forests are state-owned, even in developed market economies.

States have historically demonstrated an ability to cause greater predation to the forest than a settled, local private ownership. The deforestation of England for iron making and ship building has had both the involvement and the blessing of the government (Perlin 1998). Eastern Europe demonstrated that state ownership was at best no better than private and in some cases the state was a negative force (see Csóka 1997).

In Albania, state ownership of the whole forest land has been a failure. While state ownership of the forest is not contested, the state itself and its authority are being challenged. People have considered state property as something to be taken. An additional factor is the traditional attitude towards the forest as an open resource. Many forest areas in Albania are in actuality only *de jure* property of the state. The real users are local people who have little incentive for the long-term productivity of the forest. Because of tenure uncertainty, many of these users do not use and manage the forest and land as a legitimate owner would. The result has been illegal harvesting, crudely performed and overexploitative. Efforts by DGFP and AFP to curb illegal harvesting have been unsuccessful. Forests cannot be protected with guards at the time when many people are heavily armed. The police and the army will not be of much help; they have been unable to protect their barracks, let alone the state forest.

The current forest law and pasture laws provide for usufruct of some state land by the communes. There is also a proposal for the restitution of some 60,000 ha of forests and grasslands to the former owners (World Bank 1996a). Whatever the scale of transfer, the type of land ownership will be diverse—state, community, religious institution, and private.

### *Labor, capital, and taxation*

A considerable percentage of jobs in Albania are free from most types of market labor regulations, especially self-employment and unpaid family labor in agriculture and services.

Job searches and hiring tend to by-pass formal information and procedures such as employment services or advertising. Many of those employed do not have labor contracts or any other written arrangement. Employers often prefer to hire family members, relatives, or those who come from the same village, town, city, or province, without the need for formal contracts. Duration of employment is often short and does not allow workers to become specialized. The public safety net or “social assistance” is scanty. In rural areas, people often try to generate some additional income by collecting medicinal plants, fuelwood, and other natural produce.

Low productivity, low-paying jobs, and high unemployment remain the major problems for the labor market in Albania. In 1996, the Albanian Ministry of Labor and Social Affairs reported an unemployment rate of 11 percent (Albanews 2 October 1996). The apparent trend of improvement was set back by the unrest of the spring of 1997. Many businesses were forced to close, either bankrupted or plundered. The aggregate demand for goods and services declined drastically. Foreign investment stopped. The unemployment rate went up to 34 percent (Albanews 8 October 1997). Strategies to cut the unemployment rate include:

- Short-term job creation through public and community work programs
- Institutional and legislative developments geared at establishing a flexible and competitive labor market
- Improving the flow and quality of the information on training and employment

Forest-related activities such as timber harvesting, wood processing, and gathering of non-timber products are providing employment and helping to slow down the depopulation rate of remote areas of Albania. But much more can be done. An aggressive afforestation program can offer short-term employment in rural areas. Over the longer term, reduction in the level of unemployment will depend on a steady economic growth. In mountainous areas, additional employment can be provided by industries which process, transport, and market forest products (including handicrafts). Any investment by EU member countries in these activities combined with an open market for the export of the finished products will help reduce the emigration to those countries.

The emigration flow is very difficult to stop. A more effective approach is to regulate it. EU countries can employ some of the Albanian labor force from rural areas in forestry and agriculture, jobs that are becoming less attractive for the younger generation of Western Europeans. Efforts by the Democratic-led government to arrange temporary employment overseas for Albanian workers failed because of program inefficiency and a cool response from the would-be host countries. The situation is changing, however. As of November 1997, Italy had agreed to offer seasonal employment opportunities. The annual quota of laborers will be established by bilateral agreements and visas will be issued based on individual seasonal contracts. Greece, in its effort to regulate illegal immigration, is in the process of legalizing the status of Albanian immigrants. Greece has also promised to give commuter working permits to people living in the border areas. These moves will offset illegal immigration and related criminal activities.

Albania's banking sector offers low-interest rates on deposits and few investment opportunities. Although technically under Central Bank supervision, local rural banks often run their own agenda, approving loans based on personal connections rather than actual economic solvency. Homes are rarely accepted as collateral and the number of unpaid loans is considerable. The private bank system is still in its infancy. This makes it difficult for loggers and other forest operators to obtain money to pay for stumpage, equipment, and other costs. Borrowing money from relatives and friends is a common practice. These informal agreements have quite often put a strain on the relations between parties. As the reform of the banking system was delayed, pyramid schemes flourished amidst the government's neglect and tolerance. Promises of paying monthly returns of 15 to 50 percent on the initial deposit lured many investors, including emigrants, and diverted investments from productive sectors, including forestry. The painful closure of the schemes has removed one of the biggest obstacles to normal investment.

Foreign direct investment should be a crucial factor in the economic recovery during this transition period, but so far it has been unsatisfactory. Besides political stability and public order, important issues that affect foreign investment are the legal framework and incentives offered by the government to attract investors. The first big step was the adoption of foreign

investment laws in 1993, judged favorably by international commentators (Carlson 1995). To encourage American investments in Albania, the US government has established the Albanian-American Enterprise Fund. According to American representatives of the fund, the main branches of the Albanian economy that offer the greatest opportunities for private investments are agribusiness and tourism (ATA 1 September 1996). The fact that forestry was not mentioned as such shows that changes are needed to make it attractive to both domestic and foreign private investments. Virtually all recent investment in Albanian forestry has come from foreign governments (Italian, Swiss, American, and Japanese) through the World Bank and USAID.

Investment reached 22 percent of the GDP in 1995. However, part of this money was invested in companies involved in pyramid schemes, whose properties were looted and destroyed during the revolts of 1997. Unfortunately, foreign businesses were not spared either. These untimely events revealed that foreign investment laws, even well-written ones, cannot be solely relied on to lure direct foreign investment. The Albanian government is trying to boost the confidence of foreign investors by providing guarantees against certain risks, but other guarantors such as foreign government and international organizations are needed. Guarantees will increase the investments, provide employment opportunities, and discourage emigration.

The revenues from forest activities are transferred annually to the state budget and the state, in turn, allocates funds to DGFP for investment and other expenditures. The bulk of income (90 percent) comes from stumpage sales and the rest from hunting fees, fines, and non-timber products. DGFP is not profitable: expenditures, although limited to salaries and other operating costs, exceed income. The privatization of forest industries has resulted in a sharp drop of revenues. Expenditures from the state budget for field operations necessary for the management of forests have dropped to negligible amounts. Calculations and comparisons from year to year are difficult because of the inflation, differences in official and free market exchange rates for lek (the Albanian currency), and countless restructuring of the administrative structure.

Until 1990, the state budget relied on three main revenue sources: turnover tax, enterprise profit transfers, and social security contributions paid by the state-owned enterprises. Reforms enacted since 1991 have introduced personal income tax, property tax and customs duties. In July 1996 the value added tax (VAT) replaced the turnover tax. The introduction of VAT<sup>10</sup> was another step towards alignment with the EU economy and making business more convenient for European partners. A four-year tax break for investment in manufacturing and a 60 percent tax reduction on reinvested profits are in place.

The forest sector is not fully affected by these developments since the forests are state-owned. On the other hand, taxes have been affecting loggers and mills, with a frequent complaint that changes in the taxation system were introduced too quickly without a proper accounting system and legal framework. Much of the business in Albania is still conducted in cash, so there are plenty opportunities to hide profits and evade tax payments.

### *Markets and trade*

The most common wood procurement method in Albania is bidding on standing timber sales offered by the DGFP from forests accessible by existing roads. The DGFP has established stumpage floor prices by “estimating the cost to the state for producing the timber over the rotation period and taking account of reasonable international standards” (World Bank 1996a, p. 9). The stumpage price for timber is about \$18/m<sup>3</sup> (J. Male, letter to the author, 15 December 1996), considerably lower than the \$40-60 in central and south Europe. The stands offered for sale are too large for small loggers, who cannot afford the down payment required to seal a successful bid. Often the companies that get the timber struggle financially to pay for it because bank credit is difficult to obtain. The number of bidders is small and they hope to get more timber than the actual, often unreliable, official estimate. It is not unusual to have a single bidder and timber prices very near to the floor prices.

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<sup>10</sup> The VAT rate (20 percent in October 1997), considered as too high by small businesses, is in conformity with the European Commission's proposal for EU member countries.

Another method of wood-procurement is by purchasing logging concessions for large areas (up to 3,000 ha) that are not accessible by the current road system. The legal framework of the procedure is not yet clearly defined. A logging concession is awarded on the quality of the forest management plan. The payment for the concession is calculated based on floor prices of stumpage and the estimated costs of building the roads. Very few logging concessions have been awarded by the DGFP so far. Radical changes in the concession arrangements are needed. Proposals for changes are discussed in “Concessions” in Chapter 7.

Under the communist system, the Ministry of Foreign Trade conducted all the foreign trade through its enterprises. Albania exported plywood, some furniture, and handicrafts, but there was no trade in timber. Non-timber forest products that have been exported included pine resin, essential oils, spices, and medicinal plants. Most of these products were gathered and processed by individuals or families who then sold them to state collection enterprises.

In 1990 some \$4.5 million worth of wood products were exported, including unprocessed timber. The next year a new foreign trade monopolistic enterprise, Druimpex, was created to export wood products. At the same time, the Ministry of Foreign Trade began to issue export licenses to other companies. However, regulations were issued with the primary intent to protect the forest resources. In 1992 and 1993 the export of round logs and charcoal was banned. In 1994 export of logs was discouraged through a 70 percent export duty.

Restrictions were imposed on the exports of some plants believed to be in decline. By 1995, a ban on logs, fuelwood, poles, and sawn wood replaced the existing quotas. On the other hand, import of wood products grew fast. In 1997, imports were estimated at \$32 million, far surpassing \$10 million of exports (ATA 07 December 1997). Albania primarily imports furniture, paper, sawn softwood, veneer, and plywood and exports round softwood, sawn hardwood and furniture. Italy is the major trading partner with 27 percent of imports and 65 percent of exports (EFI 1995). Other important partners are Germany, Austria, Sweden, and Turkey.

The customs offices in Albania are unable or unwilling to implement laws governing movement of people and trade. During the recent riots, these offices were looted and

their activity halted. Afterwards, some improvements took place, but full normalization is still to be achieved. This is one reason to be cautious when relying on tariffs as a policy tool or revenue generator. Another reason is the confusion caused in classifying forest products. Custom officials sometime do not always (or pretend not to) recognize the kind of timber or medicinal herb proscribed for export. The establishment of full government control at the border crossings is essential part of efforts to avoid unfair competition from rogue merchants.

### *Remarks on Albanian forests*

Historically, forests in Albania were spared the devastation that occurred in other Mediterranean countries. In the 1930's industrial harvesting began on an unsustainable level and has continued since then. The transition of the country from a command to a market economy has accelerated the degradation of the forest resource due to ambiguous property rights and lack of funding for management and protection. Natural and human potential is not used efficiently because of inadequate infrastructural, organizational, and financial structures and arrangements.

In contrast to the importance of forests, their contribution to the Albanian economy, based primarily on wood production, seems to be very low—only 6 percent of the total agricultural output in 1990 (World Bank 1996a). The estimate does not include significant amounts of forest products harvested individually or illegally and therefore not recorded. Furthermore, marketable NTFPs such as medicinal and aromatic plants (currently an important export item) are not included, since they are considered part of the food industry. By taking all these into account, plus non-market values of the forest ecosystems, the importance of the forests is considerably more than the above published value. This undervaluation of the forest sector is one of the reasons for the neglect by politicians and bureaucrats.



## CHAPTER 4: POLICIES IN RELATED SECTORS

This chapter discusses policy issues for areas and sectors important or related to forestry, including agriculture, livestock industry, tourism, and rural development. As in many other countries, Albanian policies for forestry and related sectors have often interacted, overlapped, disagreed, and even opposed one another. The coordination of cross-sectorial policies is both complicated and difficult, especially given the current conditions of poor communication, inadequate dissemination of the available information, and lack of political will to cooperate. A successful forest policy will be achieved only if the broader policy context is contemplated during the policy formation process.

### *Agriculture*

Agriculture policies have a direct impact on forestry because of the relationship and interdependency between the two sectors. Both utilize the same or similar natural and human resources. In Albania, as in many other countries, the forest sector falls administratively under the umbrella of agriculture.

The migration of people from rural to urban areas that took place in many European countries after World War II was impeded in Albania by tight governmental control on population movement until 1990. People who wanted to resettle elsewhere within the country could do so only with the approval from local authorities. Obtaining a residence permit in any city was extremely difficult. The result was overemployment in agriculture, as two-thirds of the work force was employed by state-owned or collective farms where incomes were considerably lower than those in urban areas. The demographic and economic pressure spilled over to forestland and was manifested in uncontrolled deforestation, livestock grazing, and collection of wood, valuable plants, and wildlife. The oak forest zone where agriculture and human settlements intermingle with the forest has been especially affected.

Albanian agriculture experienced structural problems associated with the economic strategies adopted during the communist regime, such as ignoring the need for investment, lack of a competitive market, and politically based resource allocations. The nadir of agriculture production was in 1991. Elezi et al. (1997) defined agricultural policies at the time as “food-aid emergency.” After that, agricultural production began to increase, and in 1994 agriculture generated 56 percent of GDP, while industrial production continued to decline. The prevalent opinion (Hatziprokopiou et al. 1996 and Zaloshnja 1997) is that in the short-term, agriculture responded favorably to the changes in the overall economy, such as land privatization and liberalization of prices, wages, and trade.

However, substantial imports of food remain necessary. Difficulties that accompanied the first years of recovery are still unresolved. The price of chemical fertilizers is high and farmers have low purchasing power. Irrigation systems, designed for big collective farms, are neglected and damaged. Hiring contractors to plow the land is expensive and inconvenient, while buying equipment is prohibitive for many because of the small size of the farms. Financial and legal support (credit, mortgages, insurance, and contracts) is deficient. The large number of small farmers undermines efforts to provide credit and technical assistance. Methods of cultivation are labor-intensive and people are exposed to climatic strains. Access to both internal and external markets is difficult because the centralized network for distributing inputs and outputs was destroyed in 1991 without being replaced. Foreign competition from subsidized agricultural goods imported from neighboring EU member countries is also a problem. The earnings from agricultural activities have decreased; many farmers are practicing subsistence farming. To make ends meet they are searching for alternative sources of income such as cutting trees and grazing animals in the state forests.

The economically active population engaged in agriculture is declining. The Food and Agriculture Organization of the United Nations (FAO) has projected a 2.9 percent annual decline for Eastern Europe and 0.6 percent for developing countries during the period 1990-2010 (FAO 1993). Albania is likely to stay in the middle of this range.

The main evidence of problems in agriculture is the decline, in recent years, of the area of land under cultivation. The trend is expected to continue. Some of the would-be owners have already refused the marginal land. By May 1997, refused farmland was estimated to have reached 113,000 ha (M. Dida, Radio Tirana, 21 May 1997), and some international workers believe that the actual amount is twice the estimate (L. Nielsen, personal interview, 10 July 1997). There are several reasons for this decrease:

- Most of arable land is refused or abandoned for economic reasons. For example the cost of agricultural production in the hilly areas of Berat (Central Albania) is 20-60 percent higher than in the plains (News bulletin, Radio Tirana, 24 May 1998).
- Hillside terraces, divested of their subsidies, are often degraded and abandoned.
- Current emigration, especially from areas near the border with Greece, has left old people behind, unable to work in farming.
- Some of this land was already marginal or was covered with forests until three decades ago when it was opened up for cultivation e.g., land around Voskopojë (southeastern Albania) and Krumë (northeastern Albania).

Land abandonment has had a significant impact on people's lives and has also affected the natural environment. The unused and uncared-for lands are eroding quickly and the landscape looks devastated. Damage from fires and insects is increasing in unattended forests and pastures.

The government has decided to take land if left uncultivated for three consecutive years to halt land abandonment. This is another manifestation of poorly established property rights, but the measure has the support of agriculture policy specialists (A. Civici, personal interview, 22 January 1997) because of the limited available arable land (0.21 ha *per capita*). Moreover, this policy has not yet proved to be effective. A short trip through the Western Plain on the main road from Tirana to Fier (about 110 km) will show that even the best agricultural land is abandoned.

Foresters, Albanian and foreign alike, have identified land abandonment as a major policy problem (Chemonics 1997). Currently, the abandoned land is either barren or invaded by sparse weeds. Self-restoration of the climax vegetation (mostly oak forests) is unlikely because of ecosystem fragility and considerable human pressure. In any case, it is very important that a vegetative cover is established soon, to halt erosion. The rate at which the abandoned land will be reforested, converted to pastures or planted with herbs or spices will depend on economic and political factors, such as the relative profitability of forestry, pasturage, or cultivation and support from government and international donors for each effort. Local people have also expressed their concern and suggestions. When asked to give an opinion about management options for abandoned land, 70 percent were in favor of reforestation. The rest were in favor of some sort of cultivation such as conversion to pasture, planting of medicinal and aromatic herbs, or agricultural crops (M. Dida, Radio Tirana, 21 May 1997).

The environmental protection solution will be to establish a “permanent” vegetative cover such as trees, shrubs, or perennial grasses. Thus, reforestation and agroforestry remain the preferred options. Administratively, the refused land has been transferred to the DGFP, which lacks the resources to manage it. Instead of this transfer, the government should make the ownership of this land attractive by changing the classification from arable to forest, thus relieving the repressive tax burden. Policy issues and recommendations for restoring the productivity and the amenity of the abandoned land through reforestation and agroforestry are discussed on Chapter 7.

The abandonment of agricultural land has been a well-known problem in all Mediterranean countries. Recognizing its importance, EFI is launching a new project on multipurpose management of abandoned forest and farmland in the European Mediterranean region (Merlo 1997). At this stage, only participants from Greece, Italy, Portugal, and Spain (all EU countries) are involved. The Faculty of Forestry at the Agricultural University of Tirana, as an EFI member, should ask for the expansion of the project to include other countries such Albania where the problem is more acute.

### *Livestock industry*

Pastoralism has been an integral part of Mediterranean and hence Albanian culture. Farm animals have been considered parts of the family and in many instances were kept in the house. The traditional raising of sheep and goats is still very important for many Albanians. The pastures in Albania are divided into two loose categories: about two-thirds are “summer pastures” located in the mountainous regions where grazing takes place during summer and the rest are “winter pastures” located in the coastal plains and hills. Winter pastures are grazed during the cold, wet season when the grass is green. In summer, when lowland grass dies of drought, flocks are moved to summer pastures in the mountains. The practice of transhumance has helped sustain a livestock-based economy adapted to the natural conditions. These pastoral values are a reason for the priority given to grazing over other forest uses.

In the last 50 years, half of the historic grassland area has been converted to agricultural use or development. In contrast, the number of livestock, after a sharp decline in the 1980s, is back to the pre-communist levels. Grazing, especially by goats, has spilled into forests, causing damage to seedlings and saplings. Much of the grazing occurs on shrubs and oak coppice during the winter. Villagers gather oak leaves and pile them up in stacks to provide fodder during the winter, thus depleting forest nutrients. Fires used on the adjacent grassland to remove herbaceous species of low-forage value and unpalatable shrubs often spread to the forest. The forest itself is sometimes burned to convert it into pasture.

Pastures were nationalized during the Agrarian Reform of 1946 and put under the administration of the district forest enterprises. Collective farms used them for grazing by paying set government fees. In the early 1980s, the government established the state pasture enterprises with the mission to manage the national pastures more intensively, in an attempt to solve the meat and dairy products deficiency. The land administered by the forest enterprise had to be divided into pasture and forest land, a task more easily said than done. The management objectives for pastures were changed and emphasis was put

on establishing new grasslands with improved grass and legume seeds. The effort was especially successful on the abandoned agricultural land, but resulted in deforestation and soil erosion when tried on steep brush land. In 1988, the Central Pasture Station in Fushë-Krujë began compiling management plans for the most important natural grasslands of the country. The issues emphasized were technical: provision of water for livestock, weeding, chemical fertilization, and proper range use. While the start was promising, political changes in 1991 brought the project to a halt and subsequent abandonment.

Currently, there are 18 pasture enterprises that supposedly manage pastures and meadows on a regional level and charge grazing fees according to the carrying capacity and the quality of the grassland. In reality, these pasture enterprises are fictional because of the increased number of privately owned livestock and lack of support from the government for policing and funding. Grazing is out of control and very little is done to improve the pastures. Grazing fees are low and failure to collect them has put the enterprises in the red.

More secure property rights and efficient utilization could be attained through private and communal use of the grassland, especially those near the populated areas. The current legislation concerning the use of pastures allows some restitution and communal usufruct of the state pastures, but the implementation of the law has been sluggish. In some instances, previous owners of pastures and meadows have taken possession of the land, without waiting for legal restitution.

The problem of forest overgrazing is common and persistent in other Mediterranean countries. However, in the last decades, pressure from grazing has decreased because of the abandonment of rural areas. Some Mediterranean countries have taken resolute measures to restrict forest grazing. In Spain and in the former Yugoslavia, goats were eradicated from large areas by government edict, while Cyprus solved the problem by persuasion (through payments in cash and alternative employment) and education (FAO 1988). At present, the first approach is unlikely to work in Albania. Persuasion and education are viable options and should be introduced as accelerators. Still, the main

factors and measures that will reduce the pressure on forests from grazing are economic and technological:

- Privatization or communal pasture to internalize costs of overgrazing
- Abandonment of rural areas by the local population
- Alternative industries that will make grazing less attractive
- Expansion of the modern cattle-oriented husbandry
- Increased forage production from the agriculture
- Creation of new pastures on abandoned agricultural land through planting perennial grasses and legumes
- More efficient planning
- Management for proper range use (called “rational pasturing” in Albania)
- Practicing agroforestry with forage plants in the understory
- Planting tree species that provide fodder such as carob (*Ceratonia siliqua* L.) and honey locust (*Gleditschia tricanthos* L.)

Grazing in the forest must be kept under control. All forest management plans should have provisions to enforce the policies prohibiting grazing in areas where seedlings are planted or natural regeneration is under way. On the other hand, the traditional grazing rights should be carefully considered because local people may protest by setting fire on the new established forest to reclaim the pasture.

### *Tourism*

Forested areas near bodies of water and in the mountains are important for domestic recreation and tourism. Most of the inland recreation areas are in mountain forests and were developed in the 1950s when communist-controlled trade unions built accommodations for workers and their families. Today, private cars and the introduction of a two-day weekend have expanded the recreation opportunities, increasing the pressures on both the environment and facilities. The current shortage of tourism services in the mountain resorts of Albania is the result of

the isolationist communist policy and underestimation of the importance of tourism to the development of rural areas.

Despite the political unrest and related lawlessness in the 1990s that damaged the reputation of Albania as a safe and hospitable place for foreigners, the potential for development of tourism in mountains areas remains high. The richness of Albanian landscape is coupled with a cultural heritage that includes Illyrian, Greek, Roman archaeological sites as well as old churches. Other advantages are proximity to Western Europe and few language barriers, since many Albanians speak several foreign languages.

The more adventurous Western tourists enjoy hiking in the mountains of Albania, admiring the landscape and facing the challenge of harsh natural conditions. For wildlife watchers, the remote mountain ranges that are still unspoiled by human activities contain some of Europe's last natural habitats for rare or endangered species such as wolf, bear, mountain goat, lynx, eagle, and capercaillie. Hunting sites, located throughout the country, are also attractive to foreign hunters, especially Italians.

Inland tourism can be an important economic activity, complementary to traditional activities such as agriculture and cottage industry. In general, over-reliance on tourism should be avoided because of its sensitivity to economic and political climate of both host and guest countries. Initiatives for the promotion of the inland tourism, similar to those that are being worked out for coastal areas, should be considered in cooperation with international donors. On the other hand, the approach should be different. Pignati (1995) has expressed concern about aggressive tourism based on big hotels built up with Western capital and a subordinate Albanian labor. He advocates *ecotourism*<sup>11</sup> as an economic alternative able to protect the environment. His recommendations include a controlled number of tourists, tourism run with the participation of the local population, small tourist

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<sup>11</sup> Ecotourism is a concept that researchers do not yet agree on. As a rule, ecotourism deals with small groups of tourists aware of the ecological impact of their activities, who enjoy small facilities, simple food, minimal energy consumption, and reasonable expenditures.



villages instead of big hotels, and an integrated development of the remote regions with that of the coastal areas.

Since tourism in all forms is a labor-intensive industry, it can contribute to the job creation, but much of the employment is low paying. Improved economic conditions is the best incentive for the local people to protect the aesthetic value of the natural environment. Despite these positive affects, ecotourism is not impact-free. Mountainous ecosystems are fragile and vulnerable to human impact; therefore, the demand must be in balance with the carrying capacity. Undesirable behavior by tourists should be expected. Giles (1997), while admitting that crime, vandalism, littering, trespassing, and noise are part of the tourist business, recommended planning, prevention, and quick response to address these problems.

The reason to advocate ecotourism in Albania is to:

- Improve economic conditions by creating employment;
- Conserve the natural environment; and
- Perpetuate the local cultural heritage.

The objective should be to increase the number of tourists and encourage them to spend more. Tourists come to see and enjoy things that they do not have at home. Some components of a successful ecotourism approach would be (adopted from Giles 1997):

- Dedicated managers focused on long-term opportunities—responsible for setting and improving quality and efficiency with the aim of staying in business
- Thorough tourism analysis—collect data, segment the market, forecast the demand, select resort sites, evaluate costs and benefits including environmental impact
- Monitoring quality and performance—incorporate feedback into the process, use analytical charts and reports

- Availability of unique events and services—bucolic surroundings, local cuisine, cultural and historical events<sup>12</sup>, nature expeditions, collections of wild flowers, fruits, and herbs, horse back rides, and hunting.

Ecotourism should not be marketed only to Western tourists. Promotional fees may be used to encourage domestic tourists and those from neighboring countries because they will be the basis of a stable market. Tourism can promote better understanding between Albanians and other Balkan peoples. Tours can be organized to include trips from Albania to neighboring countries and vice versa. Another interesting way to protect the border areas is the establishment of multinational parks similar to those that lay on both side of the border between Poland and its neighbors (Slovakia, Germany, and the Czech Republic) and on the German-Czech border. The mountainous area on both sides of the Albanian-Montenegrin border is especially beautiful, as is the region on the borders between Albania, Greece, and the Former Yugoslav Republic of Macedonia.

Measures for encouraging ecotourism should include:

- Favorable legislation, adequate regulation for licensing, standardization, rating, and controlling ecotourist operators
- Improving the infrastructure for transportation, communication, health care, and utilities
- Incentives for the creation and management of tourist agencies
- Financial backing for tourist undertakings
- Training in hospitality and tourism management.

The implementation of ecotourism policies does not need to be on a national level. On the contrary, it may consist of small-scale initiatives that can be accomplished at communes or even single-village level in cooperation with the state forest enterprise of the district. A very important component is the involvement of local entrepreneurs who know the local tradition and are interested in the long-term regional development.

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<sup>12</sup> Traditional weddings will be especially appreciated since customs differ even at the village level.

Ecotourism is a business driven by markets, serving the demand from the developed countries. Albanian entrepreneurs must compete with other tourism providers for market niches. Financing ecotourist initiatives remains a problem, given the lack of an adequate legal framework and the precarious situation of the banking system. Still, sources of financing can be found, such as local assets, remittances from emigrants, bank loans, grants or soft loans from NGOs and international donors. The government may provide incentives such as tax breaks, infrastructure development, and support services. Profits will come from user fees and spending on facilities and services. Land ownership and property rights may be also a problem, but not as acute as in the case of urban development or agricultural land. Current national parks and remote forests are a good base from which to start the development of ecotourism. Forest management plans presented to obtain concessions for the harvesting of inaccessible forest should either have an alternative of tourist development or compete with other projects that promote tourist development. In other words, concessions can be also offered for other sorts of forest use such as recreation and tourism. Cost-benefit analyses of the projects should include established quantitative techniques for evaluating recreational values such as travel cost, willingness-to-pay, and contingent valuation surveys.

### *Rural development*

Recently, it is become recognized and accepted that the development in rural areas should be holistic, encompassing all issues pertinent to the vitality of rural people and places (Huillet et al. 1990). This view, endorsed by this study, reflects a spatial or territorial approach that encompasses such concerns as environment, services and facilities, capacity for leadership and governance as well as sectorial (e.g., agriculture, forestry, manufacturing) and general economic issues.

Remoteness, rugged terrain, and lack of communications have kept rural areas an isolated subsistence economy. The Albanian rural population has always been poor in comparison with its urban counterpart. The neglect of rural areas during the communist regime deepened this difference. While pushing for national self-reliance, the government

invested heavily in industry at the expense of the farming sector. These policies led to an inconsistent rural development and major shortcomings in infrastructure, health care, and transportation. In spite of communist rhetoric and efforts to fill the gap in living standards between urban and rural areas, the rural economy was gradually depressed by the policy of curtailing private operations. This policy reached its height in 1982 with the forced collectivization of the remaining private livestock. The shortage of meat and dairy products that followed marked the beginning of a crisis with repercussions that went well beyond agriculture and rural economy.

The standard of living in the rural areas dropped significantly during the political unrest of the early 1990s. The already poor infrastructure was damaged and looted. Shattered markets and the fragmentation of agricultural holdings drove many farmers into subsistence agriculture. Public services such as education, health care, and electric supply are inadequate and business-related services such as technology, training, marketing, and information are not available. The tragic events of spring 1997 proved once more that political instability is the biggest threat to rural development. The popular revolt that followed the collapse of pyramid schemes turned into a serious and destructive confrontation, seriously affecting rural areas.

A recent study has shown that about 55 percent of the population in the mountain areas live below the poverty line in contrast to 10 percent of that in the Western Plain (Albanian Daily News 1997). The economic decline of many rural areas has further increased the social and economic differences between rural and urban populations. The lifting of policies for population movement control, secure employment, and various subsidies, coupled with inadequate land use policies and poorly defined property rights, have induced people in rural areas, especially from northern Albania, to move towards Tirana and other major cities. Serious social and environmental problems have arisen as a result. Slums surround the cities. While the depopulation of rural areas is reducing the pressure of grazing, hunting and plant collection on the forests, this relief has had negative social consequences. Many of the migrants are young people who leave behind older generations, unable to and uninterested in reactivating the countryside. As long as the

resettled households use wood for construction and energy for cooking and heating, the impact on the forests remains unabated.

The migration of the work force from rural areas is depriving these communities of the human resources needed to accomplish rural development initiatives. Between the two radical choices of laissez-faire or massive intervention, the more suitable policy would be to recognize the need for additional economic opportunities to offset the disadvantage of rural areas with the intent to promote self-reliance. The need for a rural development policy comes from the very nature of rural areas. Transportation costs to small communities scattered in the mountain makes the provision of even basic services uneconomical. The problems of the rural areas—low income, high unemployment, poor infrastructure, land disputes, and generational clashes—seem universal across all cultures. According to Nothdurft (1990) the reason lies in the *vulnerability* of the rural communities that rely on an outdated economy dominated by agriculture. Therefore, efforts should be made to diversify sources of income in the rural areas, along with continuing support for agriculture.

Agricultural and rural development policies tend to be confounded. Agriculture is only a part of the rural economy. The food shortages of early 1990s reinforced the general belief that agriculture is important to Albania. While this may be true, the long-term economic and social value of agriculture is expected to decline, similar to shifts in other European countries. Development for primary and vacation homes is an alternative. Mountainous locations with a scenic quality are better positioned than conventional agricultural areas because developers value them for their aesthetic values. The demand for rural real estate will likely increase as the road system is improved.

Many EU countries have national policies to offset the disadvantages of rural life. Entire ministries, agencies, and organizations are involved in rural development. The approach to rural development differs from country to country and from region to region. While most of the support consists of centrally directed development programs such as subsidies, money transfer, and incentives for manufacturing industries, the Rural Development

Commission (RDC) of England has pursued a community-led approach, focusing mainly on building local development capacity (Nothdurft 1990). Although it is easy to argue about major differences between rural Albania and rural England, establishing an Albanian institution based on the RDC's motto "help those who help themselves" could be very useful for changing the current mentality of dependency.

This institution (let's call it BRD for Bureau of Rural Development) should not be focused on agriculture, because agriculture, although important, is just one of the businesses involved in rural development. The same can be said about forestry. Any intervention for establishing and supporting a specific business is inefficient in the sense that the choice might simply be wrong (there are many examples in Albania from the communist era) or at least not the best. The BRD should be built on the assumption that investment and aid alone cannot bring long-term development. Rural communities must learn to take control of their destiny and for that they need help in developing human abilities (leadership, organization, management, education) and business administration programs (training, marketing, capital, technology). The philosophy of the England's RDC— "build on and stimulate indigenous enterprise and self-help"— aims to ensure that the effects of its investments, although modest, are lasting. The RDC has established values it seeks to support in rural areas. These values include self-sufficiency, opportunities, vitality, equality (no disadvantage because of rurality), and amenity. Like the RDC, the BRD may provide help to local officials and organizations to create rural development programs and procure funds for the resulting projects. It will also provide local entrepreneurs with practical and affordable access to knowledge and information such as business advice, workspace development, and assistance in technology, marketing and funding.

The Italian government may be interested in such initiatives as it seeks to convince Albanian refugees to return to their country. Cooperation between Italy and Albania will be especially helpful in:

- Identifying long-term advantages of establishment of a wood-processing industry,
- Building local infrastructure including training and business support services,
- Establishing appropriate local government services, and

- Ensuring that pollution levels of new industries comply with the current EU regulations, so to avoid possible future closures on environmental grounds.

The current political and economic crisis combined with the conflict between short-term profits and nature protection is the main cause of a rampant increase in the pollution levels throughout Albania. The times when Albania was mentioned as the country with the cleanest air in Europe (IUCN 1990) are long gone. Congested traffic, old cars, bad gasoline, inadequate or lack of industrial and municipal waste treatment, and abusive use of fertilizers and pesticides, are polluting air, water, and soil. Agricultural and rural development policies should be considered in a broader sense that includes (in addition to food production) the enhancement of ecological and cultural values. Controlling and reducing environmental pollution should have high priority. Engineering solutions to the pollution problems should be combined with measures that enhance the waste assimilator function of the natural environment such as reforestation, establishment of shelterbelts, and planting grass.

Thus, forestry will be a significant component in the integrated land use planning and development of rural areas. Benefits from the forest will improve the quality of rural life. Forest policies should be formulated based on the connection between forestry and rural development. In many countries, the traditional view of a separate forest sector is giving way to “community” or “social” forestry. This approach emphasizes the active involvement of the rural community in meeting the needs for employment, income and energy, the recognition of the potential of forestry support for agriculture, the adoption of agroforestry, and the growing recognition of the role of forestry in maintaining the ecological balance.

### *Remarks on policies in related sectors*

A cooperative approach is necessary to create a long-term policy for the development of forestry, given the complexities of the relationships among policies in different, but related sectors. Fuller integration can be achieved by means of regional development plans for

rural areas. Regional planning is a practice that aims to coordinate and balance the different sectorial activities of a region. In the rural areas, regional planning should aim to integrate the local population, especially the poor, into the national social, political, and economic structure. In doing so, they can participate in the policy and planning process, influence decision making, and have a more equitable share of benefits including employment opportunities, social welfare, and a better standard of living. Projects and programs included in the plan will have a better chance of success if they are adapted to the existing situation, are realistic in the terms of the implementation, and have a broad support. Coordination with agricultural and rural development policies is essential for a successful implementation of forest policy.



## **CHAPTER 5: POLICY PARTICIPANTS**

An analysis of the forest policy process cannot be completed without some description and understanding of the major participants involved. After a general outline of the three branches of government: legislature, judiciary, and administrative, the focus of this chapter is directed towards the DGFP. Other domestic participants included are the research and education institutions, the private sector, the NGOs, and the mass media. On the other hand, policies and stands of international organizations, such as FAO, the World Bank, and USAID, which currently are important participants in the Albanian forest policy process, are discussed throughout the study.

### **Government system**

The role of the government in the forest sector can be described as: (i) defining policies and legal frameworks, (ii) adopting tools and measures for their implementation, (iii) managing and controlling the national forest estate, and (iv) supporting and promoting education, training, research, and extension. Although most of these activities may be ascribed to DGFP, other government bodies are involved to different degrees at different stages of the policy process. While the legislature is active during the formulation and legitimization, the administration is more engaged in the agenda-setting and implementation.

### *Legislature*

Albania is a parliamentary democracy. The President of the Republic, a largely ceremonial position with limited executive power, is elected by the parliament. The parliament (People's Assembly) is unicameral. Most of the deputies are elected on a majority-based system and the rest from a proportional list. There are 15 permanent standing committees or permanent commissions that deal with respective laws and administrations. The committee involved in forest policy is the Parliamentary Commission of Agriculture and Food.

The first multiparty parliamentary elections, after almost five decades of communist rule, were held in 1991. Since then, two of the three consequent general elections have been preliminary. Election results have been contested and sessions of parliament have been boycotted. The operation of the legislature has often been confrontational and disruptive because the ethics of the political game in a democratic system are still being developed. The two major political parties are the Socialist Party (successor of the Party of Labor) and the Democratic Party (self-proclaimed as a right-wing party). There are many other small parties both in and out of the parliament; some of them are just satellites of the two major parties. Although most political parties have expressed concern about environmental degradation, low priority is given to the resolution of the problem. The two parties that have run on an environmental platform, the Ecological Party and the Green Party, are too small to have a significant impact on forest policies.

The most outstanding failure of the legislature has been its inability to approve a new constitution for the country. A special law (Law on Major Constitutional Provisions) was approved in 1991 to get rid of the hard-line communist constitution. An attempt in November 1994 by the former president Sali Berisha to approve a new constitution through a referendum, thus bypassing the legislature, backfired. The draft, thought to grant excessive powers for a president not elected by a popular vote, was rejected.

Despite this generally grim picture, the parliament is a very important participant in the forest policy process, especially at the current transitional stage when every law of the land is going through radical change. Considering the constraints, the role of the legislature with regard to forest and pastures was categorized as positive by most interviewees, but they had expressed concerns about the implementation of the laws already passed. Forest policy-makers must be aware that the parliament is a complex institution. Deputies come from a variety of backgrounds and have distinct motivations and characteristics. Some of them are more adept at forest technical issues than others. Loyalty to the party remains the most important factor in the decision-making process of the Albanian legislators. Other factors influencing voting decisions include parochialism, personal beliefs/goals, and nepotism.

## *Judiciary*

The judicial system consists of district courts, six courts of appeal, and the Court of Cassation (supreme criminal court). Each of these courts is divided into three jurisdictions: criminal, civil, and military. The Constitutional Court (a separate body) reviews cases requiring interpretation of constitutional legislation or acts. In Albania, a college of three judges referred to as “the jury” renders the verdict. Many judges, especially those, who graduated during the communist era, do not have the adequate training to deal with the challenges of the transition period. The magisterial school, intended to provide such training, was not established until October 1997. Judges are appointed and dismissed by the High Council of Justice, headed by the President of the Republic. Funding for the courts is allocated by the parliament, while the Ministry of Justice provides administrative and support personnel. The Ministry of Justice also has the mandate to supervise and reform the judiciary and the power to overturn the court rulings. All these arrangements in the judiciary raise questions about the neutrality of the government in the judicial process.

While the Law on Major Constitutional Provisions provides for an independent judiciary, in reality the judiciary has been subject to political pressures, insufficient resources, lack of experience, political patronage, and corruption. During the chaos of spring 1997, the judicial system came to a halt in many cities. Angry protesters assaulted many court buildings and destroyed records of legal proceedings. In the late fall, all courts resumed sessions, but few cases were coming before them due to the inability of the prosecutors and the police to gather evidence and arrest suspects. A bitter dispute continues about the judges appointed by the Democratic Party, who are considered to be non-professional and unqualified by the present Socialist administration. Attempts to remove some of the judges have lead to protests culminating in a hunger strike. Another dispute erupted about proposed changes in the members of the Constitutional Court. This turmoil and uncertainty means that it will take some time for the judiciary to work under acceptable normality and regain public confidence. According to Director General of DGFP, K. Malaj (ATA 22 May 1998), the forest police has charged 800 offenders during January 1997-May 1998, but none of them was prosecuted by the courts.

Unless changes occur, it would be advisable to avoid introducing regulatory measures that are unlikely to be enforced. After all, forest and pasture issues, except disputes over ownership, have low priority in the courts' agenda. This does not mean that the forest policy-makers can ignore the judiciary in the formulation of policies. On the contrary, a well-developed and working judicial system is crucial for successful implementation of any policy, but for the time when such a system is missing, policies that rely less on judiciary would be preferable. Some situations where it is appropriate not to involve the courts on forestry issues (adopted from Horowitz 1977) are:

- Cases where there is insufficient incentive for the parties in question to abide and implement a court's ruling
- Cases in which it will be very difficult to determine what would happen after the ruling
- Forestry issues that are rapidly changing and have yet to be addressed by the legal system
- Narrow issues and low stakes

Many disputes can be and are settled without involving courts. For more information see "Policy tools" in Chapter 6.

### *Administration*

The Council of Ministers (the Cabinet) is the highest institution responsible for the implementation of policies by directing and controlling the activity of ministries and other state agencies. The forest and pasture sector is under the supervision of the Minister of Agriculture and Food. The Ministry of Health and Environmental Protection is also involved in forestry matters through National Environmental Agency, which approves environmental impact assessments. Other state bodies that relate to forestry are the Council of Territory Adjustment (a zoning board advising the cabinet), and the National Water Council.

The local government consists of 12 prefectures, set up after the French model, but are still frail following four decades of communist abrogation. The prefect is appointed by the Council of

Ministers and reports to them about the state of economy, social services, education, arts and the implementation of the government policy in the prefecture. Each prefecture is divided into districts, which were the major administrative divisions during the communist regime. Districts are further subdivided into cities and communes. The average area of communes is 9,000 ha and covers, on average, about nine villages. District, city, and commune councils are elected by popular vote, but rely on the central government for funding, because their power to impose taxes has remained only on paper.

Although communes are administrative divisions, the central government and international donors have targeted them for the implementation of communal forest policies. The Law on Pastures and Meadows gives usufructuary rights to communes of state-owned pastures and allows them to extend tenancy and user rights to local individuals and groups. Based on this law, the World Bank has begun implementation of its communal forest and pasture component of the AFP on a trial basis in three communes in the district of Elbasan. Preliminary results from improvement work such as regeneration cuts, planting, and protective fencing have been satisfactory and the work will soon expand to reach the goal of 30 communes, as originally planned. World Bank officials have described this component as the most successful part of the AFP at a time when its nationwide efforts are held in limbo (Wencélius, personal interview, 14 January 1998). This should not come as a surprise because local people have benefited directly from participating in the project. Despite these successes, expansion into other communes must proceed cautiously. For more information about communes see "Communal land" in Chapter 7.

Prospects for improvement at all levels of the public administration are hampered by large-scale corruption. Its eradication requires radical changes in all administrative structures and operating procedures for any state agency to become an "equal opportunity employer." Decisions about recruitment, tenure, and promotion should be purged of political affiliation, familial ties, province of origin, sex, religion, and other forms of unfair discrimination. Aware of the problems, the Socialist-led government program included major reform of the public administration in its platform (Government of Albania 1997). The objective was to establish efficiency, integrity, and honesty in the system through:

- Enforcing the Law on Public Service
- Avoiding political partisanship in selecting candidates
- Substantially reducing the number of public servants
- Developing mission statements for all government agencies
- Developing descriptions for every job position (e.g., title, required qualification, responsibilities, rank and salary)
- Increasing contracted work with the private sector.

The government has also recognized the need for more incentives for the retention of qualified and honest employees (*ibid.*). Other proposed measures include training seminars in public relations (the so-called “program for future leaders”), rehabilitation of physical infrastructure, and changes in information systems. Funding is expected to come from downsizing, improvements in tax collection, and increased tax revenues from economic growth. Such reforms will directly effect DGFP and other forest-related government agencies (see “Prospect for improvement” in “Forest administration,” later in this chapter).

One year after the 1997 uprising, the government has achieved considerable success in regaining control of the whole country and restoring law and order, but it is still too early to give an account of accomplishments in public policy. The reason lies in the incremental nature of public administration reform and the difficulty of breaking the network of established connections. The first months were the same old story of dismissals and appointments based on political loyalties. The government has still to show that it is making a difference and gaining the confidence of the public.

## Forest administration

The forest and pasture estate in Albania is under the administration of the Directorate General of Forests and Pastures (DGFP). The DGFP plays a major role in the forest policy process and attention is being given to its structure in terms of functions, personnel, and departments by

policy makers in their effort to increase its efficiency. Unfortunately, as we shall see later, most of these changes have been cosmetic without bringing real improvement in the performance.

### *History of DGFP*

The Directorate of Forests and Pastures (DFP), then part of the Ministry of Agriculture, has administered the Albanian forest estate since 1959. The Directorate supervises the state forest enterprises, established on district level, which means that they are also under the supervision of the district administration. Besides managing and protecting the forests, the forest enterprises are also responsible for wildlife management and the production of some non-timber forest products. Each enterprise has, on average, three “forest sectors” that are economically independent from each other and further divided by watersheds into “forest units” (1000-5000 ha).

Forest harvesting and wood processing were placed under the responsibility of the Directorate of Wood and Paper in the Ministry of Heavy Industry and Mining. This organizational structure was set up to protect the overcutting of forests; it was felt that the Ministry of Agriculture, accountable for forest resources, would keep the reins on the tendency of the harvesting enterprises to produce more timber than budgeted and oversee that the process was done properly. Actually, the Ministry of Agriculture, under the constant pressure of the demands from government planners for timber and fuelwood, ended up unable to achieve its policy goal of balancing removals and growth.

In 1989 the DFP was elevated to the level of an agency with its own budget and administrative structure under the name of “Directorate General of Forests and Pastures” (DGFP). The head of the administration is the Director General who reports to the Minister of Agriculture and Food. There are nine sections in DGFP headquarters in charge of technical and financial matters: silviculture, harvesting, pasture, wildlife, financial control, economics-privatization, foreign relations-personnel training, support services, and forest police. DGFP transfers its revenues to the state budget, which in turn allocates funds for DGFP’s expenditures.

This arrangement, a legacy of the communist regime (except for the forest police and the word “privatization”), is totally inadequate to deal with the new realities of the country. The DGFP, poorly funded and equipped, is struggling to survive. Its role is undermined by illegal harvesting and unscrupulous private logging enterprises. Structural changes undertaken as a response have been superficial and ineffective or even needless. Sections have been shaped and reshaped. The Directorate of Wood and Paper was included in the DGFP in 1991 and returned to the Ministry of Heavy Industry and Mining the next year. The supervision of the pasture enterprises was taken from and given back to the DGFP. The Director General of DGFP has kept changing, mainly because of political affiliations. The headquarters, situated in Tirana, have been moved to several different locations. In summary, the DGFP has been unable to fulfill its mission, defined in the current forest law as “being responsible for the management and the protection of the Albanian forests and pastures, state-owned and private alike.”

### *Institutional reform*

Despite all the problems, the DGFP remains the most important participant in the forest policy process. Besides being the primary mechanism by which the forest policies are implemented, the DGFP staff is also the main contributor to forest policy formulation. In response to the DGFP’s ongoing problems, international donors (FAO 1992 and World Bank 1996) have proposed and are trying to adopt institutional structures long common in countries such as France or successfully introduced in countries such as Romania (Macovescu 1992 and Ljungman, personal interview, 2 September 1997). The proposal to transform the DGFP into an autonomous Forest Corporation and create a small Forest and Pasture Department in Ministry of Agriculture and Food constitutes the institutional component of the Albanian Forest Project (AFP). The Forest Corporation would finance its operations and investments, retain revenues from forest and pasture and pay dividends to its shareholders (the state and/or private investors). Contributions to the state budget would be the in form of annual rents or royalties (for use of a national estate) and corporate taxes. It is not made clear though, how and when these payments will take place when there is lack of investments or Forest



Corporation operates at a loss. Downsizing has been considered necessary since the Forest Corporation would operate as a profit organization. On the other hand, the Forest and Pasture Department would develop and implement policy, regulatory, planning, monitoring, and public service functions including the supervision of protected areas and communal forest and pasture. This institutional arrangement seems appealing, but Ruzicka (1994) warned that efforts to strengthen the forest administration might unwittingly reinforce structures that make the goal of sustainability even more elusive. He also had strong reservations about the creation of the Forest Corporation as an agency dedicated even more to generating revenue from the forest because of unavoidable neglect of environmental services.

World Bank officials have expressed their dissatisfaction with the progress of the proposal, blaming the Albanian counterpart for negligence (F. Wencélius and P. Brylski, personal interviews, 14-15 January 1998). However, these changes were originally formulated based on two assumptions that proved to be false:

- The state would have regained control over the forest resource-consequently, the DGFP would have moved along through reorganization and strengthening.
- Willingness of Albanian government officials to fully cooperate-implied from the fact that no additional incentives are provided to them for the implementation of AFP' s proposals.

At present, the prospect for a timely implementation (planned to be completed before 2001) is unlikely. Moreover, the establishment and the management of the Forest Corporation appear so difficult that the feasibility of implementing the proposal can be naturally put in question.

Following is a scenario of the major stages and respective problems:

- Criteria need to be established for selecting areas under the responsibility of the Forest Corporation, including the suitability for being managed under the objective of revenue maximization (see also Ruzicka 1994).
- It is not clear how areas outside the supervision of the Forest Corporation will be administered and how they will be affected by the policies of the Forest Corporation (ibid.).
- Delineation of boundaries on maps and in the field will be a daunting task.

- The result would be “commercially profitable” forests scattered throughout the country, difficult to police, control and manage by a single nationwide Forest Corporation.
- The Forest and Pasture Department would not have the resources needed to fulfill its mission. It would end up as a second-class department in the Ministry of Agriculture and Food, easily bullied by the Forest Corporation and other users.
- The Forest Corporation will be seen as an attempt of the central bureaucrats to gain control over the most valuable forest resources of the country and local opposition from prefecture to commune level is likely to follow.
- The establishment of the Forest Corporation will be even more difficult if it is preceded by the decentralization of DGFP, as the AFP envisages.
- The proposed reduction of the staff may be controversial because retained people are likely to get higher salaries.
- Further institutional fragmentation at the national level will further complicate the situation, because of poor communication and cooperation between different governmental agencies.

Precedents from other sectors do not seem promising either. The process of forming corporations in sectors such as electric power, copper and, oil has already run into organizational and financial difficulties. Laying people off work has been long and painful, constrained by social and political pressures. Those corporations have not yet gone beyond the status of a state enterprise. In the case of Forest Corporation the transformation “state agency→state enterprise→ corporation” is more uncertain because:

- Lack of concentration of the production base (forest and pasture)
- Unsecured property rights, depleted forest resources, and high interest rates will discourage private investments; therefore the ownership will remain in the hand of government as the sole shareholder

A more realistic and conformist option at this time might be to hold off the proposal for a while to allow a thorough review of the situation and consider changes. The functions envisaged for the Forest Corporation as management agent, a broad base of stakeholders in forestry, and a

flexible structure can be performed also by the DGFP. The management of commercially profitable forest can be done more efficiently by other arrangements that include a greater involvement of the local populations such as:

- Formation of many local Forest Corporations (e.g., one for every prefecture or district)
- Concessions. For more information see “Concessions” in Chapter 7.
- Privatization. For more information see “Restitution and Privatization” in Chapter 7.

In all cases the continuation of the DGFP on a reduced land base is presumed. The basic differences between this new alternative proposal and the AFP are described in Table 5-1.

**Table 5-1 Institutional reform proposals contrasted**

<b>Policy proposals</b>	<b>Institutions</b>	<b>Major missions/ functions</b>	<b>Land base</b>
AFP of the World Bank	Forest Corporation	•Profit maximization	•Production forest
	Forest and Pasture Department	•Regulation •Extension •Management of state- owned forest and pasture	•Protection forest •Communal forest and pasture

**Table 5-1 Institutional reform proposals contrasted** (continued)

Policy proposals	Institutions	Major missions/ functions	Land base
Alternative proposal	DGFP	<ul style="list-style-type: none"> <li>•Regulation</li> <li>•Extension</li> <li>•Management of state-owned forest and pasture</li> </ul>	<ul style="list-style-type: none"> <li>•Protection,</li> <li>•Old-growth,</li> <li>•Remote forest/pasture</li> </ul>
	<ul style="list-style-type: none"> <li>•Local Forest Corporations</li> <li>•Private owners</li> <li>•Communes</li> <li>•Concessions</li> </ul>	<ul style="list-style-type: none"> <li>•Profit maximization</li> </ul>	<ul style="list-style-type: none"> <li>•Accessible production forest</li> <li>•Communal forest and pasture</li> </ul>

### *Prospects for improvement*

The DGFP should undergo profound changes to improve its capability in assuming a major responsibility for leadership in forestry. These changes should include:

- change in its mission statement
- achievement of institutional sustainability
- development of human resources

Changes in the mission should leave out the responsibility for the management of communal and private forest. In other words, the DGFP would be responsible only for the management and the protection of the state-owned forests. Its relations with the communes, private owners, and forest industries would be in the framework of the cooperation. Other responsibilities include all aspects of forestry research (see “Research and education institutions” later in this chapter), pasture management, and forest resources utilization and formulation of the forest policies and programs. The mission statement should be complemented with the adoption of an administrative management plan that will outline clearly the organizational structure, provide specific description of duties and responsibilities for every job position, and establish standards of accountability for all employees. Another contributing factor would be the expansion of DGFP’s links with other organizations and institutions in the

country, region and worldwide. Especially important are the relations with loggers, NTFPs harvesters, concessionaires, forest industries and other forest owners (communal and private).

Achieving the institutional sustainability of the DGFP is also an objective of the AFP, but only as an interim step to pave the way for the establishment of the Forest Corporation.

Sustainability measures advocated by the AFP include decentralization, consolidation of physical infrastructure, full incorporation of the pasture sector, development of market economy skills, and increasing the share of revenues to be retained by the DGFP.

To upgrade their knowledge and skills in the new context of a market economy, the DGFP staff has engaged in workshops, seminars, training, and observation tours in Albania and abroad (World Bank 1996b). Until now, training has been directed toward business management and environmental awareness. Public administration and policy have not been introduced. The most important measure in the development of human resources will be providing adequate salaries and other incentives to motivate achievement and to hire or retain qualified people (see also “Implementation analysis” in Chapter 6.). The major obstacle to a desirable settlement is that people in the DGFP cannot be treated differently from other public servants. World Bank officials have shunned the problem for the time being, hoping that the future Forest Corporation would be free from such constraints (K. Funk, personal interview, 13 August 1997). However, this would be a distant and uncertain solution because it is based on the assumption that the Forest Corporation would be profitable. In the mean time, other forms of rewards such as honorariums, payments for extra work, and travel allowances may be considered.

Regulating and helping the emerging communal and private forests requires different skills and attitudes from those already used for managing the state-owned forests. Facing the new reality of ownership diversity remains a problem for the whole government structure. The reform process of the DGFP will be shaped by the institutional reform of the public administration that the Albanian government has pledged to undertake (see “Administration” earlier in this chapter).

## Other participants

### *Research and education institutions*

The situation of forestry research and training in Albania fits the analysis that El-Lakany (FAO 1993) conducted for the majority of countries in Northern Africa and the Middle East region. Constraints exist in the following domains: i) information, ii) human resources, iii) institutions, and iv) financial resources. Since these constraints affect the whole forest policy process they are discussed in Chapter 6. Only issues specific to research are mentioned here.

Research in forestry is supported (at least nominally) by the government and conducted by the following institutions:

- The Forest and Pasture Research Institute (FPRI) in Tirana is responsible for applied and technical research and for preparing forest and pasture management plan.<sup>13</sup>
- The institutions that conduct pure scientific research about biological diversity in forest and pasture include the Institute of Biological Research, Tirana, the Museum of Natural Sciences, Tirana, and the Faculty of Natural Sciences at the University of Tirana. The findings of their research are valuable in the establishment of environmental policies and development environmental impact assessments. That is why their collaboration with the FPRI is important.<sup>14</sup>
- Forest research is also conducted at the Faculty of Forestry at Agricultural University of Tirana (AUT). Forest policy is not yet taught as a separate course, but an undergraduate level course of Forest Policy is under preparation with the help of the German Agency for Technical Cooperation (GTZ) and will be offered soon to the students in their fourth year of studies (J. Lohmann, personal interview, 22 August 1997).

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<sup>13</sup> See Gani (1994) or World Bank (1996b) for more details about FPRI.

<sup>14</sup> The recent publication of *Ecological Survey of High Forests of Albania* (Habibi et al. 1997), undertaken in conjunction with the AFP, was a joint effort of these institutions.

All these institutions are going through difficult times. There was no research funding from 1992 to 1995 to the FPRI, permanent plots were lost, and some researchers, including P. Çarçani (the former Director), left the country (Çarçani, personal interview, 12 October 1996). The most serious setback for the AUT was looting and burning of its facilities, including the National Agricultural Library, during the spring of 1997. Despite such losses, the Dean of the Faculty of Forestry estimated that the forestry program was relatively less affected than the others and thus able to recover in a shorter time (A. Postoli, personal interview, 21 August 1997).

The country's limited resources and its past political isolation have made it difficult to obtain much needed technical information. The situation has changed in recent years with the opening up to the outside world and the help from international organizations such as the World Bank, USAID, and various NGOs. Poor internal communication channels restrict most of the information to Tirana. Regional libraries and other information centers should be provided with forest literature to facilitate access to local foresters and farmers. More incentives are needed for researchers to publish in local and international journals.

Even three decades after the break with the Soviet Union in 1961, the foreign forest literature is still predominantly in Russian. Now most of the literature comes from the EU and the US. Forest literature from neighboring countries or other countries in the Eastern Mediterranean and the Black Sea region is generally not available or of little use because it is published in the local language. It would be mutually beneficial for these countries to coordinate research efforts, due to similarities in natural, cultural, and social conditions, especially with former communist countries of Southern Europe. The following can be helpful in the process:

- A greater involvement of pan-European institutions such as EFI
- The establishment of a regional journal of forestry
- Joint research and projects

Foresters, besides biological and technical skills, need more training in multi-disciplinary research, especially public policy and rural development to change the current “local people don't know what they are doing” attitude. In addition to the current curricula in forestry

schools, special training programs and forestry literature are needed for emerging non-professional forest owners. This extension service will involve the setting up of new structures and procedures, the acquisition of equipment and a new attitude of support and consultation, different from the former exclusively-forest-management task.

The provision of forestry extension services in Albania has not been the responsibility of any public agency, simply because all the forests are state-owned. With changes in ownership and usufruct, there is a general recognition of the need to establish a forest extension capacity in Albania. However, there is no consensus on how to organize the forestry extension service (Chemonics 1997). On the other hand, the sudden emergence of small private farms in 1991-1992 triggered an urgent need for extension service in the agriculture sector. Daku (1998) discussed in details the policy framework for the establishment of the agricultural extension service in Albania. His analysis was useful in the exploration of policy options for a future forest extension, presented in Table 5-2.

By assessing the problems encountered in establishing the agricultural extension service (see Daku 1998), it seems more appropriate to work with the existing establishments, instead of creating a new organization. Although limited to pilot-scale efforts, the Albania Private Forestry Development Program (APFDP) has chosen a broad, decentralized approach by helping public institutions, NGOs and private suppliers to provide extension services (Chemonics 1997). DGFP local offices can play a major role in the extension service, but a successful enterprise needs to include all participants of the forest policy process. Building a partnership<sup>15</sup> can be an effective instrument for formalizing the cooperation between the public agencies, research and education institutions and the clientele (communal and private forest users).

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<sup>15</sup> For more information about partnerships, see 'Tractability and statutory variables' in Chapter 6.



**Table 5-2 Organizational options for a forest extension system in Albania.**

<b>Forest extension responsibility options</b>	<b>Advantages</b>	<b>Disadvantages</b>	<b>Comments</b>
1.  DGFP	<ul style="list-style-type: none"> <li>•Use of the available structures</li> </ul>	<ul style="list-style-type: none"> <li>•Top-down approach</li> <li>•Low trust for government extensions workers</li> </ul>	Conventional system
2.  Agricultural extension	<ul style="list-style-type: none"> <li>•Both agricultural and forest extensions serve the same target groups</li> <li>•Use of available resources</li> <li>•Expansion of agricultural extension to mountainous areas</li> </ul>	<ul style="list-style-type: none"> <li>•Agricultural extension is still in its infancy</li> <li>•Low priority of forestry in comparison to agriculture</li> </ul>	Hybrid (Conventional—Training and Visit) system
3.  Agricultural Universities	<ul style="list-style-type: none"> <li>•Use of university resources</li> <li>•Promotes cooperation between participants</li> </ul>	<ul style="list-style-type: none"> <li>•Agricultural Universities are not capable and autonomous enough to lead the forest extension</li> </ul>	Cooperative extension system (The US model)
4.  Independent agency	<ul style="list-style-type: none"> <li>•Avoids priority problems</li> </ul>	<ul style="list-style-type: none"> <li>•Costly to establish</li> <li>•More institutional fragmentation</li> </ul>	No difference from DGFP option unless truly independent

### *Private sector*

During the communist regime, the forest sector enjoyed a unique flexibility in dealing with private persons. People other than employees, mainly villagers from collective farms were hired by the forest state enterprises to work in reforestation, logging, and construction. State collection enterprises bought NTFPs such as pine resin, essential oils, herbs, spices, and medicinal plants from individuals.

This legacy made the emergence of a new private sector in logging, plant gathering, transportation, and processing of forest products easier. Foresters, who had a little capital and some equipment to start with, left their job at the government-run enterprises and established their own business. They operate as “independent contractors” offering their business/products to processing mills and other buyers. Profits seem good for people who own a truck because state-owned transportation enterprises were shut down completely, leaving a gap in the business. Although competition from bigger firms, especially those with foreign backing, is increasing, there will be always room for small contractors in the remote mountainous areas. We expect the following developments in the forest private sector:

- Further privatization of existing industries
- Increased investments in the forest industry, especially mechanization in logging
- Merger of small firms
- Integration of logging, transportation, and wood-processing industries

The above trend shows that the private sector in forestry, as in other industries in Albania, will expand at a higher rate that government officials are considering today. The transitional period has been a very dynamic one for Albania, so laws and regulation concerning the private sector have been reviewed and rewritten several times. Corruption and abuses are taking place, but they will fade as the new capitalist system consolidates.

### *Non-governmental organizations*

Environmental non-governmental organizations (NGOs) began emerging with new political parties. The first NGO and currently the largest, the Organization for the Protection and Preservation of Nature and Environment in Albania (PPNEA), was funded in 1991. Other NGOs include the Albanian Society for the Protection of Birds and Mammals, the Albanian Biologists Association, the Forestry Progress Association and the Albanian Ecological Club (for more details about Albanian NGOs see Bego 1997). Their major objective is to increase the awareness of the consequences of environmental degradation, withstanding both the negligence of government officials and indifference of public opinion. So far, the Albanian NGOs have not taken the extremist stands found in some of their Western counterparts.

Currently all the Albanian NGOs are confined in Tirana, with the exception of PPNEA, which has branches in Elbasan, Shkodër, and Vlorë. Most of them, including the Forestry Progress Association, lack a proper organizational structure, consisting only of a group of dedicated members backed up by an undisclosed number of sympathizers. Although this has been a workable solution, long-term reliability and sustainability cannot be achieved without establishing democratic structures and proper operating procedures. Financial matters are another concern. Many Albanian NGOs rely on limited and spontaneous support from Western sources, thus facing an uncertain future. Their main sponsor has been REC, which supports the region's NGOs to establish and expand. The following actions are necessary to improve the fund-raising capabilities:

- Increasing the flow of information about potential donors interested in the former Eastern bloc, the Balkans, or the Mediterranean region.
- Improving the quality of the proposals—a new experience in Albania; where traditionally word-of-mouth has been the norm. Proposals should be clear, concise, and targeted to the issues, with the intent to impress the donors who give a lot of consideration to its presentation. Reviews by peers and foreign language specialists can help considerably.
- Increasing reliance on domestic fund-raising for forests work. This will increase grassroots support and the long-term sustainability of the NGOs and their projects. However, such efforts are constrained by the general economic situation of the country.
- Increasing cooperation with each other and with NGOs in neighboring countries. Lack of cooperation means parallel efforts, fragmented impact, and unnecessary competition. Since global significance and multi-country applicability are highly desirable (EFI 1996), cooperation among similar NGOs across the Balkans will attract more funding for the forests of the region.

From the following activities organized by Albanian NGOs (Bego 1997) is easy to see that forestry is high on their agenda:

- environmental education and awareness of the situation of forests in Albania through publications and the use of media

- surveys and monitoring of wildlife and their habitat
- planting trees
- advocacy for banning hunting by foreigners
- promoting ecotourism and sustainable forestry

The main REC sponsored project “A NGO Nature Conservation Strategy for Albania,” implemented by PPNEA, Albanian Society for the Protection of Birds and Mammals, and Albanian Biologists Association calls for a three-fold expansion of the protected areas, a measure that will clearly effect the Albanian forest policy because almost all such areas are either forest or pasture. The involvement of the NGOs in forest policies is expected to increase with the Biodiversity Strategy and Action Plan (BSAP), an effort coordinated under the AFP. The inclusion of PPNEA and the Albanian Society for the Protection of Birds and Mammals in BSAP demonstrates the reputation of their role and knowledge in nature conservation. The BSAP should be monitored carefully because it can be a precedent for a national forest strategy where a similar participatory approach, involving even more NGOs and other interest groups, may be adopted.

Although Albanian foresters are known for their solidarity and friendship, probably because of their small number, the forestry profession is not organized in the way to influence the political process. Agriculture still overshadows forestry, while other professions have taken the lead in environmental matters. At its present shape, the Forestry Progress Association is not able to take a role as the representative of the profession and the forest industry. On the eve of important changes in the forest policy, the time is right to establish a *Society of Albanian Foresters* that will influence the process by selecting issues and maintaining a stand on those issues based on the profession’s viewpoint and interest.

### *Mass media*

The media discussed here include press, radio, and television. Other types of media such as professional magazines or Internet access are too limited to be considered as mass media. In Albania, there is a tendency by officials to underestimate the role of the media

in the policy process, partly because of their reluctance to be exposed to scrutiny. However, exposure to the media will help in the long run by increasing the transparency of the policy process and the participatory role of the public.

During the last four decades, the media served as an important propaganda tool for the communist regime. The lifting of censorship of media during the “democratization process” (1990-1991) marked the beginning of the non-government mass media. Newspaper publishers were the first to take advantage of the changes. Today, every political party publishes its own newspaper. Independent and local newspapers are thriving. The problem now rests with the quality of the press, which in general, is considered too politicized and sensational (Albanian Media Monitor 1997). The news and information are overwhelmed by personal opinions and comments biased by political affiliations, distorted by poor information channels, and fueled by a tradition that has suppressed independent thinking.

Private radio and television stations, because of legal confusion and high fixed costs, are just emerging. Watching television is a favorite past-time among Albanians, another legacy of the communist regime, when television signals beyond the borders were the only window to the outside world. Despite the abundance of on-air and satellite foreign channels, the government-controlled broadcasting, the Albanian Radio and Television (RTVSH) and four regional radio stations, remain popular. While artistic and cultural programs are judged favorably, the news and other political features are considered to be biased in favor of the government. In the past years, RTVSH has been interested in environmental degradation and deforestation. Television programs, due to their graphic nature, have succeeded in increasing the public awareness about the destruction of forests in the national parks. Also immensely popular, because of the political bias of the domestic media, are the radio broadcasts in Albanian by foreign government stations such as the BBC, the Voice of America, and Deutsche Welle.

Because of their ample audience, radio and television stations, including foreign radio stations, can be effective vehicles to promote national forest policies in Albania. Events in the forest must be documented through photography and video recording to be displayed on television. Paid advertisement programs may be used to control the content. There is no need to reveal

either the arrangement or the sponsor. However, if a major impact is desired, news may be the program of choice. Besides immediacy of an event, the following suggestions from Patterson et al. 1989 (cited by Ellefson 1992) may help to understand how forestry issues can make their way in to the news:

- *Surface events tend to be the focus of news.* Therefore, damages by fires, illegal cuttings, and pests in the forests should be reported.
- *Highly visible people tend to be highlighted in news.* High-level officials, politicians, prominent scientists, NGOs leaders and popular cultural figures such as writers, musicians, and artists can have an important role because their efforts are perceived as genuine and unbiased.
- *Surprising, strange, or unusual events are especially newsworthy.* To fill the picture, events from other countries may be included. Apart from dramatic cases and failures, success stories may be of interests as well.
- *Positive or fortunate events are usually less newsworthy than dangerous or unfortunate events.* This is the very reason to expose the environmental threats of the destruction of the forests and loss of wildlife.
- *Conflict among individuals or organizations is usually very newsworthy.* While this may be true, in Albania there is a need to promote cooperation and better understanding between parties in conflict.

Despite shortcomings, policy makers must be aware that media can play an important role in the forest policy process because it can increase public interest in forest issues and support for new policies.

## CHAPTER 6: FOREST POLICY PROCESS

The purpose of this chapter is to analyze, evaluate, and provide suggestions for improvement of the Albanian forest policy process. Although forest statutes are formulated with the intent of achieving selected goals and objectives, the gap between such intent and the actual implementation remains wide in Albania. This study gives special consideration to the conditions and factors that can affect the outcome of the implementation. The current unstable political and economic situation has made this process uncertain and disordered, therefore more difficult to fit to models and frameworks. To make the analysis simpler, we have regrouped the nine stages of the process (see “Theoretical approach” in Chapter 2) into three: formation, implementation, and evaluation.

### Policy formation analysis

In Albania, the first stages of the policy process, namely the problem configuration and agenda setting, are done informally. On the other hand, formulation of the forest legislation follows some predetermined operating procedures. The focus here is on objectives of the policy, issues in the formulation, and the outlining of policy tools that can be selected for the achievement of the objectives.

#### *Objectives of forest policy*

Explicit objectives will provide guidance to implementors by eliminating potentially haphazard actions. As a reference point, they make it easier to reach agreements. Formulating forest policy objectives in Albania is not likely to be difficult unless forest policy gets entangled in the wider political confrontation or is simply neglected. After all, political parties do not differ much on their stand towards forestry. Moreover, several international forums and organizations have established objectives and guidelines concerning forestry (e.g., Husch 1987), and Albanian objectives may be tailored in accordance to them. FAO and EFI can

provide expert help for Albania. Examples from other countries are also available (FAO 1988, 1993c, 1996). Yet, the choice and formulation of forest policy objectives should be primarily based on the broader national development policies of the country.

Forest policy objectives should be contemplated as the articles of a constitution; they need to be further structured into legislative and administrative laws. They will describe the aim of forest policy to enhance and support the contributions of forestry to the country's economy, the environment, rural stability, and recreation. By analyzing forest policies of other countries and the particularities of Albania, the following issues that may be of relevance in the choice of objectives have been identified:

- Restoration and protection of the forest land base
- Enforcement of the rights and responsibilities of state, communal, and private forestry
- Alleviation of human pressure on forest land
- Support for rural traditions and development
- Protection of biodiversity
- Integration with the EU
- Closer relations with neighboring countries
- Institutional development
- Support for research, education, and extension services
- Provision for public participation in policy, planning, and management
- Support for plantation forest and agroforestry
- Improvement of trade and marketing of forest products

Policy makers will rely on the importance and magnitude of expected benefits, costs involved, institutional capability, and wider implications for assigning priority in the selection and the implementation of an objective. Recent studies undertaken by DGFP, FAO, and USAID have produced considerable and useful information. Although additional information is needed, quantifiable estimates are no more than a tool in the decision process. At the current time, we think that it is more workable to group the multiple objectives into priority classes as described in "Models of analysis" in Chapter 2.



In the absence of an explicit national forest policy, the World Bank (1996) has derived the intention of the Albanian government in the development of the forest sector by analyzing the existing Albanian legislation and has formalized three key policy objectives:

1. Develop the forest sector's economic potential on a sustainable basis
2. Apply sound environmental and nature conservation criteria in this process
3. Reduce the government involvement in the sector

In response to these objectives, that can be classified as of maximum priority, this study proposes two major policy actions: (i) the transfer of some state forest land to other users and (ii) a massive reforestation effort. Both proposals are discussed in Chapter 7.

### *Policy formulation*

From the review of the forest policy literature and the interviews we have identified the following suggestions that the Albanian policy makers need to consider when introducing changes in the current forestry-related laws or preparing new statutes:

- *International documents.* Forest policy formulators in Albania should take into consideration international documents such as Agenda 21 of the United Nations Conference on Environment and Development (UNCED) and Helsinki Ministerial Conferences on Protection of Forests in Europe.
- *Constitutional framework.* Forestry statutes should be in harmony with the country's constitutional framework and other related legislation.
- *Practicality.* Any law should be practical and appropriate for national and local conditions.
- *Objective-defined.* Use the objective-defined structure, discussed earlier in this chapter, to make the statutes more systematic and comprehensive.
- *Motivation.* The law should provide motivation, incentives, and support for target groups, including public officials. It should also promote public participation in planning and implementation.

- *Simplicity.* Uncoordinated and contradictory provisions in other laws have created confusion and conflicts. For example, problems with the privatization of the agricultural land came as a result of the complications in the law.
- *Enforcement.* See “Implementation analysis” later in this chapter.
- *Dissemination.* The law should be written in an easily understood style and be disseminated to local people through the mass media.
- *Follow-up.* The enactment of legislation should be followed or accompanied by subordinate documents such as bylaws, decrees, regulations, guidelines, and operating procedures to let the lawmakers and citizens see just what the law really means. It is easier to revise or amend them than it is a primary law.

The formulation stage should involve government officials and interested groups in the discussion of technical, economic, and political consequences of the identified policy options. Such options should be deliberated in meetings, workshops, and expert exchanges at both the national and international level. The process will include evaluation of costs, benefit, and risks. Creativity, imagination, comparative knowledge, casual models, and compromises will all become important. The following advice may be helpful (adopted from Hogwood and Gun 1984):

- If there is no agreement on the main issues between parties to enter the formulation process, then the latter may be premature.
- If parties adopt a rigid position and a narrow perspective, imaginative approaches may help to overcome the problems.
- If the issue is politically sensitive, it is important to avoid unnecessary conflicts, especially those from sectors unrelated to forestry.
- If the time available for formulation is limited, an extensive analysis may be inappropriate.
- If the issue is important and affects a large number of people, then it might be imperative to have a well-organized, thoughtful, and adequately funded policy.

## Policy tools

The result of the formulation should be some type of solution to policy problems through policy tools. A general description of policy tools that are in use or may be used in Albania is presented as a matrix in Table 6-1. They are organized according to the classification of Merlo and Paveri (1997), in four groups: (i) juridical, (ii) financial-economic, (iii) market-led, and (iv) persuasive. Besides choosing the most appropriate policy tool for a certain problem in a certain context, various analysts have concluded that it is also important to focus on the balance between different tools, or the *optimum policy tools mix* (see Merlo and Paveri 1997, Glück 1997, and Tikkanen 1997).

**Table 6-1 Forest policy tools**

Policy tools	Advantages	Disadvantages
<b>Juridical</b>		
International treaties and agreements	<ul style="list-style-type: none"> <li>•Align policies with EU and UN</li> <li>•Encourage support from international donors</li> </ul>	<ul style="list-style-type: none"> <li>•Impossibility of Albania to comply with the objectives of treaties or resolutions.</li> </ul> <p>Example: Helsinki Resolutions H1 and H2 (see Veltheim 1996)</p>
Regulations (standards, licenses, code of practices, planning), powers vested to a decision-making body	<ul style="list-style-type: none"> <li>•Essential part in the implementing any kind of policy</li> <li>•Immediate effect if successful</li> </ul>	<ul style="list-style-type: none"> <li>•Distrusted by the Albanian public because of overuse during the communist regime</li> <li>•High costs of monitoring to ensure compliance</li> </ul>
Property and usufruct rights, concessions	<ul style="list-style-type: none"> <li>•If secure, they are very important to sustainability</li> </ul>	<ul style="list-style-type: none"> <li>•Difficult to establish; conflicts possible</li> <li>•Privatization may bring fragmentation</li> </ul>

**Table 6-1 Forest policy tools (continued)**

<b>Financial-economic</b>		
Taxes, tariffs, interest rates	<ul style="list-style-type: none"> <li>•Preferred by economists</li> <li>•Fewer equity issues</li> <li>•More effective</li> <li>•Explicit about costs and benefits</li> </ul>	<ul style="list-style-type: none"> <li>•Difficult to determine an agreeable rate</li> <li>•Disliked by politicians</li> <li>•Too many taxes makes it difficult to assess the impact of each</li> </ul>
<b>Policy tools</b>	<b>Advantages</b>	<b>Disadvantages</b>
<b>Financial-economic</b>		
Quotas, bans	<ul style="list-style-type: none"> <li>•Preferred by politicians</li> <li>•Easy to administer</li> </ul>	<ul style="list-style-type: none"> <li>•Serious market distortions</li> <li>•Welfare losses</li> </ul>
Relief from taxes: tax credits, tax exemptions,	<ul style="list-style-type: none"> <li>•More affordable</li> <li>•Easy to administer</li> <li>•Deferred costs</li> </ul>	<ul style="list-style-type: none"> <li>•Slow results</li> <li>•May be insufficient because taxes are either low or they are not collected</li> </ul>
Subsidies, grants, cost sharing, low-interest credit	<ul style="list-style-type: none"> <li>•Effective</li> <li>•Quick result</li> </ul>	<ul style="list-style-type: none"> <li>•High and immediate costs</li> <li>•Increased dependency</li> </ul>
<b>Market-led<sup>16</sup></b>		
Transferable permits, compensations, Performance deposits bargains	<ul style="list-style-type: none"> <li>•More efficient allocation of resources</li> <li>•Lower costs</li> </ul>	<ul style="list-style-type: none"> <li>•Inadequate legal structures</li> <li>•Rights must be non-attenuated</li> <li>•Higher transaction costs if information is asymmetric</li> </ul>
<b>Persuasive</b>		
Information, Extension services, certification	<ul style="list-style-type: none"> <li>•Improve markets</li> <li>•Promotes participation</li> </ul>	<ul style="list-style-type: none"> <li>•Can be distorted or manipulated</li> <li>•Can be ineffective</li> </ul>

Criteria for guiding the choice should be applied, to avoid an inconsistent or haphazard judgment. Such criteria may be technological or ecological feasibility, efficiency, equity, ethical issues, and cultural acceptance. Furthermore, there is in Albania an underutilized opportunity for incentive-based approaches, especially those that promote the cooperation of local communities. Following are some examples from other countries that have included such measures in the respective forest legislation (FAO 1993b):

- In Morocco, the forest law stipulates that 80 percent of the forest proceeds must go to the local communities.
- In Tunisia, the law provides compensation such as forage or employment whenever restrictions are placed on the use of forest for protection of regeneration.
- In Pakistan and Sudan, forest law has introduced incentives mostly in the form of (i) subsidies in kind, such as seeds, seedlings, and fertilizers; (ii) small plots of land; (iii) technical assistance; and (iv) credit under favorable conditions.
- Turkey has recently established a forestry fund to encourage private enterprise to engage in nursery production and communities in forestry activities.

No evaluation of these measures is available. Nevertheless, they can be introduced successfully at the local level in Albania under the principle “small is beautiful.” There is no need to include them in a national forest law.

In recent years, inconsistent trade policy tools have negatively affected the Albanian export of wood products (see “Markets and trade” in Chapter 3). Changes were introduced on the principle “let’s try something else hoping it will work.” Actual export bans are strongly supported by various participants in the policy process. Both forestry professionals and environmentalists, alarmed by the rate of forest destruction, have seen the ban as a necessary measure to curb illegal logging and encourage domestic wood processing. Economists have criticized bans and quotas as inefficient. Wisdom (1993) has investigated the advantages of other alternatives in comparison to the lumber export ban applied in the Philippines. He concluded that the optimal policy to protect the environment is neither a complete ban nor a completely free trade but rather, a production tax which internalizes the environmental costs of logging. A wood production tax seems appealing if the revenues from the tax are spent on the forest management and protection. Some countries (e.g., France and Romania) have used it to procure funding for reforestation (Macovescu 1992). The biggest disadvantage of the wood production tax is the cost of collection.

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<sup>16</sup> Market-led tools are a form of property rights tools.

The negative effect of trade on environmental problems of exporting countries has become a target of environmentalist groups. Export of timber and other products originating from natural forests and threatened species is becoming a major issue in the EU environmental policy. Some countries have unilaterally restricted or banned products that are believed to be produced or collected in an unsustainable way. Although some of these decisions maybe refuted as violations of GATT and some certifications will be abused, current efforts to introduce certification of forest products may gain momentum because of increasing consumer awareness (Cabarle et al. 1995). No matter how the system is set up and run, pressure is going to build on Albanian forest product trade, and certification will become an issue to be dealt with. Issues regarding forestry certification are discussed further in Chapter 7.

Conflict resolution methods should be used to avoid possible confrontation between parties affected by the adoption of certain policies. Policy formation, besides judicial proceedings, should give more consideration to other ways of settling disputes such as mutual agreement, meditation, negotiation, and arbitration. DGFP may use “negotiated process by which representatives of groups who will be affected by its policies are brought together in a meditated forum to *consensually* develop those policies. Susskind (1986, cited by Burton and Duke 1990) has identified four key ingredients in the process:

1. The participation of credible representatives of relevant stakeholders;
2. A mediator acceptable to all parties;
3. A face-to-face interaction aimed at maximizing the shared interest of all parties;  
and
4. A procedure for linking informally negotiated agreements to the formal process of government policy formation.

The aim of this approach is to move from deterrence practices of conflict settlement to conflict resolution.

## Implementation analysis

Albanian laws on forests, pastures, and environment were written with the help of international advisors and have been approved by parliament. These laws seem comprehensive, but their implementation is far from successful. There are two major reasons for such a failure:

- The laws have not been appropriate for the current social and economic situation.
- The general opinion blames local people for implementation failures and not the content of the laws.

The first recognizes that most of problems encountered during the implementation stage have their roots in the previous stages of the process, mainly in formulation. The latter is in part a legacy of the communist regime which in the context of the “flawless policy of the Party”, emphasized “work with the people” and blamed “class enemies” for failures in implementation.<sup>17</sup> Flawed implementation of forestry-related laws in Albania makes the analysis of process and the factors involved imperative. As mentioned in Chapter 2, the conceptual framework for discussing issues in the implementation of forest policies in Albania is based on the model provided by Mazmanian and Sabatier (1983). This analysis does not attempt to test the model or analyze the AFP or APFDP, which are sometimes used as examples. The goal is to increase chances of success of current and future forest policies, projects, or programs in Albania.

### *Tractability and statutory variables*

To explain preconditions for and obstacles to successful forest policy implementation in Albania, this study has identified some of the factors or variables thought to influence the process and has categorized them in three groups: (i) those related to the tractability of the problem, (ii) those related to the ability of statutes to structure implementation and (iii) and external (nonstatutory) variables that affect implementation. Identifying these variables,

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<sup>17</sup> These were everyday slogans of the Communist Party, found even in graffiti.

estimating the degree of their magnitude, and making plans to address problems take a special importance in the case of Albanian forest policies because these policies possess the very characteristics that make implementation difficult (see Edwards 1985): they are new, decentralized, controversial, complex, and crisis-related. However, this combination should not be used as an excuse to delay the implementation of the forest policies, since waiting for desirable changes in the economy and political system will be too late for the forest.

The tractability variables of the problem concern the inherent nature of the problem and include:

- *Availability of a valid theory and technology.* While forest policy is a well established scientific discipline and successes and failures of forest policies in other countries are abundant, there is no previous experience in countries with economies and political systems in transition. These countries are adopting policies that differ from each other, but it is too early to draw conclusions about which one is more effective.
- *Diversity and size of target group behavior.* Policies that are more likely to succeed are those targeted to small and distinct groups. These policies will make it easier to frame clear statutes and generate political support. They also give less discretion to field-level implementors. While this may be true, the diversity of the Albanian countryside and the considerable number of small holdings have made implementation of forestry and agriculture policies at a national scale more difficult.
- *Extent of the behavioral change required.* The relationship between the probability of effective implementation and the extent of envisaged departure from the status quo has been described as non-linear (Cerych and Sabatier 1986). In other words, while comprehensive reform of the whole system requires substantial behavioral changes and will be more difficult to implement, reforms that involve small incremental changes simply do not arouse enough commitment to get much done. Most policies of Albanian forestry belong in the first group, and thus are inherently more arduous to implement.



The tractability variables should be tackled through a more adequate understanding of the manner in which other variables affect implementation. In principle, any statute can structure the implementation process through the delineation of objectives, selection of implementors, provision of resources, and so on. Variables surrounding the extent to which the statute coherently structures the implementation process include:

**Communication** Lines of communication can be short and straightforward in a small country. Unfortunately, this is not the case in Albania. Inadequate communication channels have often provided implementors with a broad discretion and opportunity to pursue their own agenda and goals. Furthermore, officials often tend to obscure communication to distort or resist implementation. Reasons have been diverse: (i) disagreement with the policy, (ii) selective perception of the policy, (iii) interpretation of the “true” intent of the formulator, or (iv) simple lack of faith in the feasibility of the implementation. Decentralization is likely to complicate things further by adding more steps in the transmission of information, so it should proceed hand-in-hand with the development of communication channels.

Legislation and administrative laws must be clear, accurate, and consistent to avoid misunderstanding and confusion. Policy makers should be careful to convey *clarity of intent*. As Ellefson (1992) put it, “the more precisely resource policy’s intention is stated – whether in statute, judicial rulings, or administrative directives – the more likely it is that the policy will be implemented as originally desired.” Lack of clarity in Albanian laws can be attributed to several factors, such as (i) desire to avoid opposition and accountability, (ii) personal bias, and (iii) attempts to protect related personal interests. The balance between specificity and flexibility is both important and delicate. Excessive details can suppress local creativity and initiative, while flexibility brings enlightened adaptation needed to face the myriad of particular situations that exist in Albania because of its diversity. Flexibility is also needed to avoid premature commitment to the policy and to allow changes and refinements in the process.

Implementors in Albania should expect a substantial degree of uncertainty. To deal with such uncertainties, implementation must be adaptive, able to adjust strategies, operational procedures, and even initial goals, as the circumstance changes. While rational, planned,

detailed strategies have worked well in the short term or in a stable setting, they had only limited ability to respond creatively to changing circumstances. It was the rigidity of communist administration that made it collapse in the face of radical political, social, and economic changes. In spring 1997, forest policy implementors, like many others, were caught by surprise once more by the events following the collapse of the pyramid schemes.

Without a doubt, the main factor affecting the clarity of laws, guidelines, rules, and regulations has been a general *lack of consistency*. In these changing times, examples of ambiguous and even conflicting objectives and of frequent changes of policies have been common because of the complexity of the economic and political situation. However, the incorporation of partially conflicting objectives is so common even in countries with an advanced legal system such as the United States, that Sabatier (1986) acknowledged that the emphasis he and Mazmanian put on “clear and consistent policy objectives” was inappropriate. Instead, he suggested, the effectiveness of assessing a program “needs to be reconceptualized into the ‘acceptability space’ demarcated by the intersection of the ranges of acceptable values on each the multiple evaluative dimensions involved” (ibid.). After all, clarity is one side of the coin; the other one is the *attitude* towards and *support* of such intent by implementors and those affected by the policy.

**Validity of the causal theory** The validity of the adequate causal theory has two requirements:

1. The understanding of causal linkages between the policy intervention and achievement of the objectives.
2. The implementors have sufficient jurisdiction over these linkages.

Although these requirements seem obvious, forest policies in Albania have met them only partially. Both the forest law and AFP have failed to adequately evaluate the problem of an eroded authority of the public administration and DGFP. Other related problems include land tenure issues and poor enforcement of property rights.

**Resources** A shortage of resources has been the most constraining factor affecting implementation of policies in forestry and related sectors. Resources include money, staff with

the necessary authority and qualifications, information, facilities, provisions, and time. Money, though first on the list, has not been critical. On the contrary, the country has not been able to totally absorb the flow of foreign aid (Albanian Daily News 1998). The principal source of implementation failure has been the human resource. Scanty salaries have led to a significant “brain drain” from the country. Those who remain are unmotivated to make changes or take risks. Many people with professional backgrounds have become politicians or administrators (in both the state and private sector), thus are no longer using their professional skills. The problem is more acute at the local level because of lower salaries and lower job prestige. A solution to overcome lack of resources, at least partly or temporarily, may be the adoption of a *limited approach*, i.e., policies that are modest, incremental, and targeted to small areas.

**Institutional structure** The difficulty of obtaining coordinated action among participants involved in the forest policy has substantially affected the implementation output. One of the most important achievements of any forestry statute will be the extent to which it will promote coordination and integration among implementing agencies. The lesser the administrative fragmentation, the more likely the implementation. While coordination and integration within the DGFP has been relatively good, the coordination with other agencies has been poor. One solution to this problem is the building of partnerships to implement policies. Although partnerships can also be just informal agreements or loose alliances, in the context of this study, partnerships are those that have a structure formed through a formalized agreement involving facilitator, manager, constitution, bylaws, and meeting protocols. They involve agreements, legally binding or mutual understanding of policy and program objectives and the sharing of responsibility, resources, and benefits over a specified time schedule. Partnerships can be effective instruments in implementing forest policies because they coordinate efforts, merge experiences and resources, and provide flexibility. Participants may include representatives from different levels of the government, public agencies, the private sector, and NGOs. Partnerships have been established in many OECD (Organization for Economic Cooperation and Development) countries for implementing policies in such areas as rural development (see Huillet 1990) and landscape management (see Williams and Ellefson 1997). They are also found in Albania, although on a less formal basis. AFP and APFDP have been major proponents of cooperation between different stakeholders in forestry. However, a formal

partnership can be more effective since it provides a stable organization, management, communication, and coordination. Partnerships can be established on a national or local level. Examples are a partnership at the national level for providing extension services and a partnership for integrated development of a depressed rural region.

**Public participation** The greater the opportunities for citizens' participation, the more likely implementation will be successful. However, in Albania, project and policies are formulated and enforced from the top, without the participation of the local people and institutions. Local tradition and knowledge are often overlooked or underestimated. Local people, apart from some temporary employment opportunities, have little stake in the projects undertaken by the DGFP or international donors. Economic incentives for sustainable use of the resource have been neglected at the same time that administrative and restrictive rules are frequently being challenged. Obviously, decisions made at the top are not necessarily the best. Usually, a very limited number of people are involved, and time pressures limit their ability to understand the background, intent, or consequences of a decision. The image of the competent bureaucrat representing the state agency and able to solve problems from the top has eroded completely. Instead, new participatory approaches need to be established through operating procedures that provide for consultation, public hearings, adequate publicity, and time for affected people to evaluate the policy and express their opinions.

Forest policies in Albania, including AFP and APFDP, have been introduced through a top-down approach. For successful implementation, efforts of motivated "outsiders" such as government officials, NGOs, and international donors must have the initial support of local foresters, groups, and community leaders. However, people who might support new policies in principle will strongly object if the implementation will affect their economic interests. A long-term commitment to the policy can be built only if locals benefit directly from participating in the implementation. That is why the communal component of AFP and sustainable livestock management technologies of APFDP have proved more successful than other activities.

### *External variables*

While the statute establishes the basic legal structure in which the politics of implementation take place, implementation also has an inherent dynamism driven by two important sub-processes (Mazmanian and Sabatier 1983):

1. The need of the policy to receive enough political support to overcome the delay in seeking cooperation or consent among a large number of participants, many of whom perceive their interest to be adversely affected by the successful implementation of statutory objectives.
2. The effect of changes in socioeconomic conditions on the support for those objectives among the general public, interest groups, and sovereigns.

This dynamism is related to another group of variables (external) that have a direct effect on forest policy implementation, but not structured by statute or the implementing administration. The following variables, referred sometimes as *nonstatutory*, belong to this group:

**Socioeconomic conditions** Although the situation of the forests in Albania needs urgent action, general economic, social, and technological conditions and their variations over time have substantially affected the priority, the support, and, consequently the resources allocated to forest policy. The influence of the socioeconomic conditions can be better illustrated in the form of the following hypotheses:

- *The greater the relative severity of the problem, the more likely will be the success of implementation.* The anarchical situation of 1997 and the crisis of the Albanian economy increased the relative severity of other problems at the expense of forestry. The result was a further neglect of the forests and consequent deterioration of the forest resource. The government's priority of implementing forestry projects suffered considerably.
- *The lesser the variation among various locations, the more likely will be the success of implementation.* Diversity at the local level in Albania increases the need for flexible policies and discretion by local implementors. On the other hand, this will make the application of indicators, criteria, and standards more complex and, consequently, the

evaluation more ambiguous. Furthermore, this diversity calls for more cautious decision making when expanding successful policies (e.g., the communal component of the AFP) to other locations.

- *The more diverse and prosperous the local economy, the more likely will be the success of implementation.* A prosperous target group can more easily absorb the nonproductive costs associated with the protection of the environment. The reliance on agriculture and the poverty of the Albanian farmers make them vulnerable to such costs; therefore, adequate compensation and support should be provided to achieve desirable results from policies that promote the adoption of environmentally friendly practices in forestry and agriculture.

**Support from the public, interest groups, and sovereigns.**<sup>18</sup> The degree and the variations of such support for forest policies are additional factors affecting implementation. The public exerts its influence through interactions with the mass media, political and personal connections with legislators and government officials, and public opinion polls. The inherent variation of public support and its general tendency of decline over the time can negatively affect the success of implementing forest policies that require constant support from sovereigns. Currently, the most vocal interest groups promoting changes in forest policies and trying to raise public support are the environmental NGOs. However, their support should not be taken for granted. Most of them favor regulatory measures and may resist measures such as privatization and decentralization. Their effectiveness (or of any other interest group) depends on abundance of skills and access resources. Other opposition may come from participants in land tenure disputes and bureaucrats resisting diminution of powers. Because opponents are likely to have greater motivation and ability to gather resources to intervene actively in the implementation process, it is important for Albanian forest policy makers to build considerable support by compromising with a broad range of interest groups, especially communes, private businesses, and NGOs.

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<sup>18</sup> The term *sovereign* in public policy implies official figures who exercise or possess authority, such as members of legislature, chief executives, prefects, or judges.

Support from sovereigns can affect forest policy by formal and informal monitoring, allocation of funds, issuance of directives, and building up support in the legislature and the government. To help overcome the historical problem of low priority given to forestry, forest policy in Albania needs a prominent statesman, referred to as “fixer” by Bardach (1977). This person must have the desire and the means to support and monitor the implementation process and to intervene on a regular basis. This is difficult because most of people in high-level jobs of the government do not have forestry or agricultural backgrounds.<sup>19</sup> The current President of the Republic Rexhep Meidani and the Speaker of Parliament Skënder Gjinushi, have backgrounds in natural sciences and are therefore more likely to be sympathetic to the cause of forestry. These politicians should be encouraged to endorse forestry and assume the role of the “fixer” in the formulation and implementation of forest policies. The President’s initiative in delivering a speech at the 75<sup>th</sup> anniversary of the Albanian forest service on January 20, 1998, is perhaps a step in that direction.

**Attitude of implementors** Providing incentives will be a more effective approach toward changing the attitude of the government officials. During the communist regime, fear complemented the inadequate monetary incentives. With the fear gone, there is little else to motivate bureaucrats to perform even their usual work, let alone implement new policies. The issue of financial remuneration is considered unresolved for the time being on the ground that “the government does not have the necessary money.” As a result, bribes and other non-official rewards are filling the gap, and many government employees engage in the “gray” economy to make ends meet. Since these types of benefits usually increase with the prominence of the position, promotion, although limited by its nature, has often been used as a motivating tool.

Partisanship is another good predictor of the attitude of the officials at all levels in the government because it has been the most significant criteria for their appointment. Although a crucial factor of stability during the communist regime (there were no changes of the parties in

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<sup>19</sup> This is due to numbers. In early 1980s, there were about 40 times more students enrolled in agronomy at AUT than in forestry.

the government), party loyalty is now having quite the opposite effect. The current director of the DGFP, K. Malaj (a Socialist) was dismissed from DGFP by the Democratic Party and reinstated again after the Socialist Party won the elections in 1997. Purges even in the most humble positions have created a climate of insecurity and focus on short-term survival. Local officials' morale and disposition are even lower. Many foresters are not willing to work outside their city offices. This situation makes the undertaking of reforms in the forest administration discussed in Chapter 4 more pressing.

In conclusion, the first step in assessing proposed policies is to understand what the obstacles to implementation are and why they exist. The second step is to deal with them. One option, trying to *alter the situations* that produce these factors, is a long, difficult, sometimes even impossible, process. The other option is to *alter policies*. Although some suggestions to overcome the obstacles to effective policy implementation have been discussed in the previous paragraphs, the primary purpose has been to explore why implementation occurs as it does. This analysis helps to clarify why no easy solutions exist for implementation failures and just how much can be expected to be accomplished by the proposed policies.

## Evaluation of policies

Most of the issues facing the implementation of Albanian forestry policies extend beyond forestry itself and therefore beyond the scope of this study. The aim here is to gain further insight into the magnitude and persistence of the problems, and the degree to which they determine the success of policy implementation. We sensed the need for improvement in monitoring and evaluation of policies in both forestry and other sectors. An evaluation program should assist in the development of appropriate policies, improvement of accountability, and assessing associated benefits and costs. In contrast, monitoring and evaluation efforts undertaken in Albania have been spontaneous and informal. They have also been often tardy because of scarce resources and bureaucratic tendency to focus on daily procedures rather than long-term planning. AFP was the first forestry project in Albania to include a timetable for monitoring measures that are to be taken (World Bank 1996a). APFDP



has gone a step further by including indicators to be measured. (Chemonics 1997). However, procedures for evaluation are not included in either project. While FPRI will be involved in the monitoring and evaluation system of the AFP, in the case of APFDP, evaluation will be conducted later by independent evaluators, and no involvement of Albanian staff is expected.

Although evaluation is generally considered a policy process sequence that comes after implementation (Dye 1992 and Ellefson 1992), a broader view that extends it all through the policy process is taken here. Comprehensive evaluation will require collection, analysis, and interpretation of the information to alert policy makers about unintended activities and effects. However, it will be a real challenge to specify and collect the type of information required, especially when faced by considerable resource constraints. Incorporating monitoring and evaluation at the configuration stage and keeping the pace throughout the policy process will make the task easier.

Evaluating the impacts of policies and programs is inherently difficult. Problems that may be encountered during this process include:

1. *Costs.* Evaluation can add significant costs; therefore careful planning is required to minimized them.
2. *Measurement problems.* Measurement issues will involve the choice of criteria to be defined, indicators and techniques to be used, and the degree of emphasis to be given to quantitative approaches (e.g., cost-benefit analysis) and qualitative approaches (e.g., case study research).
3. *Data problems.* Data necessary to assess the impact of a policy or a program in Albania may be not available or, if available, may be unreliable or in an unsuitable form. This is true especially for price time series, which are distorted to a point of being useless by artificial prices and overvaluation of lek.
4. *Methodological problems.* Conceptual issues will arise because of the nature and consequences of forest policy and the perspective of the evaluator and of others interested in the evaluation. Operational issues will occur especially when the effect of policies is long term, small and incremental, influenced or distorted by other programs, or simply difficult to be quantified.

5. *Political problems.* Problems are likely to arise because of the political nature of the evaluation. Evaluation may be threatening to people who fear the discontinuation of a policy or program in which they have an important stake. This can lead to political animosity, especially if the individuals or agencies that are evaluated perceive the evaluator as hostile. In the highly politicized Albanian social environment, the effect of political issues on the evaluation should be carefully taken into account.

The World Bank (1994), based on its experience in support of the development of a broadly based evaluation capacity in more than 14 countries around the world, has emphasized the following prerequisites for an effective evaluation:

- Evaluation will not thrive unless there is a demand for it
- Conditions must favor the development of reliable and accessible information
- Evaluation results must be fed back into a receptive and responsive decision making
- Evaluation must imply accountability

Albania has a weak demand and supply for evaluation. Development of evaluation will concur with the development of modern budgeting, auditing, and accounting systems. At present, the following measures may develop evaluation capacity of the DGFP and other forestry-related institutions:

- To stimulate demand for, and demonstrate the usefulness of evaluation, information about successful efforts in evaluation from within and outside the country should be disseminated.
- On the supply side, the Financial Control Section of the DGFP may be expanded and asked to undertake selective evaluations useful to policy makers.
- To alleviate capacity constraints and to develop local skills, the sponsoring agencies of AFP (World Bank) and APFDP (USAID) may jointly evaluate their respective projects with the Albanian staff.
- Since training in basic disciplines relevant to evaluation is needed, the Faculty of Forestry at Agricultural University of Tirana should introduce such training in its forest policy program.

Finally, costs and difficulties should not be used as an excuse to avoid the evaluation process. As Lester and Stewart (1996) advised, rather than seeing difficulties as insurmountable obstacles, they should be considered as challenges for planning an effective evaluation.

## CHAPTER 7: RECOMMENDATIONS

Policy proposals to achieve the forestry objectives of the Albanian government (see “Objectives of forest policy” in Chapter 6) are put forth in this chapter, together with respective recommendations. The proposals, which were previously considered only marginally or ignored by the current policy makers in Albania, include: (i) transfer of the forest land, (ii) massive reforestation, and (iii) forestry certification.

### Transfer of forest land

Under the framework of AFP, the Albanian government has agreed to transfer some of the state forest land in usufruct to the communes. However, the deteriorating situation demands a bolder, wider, and speedier approach to the title transfer to communes and private sector. In the end, the DGFP’s position will be improved if the government forgoes its property rights in parts of the forest estate where these rights cannot be enforced in exchange for full control of the remaining area.

### *Communal land*

Communal ownership of the forests and pastures was prevalent in Albania before the communist regime. The most notable example is the grazing on communal pastures where the village shepherds tended the livestock of all the families. Forests near the villages, especially those having fruit-bearing trees such as walnut and hazelnut, were often common property divided on village lines. People from the village would come together to collect and divide the harvest according to the number in each family. These traditions worked because the community had the resource, internal cohesion, and commonality of interest to practice sustainable forestry and pasturage.

Many observers believe that communal efforts are a viable option to deal with the problems of forestry. While this may be true, an extra caution should be considered in the case of Albania. Despite a long historical tradition of communal cooperation, five decades of communist rule have made people suspicious about any communal effort. They have seen their investments in the collective farms, government property, and fraudulent companies go up in smoke. The effort to revive the communal management of forest and pastures may succeed in areas such as the mountainous regions in the eastern part of the country, where the cohesion of the population has not been affected by newcomers and political change.

Both the traditional and the current situation should be considered before establishing a communal forest or pasture that will not develop the tragedy described by Hardin. From the data collected, we have identified some conditions necessary to start a successful communal effort:

1. The community can be described as homogeneous and stable.
2. Participants can obtain accurate and low-cost information about condition, value, costs, and benefits of the resource.
3. Participants understand and trust each other.
4. Participants make and apply collectively rules for operations, monitoring, and sanctions.
5. The effort enjoys the support of the government.

The restitution or granting of forest land to the communes or villages by law will be a better settlement than the current usufruct of state forest and pasture. Property rights are attenuated because the usufruct implies that the government has the right to take the land back if it decides to do so. The choice of usufruct instead of privatization is an illustration of the *incremental development* of forest policies (see “Characteristics of forest policy” in Chapter 2). This timidity and mixed signals from the forest authorities combined with general political confusion has encouraged some informal transfer of ownership from the state to private owners and communes. As in the case of other ownership issues, reforms are following, instead of proceeding political realities. De Saussay (1987) warned that land tenure situations characterized by a breach between the law and reality should not be perpetuated.

Although the communal management of a forest land is considered the first step in achieving sustainable management (Chemonics 1997), it has also a number of disadvantages, such as the difficulty of determining the eligible participants, inflexibility to expand or downsize<sup>20</sup>, the exclusion of outsiders, and no means of curtailing the abuse by insiders who have the tendency to expand their own interest or share-to the detriment of the community. The establishment of a mutually owned stock company is a superior arrangement because it encourages the interest of the participants for the whole forest and has all the flexibility of a modern market institution.

### *Restitution and privatization*

Privatization has not been proposed as an option for the forest sector, despite the general trend in Albania. The first concern of the forest administration officials is that, with the current political and economic conditions, the privatization will accelerate even further the already unsustainable levels of harvesting. Another concern is that private owners may convert forest land to other uses.

Legally, the state ownership of forest and grassland cannot be challenged because this land has always been a national asset. Exceptions are lands that were previously privately or communally owned and were nationalized by the communist government. Although this land represents only 5 percent of the total forest land (Ruzicka 1994), it is of relatively good quality and easy accessibility, and thus of increased significance. The restitution to the previous owners is only a question of time. Other countries in transition, such as Lithuania and Bulgaria, are already in the process of restitution (Gaizutis 1997 and I. Paligorov, personal communication, 23 August 1997). Disputed tenure and land use conflicts have surfaced while DGFP has been deliberating the legal return of some forests to previous owners, because these

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<sup>20</sup> The principle behind the communal property in France is that it belongs to all inhabitants of the communes and not only to the present generation, which is considered as a usufructuary of that property. This in turn implies that the communal property should not be divided at any time (from De Saussay 1987).

owners, either private or communal, lack titles issued by the government before 1946 (from Chemonics 1997).

In cases where there is no dispute and the owners have official title, the restitution should go ahead without any further delay. The current limit of 100 ha per former owner is arbitrary. An upper limit is not the answer to mitigate the shortcoming if DGFP officials think that they are forced into the restitution process and the forest will suffer from the transfer. DGFP should be able to use regulations, incentives, and extension services to help the owners conserve the forest.

Privatization of some forest land should be also considered, although with caution. As mentioned before, privatization of forest land is a sensitive political issue and may backfire. There is little tradition of managing private forests in Albania. A high portion of small, privately owned forests, a pattern similar to the tenure of agricultural land, may lead to inefficient use of forest land. The more remote forests risk timber-mining because the harvest is costly and there is little incentive for long-term management. Therefore, the government should make sure that proper incentives are in place to promote conservation and sustainable management before embarking on privatization. Privatization may begin with small forests isolated from the rest of the estate. Privatization can be done in the same way as with the distribution of other state-owned property, that is allocation to the highest bidder and use of privatization vouchers for payment. But in this case, preference in the form of loans or grants should be available for local foresters who are likely to achieve a more sustainable management of the forest than those from outside the community or region.

Once privatized, forest land may be sold, inherited, used as collateral and treated as any other private asset. Permanent and transferable title would provide new forest owners with access to credit and provide incentives for longer term investments and improved forest stewardship. The right to sell triggers the incentive to accrue value and keep the forest in good condition. The forest should be owned by a *de facto* manager, a farmer who lives nearby and can monitor the boundaries more effectively.

The private sector should be increasingly involved in forest management, marketing of forest products, research and development, extension and participation in policy process, in addition harvesting of forests. Thus, the transfer from the DGFP to the local users will protect the forests and discourage the migration of the rural population.

### *Old-growth forest*

The proposal to open up some of the old-growth forests (classified as productive) for harvesting to relieve pressure on other areas, has been controversial. Currently, there are social, economic, and ecological factors that make a strong case against harvesting old-growth forests:

- The DGFP has recognized the fact that construction of new forest roads needed for such operations will encourage further illegal harvesting (K. Malaj cited by Wencélius, personal interview, 14 January 1998).
- The government is not likely to subsidize the roads because it is unsure that the costs can be recovered by the timber extracted.
- A nationwide ecological study of old-growth forest has recommended that forestry operations be excluded as a management option for these areas, at least for the time being (Habili et al. 1997).

The conservation of old-growth forest may include the following transfers:

- Extension of national parks and other protected areas. Environmental NGOs in Albania have demanded that the protected area be extended to three times the current range (Bego 1997).
- Selling or leasing to conservationist organizations, especially those that have international backing.

In any case, the government needs to anticipate the consequences before declaring more protected areas. Merely declaring national parks will not protect these forests and will jeopardize the government's reputation if appropriate implementation measures do not follow. The major setback in expanding the protected area network is the potential for conflicts



because of forgone economic uses of the forest by the local community. Protected forest areas should be viewed as components of the wider ecosystem that includes people too. A social impact assessment (SIA) is useful for predicting and mitigating the impact of establishing a protected area on local people. It may also identify options and provide feedback that could lead to the resolution of the conflicts. Other measures include participatory planning, joint management, and negotiation.

Based on the hypothesis that the best policy option is to make local people recipients of economic and social benefits created by the park, Nepal and Weber (1995) proposed the following strategies for avoiding and resolving conflicts:

- Sharing benefits through the encouragement of profitable activities such as tourism, introduction of a grazing compensation fee, or providing employment.
- Establishment of buffer zones. This approach is still experimental and there appears to be a gap between planning and reality.
- Traditional methods of conservation.
- Changing local people's attitude through conservation education.
- Increasing financial assistance through international support, swapping debt for nature, user fees, compensation from urban areas downstream, and so on.

However, it is not clear how these strategies will work in Albania because of lack of experience. Social acceptance is undetermined. The market for economic benefits or contributions is relatively undefined. Protection of natural resources is not easy. Therefore, foreign support becomes a crucial factor in the effort to expand the national parks in Albania. Transferring other forest land to non-state users will make it easier for the government to concentrate its efforts on the conservation of the remaining old-growth forests.

### *Concessions*

Another form of forest transfer that should be considered in Albania is the *forest management concession* or *lease*, that is a concession not only for logging but for all silvicultural practices. The concession approach might be a policy instrument capable of bringing the interest and

efficiency of the private sector to the enforcement of sound forest management. In the case where no returns can be realized (e.g., protection forest), the government must pay or subsidize the concessionaire. Concessions can also be a mechanism for privatization; a good lengthy performance can be remunerated through extensions of the lease period and subsequent perpetuation. This kind of arrangement can be especially suitable for productive forests because of their economic potential. If the arrangement is properly devised, the concessionaires should be more efficient than the state forest enterprises in protecting, managing, and improving the forest.

Based on several studies about concessionaires in other countries (Grut et al. 1991, Richardson 1992, and Paris et al. 1994), the following seem appropriate for Albania:

- Concession contracts should be awarded to the highest bidder. But, as in the case of privatization, provisions should be included to support forest professionals and local people. At the initial stage, minimum set prices may be necessary. It is important to base incentives on factors that are easy to measure such as total area or number of trees (see Grut et al. 1991) to avoid disputes and corruption.
- The duration of a concession should be about the length of the shelterwood regeneration period (about 20 years), or less in the case of reforestation.
- The size of the concession should be based on “forest units” to avoid the fragmentation of the forest.
- Concession forests should have management plans, done by the local forest enterprise, forestry consulting firm, or the concessionaire.
- The rent should be paid annually. Paying installments will help small bidders who cannot afford a big lump sum. In the case of reforestation, a periodic payment to the concessionaire will induce responsible performance during the whole duration of the contract.
- A concessionaire should pay local taxes to the commune to benefit the local population.
- A performance bond deposited with the forest enterprise and refunded at the end of the lease with accrued interest, conditional on management performance, should be

requested. The bond can eliminate the need to establish a set time limit. If the concessionaire cannot afford the deposit of the bond, an arrangement can be made to finance it through a bank.

- A concessionaire should be able to sell its rights/obligations to a third party at any time.
- Independent inspections and evaluation should be required. Inspection to monitor performance is the most critical part of the concession. Considering the scale of corruption, independent firms or NGOs that have international backing should be the preferred agent. Aerial surveillance may be used as a simpler and less corruptible approach (Paris et al. 1994). Evaluation can be done through a certification process (see “Forest certification” later in this chapter).

A concession may also offered also for economic activities that contribute to nature protection, the so-called “ecoenterprises.” Wild animal farming is one ecoenterprise that has become lucrative in many countries. It is not new to the Albanian forest sector. For many years, state forest enterprises raised pheasants and wild ducks for export. The positive aspect of ecoenterprises is the preservation of the natural landscape against other harsher uses of the forest land such as logging and grazing. However, animal rights activists have expressed disapproval for taking animals from their natural environment and placing them in reserves (see Mieczkowski 1995). Concern has been expressed over moral issues and the impact of stress, sicknesses, and inbreeding on confined animals.

Further studies need to be conducted to design procedures that will encourage investment and reduce corruption. Concessionaires can improve the utilization of the forest, increase employment, and generate more revenues. Implementation should start on a trial basis after all details of regulations, incentives, and procedures have been formulated. An incremental approach will also help to deal with the administrative cost and the complexities of the implementation.

## Reforestation

Reforestation<sup>21</sup> is an important tool for achieving the forest policy objectives. Petrit Rama, the former rector of Agricultural University of Tirana, on January 23, 1997, jokingly asked me how could we talk about forest policy at a time when there are no forests left in Albania. During our conversation we concluded that a significant reforestation effort would be an important turning point in stemming the current trend of forest shrinkage. The area suitable for reforestation includes degraded forest land, estimated at 200,000 ha (FAO 1992), and abandoned agricultural land (see “Agriculture” in Chapter 4).

### *The need for reforestation*

Almost all reforestation in Albania was done by the government during the communist regime at an annual rate of about 5000 ha (Çarçani 1994). The state forest enterprises performed the work, funded by the state budget, according to forestation projects compiled in cooperation with FPRI. Laborers from the collective farms and “volunteers” from urban areas were often engaged in the process. This was especially true in December, designated as “the reforestation month,” when there is less work in agriculture and winter has not yet set in. Objectives such as production of timber, protection of the soil from the erosion, and recreation were put forward as justification. As in other countries, conifers have been the preferred species. The DGFP has, since 1992, practically halted its reforestation program because of a lack of funding and its inability to protect the young forests. This was an inefficient move, considering the comparative advantage that Albania has in forestry. The expected recovery of the state finances will make it possible for the government at all levels to resume some reforestation, particularly in areas that will remain strictly under government control (e.g., national parks and protected forests).

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<sup>21</sup> This term was preferred to afforestation, since virtually all the planting of trees has and will be done on land that was forest less than 50 years ago (Evans 1992).

The area of plantation forest is expanding throughout the world as a means of increasing the availability of forest products and for soil and water conservation. Governments have been major players in the process, either directly or indirectly, by offering incentives to the private sector. Independent private efforts tend to be spontaneous and at a smaller scale, except for the corporate forests in the developed countries (see Mather 1993). The need for a reforestation policy has come from the very nature of the forestry. Given the current situation in Albania, reforestation as a long-term investment is scarcely appealing to the private sector. Even with secure tenure, some form of government or outside intervention is required if quick results are to be achieved. Many areas are so degraded that reforestation will not have any immediate economic benefit. Economic incentives should be sufficient to offset the low return rate and the investment risk. The forestry sector should be free from institutional disincentives such as property and capital gains taxes.

Several reasons make reforestation attractive in Albania:

- *Environmental benefits.* Protecting the soil from erosion and maintaining water and air quality is crucial to survival.
- *Economic benefits.* In many hilly areas, forestry can be more profitable than agriculture or pasture practices.
- *Social benefits.* Reforestation will provide jobs for the rural people, thus helping to avoid the abandonment of the countryside. However, this assumption has proved to be of little significance in some countries because of the mechanization of the planting process and the long time span between planting and harvesting (Mather 1993). In the case of Albania, a reforestation program will at least provide some needed short-term employment. Labor is needed in the steep hills where mechanized planting is impossible. Reforestation will also provide jobs for a couple of hundred unemployed forestry professionals.
- *The decline of agriculture.* Reforestation is the most suitable alternative for restoring the productivity of refused or abandoned agricultural land.

- *The sequestration of carbon.* Many Albanians will sneer, with good reason, at the idea of planting trees for the sake of global warming, but this is the very reason to ask support from international donors.
- *European demand for forest products.* The EU is a net importer of timber. As availability of tropical timber declines, an increase of demand in high-value broadleaf species from temperate forests is likely to follow. Albanian forestry has a comparative advantage in producing valuable timber from walnut, maple, and oak because of favorable natural conditions and cheap labor.
- *Decreasing cost of harvesting and hauling.* Plantations established on arable land will have shorter distances to market and greater accessibility for modern harvesting and transportation methods.

The recognized benefits of reforestation cannot ward off all criticism. Most reforestation efforts have created plantations that are often portrayed by environmentalists as exotic, poor in diversity and aesthetic values, and unsustainable ecosystems (Mather 1993). While all this may be true in traditional, overstocked plantations of central Europe, plantations are a much better environmental choice than most current land uses in Albania. A serious concern is their negative social impact because of the loss of the *de facto* rights of people who use the forest for firewood, grazing, and NTFPs. Protests are likely if these rights are broken, but creative establishment and management can avoid the conflict.<sup>22</sup>

The following steps should be taken to address the concerns:

- Benefits from reforestation must be considered as a means of conserving the existing forests. Incentives and support for the reforestation and the neglect of the existing forests could bring the expansion of plantations at the expense of the natural forest.
- Using native species, mixed planting, and a greater share of broadleaf species to increase the diversification of plantations will blunt some of the counter-arguments.

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<sup>22</sup> The breach of traditional rights in the communal forest of Spain during the Franco regime led to serious protests such as forest arson fires (Groome 1993).

- The management of aesthetic values should be based, as much as possible, on the historical pattern of the land use and natural vegetation. This is not difficult. Despite all significant changes that happened in the last half century, many people still remember or know from their ancestors the characteristics of the historical landscape and land use in and around their village.
- Any reforestation project should include public participation in the planning process and have the approval of the commune and village councils. Possible conflicts about land tenure may be avoided by giving ownership of the trees, but not of the land, to the people who plant them. These rights should include transfer and inheritance of the trees as measures that will promote responsible long-term management.

### *Taking action*

Expanding reforestation in Albania was also recommended by the FAO Reconnaissance Mission (FAO 1992). Reforestation efforts on communal forest land are included the forestry projects currently undertaken by the World Bank and USAID, but they are small in scale, scattered, and insufficient (see World Bank 1996 and Chemonics 1997). Reforestation in Albania should be reinitiated and expanded by making reforestation attractive to local farmers. Any possible claim that Albania cannot afford reforestation is fallacious. Poor countries such as Morocco, Algeria, Nepal, and Vietnam (see FAO 1993b and Ahlbäck 1995) have undertaken impressive reforestation efforts at low costs and with good returns.

The reforestation strategy in Albania should include the following steps (adopted from Ahlbäck 1995):

- An ecological survey and a zoning system to identify areas in need of reforestation, establish urgency, and avoid forest fragmentation.
- A social and economic survey to identify the need and availability of labor, capital, and extension services.
- Establishment of a priority list based on the above surveys. Reforestation should begin on abandoned agricultural land, especially around Western Plain cities.

- Allocation of the land to be planted to the entities that will carry out the reforestation (discussed in “Transfer of forest land” earlier in this chapter).
- Provision of financial and technical support.
- As soon as the area suitable for reforestation is identified, reforestation projects must be developed on a local and case-by-case basis, in close cooperation of all stakeholders.

The government should increasingly involve private stakeholders such as farmers, companies, and NGOs by stimulating and directing in the process through proper incentives. Funding can be obtained by one or a combination of the following sources:

- **The state budget.** At the central government level, this money should be over and above the reforestation carried out by DGFP. Local government should do the same, especially for reforestation that is beneficial to the general public such as parks around populated areas and riparian areas. This money will be transferred to the private sector in different forms, depending on land tenure. Given the present financial situation, this amount may be small, but once the mechanism is put in place, it will serve to channel other funding, especially foreign assistance.
- **Forestation Fund.** France, since 1946, has succeeded in the afforestation of millions of hectares establishing the *Fonds forestier national* (National Forest Fund) financed by a tax on the consumption of forest products (Morin 1990). According to Macovescu (1992), Romania is using the same approach for “ecological reconstruction” of deforested areas. The Moroccan government has imposed a timber import tax to support afforestation (FAO 1993). The main advantage is that the fund is not affected by budgetary constraints and priorities. On the other hand, the reforestation tax will be both unpopular and difficult to collect in Albania. Moreover, this tax is considered to be in violation of EU policies (E. Rojas-Briales, panel discussion, 22 August 1997) at a time when Albania is trying to align its policies with the EU.
- **Miscellaneous donors.** Funding by international donors is the most viable alternative for achieving significant and quick results. Several international or country-based



organizations providing reforestation help exist throughout the world.<sup>23</sup> They should be approached with proposals to assist with financial and technical support.

Reforestation incentives should be subject to consideration of:

- Actual cost and expectation of income;
- Risks and long time-scale of any return on investments; and
- Social and ecological environment.

Incentives should be tailored to local needs. They may be in the form of grants, subsidies, tax exemptions, cost-sharing, low-interest loans, land tenure, and ownership of trees. They should be higher for poorer land, protection areas, and recreational forests. Experimentation may be needed to assess the optimal approach because of the diversity of the ecological and social environment. Beneficiaries of the incentives may be individuals, extended families, landowners, independent contractors, NGOs, village councils, communes, partnerships, or locally held corporations.

Recipients should be subject to regulations covering silvicultural practices including harvesting. Well-designed regulations combined with adequate enforcement would reduce soil erosion and protect the plantation from fires and pests. France has used various incentives for reforestation such as tax exemptions, subsidies (De Saussay 1987), and annual premiums (Pélissié 1992). Measures are taken to ensure the proper use of the subsidies that are most frequently granted in kind (seedlings, fertilizers, etc.). If the recipient has failed to achieve the intended results, he or she has to repay the subsidy. In China, contractual arrangements with households have boosted the survival rate of the planting (Smil 1993). The costs have been low because work is done during the slack farming periods. However, dealing with small individual farmers is difficult because the government may not be able to reach them. Participation in partnerships may enhance the farmers' ability to deal with large-scale issues and to have access to incentives and extension services.

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<sup>23</sup> See Kalkkinen (1984) for a description of the main international organizations of relevance to forestry.

### *Approaches to reforestation*

One form of partnership is the establishment of *reforestation associations*<sup>24</sup> at the commune or village level as a tool to motivate farmers to grow and harvest trees on the land around the village. The association approach offers several advantages in combining labor, capital, technical information, administration, processing and marketing, and most of all, protection from thieves. Furthermore, the reforestation associations can be organized nationally, thus making it easier to obtain grant or loans from the government and international agencies. A typical association may issue shares and charge entry fees for membership. Revenues will come from the sales of tree products such as timber, fodder, and NTFPs. Bylaws, approved by members, will stipulate how the resources will be managed. To avoid failure, mechanisms for assigning duties, distributing benefits, and resolving the conflicts should be established. Over time, the objective for a successful reforestation association should be to become a corporation that will manage trees on land either owned or leased from the state. The biggest policy concern in establishing reforestation associations is that people in Albania, especially in rural areas, have lost faith in common efforts. However, early results from the communal component of AFP (in three communes) seem encouraging (F. Wencélius, personal interview, 14 January 1998).

There are many examples from other countries of cooperation among farmers to accomplish reforestation projects. In India, Tree Growers' Cooperatives were initiated in 1987 in selected states. The main objective of these cooperatives was to enable villagers to grow trees and grass on their own marginal land and on degraded government lands to meet their needs for tree products. Even though it is too early to assess their performance and sustainability, Singh and Balooni (1997) have estimated that a typical cooperative can be financially viable for at least 15 years. Most of the critical issues they have identified are related to bureaucratic hassles and restrictions on leasing, harvesting, and transportation. Other issues are internal problems, such as inefficient allocation of the resources and inadequacy of conflict resolution.

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<sup>24</sup> The term 'cooperative' is discredited in Albania, since it was used for the communist collective farms.

The most spectacular achievement of reforestation is the Korean New Villages Movement (Gregersen 1982). In two decades, cooperatives of private foresters have succeeded in reforesting some of the most devastated areas in the world. Similar results are unlikely in Albania, but the Korean experience serves as a good example of what can be done in a spirit of cooperation. Possible approaches to reforestation in Albania are presented in Table 7-1.

The establishment of short-rotation energy plantations is another reforestation alternative. They also have the advantage of restoring and sustaining soil fertility. Use of biomass as a renewable resource is now accepted and appreciated worldwide. Energy crops can contribute to a significant reduction of the emission of carbon dioxide by displacing fossil fuels and serving as carbon sinks. Coppice species such as alders, eucalyptuses, poplars, and willows are commonly used in energy plantations. But the concept can also be extended to include grasses and agricultural crops. Due to intensive management, energy plantations are considered environmentally inferior to man-made forests, but superior to agricultural crops and overgrazed pastures.

Establishing energy plantations on abandoned agricultural land or degraded oak coppice forest is an attractive land use. These plantations have a rapid growth during a short rotation due to intensive treatments with fertilizers, irrigation, and herbicides. Short rotations also hold the promise of quicker, periodic returns to the landowner. Modern technology for producing electricity, fuel, and materials from biomass should be introduced in Albania to take full advantage of the potential beyond the more traditional production of fuelwood and charcoal.

**Table 7-1 Approaches to reforestation in Albania**

<b>Policy Options</b>	<b>Advantages</b>	<b>Disadvantages</b>	<b>Comments</b>
Financed and performed by the government	<ul style="list-style-type: none"> <li>•Control over the process and national targets</li> </ul>	<ul style="list-style-type: none"> <li>•Politicians may favor investments in other sectors rather than forestry</li> <li>•Opposition to reforestation by local land users</li> <li>•Higher costs</li> </ul>	<ul style="list-style-type: none"> <li>•Direct involvement of the government in tree planting is in decline in many countries</li> </ul>

**Table 7-1 Approaches to reforestation in Albania** (continued).

Policy Options	Advantages	Disadvantages	Comments
Communal	<ul style="list-style-type: none"> <li>•Integrates labor, capital, and technical information</li> </ul>	<ul style="list-style-type: none"> <li>•Feared loss of freedom</li> <li>•Possible inefficiency</li> <li>•Internal conflicts more likely</li> <li>•Concern about long-term stability.</li> </ul>	<ul style="list-style-type: none"> <li>•It is not likely to work in villages that have population movements.</li> </ul>
Private (individual)	<ul style="list-style-type: none"> <li>•Higher survival rates</li> <li>•Avoids free ride” problems</li> <li>•Cost, benefits, and responsibilities are better defined</li> </ul>	<ul style="list-style-type: none"> <li>•Organizational problems (too small and too many)</li> <li>•Difficult to monitor</li> <li>•Others, same as below</li> </ul>	<ul style="list-style-type: none"> <li>•Individual participation is increasing in China and Vietnam</li> </ul>
Private (kinship, village based or associations)	<ul style="list-style-type: none"> <li>•Same as above, others:</li> <li>•Lower costs</li> <li>•Easier policing and enforcement</li> </ul>	<ul style="list-style-type: none"> <li>•Incentives are needed, but may be abused</li> <li>•Fear of government control over forested land</li> <li>•Tendency to plant quick-growing species</li> </ul>	<ul style="list-style-type: none"> <li>•Successful examples: Korea India</li> </ul>
Private (contractors)	<ul style="list-style-type: none"> <li>•Same as above</li> <li>•Specialized technicians</li> </ul>	<ul style="list-style-type: none"> <li>•Lacking of long-term commitment</li> <li>•Resentment from local populations</li> </ul>	
Concession	<ul style="list-style-type: none"> <li>•Same as above</li> <li>•More efficient</li> </ul>	<ul style="list-style-type: none"> <li>•Tenure conflicts</li> </ul>	<ul style="list-style-type: none"> <li>•Most suitable on large production forest</li> </ul>

The choice between establishing a forest or a energy plantation must be considered carefully. Comparing the high forest to short-rotation coppices, Morin (1990) cautioned the following points:

- A careful assessment of the long-run profitability of energy plantations, including the future costs of reinstallation of the plantation and foregone production of timber from high forest;

- The consideration of the alternative opportunity to produce fuelwood from thinning the high forest,<sup>25</sup>
- The effect on the sustainable flow of timber supply and the implications to the timber industry.

As a rule, energy plantations should be established on the richer sites, especially on abandoned agricultural plots. They may first find favor for household or community energy supply. If the area in question were large enough to serve a commercial enterprise, then a cost-benefit analysis would be appropriate.

The quality of the planting material must be improved. Genetic selection and the tissue culture method, already operational in Albania for agriculture research, will provide foresters with the possibility of producing genetically engineered trees. These methods, used in conjunction with conventional greenhouse propagation systems, will allow the quick and cheaper generation of seedlings from the trees with desirable traits without having to wait for sexual maturity.

## Forest certification

Certification in forestry involves an assessment of a forest management operation by measuring performance indicators of specified ecological, economic, and social standards. Its objective is to institute a more direct link between the consumers concerned with the fate of the forests and producers who want to improve their management practices and to be perceived as environmentally friendly. Certification is offered as a tool to consumers in the decision process and enables them to make a more informed choice.

The certification process is seen optimistically by some analysts as an opportunity for businesses to reap commercial benefits (Upton 1993). Certification is only a step in bringing “green” wood products to the consumer. The retailer or producer must then convey this

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<sup>25</sup> It is not possible to thin when trees are planted in ample spacing such as in agroforestry and fruit-bearing trees plantations.

information in a way that is clear and easily identifiable. The “greenness” of a product becomes an additional element, besides price, quality, and function, in evaluating products. While many agree that certification is a useful development, there are concerns about its implications:

- Certification may be too restrictive and costly, especially for small forest operators. It might burden the wood to the point it loses its competitive advantage to substitutes. Forestry organizations in Europe have argued that the FSC (Forest Stewardship Council) certification program will disadvantage small forest owners (Anonymous 1998).
- Some industry foresters argue that certification is not necessary because a high level of performance can be assured through the presence of different levels of laws, regulations, and restrictions (Eisen et al. 1993). This is may be true unless certification replaces rather than duplicates these statutes.
- Rogue timber traders will find ways to abuse the system and dump the marketing of timber products into a disastrous media shamble (Lejuene and Thompson 1993).
- Some forest industries are worried about the possibility of some silvicultural practices, especially clearcutting, being proscribed (Eisen et al. 1993).
- Wood that is not certified may be considered as coming from non-sustainable forests (AF&PA 1994).

In many countries, the certification process is being contemplated as a response to the economic and social changes that affect forestry. Leading this effort are developed and developing countries, importers and producers such as United States, Scandinavian countries, Chile, Malaysia, Germany, and Holland (SAF study group 1995). In contrast, southern European countries have been slow to follow. In Italy, the main partner of Albanian forest product trade, certification is still only in the problem configuration stage (Querini 1994). There is no information on developments in Eastern Europe.

Certification is debated and viewed differently from country to country. In the United State the process is considered an initiative of the individual firms of the forest industry, while in Canada it is viewed as a national issue. In Indonesia, where the state owns and administers most of the forests, the government is developing a certification program expected to be fully operational

by the year 2000 (Lyke 1996). However, such exclusive government involvement ought to be avoided because of interest conflicts perceived by some stakeholders when the government owns and manages the forests and regulates forestry activities. Two major certification initiatives have emerged in recent years. The first, ISO 14000, is a system proposed by the International Standards Organization (ISO) for certifying on a facility-by-facility basis. The other, Green Certification, attaches a seal or other identification to a finished product that attests to the environmental, social, and economic performance of the companies involved in supplying that product in accordance to the FSC standards.

Whatever the case, it is only a question of time until Albanian forestry has to face some formal consideration of certification or performance assurance. Ignoring it now will create problems later. There are already examples of certification in Albania. Assuming that the wild material was not being harvested sustainably and in danger of extinction, German importers, since the early 1990s, have been asking for documents to certify that some medicinal herbs are from cultivated crops. Such imposed measures, despite good intentions, instead of being a consumer choice, restrict foreign trade at the time if the producer is not ready to deal with the requirements.

The process can start with three steps that can be implemented rather independently of each other:

1. Organizing forest harvesting industries into a trade association as a forum to discuss certification as a non-regulatory tool.
2. Identifying and documenting ongoing good practices in line with the requirements of importers, especially from EU, to diversify and expand the consumer market.
3. Establishing domestic and international independent certifiers, either new or through the existing NGOs.

Any effort by the DGFP to set national regulations should be avoided. It may collaborate with the certifiers, but their licensing process should be independent of DGFP. In its role as an extension service, DGFP may establish criteria, indicators, guidelines, or standards to be used in certification. As an administration unit of a small country, the DGFP needs to coordinate its

efforts with other forest administrations in the region. There should be more ongoing efforts to develop consistent certification at the South European level as part of the debate over sustainable forestry in the Mediterranean forests.



## CHAPTER 8: CONCLUSIONS

The 1990s have been a devastating period for forestry in Albania. Forests are being depleted at an increasing rate. The reason is a combination of factors, often beyond the reach of the DGFP. The rate of change in the political and economic conditions has been too dynamic for the DGFP and its forest enterprises, which have been overwhelmed by a strong demand for forest products by emerging private businesses, a considerable increase in the number of livestock, and a demographic expansion to cope with.

Despite years of involvement by FAO, World Bank, and USAID, the situation on the ground has changed little. The continuing destruction of forests in Albania was discussed in a recent emergency ministerial meeting in Tirana on May 15, 1998. In this meeting, the DGFP's General Director, K. Malaj, reported about "the grave situation of forests and pasture land and the impossibility of forest police to safeguard them" (ATA 22 May 1998). According to DGFP sources "thousands of hectares of forests are being destroyed in Albania and during the last two months over 135 million lek (about \$900, 000) of timber and charcoal were exported" (ibid.).

By determining factors that affect Albanian forest policy and prioritizing methods of implementation, our analysis has demonstrated the urgency for the preparation of a national strategy that will deal with the current situation by taking actions in the following areas:

- Transferring of some state forest to communes and private businesses through restitution, usufruct, privatization, and lease (concession).
- Adopting a massive reforestation effort to reverse the current trend of forest decline.
- Reforming the DGFP institutionally to motivate its staff in the mission of managing and protecting state forests.
- Introducing forest extension services to help the management of emerging communal and private forests.

- Increasing cooperation with NGOs.
- Changing legislation to promote incentive-based approaches and the cooperation of local communities.
- Increasing public participation and support in the forest policy process.
- Adopting a broad notion of rural development encompassing all issues pertinent to the vitality of rural people and places to reduce pressure on forests and pastures.
- Encouraging “ecotourism” and “ecoenterprises” as economic alternatives gentler to the environment than the current exploitation.
- Encouraging the domestic processing of forest products.
- Introducing forest certification as a voluntary measure for improving forest management practices and the reputation of Albanian forest products in the international market.

The current degradation of Albania’s forest resources will be reversed only if the central problem of land tenure can be resolved: achieving unambiguous and unattenuated property rights. The security of the ownership of the natural resource base should be complemented with job opportunities and the prospect of a better life for the people. Forestry should play its role as an important part of Albanian rural development in the effort to create a more diverse economy and achieve a sustainable social setting.

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## **VITA**

### **KOZMA NAKA**

Kozma Naka was born in Tirana, Albania on January 4, 1960. He studied Forestry at the Higher Agricultural Institute of Tirana, Faculty of Forestry, from 1979 through 1984. After graduation he started work at the Institute of Forage and Pasture Research, Fushë-Krujë, Department of Pastures. During that time he was engaged in research for the improvement of Albanian pastures.

In 1986 he completed graduate computer-science studies at the Faculty of Natural Science of the University of Tirana. He then worked as a programmer-analyst and adjunct professor at the Agricultural University of Tirana.

In 1989 he became the head of Projects Department at the Pasture Research and Projects Central Station, Fushë-Krujë and was in charge of a nationwide project for pasture management. From September 1990 until August 1992 he worked at ALIMPEKS Foreign Trade Enterprise, Tirana dealing with the export of medicinal and aromatic herbs.

In August, 1992 came to the United States, as a Fulbright visiting scholar at the Department of Forestry, Virginia Polytechnic Institute and State University in Blacksburg, Virginia. He enrolled at the graduate program of the same department and earned a Doctor of Philosophy degree in Forestry in July of 1998.