

Audit report 31/2002

Lichen ranges still suffer from excess reindeer population

Economic interests outweigh nature protection in decision-making

The State Audit Office of Finland has audited the implementation of the Ministry of Agriculture and Forestry's natural resource strategy with regard to reindeer herding. In administering reindeer herding the Ministry of Agriculture and Forestry plays two different roles. On the one hand it promotes reindeer herding as an economic activity, but on the other hand it is also responsible for monitoring the use of natural resources. The audit indicated that economic interests outweigh nature protection in the ministry's decision-making.

The Ministry of Agriculture and Forestry is responsible for regulating the reindeer population. For the sustainable use of natural resources it is essential to dimension reindeer herds according to the carrying capacity of lichen ranges. Most recently the ministry reduced the maximum permissible number of reindeer by 7.8%. According to experts the reindeer population is still too large in relation to the carrying capacity of lichen ranges.

One problem observed in the audit was the inaccurate counting of reindeer. The reindeer lists prepared by reindeer owners are not complete, since all reindeer cannot be counted in round-ups. The Ministry of Agriculture and Forestry has only limited possibilities to control the accuracy of reindeer lists. These serve as the basis for reindeer owners' financial rights and obligations, however. In the opinion of the State Audit Office, monitoring of the accuracy of reindeer counting should be improved.

The most important forms of support for reindeer herding are per head subsidies and financial support. These require the ownership of a minimum number of reindeer. The system is such that it pays to own the largest possible number of reindeer, which is not in line with the ministry's natural resource strategy. Financial support is available on a discretionary basis for a wide variety of purposes, including the purchasing of more reindeer. State funds can therefore be used to support the purchase of reindeer at the same time the goal is to reduce the reindeer population to bring it in line with the carrying capacity of lichen ranges.

The per head subsidy is a purely economic subsidy, to which the Ministry of Agriculture and Forestry's natural resource strategy has been linked by refusing subsidies for reindeer exceeding a maximum limit. The per head subsidy was introduced in 1995, when membership of the EU was expected to lower the price of reindeer meat. The reason for the subsidy disappeared quite soon with the rise in the price of reindeer meat, after which the subsidy was justified on the grounds of structural development. The goal was to concentrate reindeer ownership in fewer hands and the minimum herd requirement was raised.

The per head subsidy for reindeer has varied annually from FIM 90 to FIM 160. There is no clear logic behind this variation. In the opinion of the State Audit Office, the per head subsidy and the amount of the subsidy should be justified more clearly, since the original reason for the subsidy no longer exists.

Receiving subsidy requires proof of a herder's economic viability. In practice it is impossible to prove viability, however, since herders are not required to keep notes or accounts on

income and expenses related to reindeer herding. This being the case, reliable information cannot be obtained on the effects of paid subsidies on reindeer herding, either.

Two projects are currently under way among reindeer herders, one involving a note-keeping system and the other profitability accounting. The State Audit Office considers it important to place both systems in use as soon as possible and to investigate the effects of paid subsidies on reindeer herding.