

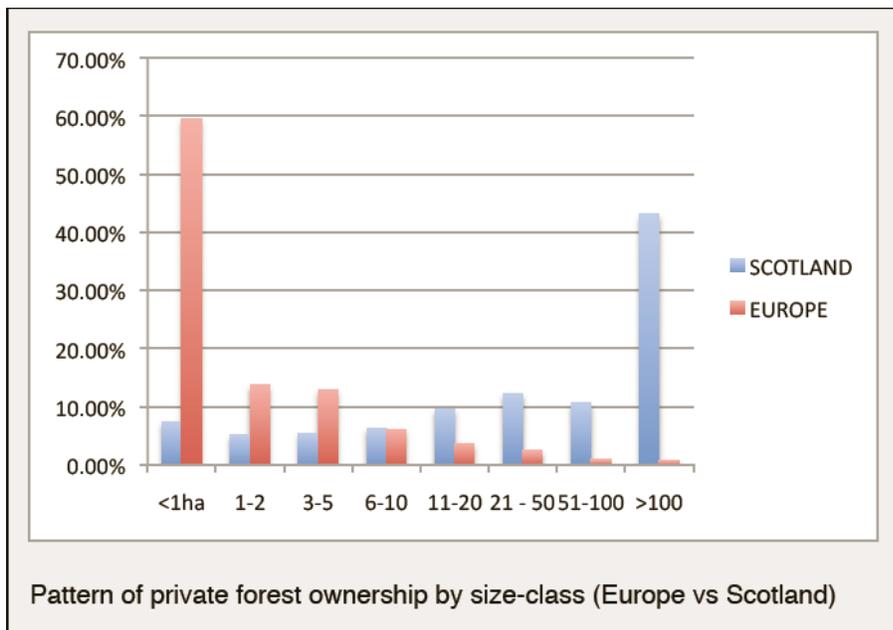
## Forest Ownership in Scotland

### Background

Beyond a crude breakdown between forests in public ownership (one-third) and in private ownership (two-thirds), there is little discussion or debate about forest ownership in Scotland and even less interest. It is notable that the latest data submitted to the UN by the Forestry Commission on patterns of forest ownership are estimates based upon a UK survey conducted in 1977. Scotland's Forest Expansion Strategy makes no mention of forest ownership.

However, ownership matters for all the reasons that landownership in general matters. Other things being equal, for any two identical forest parcels, local resident ownership by individuals or communities usually delivers greater social and economic benefits than absentee investment ownership. Moreover, forestry often delivers greater benefits when integrated with other land uses such as agriculture or nature conservation.

### Ownership Patterns



Scottish forest ownership is dominated by the national forest estate, private landed estates and forestry investors who together account for 96.5% of the forestry resource. Two thirds of Scotland's non-FC forests are owned by absentee owners, of which 76.4% is owned by owners who live outside Scotland. Of

20 European countries, Scotland has the largest average forest holding size at 259ha, four times larger than the next largest (Sweden at 66.8ha). This large scale pattern of private ownership, dominated by large estates and absentee investors, is not delivering the full potential that forests can by way of public benefits.

### Implications for Forestry Policy

Scottish forestry policy is currently geared toward an expansion of forest cover. This is being achieved largely through offering grants of public money to "investors" from across the UK who are, in addition,

avoiding a range of taxes thus providing an investment opportunity largely paid for by public funds. Should not forestry policy, in addition to having preferences for certain types of forest in certain places, not also express preferences through policy tools for certain ownership models? Might not the public funds being placed at the disposal of faceless trusts be better deployed investing in Scotland's farmers and communities? Is it not time that we at least began posing such questions?

The availability of public subsidy drives the expansion of forestry. It is thus in the gift of the Scottish Government to decide whether to use this power to advance other public policy agendas at the same time, such as land reform. Scotland has one of the lowest amounts of forest cover in Europe, held in the most concentrated pattern of private ownership in the largest holdings. At the same time the Scottish Government is seeking to diversify the pattern of landownership through its land reform programme. Forestry provides an ideal method of achieving the latter goal.