

Innovating in the transition forestry: cases of non-timber forest products innovations in forestry sector in the South-East Europe

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Multipurpose trees and non-wood forest products, a challenge and opportunity

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CONTENT OF THE PRESENTATION

- AIM OF RESEARCH
- POLITICAL TRANSITION IN SOUTH-EAST EUROPE (NTFP)
- METHODOLOGICAL APPROACH
- FRAMEWORK CONDITIONS FOR INNOVATION IN NTFP SECTOR
- THREE INNOVATION CASE STUDIES: Serbia, Macedonia, Slovenia
- CONCLUSIONS FOR IMPLICATIONS IN INNOVATION POLICY



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AIM OF RESEARCH

To analyse how innovation arises and is developed in the „underdeveloped“ sector of NTFP

- Timber production is still the most important
- Three SEE (ex-YU) countries: Serbia, Macedonia and Slovenia
- Common history and different levels of development: thus different hindering and fostering factors of innovation



To understand relation to institutional background

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SEVENTH FRAMEWORK PROGRAMME

POLITICAL TRANSITION IN SOUTH-EAST EUROPE IN RELATION TO NTFP SECTOR

- Socialist regime to democratic system
- Changes in forestry sector
 - New policy and legislation
 - New regulation on land tenure and NTFP
 - Strengthening of private property rights
- Marginality vs. opportunities for improving sector's governance



INNOVATION RELATED TO NTFP

- Traditional forestry
 - Low level of innovativeness
 - NTFP as a neglected sub-sector
- Emergence of niche markets
- Usually small businesses with limited turnover
- With potential: embedence in larger innovation system



METHODOLOGICAL APPROACH

- Semi-structured interviews with those responsible for the innovative cases
 - Development of the idea
 - Foundation of the firm
 - Development of the product
 - Supporting factors and actors in the process
- In-depth expert interviews
 - Governmental bodies
 - Regional development agencies
 - Research&Development organisations



FRAMEWORK CONDITIONS FOR INNOVATION

- Serbia
 - PE Srbijašume (1991)
 - Fail in NTFP market; rise and domination of private enterprises
 - Sector is largely unorganized; however significant exports occur
- Slovenia
 - Strong position of farm cooperatives as purchasers and wholesalers
 - Desintegration of the system and new regulation: shift of the market
- Macedonia
 - Agriculture Industrial Combinates
 - Emergence of private NTFP-based firms; significant exports occur



FRAMEWORK CONDITIONS FOR INNOVATION

- Actors relevant for innovation in NTFP's sector
 - Mainly in public organisations
 - Ministries: economy, agriculture and forestry (all three countries); tourism (Serbia)
 - Agencies: entrepreneurship (all three countries); investment and export promotion (Serbia); agriculture and rural development (Slovenia)
 - Innovation funds: Serbia and Macedonia
 - Mainly financial and information support for SME in all sectors
 - Directly linked in NTFP-innovation: agriculture (SRB and SLO)



FRAMEWORK CONDITIONS FOR INNOVATION

- Policies relevant for innovation in NTFP's sector
 - No policies specifically tailored for innovation in NTFP sector
 - Forestry related strategies: (indirectly) NTFP need to be fostered
 - Strategies supporting SME: SRB and SLO
 - Strategy on biodiversity and use of natural resources: SRB
 - Rural development plan: SLO
 - Measures for forestry: no relation to NTFP
 - Developing micro-companies
 - LEADER program: Local Action Groups
 - IPARD program: an opportunity for NTFP sector in SRB and MAC



THREE INNOVATIVE CASES

Company Adonis – Teasy „teaspoon-shaped sachets“

- est. 1991
- herbs
- personal motivation: previous employer had no interest in innov.
- Teasy™
- idea for innovation
- information for realization: S.N.
- finances: bank loan, SIEPA
- coordination with the pickers



THREE INNOVATIVE CASES

Company U-JAA – wooden climbing holds

- est. 2012
- climbing holds out of tree knots
- personal motivation: need for affordable holds
- thermal processing patented on a national level
- information for realization: S.N.
- finances: personal savings, grant
- coordination: other companies, uni



THREE INNOVATIVE CASES

Company InterMak – edible NTFP

- est. 2000
- export of various edible NTFP
- idea: international fairs
- personal motivation: to be first company offering NTFP on domestic market
- information for realization: previous personal experience
- finances: personal savings, bank loan, no IPARD
- coordination: lack of administrative support (export licences)



CONCLUSIONS

Transition process

- before 1991 a dominant role of state enterprises covering all phases of NTFP production; strong cooperation among ex-YU countries
- afterwards, the rise of private enterprises; taking niche markets

Innovation system

- actors from public and semi-public organisations: indirect role
- no, NTFP-specific innovation policies in all three countries
- many NTFP-relevant policies were adopted in 2000s



CONCLUSIONS

Innovation system

- All three companies developed innovations due to their own interest in being autonomous and also to generate income
- They have mainly utilized personal savings and bank loans
- Information support has mainly come from social networks and not by innovation support system
- Success factors: innovativeness of the product, cooperation with others and reaching for market openings



CONCLUSIONS AND POLICY IMPLICATIONS

Possible reasons for low innovation support

- NTFP can be neglected as a sub-sector (marginal in economic terms)
- NTFP are commonly related to few different sectors (forestry, agriculture, tourism)
- NTFP are by policy makers commonly referred to as by-products

- There is a need for strengthening innovation support and
- More targeted cross-sectoral policies



THANK YOU FOR YOUR ATTENTION



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