

4. Governmental and non-governmental actors

Juha Kotilainen, Antonina Kulasova & Ivan Kulasov

4.1 Reshaping of the environmental administration

Changes in Federal environmental administration

Instead of seeing environmental protection only as a technological process, it is necessary to analyse it as a broader institutional change or modernisation process. As indicated in the theoretical discussion above, we do not want to discuss institutions at an abstract level but focus on actors and their relations (chapter 2.1). In this chapter, we explore the recent changes environmental authorities in Russia have undergone. This is extremely important because changes in the structures and operations of environmental administration have represented a broader institutional transformation in environmental politics in many other countries (chapter 2.3).

Russian environmental administration has gone through constant and profound changes since the late 1980s. Our aim in this chapter is to explore these recent transformations within Russian environmental and forest administration. After investigating the transformation processes from the federal perspective, we will turn our focus to the case of the Vologda Oblast. This regional case serves as an example of how the changes appear from a more local perspective. There have been regional case studies concerning changes in the Russian environmental bureaucracy (Crotty 2003), but we introduce a regional context in which the forest industry plays a major role in the regional economy. Thus, the regional investigation also helps in understanding the local forest industrial case studies in the chapters that follow. Therefore, we will also examine how the

recent administrative changes have affected the relations between the forest industry and natural resource administration in the Vologda Oblast. Methodologically, we base our analysis on a standpoint which, while embedded in local and regional case studies, also recognises the need for a simultaneous analysis of several spatial scales.¹

In the early 1970s the Soviet state began paying more attention to environmental problems and, for instance, during that decade many purification systems were constructed in industrial plants and towns (see Ziegler 1987: 45-77; Kuliiasova & Kuliiasov 2002). The protection of nature was included in the planning procedures of the socio-economic system and each enterprise was obliged to include environmental protection in their plans. However, no separate environmental administration body was instituted in Russia before the late 1980s. In 1988, the State Committee for Nature Protection (*Goskompriroda*) was established and became the main governmental body for environmental protection. When the “law on environmental protection” was passed in 1991, the environmental administration received ministry status, and the Ministry of the Environment was created. Its status was changed again a few years later as the administration was reduced to a committee in 1996. Thereafter, the State Committee for Environmental Protection (*Goskomekologiya*) was made responsible for the implementation of Russian environmental policy (Chistobayev et. al 1996).

Although the status of environmental administration was lower after 1996, *Goskomekologiya* was an important actor in the environmental sphere. It regulated environmental protection and coordinated the work of various sectors. Its tasks also included the maintenance of ecological safety, preservation of biodiversity, ecological monitoring and ecological expertise. The Ministry for Natural Resources, in contrast, conducted state policy in research, reproduction, utilisation and protection of natural resources. The management of nature and the use and protection of water basins were among its responsibilities. *Gosko-*

¹ The chapter utilises interviews that were carried out in the Vologda Oblast and Moscow during various periods of fieldwork in 2001-2003 with representatives of environmental, natural resource and sanitary-epidemiological administrations as well as environmental organisations. We carried out six semi-structured interviews with leaders of ENGOs, including the organisation Saving the Small Rivers and Springs in Sokol, The Ecological Committee of the River Suhona in Vologda, and the Socio-Ecological Union, Greenpeace, International Union for Conservation of Nature (IUCN) and World Wildlife Fund (WWF) in Moscow. We interviewed the inspector of the Forest Committee for Natural Resources of the Vologda Oblast in August 2001, carried out two interviews with employees of the Committee for Natural Resources and Nature Protection in Sokol in October 2001, and interviewed the Head of the Central Administrative Board of Natural Resources and Environmental Control of the Ministry for Natural Resources of the Russian Federation as well as the Head of the Nature Use Department at the Central Administrative Board of Natural Resources and Environmental Control of the Ministry for Natural Resources of the Russian Federation in December 2002. In addition, articles from the newspapers *Krasnyi Sever*, *Russkii Sever* and *Sokol'skaia Pravda* from 1998 to 2001 were analysed, as well as internet pages of the Vologda Oblast administration.

mekologiya was extended and diversified in 1998 when the functions of the abolished Federal Service of Hydrometeorology and the Environmental Monitoring Service were merged with it. *Goskomekologiya* had its weaknesses: its expertise was limited, its regulatory efforts were too complex to be effective in local contexts, numerous reorganisations during the 1990s led to instability, and it suffered from a lack of resources which led its officials to focus on survival rather than effective environmental protection (Peterson & Bielke 2001).

A major change in environmental administration came about in 2000, when President Vladimir Putin issued a decree closing down the nature protection system as a separate administrative unit. The functions of *Goskomekologiya* were given to the Ministry for Natural Resources (Sorokin & Titova 2000; Peterson & Bielke 2001). The same decree abolished the Federal Forest Service (*Lesnaya Sluzhba*), which had existed in Russia for 200 years, and its tasks were also incorporated into the responsibilities of the Ministry for Natural Resources. Due to these arrangements the status of the state environmental bureaucracy changed: on one hand, it lost its independence from resource utilisation, but on the other hand, its tasks were to be carried out in a ministry, which is on a higher level in the administrative hierarchy. Moreover, the division of labour between the levels of environmental administration was modified, and several functions of the federal environmental authorities were transferred to the regional and local levels. The reorganisation affected the relationships of some actors, especially those of ENGOs and environmental administration. In addition, these processes have led to changes in the relations between authorities and the forest industrial sector in Russia. We will explore these changes in more detail below from the regional and local perspectives.

Russian environmental activists sharply criticised the presidential decree and, during the summer of 2000, a movement to stage a referendum throughout Russia was organised (see e.g. Peterson & Bielke 2001). Large environmental organisations such as the Socio-Ecological Union, WWF, and Greenpeace formed the core of the movement and many ENGOs from different regions participated in it. A petition calling for a national referendum was undertaken. The movement collected about 2.2 million names of people who wanted to restore the former status of *Goskomekologiya* and the Federal Forest Service, and who also opposed the importation of nuclear wastes, which was a heated topic at that time. However, state authorities prevented the referendum. The regional authorities and the Central Electoral Committee, which is responsible for referenda, threw out more than 600 000 signatures as invalid. According to the law, as the petition would have required 1.8 million signatures, the committee refused to accept it. However, the view of a nation-wide consensus among environmental organisations opposing the merger of *Goskomekologiya* and the Forest Service into the Ministry for Natural Resources has also been questioned.

Relying on data from the Samara Oblast, Crotty (2003) argues that the regional environmental movement mounted very limited protests to the federal changes. As Crotty admits, the situation may well be different in regions, for example, with economies based more on natural resources. It is plausible that regional variation exists.

After the president's infamous decree was issued, the Ministry for Natural Resources suddenly gained control of functions which were previously assigned to other services and committees. The Ministry assumed responsibility for the protection of air, water and forests. Its prime expertise, however, remained in the utilisation of natural resources and, paradoxically, the same ministry became responsible for exploiting, controlling and protecting natural resources. Estimating the effects of the reorganisation from federal scale statistics, it seems that some indicators indeed would show a drawback in environmental policy. From 1999 to 2000 the number of environmental control inspectors decreased in the whole country and, correspondingly, the number of enterprises that were checked by ecological control also declined (see Table 2). From an economically liberal perspective, Åslund (2004: 408-409) sees deregulation as a general aim that should be achieved. In Åslund's argumentation, Russian businesses have often been plagued by inspections, which has also been a tool for extorting money from the inspected enterprises. As a result of a new law on inspections in 2001, the number of inspections involving small businesses has decreased markedly. Thus, deregulation, including environmental deregulation, can also be seen as a governmental tool for liberalising the business sector. This topic was discussed after the merger: removing the "ecological barrier" from investments and growth was seen as the motivation guiding the reorganisation, and environmental organisations protested against such an aim (Ecosvodka 2001; Kuliasova & Kuliasov 2002b).

Table 2. Statistical indicators of the change in environmental control in Russia (Source: Ekosvodka 2001)

	1999	2000	change
Environmental control inspectors	4805	3309	-31 %
Inspected enterprises	332000	282000	-16 %
Environmental fines (million roubles)	813	641	-21 %

In the early 1990s the state created a system of eco-funds, into which all money from polluters, including fines, accumulated (see e.g. Kjeldsen 2000; Holm-

Hansen 2002: 87-92). These funds were then allocated at the district, regional and federal levels. At first, eco-funds were not included in the authorities' budgets, and were managed by regional departments of *Goskomekologiya*. In 2001, eco-funds were incorporated into federal, regional and district budgets. Regional eco-funds have since been used to finance state environmental programmes and activities of regional environmental authorities, as well as regional ENGOs. There is a clear relationship of dependency between the activities of the enterprises that pollute the environment in a region and those of regional environmental authorities. The funding of environmental authorities as well as environmental NGOs comes in part from the polluting industry and the fines it pays. An environmental activist from Sokol (Vologda Oblast) describes the situation as follows:

There was a collective agency – the Eco-Fund Administrative Council – including nature conservation organisations, ecology committees among them. Part of the money from these funds was supposed to be transferred to the development of local ENGOs. These NGOs could submit applications to the Eco-Fund Administrative Council and receive money for their programmes. (Interview 21).

During the years after the presidential decree of 2000, the question of the status of the environmental administration has remained on the agenda. This is because ENGOs have regularly raised the issue of separating the State Service of Environmental Protection from the Ministry for Natural Resources. As a “service”, its status would be lower in the administrative hierarchy than that of ministries and committees but, even then, it is believed that as an independent unit it could carry out more efficient environmental conservation and protection measures than as an arm of the Ministry for Natural Resources. This question was put forward, for example, at the First Russian Civil Forum held in Moscow in 2001, as well as at the regional Russian Civil Forum in Vologda in 2003, where this initiative came from regional governmental officials supported by ENGOs. Moreover, in 2002, on the threshold of the World Summit on Sustainable Development in Johannesburg, an environmental doctrine was adopted by the Russian Federal Government (*Ekologicheskaya doktrina Rossiiskoi Federatsii* 2004). The doctrine issues guidelines for environmental legislation and administration in Russia, but has no power to enforce them. The doctrine is based on an outline developed by the joint efforts of various Russian ENGOs, and in the process of drafting it the issue of restoring the State Service of Environmental Protection as a unit independent of the Ministry for Natural Resources was repeated, thus interestingly contradicting actual governmental policies. Nevertheless, such a statement did not end up into the ecological doctrine.

In 2004, the State Forest Service and the State Service of Environmental Protection were located in the Ministry for Natural Resources along with State Water Service, State Geological Service, State Service of Control in the Sphere of Natural Resources Use and Ecological Safety, as well as the departments of general governance and some other organisations that are subordinate to the Ministry, such as *zapovedniki* and national parks (Ministerstvo Prirodnih Resursov 2004). The Ministry also had a variety of territorial organs. These were organised according to the seven federal regions² and, under each of them, each region had their own administrative bodies. In each federal region, there was a Department of State Control and Future Development of Nature Use and Environmental Protection, which is responsible for the entire federal region. In terms of the Northwest Federal Region, Chief Administrations of Natural Resources were established in St. Petersburg and the Leningrad Oblast, the Republic of Komi as well as the Arkhangel'sk and Vologda Oblasts. In the remaining regions only Administrations of Natural Resources exist. It may be that several lower-level departments will be created in the districts where large enterprises are involved in nature use. Regionally, the focus of these administrative bodies varied considerably. In the Karelian Republic, the geological administration controls the Ministry's tasks, while in the Vologda Oblast there is a great focus on forests. The State Forest Service, for its part, is divided into the administrations of forestry, forest use, and forest protection and reproduction. On the regional level, the tasks of the Forest Service were incorporated into the regional administrations in varying ways. In addition, forest administration is also organised on the basis of enterprises that are subordinate to the Ministry for Natural Resources, and in the Northwest Federal Region there are a total of 26 such enterprises.

In Spring 2004, however, the transformations in the Federal administration continued. Another presidential decree reorganised central administration and the number of ministries declined. The Ministry for Natural Resources remained, but some reorganisation took place there. The detailed consequences of this reorganisation still remain to be seen. They are probably not as radical as those which followed the 2000 restructuring, but it is plausible that they are intended, at the same time, to deregulate businesses in terms of their economic performance while increasing governmental control over the oligarchs.

² In 2000, President Putin also carried out an administrative reform within which seven Federal Regions (*federal'nye okrugi*) were created. The purpose of the reform was to enforce presidential power and counterbalance the power of regional governors and, thus, a representative of the President of the Russian Federation was made responsible for each of these new regions. For example, the Northwest Federal Region includes ten administrative territories (*sub'ekty* of the Russian Federation), including the Leningrad, Pskov, Novgorod, Vologda, Arkhangel'sk, Murmansk and Kaliningrad Oblasts, the Republics of Karelia and Komi, the city of St. Petersburg, as well as the Nenets Autonomous Region.

Environmental administration in Vologda Oblast

Overall, at the federal scale it seems that what happened after 2000 was more a transfer of functions from *Goskomekologiya* and the Forest Service to the Ministry for Natural Resources than an abolition of their functions, as the situation has been called in some sources (Peterson & Bielke 2001). At the regional scale the situation varies. Crotty (2003) reports very little effect on environmental bureaucracy in the Samara Oblast. Relying on expert interview material, she emphasises that the practice of environmental protection was not affected very much. On the basis of our findings from the Vologda Oblast, we want to argue that not only the structures for environmental protection changed in that region, but the merger also caused a period of instability and uncertainty among the personnel. Before the merger of 2000, *Goskomekologiya* and the Forest Service had a hierarchical structure: both had regional and local units which were part of the federal administration and financed from the federal budget. Following the presidential decree two parallel but separate authorities were created. As the Regional Committee for Environmental Protection (i.e. the regional department of *Goskomekologiya*) was abolished, two environmental bodies were formed to replace it. The first is the Department of Nature Use, which is part of the administration of the Vologda Oblast, and is financed from the regional budget. The other unit that was created is the regional branch of the Federal Ministry for Natural Resources.

The former officials of *Goskomekologiya*'s oblast-level organisation were divided between these two administrative bodies. Some officials who worked in the disestablished Committee for Environmental Protection moved up into the Department of Nature Use to form the Commission for Environmental Control; others were moved to the Committee of Natural Resources of the Ministry for Natural Resources of the Russian Federation in the Vologda Oblast, which was established half a year after the introduction of the presidential decree in 2000. In addition, the remainder formed the regional department of the Russian ecologists' movement that obtained the status of public organisation. This organisation was headed by the former chief of the disestablished regional unit of *Goskomekologiya*. One of the main tasks of this organisation was the restoration of a sort of federal environmental body that would be independent of the Ministry for Natural Resources. However, after a few years almost all participants in this NGO received posts in the nature protection structures of the Vologda Oblast.

The period preceding this organisational structure was not easy. The changes in environmental administration in the post-Soviet period were characterised by the ex-Chair of the State Ecological Committee of the Vologda Oblast as follows:

I would divide the period 1991-2001 into two phases. The first covers 1991-1999. It was a continuation of the positive tendencies which took place in environmental legislation and structural changes in the sphere of environmental protection. At that time, many problems were solved. A quite different situation developed in 2000, when Kasianov's government came to power. Almost all progress made in this sphere during the previous decade was lost. First, the system of management was utterly ruined. Second, at present it is the Government that has become the main infringer of the legislation. For instance, a law that is passed stipulates the adoption of an appropriate governmental decree, but the latter is not adopted. The so-called reforms of recent years can hardly be referred to as reform policy – it is rather consistent destruction ... I believe it is just inadmissible that at present neither federal nor regional governments envisage any means to support environmental and social initiatives. And all public initiatives, including environmental ones, are supported by international foundations. It is a humiliation for Russia and its citizens, but apparently not for the Government. (Interview 22)

From the regional perspective, the period following the presidential decree in 2000 was characterised by intensive change and the decreasing role of the federal environmental bodies. Because of the instability in administration, ENGOs and regional administrations assumed some of the tasks for maintaining the environment and the financial support of environmental projects and programmes. The regional administration of the Vologda Oblast started creating appropriate structures for natural resources and environmental protection. This regional environmental structure was not directly subordinate to federal administration but was governed directly by the administration of the subject of the Russian Federation.

Half a year after the announcement of the presidential decree, none of the respondents in the Vologda Oblast could clearly describe the restructuring process of the environmental bodies which was taking place in the Ministry for Natural Resources. Some of the employees of the disestablished regional *Goskomekologiya* had found work in the new administration dealing with the protection of the environment and natural resources, but many of them had lost their jobs. They had to wait until the beginning of 2001, when the names of the employees working for the new authorities were announced. For half a year these people worked without official power, and, undoubtedly, this affected their work. A leader of an ENGO describes the atmosphere in the offices as follows:

This reform began with the purpose of reducing state employees. In those committees where I was, people received an official paper that they had been dismissed. Nevertheless, most of them later returned to their jobs. Each officer is anxious to save his job. It is clear that when there is such a reorganisation nobody is working. (Interview 23).

In the opinion of the leader of an ENGO from Vologda, environmental administration was almost non-operational during the time when the system was being reorganised, saying:

The environmental administration system is not actively functioning. People are dispersed. Losses are bigger than gains. (Interview 24)

Generally, the functions of the environmental administration are now partially financed from the federal budget, but chiefly from the regional budget. Therefore, they are dependent on regional authorities. At the level of districts (*raiony*) the situation is more complicated. For example, in the Sokol district the structure of environmental administration did not change very much. The main change concerned the administrative position of the administrative bodies, because the district's environmental committee is no longer part of the federal organisation. All the district level environmental committees became part of local administration and have no links with the authorities of the Ministry for Natural Resources. Thus, the Ministry has federal, sub-federal and subject-level organisations, but no organisations at the local scale. For local environmental committees, this arrangement has caused the destruction of links and limitations in getting information (Interview 25). In the Vologda Oblast only two-thirds of the districts have created new units for environmental protection. In some small districts with small local budgets, environmental authorities sometimes appear under the name Commission for Environmental Protection. They can also exist on a voluntary basis, because districts without large and economically effective enterprises have no possibilities to establish governmental environmental authorities with paid personnel. This is because, paradoxically, the existence and work of environmental administration depends partly on the polluting enterprises, which regularly pay for contamination and nature utilisation, and occasional fines for pollution and accidents as well.

In addition to these changes related to the Ministry for Natural Resources, some other regional authorities that participate in monitoring environmental quality remained. Among the official organisations dealing with environmental issues, the Vologda Regional Centre for Hydrometeorology and Environmental Monitoring was unique in the sense that it avoided unemployment among its specialists. The Centre belongs to the Northern Interregional Administration,

which is part of the Federal Service of Hydrometeorology and Environmental Monitoring (*Rosgidromet*). It is financed not only from the regional budget, but also from the federal. Finally, the State Sanitary-Epidemiological Service of the Russian Federation has been involved in the general restructuring process of state administrations related to the environment. In the Vologda Oblast, it was transformed into the Centre of the State Sanitary-Epidemiological Inspectorate in the Vologda Oblast and was placed partly on a self-financing basis. The Government of the Vologda Oblast is the main customer for the Centre's services. On a paid basis, however, in principle any citizen may order information or commission analyses concerning water, soil, products or other environmental components. However, the presidential decree in 2004 again indicated changes in these two administrations, but the consequences remain to be seen.

Overall, on the basis of the data from the Vologda Oblast, the restructuring of the nature protection administration complicated matters. The government attempted to transfer the responsibility for resource exploitation and nature protection from the federal and regional levels to the local (*raion*). At the same time, local nature protection authorities lost their federal status and, in part, also their financing. After the reformed nature protection bodies had worked for two and a half years, their representatives pointed to a sharp deterioration in the work of the nature protection services, which was caused by the restructuring. They noted the reduction in functions and the decreasing number of monitoring services, a loss of connections between district and regional environmental services because of their subordination to different structures, as well as the lack of coordination in the activity of environmental protection structures at the federal, regional and local levels (Interviews 26 & 27).

Forest management in the Vologda Oblast

As mentioned above, the Ministry for Natural Resources today also performs the functions of the Federal Forest Service. The situation after the merger was described by an ENGO representative as follows, indicating that the previously criticised old system of forest management had been weakened and new forms are developing rather slowly:

There are administrations for natural resources in some regions, but not in all of them. For example, in the Moscow Region there is no such administration, and forests are directly controlled by the administration of the federal region, as the regional budget is not stipulated. Foresters, geologists, water management and nature protection are all incorporated in these federal region administrations. The number of workers at

the Forest Service was reduced by 80 percent. And the *leskhoz*s² are both timber cutters and forest restorers. We have the federal and sub-federal level, and there is a level of the *leskhoz*, but there is a gap at the regional level. Therefore there is no state control of forests. Previously, such state monitoring existed, although it was formal in many respects. This state control was criticised a lot because the system did not work effectively. (Interview 28)

As mentioned above, in 2000 two new environmental departments were created in the Vologda Oblast, of which the Department of Nature Use is a regional body financed by the regional budget and the Committee of Natural Resources is a branch of the Ministry for Natural Resources of the Russian Federation, and financed from the federal budget. Since the Forest Service as such was abolished, in the Vologda Oblast its tasks were given to the Committee of Natural Resources. The former chief of the Forest Service became head of the whole Committee. Unlike many other regions, almost all the foresters kept their jobs. They considered themselves lucky in comparison to other regions, where the heads of similar committees came from other fields of expertise – for example, geology. In many other regions the structure of the Forest Service was also considerably reduced. In the Vologda Oblast all *leskhoz*s have also continued to operate. Thus, in general, it can be argued that the subjective factor played a significant role in how the Forest Service was modified. The same subjective factor can also have negative consequences for environmental quality. For example, a decision to use chemical vermin control in the forests of three *leskhoz*s was made in the Vologda Oblast. This method was considered harmful and unusable by both environmental authorities and environmental NGOs. We can assume that if the head of the department had been an ecologist, such methods would not have been used.

Today, *leskhoz*s have two functions: monitoring forest use and forest restoration. Forest use is monitored by issuing cutting permits, defining cutting locations, and overseeing the correctness and legality of logging. Forest restoration includes, for example, intermediate cutting, forest planting and management of plantations. Both these functions are performed by *leskhoz* foresters. The employees of the Forest Service at the Oblast level retained their status of state employees, thus guaranteeing them an adequate income and a number of privileges. At the same time, the position of *leskhoz* employees at the local level

² Leskhozes are territorial forest management units. They had a long history in the Soviet period, when they performed timber cutting, forest restoration, and forest control. Today, leskhozes are state structures with control and restoration functions. They give permission for timber cutting and have very close relations with private timber-cutting enterprises that have been separated from them (see also Piipponen 1999).

worsened, and the wage level of foresters is about one-third of the estimated living costs in the Vologda Oblast. Due to their seasonal work and forest restoration, they can legally earn additional money, which is necessary since their salaries do not cover living costs. On the other hand, participation in forest restoration work weakens the possibilities of the *leskhoz*es to carry out their inspection duties. According to an environmental NGO leader from Moscow, forests remain without protection because foresters both grant permits for cuttings and audit them: the decree of the president did not solve the problem of forest protection, but intensified it (Interview 29).

Therefore, the possibility of separating these two functions has been discussed in the Committee for Natural Resources in the Vologda Oblast. Some of the committee's employees believe that it would only be necessary to maintain the monitoring tasks of the *leskhoz*es. The forest restoration tasks could be given to specific teams to be created for this purpose. It is not yet clear whether such a solution will be accepted. However, employees of the regional inspection units already fear that if foresters' wages are not increased, such a separation would lead to growing illegal use of forests in the region.

According to the evaluations of experts from Greenpeace and WWF, and also statistical data, the heaviest cuttings in Russia have been carried out in Northwest Russia, including the Vologda and Arkhangel'sk Regions (Forest News 2001; Greenpeace Russia 2000; Wood.ru 2001). It has been claimed by major environmental organisations that the volume of logging sharply increased after the administrative changes (Forest News 2001). In the Vologda Oblast, the forest industry is the second largest industrial sector. The Sokol'skii pulp and paper mill and some furniture factories are the main consumers of wood, and the demand for furniture and wooden houses has increased in the region. In addition, roundwood cut in the Vologda Oblast is exported to other Russian regions or abroad and, for example, the Finnish-Swedish multinational company Stora Enso has extended its zone of wood supply far into Russian territory. This has had an effect on the cuttings and timber trade in the Vologda Oblast as well.

Contrasting the environmental organisations' claims, the Committee of Natural Resources has estimated that only 30-40 percent of the planned logging areas have been exploited in the Vologda Oblast. However, there have been claims that illegal logging has recently become more common. The Committee for Natural Resources has been constantly struggling with the issue and, for example, the Governor of the Vologda Oblast issued a decree in July 2001 to control the transport of illegally cut timber. According to the decree, every roundwood transporter must have a way-bill with a hologram. The region's *leskhoz*es received over 60 000 way-bills, which they were to deliver to logging companies. The Traffic Safety Inspectorate is responsible for checking the way-bills, assisted by the officials of *leskhoz*es and forest protection inspectors of the

Committee for Natural Resources. However, the way-bill system has proven to be quite ineffective and several violations have been uncovered. Many companies have not adopted the new system, but continued to purchase roundwood transported with previous way-bills. It is also difficult to identify the source of timber, because the neighbouring regions do not have similar holograms on their way-bills. Illegal wood transports have been disguised as being cut, for instance, in the Arkhangel'sk Oblast. Therefore, the Committee of Natural Resources of the Vologda Oblast has suggested that similar holograms be used in all regions of Northwest Russia.

General breaches of felling technology are another problem. Almost all trees on forest plots are usually cut down and felled mechanically, but only the best part of the wood is removed. At other times, up to one-third of the wood remains in the plot (Interview 30). This results in a partial loss of natural forest cover and complicates the natural regeneration of forests. Planting of trees, as a rule, is not carried out on the plots. It seems that solving this problem would be possible only through the increased economic interest of logging enterprises working according to ecologically responsible forest exploitation methods and using, for example, long-term (49 years) rentals of the forest plots.

As Russian forests are state property, permits for forest utilisation have to be granted by governmental authorities. Moreover, as personal networks play a significant role in Russia, the owners of industrial and trade companies in the forest sector have had to build relationships with the new government bodies. In the case of the Vologda Oblast companies have had to build personal links with the Department of Natural Resources of the regional administration and the Vologda branch of the Ministry for Natural Resources of the Russian Federation. Personal networks stretching to regional administration help companies obtain operative information about the changes in the federal and regional legislation and, on the other hand, provide a channel for influencing the preparation of new legislation.

In many industrialised countries, the increasing importance and strength of environmental administration have been signs and outcomes of broader institutional modernisation processes. This has affected, for example, regulation of the forest industries operating in those countries (chapter 2.3). Similarly in Russia, these governmental actors represent a potential force that could set in motion processes that we might label ecological modernisation. However, as our examinations of environmental authorities and the forest service above showed, such institutional changes still have not occurred. On the contrary, there have been signs of quite an opposite transformation, where the weight of environmental administration has declined. Both environmental and forest administration have lost some of their organisational status and had problems in getting sufficient funding. These changes, instead of proving the existence of broader

institutional progress, rather support the notions of ecological subversion (Andersen 2002) or demodernisation (Yanitsky 2000), which both characterise development towards less functioning institutions in Russian society (for a more detailed discussion, see chapter 7.4.).