

Unit 3. Joint Management

Jointly owned forests

Description

Jointly owned forests (common forests, collective forests) have been established in Finland since the end of the 19th century, and in February 2020, the 500th jointly owned forest was established. At the beginning of 2023, there were 594 such forests in Finland. The establishment of new jointly owned forests has increased significantly as a result of the comprehensive reform of the Act on Jointly Owned Forests in 2003. The total area of the jointly owned forests is growing all the time and is already almost 813,000 hectares.

Jointly owned forests have about 25,000 shareholders and cover more than five percent of the area of our private forests. The smallest jointly owned forest is less than 20 hectares, while the largest has an area of more than 90,000 hectares. The largest jointly owned forests are in Northern Finland. A jointly owned forest can provide a functional solution to many of the goals of modern forest ownership. However too small (< 100 ha) joint forests, are not considered reasonable, because due to certain administrative costs, the operation of a jointly owned forest that is too small cannot be made profitable enough compared to conventional private forest ownership.

A jointly owned forest is an area belonging to a real estate, and it is intended to be used for sustainable forestry for the benefit of its shareholders. Jointly owned forests count as private land.

According to the Act on Jointly Owned Forests, jointly owned forests must be used primarily for sustainable forestry. Sustainable forestry includes economic, social, and ecological sustainability. The shareholders of the jointly owned forest decide how they emphasize the different aspects of sustainable forestry in the use of the forest.

The highest decision-making body of the jointly owned forest is the meeting of a shareholders' association consisting of the owners of the forest properties. The association is a separate legal entity. The shareholders of a jointly owned forest can be individuals, estates, associations, and communities. The shareholder's voting power and rights depend on the size of the share. Decisions are made by majority.



Sign showing the way to Leijankorpi jointly owned forest

Goal

The main goal of jointly owned forests is to offer an opportunity for small scale forest owners to form larger forest areas that makes forest management more profitable.

Impact

The popularity of jointly owned forests is steadily increasing.

Source

Suomen Metsäkeskus (Finnish Forest Centre)

<https://www.metsakeskus.fi/en/forest-use-and-ownership/forms-of-forest-property-ownership/jointly-owned-forests/information-about-jointly-owned-forests>