What can we learn from small-scale farm forest owners about maintaining a social licence?

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Figure 1: Composite image of representative small-scale forestry owner enterprise innovations. 1. Pine cones; 2. Trout fishing; 3. Farm forestry walk; 4. Walnut seeds; 5. Cattle and trees. Sources: The Environmentor, Diamond Forest Farm Stay, Island Hills Station, The Incredible Seed Co.; Scion, respectively

Abstract

Small-scale farm forestry (SSFF) owners have played a foundational role in the development of New Zealand forestry and continue to contribute to its structure and innovation (Figure 1). While not always seen as the face of forestry, SSFF has persisted through boom-and-bust cycles of log prices, and has also contributed to the environmental and social sustainability of rural areas.

There have been different viewpoints and rationales for forest policy regarding SSFF development, but very little in tangible national direction since 1983. Some examples of pragmatic policy ideas include flexibility in support for farm forestry businesses, enabling diversification of operations and providing alternative structures for carbon trading markets. Less attention has been given to the social credentials of SSFF owners and their ability to influence the social licence to operate for forestry.

Research was conducted by Scion under the Resilient Forest Programme to explore what gives SSFF a social licence, including how SSFF owners negotiate their licence to operate. A narrative approach was taken to explore and analyse SSFF perspectives through semi-structured interviews. Key features of the narratives included tree planting history, individual motivation, defining social licence to operate, decision-making and adaptation, and enterprise development. These and other themes were explored in the interview data to identify lessons for corporate forestry. While not all insights are directly transferable to larger operations, there are some relevant lessons derived from taking a relational view of business operations.

Table 1: Codes covering personal aspects generated during NVivo analysis

Code	Description
Social co-operation	Accounts of different players (individuals or groups) and supports that helped the SSFF set up and develop their operations to provide economic, social and environmental benefits
Adverse impact on others	Examples of occasions of damage to waterways and its biodiversity and forest clearing following harvest, as well as impacts of trees blocking views or light or spreading pollen
Limiting factors	Constraints of planting trees on farms, and how far SSFF could go to use trees as part of their farming operations and land management
Public-facing issues	Some of the instances where SSFF gets increased levels of attention from members of the public on developments that influence how they operate or their decision-making

Table 2: Codes covering industry aspects generated during NVivo analysis

Code	Description
Characteristics of social licence to operate	Different ways SSFF characterise social licence to operate from direct experiences, including both positive and negative accounts and wider reflections, mostly on forestry but also other sectors
Social values (norms)	Social norms are the 'unwritten codes of conduct that are socially negotiated and understood through social interaction' (Chung & Rimal, 2016). Examples covering various aspects of what SSFF saw as the shared values in trees and different views of forestry on farms, including social and environmental values
Enterprise features	The variety of enterprise features of trees on farms, from the contribution to other farming operations, to social aspects such as family farm succession and protection of native environments
Environmental benefits	Aspects of farm planning that generate environmental benefits from the aesthetics of having native trees on hillsides to providing shelter from bad weather for stock.

Background

This research was conducted by Scion, designed in collaboration with a representative from the New Zealand Farm Forestry Association (NZFFA). It explored the experiences of small-scale farm forestry (SSFF) owners to determine how they have negotiated various challenges to maintain their social licence to operate. By learning from these experiences, insights were generated on the social aspects of having a licence to operate that could be used to enhance the reputation of the forestry sector more broadly.

SSFF plays a significant part in log supply, and although occupying a larger area than large-scale forestry companies (Anon, 1996; Manley et al., 2021, Figure 2), interest in and attention to the practices of SSFF owners are limited (Hocking, 2003; Ledgard, 2004; Rodenberg & Manley, 2011). The research also sought to capture insights into the business models of SSFF, as a basis for characterising the social licence of SSFF and inspiring future farm forestry in Aotearoa New Zealand.

This research addressed the key question: How can we measure the social aspects of having a licence to operate by drawing on the experiences of SSFF owners, who have a long history of working with trees on farms and have negotiated certain challenges and opportunities?

Methods

Six tree growers' summaries were prepared by a representative from NZFFA as SSFF case studies to inform a set of qualitative interviews with owners. The project underwent an internal ethics peer review process at Scion, and the results have been anonymised. Interviews were conducted to explore what social licence means and changes in SSFF responsibilities over time. A narrative analysis was undertaken of the case studies to identify themes and determine an appropriate set of questions for semi-structured interviews with their owners. Narrative analysis is an approach that has been used to look at personal narratives and examines the interplay between individual experiences and broader societal dynamics (Reissman, 2008).

Interviews of between 60–85 minutes were conducted online and recorded with the informed consent of participants. Topics covered built on aspects of SSFF history, motivation, social licence to operate, adaptation and enterprise documented in the grower summaries, and covered decision-making, individual priorities and social norms. The narrative analysis of these topics provided the basis for the qualitative findings. Interviews were coded in NVivo (Lumivero, 2017, released 2020). The transcribed text from interviews was coded under personal and industry aspects of SSFF operations (Tables 1 and 2).

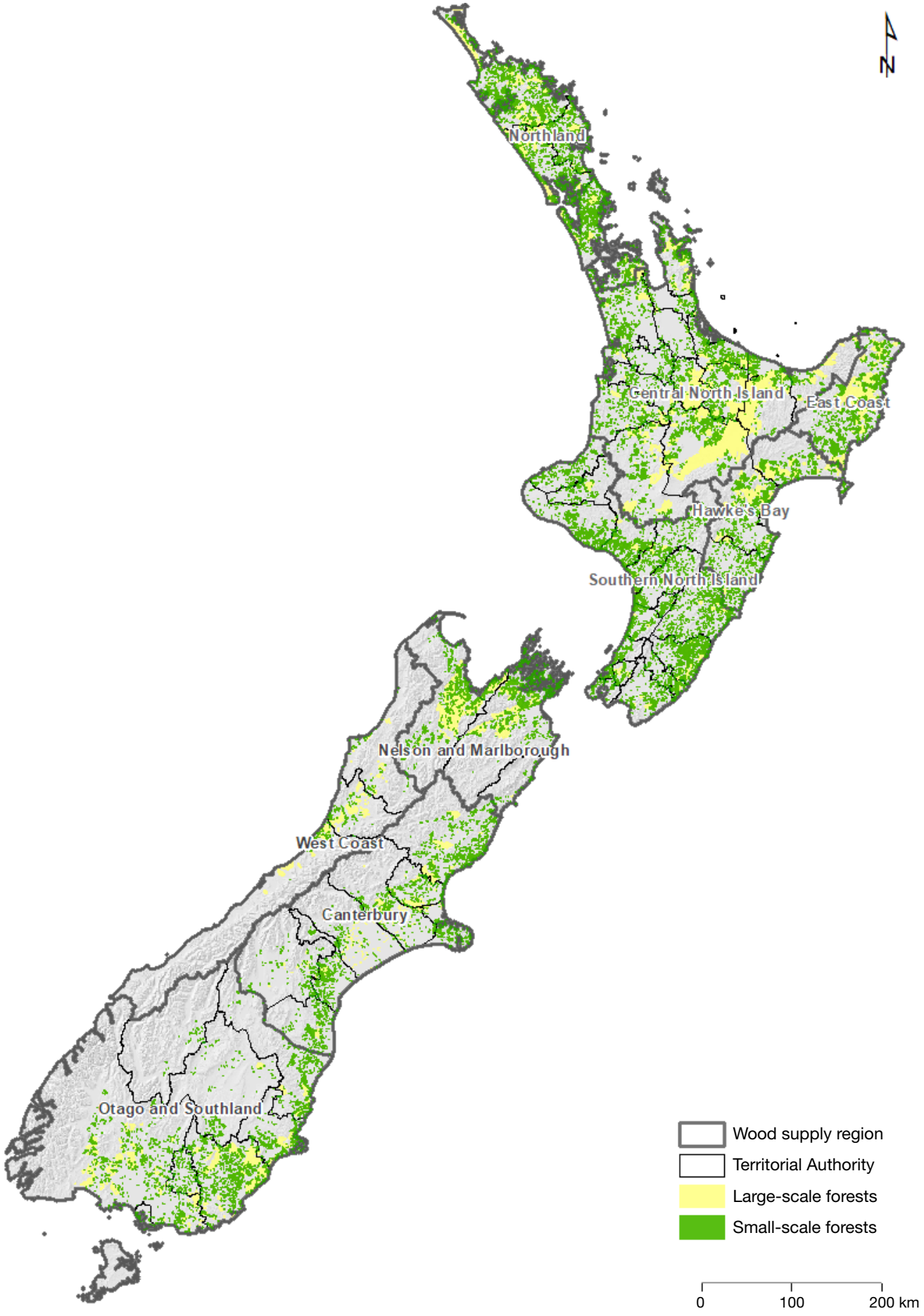

Figure 2: Map of small-scale forests and the legal boundaries provided by large-scale owners. As the small-scale forests are small and scattered their boundaries have been enhanced so that they are visible on the map. Wood supply region and Territorial Authority boundaries are also shown. Source: Manley et al., 2021

Results

Developing the narrative analysis with a focus on the key question, we drew out content from interviews to reflect on the business models of SSFF, characteristics of social licence to operate, and how social licence was maintained across the forest's lifetime.

The analysed content within themes is presented in three key areas of result as:

1. Enterprise features.
2. Social licence to operate perspectives.
3. Maintaining social licence.

Enterprise features

Participants (SSFF owners) ran different types of enterprise, uniquely related to their location and situation, with different geographical and social influences on each. These were categorised into three types of enterprise mix, with varying combinations of these amongst participants (Table 3).

Table 3 outlines the different types of enterprise mix mentioned by participants, including livestock support (shelter, feed during drought), tree products (e.g. Emissions Trading Scheme, biodiversity protection) and recreational values (e.g. fishing, walking).

The mix of a particular enterprise was not just considered in terms of its economics. It also affected the degree of integration with other farm operations and activities leading to complementary uses of local and social resources to support enterprise development. Thus, social, cultural and environmental aspects formed part of the enterprise mix that worked together to create profitable operations and, in many cases, allowed for farm succession.

Participants demonstrated the ability to innovate through different types and uses of trees on farms and diversify business activities. Experimentation with trees on farms was an important enabler for participants, but the development of new markets for timber products was limited. Alternative uses of trees and the development of tree crops were two means of supporting family business innovation and succession. New environmental markets (e.g. carbon sequestration) and ecosystem services (e.g. biodiversity conservation) were only partially developed and integrated into business operations.

Social licence to operate perspectives

Participants' perspectives and experiences of a social licence to operate varied. We identified a set of issues, both perceived and actual, that led to different approaches to maintaining acceptance of farm forestry operations. An initial set of actual issues included waterways, roading and community where participants' experiences led to new challenges for maintaining the acceptance of forestry operations. Social licence to operate was perceived as a relationship with the wider public, some of whom forest owners had limited influence over.

Table 3: Types of enterprise mix discussed

Livestock and trees
Shelter
Cattle feed
Varieties of tree products
Seeds
Posts
Alternative timbers
Tree crops, including fruit or nuts
Furniture
Emissions Trading Scheme
Biodiversity protection
Trees and recreational uses
Fishing on-farm
Walking on-farm (self and visitors)
Wellbeing enhancement

The diversity of enterprise mix and adaptive business models demonstrated different ways social licence to operate could be incorporated through the creation of economic, environmental and social benefits beyond individual forest farm operations.

Maintaining a social licence

Participants indicated how they maintained a social licence by working in different relationships (e.g. with industry, government and community), providing insights into how their decisions were shaped by social responsibilities. Focusing on responsibilities indicated a relational view of business operations (Dyer & Singh, 1998), and how owners maintained a social licence through practice modification. For example, being concerned with environmental protections to benefit future generations and a willingness to bear the costs of compliance for biodiversity outcomes.

Dependencies on relationships with key actors, including neighbours, contractors and council officers, were part of how individual freedoms were mediated by social contexts. Some of the contexts described were in response to changes in social norms or new technologies demonstrating how farm and forestry operations were sustained in response to such changes.

Experiences with the public was addressed in interviews as part of a reflection on social norms and their changes over time. Participants indicated their adaptability in enabling opportunities to work with their land in ways that aligned with their personal values. Differences between wider community values and their own were noted by some as a challenge to maintaining a licence to operate. This aligns with the concept of social licence as a social contract (Hall, 2019), reflecting a relationship between the public and the governance of lands for various purposes, to ensure that undesired impacts of land use are addressed.

Discussion

Table 4 outlines key points raised in owner narratives that support a social licence to operate. The first three aspects can be readily adopted in a corporate or larger operational setting. The possibility of continuous cover forestry through selective or mosaic harvesting is one example of where smaller operations could guide larger-scale activities. The second three aspects reflect the relationships between owners and their land-use decisions, which could also exemplify good practice for corporations. Envisaging business activities as embedded in local community relationships, such as the employment of local people or providing services to those living within the community, are two examples of how larger corporations could maintain awareness of social responsibilities.

More could be done to innovative with species mixes, including mixing exotic and native forestry species. However, harvesting constraints for smaller operations persisted with the technologies developed not always suited to the variety of smaller operation landscapes. The availability of harvesting contractors was also a limitation. Participants also felt that the environmental credentials of forestry operations were improving, but more could be done to stay in line with community expectations.

The advantages of having operations embedded in local relationships has been indicated by other literature on locally owned smaller-scale forestry. For example, because you have human capital in that local environment, there are benefits that extend beyond the forest (see Macqueen et al., 2020). Also, a wider range of benefits from forest protection to local economic opportunities, as well as better integration of forestry activities with local markets and other forest uses, has maintained local support for forestry in other contexts (Macqueen & deMarsh, 2015).

Macqueen and deMarsh (2015) note that a 'myriad [of] locally controlled forest enterprises constitute a vast forest-related private sector in which benefits to livelihoods and forest condition go hand in hand' (p.109). Furthermore, 'locally controlled forestry has been shown to be at least as effective as state-enforced protected areas as a means of stemming forest loss' (Macqueen & deMarsh, 2015, p.110).

Conclusions

The aim of this study was to test whether the experiences of SSFF owners could provide insights for the wider sector that could support corporate social responsibility in practice. Even though there might be different practices between small-scale and corporate forest operations, the same rules and regulations apply to both equally. In some cases, those rules may be easier for a larger corporation to implement, because they have the advantage of paying others to help them comply. However, SSFF owners may work better by being part of communities where social licence is granted and maintained.

We anticipated being able to articulate the business models of small and medium-sized forest owners to guide the development of capacity in conventional corporate social responsibility. By conventional corporate social responsibility, we mean that of larger-scale corporations compared with small-scale farm forestry businesses. This is unlike Afrin (2013) who refers to traditional versus strategic corporate social responsibility. We also identified a direct and indirect role for smaller operators in wider corporate social responsibility agendas, including attention to ethical standards, environmental protection and community support (Godfrey & Hatch, 2007), and how they link with forest business practices.

The mix of business models indicated by participants (including integrated farming methods with forestry and expanding with new opportunities for recreation, alternative timber production and

Table 4: Key points from the narratives of SSFF that maintain social licence to operate across a forest's lifetime

Key points	Examples of SSFF perspectives
Social benefits of forests	Alternative land use, environmental protection, community values
Challenges to operations	Changing rules, environmental standards, harvesting technologies
Social responsibilities	Trees values, family support, industry support, landscape impacts (function, visual)
Personal values/relationships	Trees/forests, family, industry, contractors, council, neighbours, visitors
Entrepreneurialism	Making use of local resources, complementary mixed enterprises, market dynamics
Driving forces	Land-use vision, reputation enhanced by profiting from forestry while managing wider relationships

use, and carbon market development) have some applicability to the wider sector. For example, opportunities to work with a diversity of community values and a potential expanded range of products, benefiting local and wider communities, could increase the social licence to operate for larger enterprises. Currently, the presence of SSFF owners in close relationships with and participation in local communities does seem to place them in a good position to influence perceptions of forestry.

Contributing to the forested environment and values for the landscape are key drivers for SSFF owners and serves to maintain their social licence to operate, but making good profit is something they are most proud of. Contributing to the local economy and supporting other forest uses and values, such as aesthetics and material benefits including quality timber, is happening to some extent. However, this could be adopted more widely in the forestry sector to improve the corporate social responsibility of the forestry sector.

Key areas in which the perspective and practices of SSFF could help improve the performance of larger corporations in forestry include:

- An appreciation of the relationship between local communities, forestry and its environmental impacts
- Greater awareness of the social benefits of forests, including aesthetic and recreational values and when they are impacted (e.g. during different stages of the plantation cycle)
- Understanding the impediment of changes in values or abilities to monitor impacts on forestry operations, reflecting new environmental standards.

Furthermore, appreciating the kinds of social responsibilities that are expected of forest management, including where contractors, council, neighbours or visitors can influence how those responsibilities are maintained, are also important.

As a closing comment, SSFF owners do need to establish their own positions about how well forestry performs and to be proactive in demonstrating their credentials in social licence to operate. At times, compliance failures are better met through improved performance rather than imposing penalties. However, one distinguishing feature of SSFF owners is the vision they have of their forest operations in the landscape. This alone is a feature that larger corporations could do well to better understand.

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