



**IUFRO Unit 4.05.00**

## **Managerial Economics and Accounting**

### **Newsletter December 2009**

Dear IUFRO-Group 4.05.00 Members:

We organised our annual meeting and conference in October 2009 at Darmstadt, Germany, and many of you were there. In addition, next IUFRO World Congress will be held at Seoul, South Korea, 23-28 August 2010, and group members are organising three scientific sessions at the Congress. I would like to inform you about some recent events and draw your special attention towards these sessions at the Congress.

#### **1. Call for Abstracts - Scientific Sessions at the World Congress**

**2010 - Seoul, Republic of Korea, 23-28 August 2010:** The group members are organizing three scientific sessions at the Congress. Details of the sessions are given below. Please submit your abstract(s) to the relevant session. *The last date for abstract submission is December 31, 2009, and abstracts will not be accepted after the last date.* Abstracts can be submitted only through congress website: <http://www.iufro2010.com/>

**So please hurry up and submit your abstract – only 16 days left.**

#### *Scientific Sessions*

#### **Scientific Session C-11: New developments in forest management accounting and reporting to ensure sustainability**

**Session coordinators: Hans Jöbstl & Bernhard Möhring**

Management accounting in forest enterprises are essential for forest managers at the enterprise level and for forest policy makers at broader regional levels to both optimize multiple forest services and to meet future challenges. Despite the increasing demand for information on changes in forest assets and to need to inform the public about the social services of forests, current approaches often fail to fully represent forest stands values and their non-market goods and services. Further, forestry is typically not adequately represented at present in national accounting - environmental costs as well as positive/negative external effects are often neglected. In this session we will explore innovative approaches to improve accounting at the enterprise and regional levels with a focus on new developments

in enterprises sustainability and social responsibility reporting. Session topics will include innovations in: (1) forestry performance accounting, (2) forest assets valuation, including risk assessment, (3) forest externalities/environmental benefits in forestry reporting, (4) economic criteria/valuations in national green accounting, and (5) sustainability reporting of individual forest companies – guidelines, indicators, and the usefulness of sustainability balanced scorecards.

### **Scientific Session C-04: The role of institutions and institutional economics in sustainable forest management**

**Session Coordinators: Shashi Kant, Martin Hostettler, and Yaoqi Zhang**

Sustainable Forest Management (SFM) is a reflection of environmental, social, and economic value system of our society. Climate change is a dominant element of environmental as well as economic value system of present and future generations, and therefore SFM has also emerged as a critical element in the overall efforts to deal with climate change. In this context, the main challenge faced by policy makers and forest managers is to design optimal institutions for SFM that incorporate human preferences for the provision of various forest-based ecosystem services, such as carbon sequestration and watershed services, as well as for the climate change. Hence, the main objective of this session will be to extend the boundaries of forest related institutional economics beyond the economics of institutions related to timber management. The session will focus on the economics of institutions for SFM designed for the provision of ecosystem services and mitigating climate change. The session will cover: (i) economics of institutions related to the provision of forest-based ecosystem services, specifically carbon and watershed services, and mitigating climate change; (ii) design principles of optimal institutions for forest-based environmental services - carbon sequestration and watershed services, and mitigating climate change (iii) diversity of cultures and optimal institutions for forest-based ecosystem services and mitigating climate change.

### **Sub-Plenary Session: New frontiers of forest economics**

**Session Coordinators: Shashi Kant, Martin Hostettler, and Hans R. Heinemann**

*This session, which is listed as a scientific session C -08 in the current program of the congress, has been approved as a Sub-Plenary Session*

A new stream of economics based on neuroscience – behavioral economics – has moved economic analysis from assumptions-based analysis to actual human-behavior-based analysis, which is highly relevant to the forests and forestry of 21<sup>st</sup> century. Similarly, inclusion of multiple ecosystem services in forest production function introduces higher level non-linearities, and it requires economic analysis based on multiple equilibriums, and social choice theory and public choice theory provide better and appropriate frameworks for the economic analysis of multiple

values – social, ecological, and economic – of forests. The main objective of this session will be to outline the new frontiers of forest economics for the 21<sup>st</sup> century. An overview presentation on this topic will be followed by presentations discussing the relevance of emerging streams of economics to forests of the future. Topics may include: (i) integration of concepts related to forests for the future and emerging streams of economics; (ii) economics of human behavior/preferences with respect to climate change and forest management; (iii) economics of ecosystem services, non-linearities, and multiple equilibriums; and (iv) multiple dimensions of forest values and public choice and social choice theories

The session will have following speakers:

- i. Professor Elinor Ostrom, Nobel Laureate (Economics), Indiana University, USA
- ii. Prof. Dr. Urs Fischbacher, Department of Economics, University of Konstanz, Germany
- iii. Professor David Laband, Department of Economics, Auburn University, USA
- iv. Professor Karl-Gustaf Löfgren, Department of Economics, University of Umea, Sweden

## **2.0 Annual Meeting and International Conference on Sustainable forest management and accounting – resolutions during the financial crisis, October 28, 2009, in Darmstadt (Germany)**

Our 2009 annual meeting and international conference was organised in cooperation with the 3<sup>rd</sup> International Faustmann Symposium, and was held on October 28, 2009 in Darmstadt, Germany. The IUFRO meeting was attended by about 35 participants. The IUFRO meeting was followed by Faustmann Symposium on October 29 and 30, and a field visit on October 31<sup>st</sup>. We all are very thankful to Professor Martin Moog and Professor Bernhard Möhring and their organization team.

## **3.0 Next Annual Meeting in Paris, France, May 2010**

Professor Jean-Luc Peyron has kindly agreed to host our 2010 annual meeting in Paris, France. Tentative dates for the meeting are May 26-30, 2010. The venue is in FCBA 10, avenue de Saint Mandé, Paris. More details will be available soon.

## **4.0 Recent Publications**

*Emerging Needs of Society from Forest Ecosystems: Towards the Opportunities and Dilemmas in Forest Managerial Economics and Accounting.* Proceedings of the IUFRO Symposium in Ljubljana, Slovenia, 22-24 May 2008; 228 p. ISBN 978-961-6020-51-0. Edited by Zadnik Stirn, L., 2008.

*Building Insights of Managerial Economics and Accounting Towards Sustainable Forest Management.* Proceedings of the IUFRO Symposium in Lviv, Ukraine, 17-19 May 2007. Edited by Zahvoyska, L., Jöbstl, H., Kant, S. and Maksymiv, L.,

*Managerial Economics and Accounting in an Evolving Paradigm of Forest Management.* Proceedings of the Symposium 2006, Rottenburg, Germany. Second revised edition. BOKU, Vienna, 356 p. ISBN 978-3-900962-82-1. Edited by Jöbstl, H. and Roder, C., 2009.

*Innovations in Forestry Accounting: Integration of Forest Assets and Non-Market Environmental Benefits into Management and National Accounting and Reporting.* *Austrian Journal of Forest Science* 126 (2009), 1/2, 118 p. Selected contributions to XXII IUFRO World Congress in Brisbane, Australia, 8–13 August 2005. Authors: Jöbstl, H.; Herbohn, K.; Tzschupke, W.; Campos, P. and Caparrós, A.; Maraseni, T.N., Cockfield, G. and Apan, A.; Gios, G. and Goio, I. Editor Jöbstl, H., 2009.

**You can access all these publications through IUFRO website given below**

<http://www.iufro.org/science/divisions/division-4/40000/40500/40501/publications/>

Yours truly,

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