

# Certification as a new private global forest governance system: The regulatory potential of the Forest Stewardship Council

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Forests took center stage in international political debates during the 1970s. Who could forget the media action that raised global awareness of the rapid loss of major tropical forests: the first estimations of deforestation rates expressed in “football fields per minute”, traditional forest communities’ demands taken to the international level, etc. Then, in the 1980s, the emergence of global environmental problems – the destruction of biodiversity and climate change – meant that forest issues came to be seen as a subject requiring international coordination. Forests therefore gradually became a matter of worldwide interest, largely due to the global ecosystem services they provide.

This argument is especially pertinent when it comes to tropical areas. Tropical forests in fact contain half of all known vertebrates, 60% of plant species and an estimated 90% of all terrestrial species<sup>1</sup>. Around 25% of greenhouse gases released into the atmosphere every year are caused by deforestation, and the deforestation rate is highest in tropical forests<sup>2</sup>.

Faced with these global challenges, over the last few decades, states have launched international negotiations aimed at setting up an international regime focusing specifically on forests. At the same time, new forms of global forest governance have progressively emerged, and increasingly bring private actors, NGOs and companies into play. The Forest Stewardship Council (FSC) is a non-governmental organization seen by many actors as an example of these new forms of non-state global governance.

Although social science research on new forms of private governance is still very recent and limited, a considerable amount of this research deals specifically with the ability of private governance mechanisms – especially FSC – to compensate for the shortcomings of the international forest regime (Meidinger, Elliott & Oesten, 2003, Cashore & Bernstein, 2005; Haufler, 2003, Meidinger, 2003, Gulbrandsen, 2004; Kern, 2003, Gale 2006). Other scholars focus more on effectiveness by attempting to determine whether certification institutions really bring about changes in forest management practices (Gulbrandsen, 2005, Espach, 2006). Finally, certain research analyzes the influence of private governance systems by differentiating between their regulatory, cognitive/discursive and integrative functions (Pattberg, 2005). At different levels and using different methods, these scholars attempt to show how FSC constitutes a complement, an alternative or an institutionalized solution to global forest problems, even though it often highlights its weaknesses. Our analysis of the regulatory potential of the new forms of private governance will be supported by this recent research, but will instead try to underline the deficiencies of FSC as a private global governance system.

We will begin by analyzing the reasons for the relative failure to implement an international forest regime based on coordination between states. We will go on to describe the new forms of global forest governance. We will then attempt to provide insights into the regulatory potential of these new forms of global governance, focusing our analysis on the example of FSC. To achieve this, we will first turn our attention to the intrinsic limitations of FSC as a private global governance system. We will then concentrate on its regulatory potential. By regulatory potential, we mean not only the behavioral effects, but also the side effects and the institutional and political changes brought about by FSC.

## The failure of intergovernmental negotiation processes for forests

Traditionally, international environmental governance has focused on the issue of global public goods that states cannot provide individually (Kern, 2004). Intergovernmental coordination efforts are therefore aimed at creating an international regime (Krasner, 1983, Young 1997) between nation-states, which includes binding and hierarchical measures for implementing policies at the national level. According to the accepted definition, a regime describes “a set of principles, standards, rules and decision-making procedures, whether explicit or implicit, around which actors’ expectations converge in a specific area of international relations” (Krasner, 1983).

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<sup>1</sup> Livre blanc sur les forêts tropicales humides, Ed. La documentation française, 2006.

<sup>2</sup> Global Forest Resources Assessment, FAO, 2005.

In the forest sector as early as the 1980s, governments became actively involved in negotiations aimed at setting up an international regime. In 1985, the Ninth World Forestry Congress held in Mexico City concluded with a manifesto urging “all human beings of all nations and their governments, within the framework of their own sovereignty, to recognize the importance of forest resources for the biosphere and the survival of humanity”. During negotiations leading up to the Earth Summit, the international community was extremely attentive to forest matters. When it discussed ways of fighting global warming, it often stressed the impact of the world’s forests on carbon storage. It also pointed out repeatedly that tropical deforestation represented the greatest threat to biodiversity.

Several authors have analyzed the emergence of this international forest regime during the 1990s (Skala-Kuhmann, 1996, Chaytor, 2001, Humphreys, 1999, Tarasofsky, 1999, Gulbrandsen, 2004). Their work shows that this regime has resulted in the creation of forest management and protection standards. But they also reveal the fragmentation and weakness of the regime.

### A fragmented international architecture

The debate on international forest governance is strongly marked by the need to clarify the international institutional architecture, seen by many as complex and segmented. There is considerable legal and institutional overlapping between the different international institutions responsible for forest issues. An international negotiation process focusing specifically on forests was set up in the 1980s. During the Rio Earth Summit in 1992, this process resulted in non-binding texts, including the Forest Declaration and chapter 11 of Agenda 21 (“Combating deforestation”). This process continues today under the auspices of the United Nations Forum on Forests (UNFF).

In addition to this ‘official’ negotiation process, two other multilateral instruments are specifically devoted to forests: the International Tropical Timber Agreement (ITTA) and the FAO Committee on Forestry. Other non-specific international mechanisms also incorporate provisions that are essential for forests. For example, the Kyoto Protocol attached to the UNFCCC addresses the role played by forests as carbon sinks and, more recently, the issue of avoided deforestation as a means of combating CO<sub>2</sub> emissions. The last Conference of the Parties (COP) of the CBD developed a special work program on forest biodiversity. The UNESCO World Heritage Convention deals in part with protection of the world’s most remarkable forest ecosystems. The CITES convention regulates trade in certain species of wood. The Convention to Combat Desertification contains provisions on the role played by forests in the preservation of arid and semi-arid ecosystems. International Labour Organization (ILO) Convention 169 deals with the issue of indigenous peoples, which is of great importance in tropical forested areas. Due to this fragmentation of the international institutional forest architecture, several governments and forest experts believe it necessary to centralize and coordinate international community efforts to protect forests by way of a binding multilateral agreement on forests.

### North-South differences and the crisis of multilateralism

Right from the start, multilateral negotiations on forests were marked by intense North-South divisions. In short, developed countries considered that forests were part of our global heritage and required international protection. They argued that the lack of global rules for forests could lead to the rapid disappearance of biodiversity-rich forest ecosystems. At the same time, developing countries argued that forests were natural resources over which they had sovereignty, and that their development depended in part on those resources. Consequently, at the 1992 Earth Summit in Rio, the international community was unable to reach a consensus on the substance of a global forest agreement. The vastly different goals of developed countries and developing countries stood in the way of any positive outcome.

In other respects, the international context has considerably evolved over recent years. On the one hand, it is marked by a crisis of multilateralism that although not specific to forests, nevertheless profoundly affects them. This crisis may be illustrated by American unilateralism, particularly the United States’ refusal to ratify major multilateral environmental agreements, especially the United Nation Framework Convention on Climate Change. But this crisis is also exacerbated by objections to

the current order by emerging countries, which are asserting their right to development and proclaiming their sovereignty. Brazil, for example, has remained steadfast in its refusal to accept any binding multilateral forest agreement that could constitute an obstacle to its agribusiness export-oriented development model.

In sum, although the international negotiation process focusing specifically on forests has not been abandoned, it is clear that the main stumbling blocks still exists, despite the creation of a number of institutions placed under the authority of different UN bodies. In 2006, during the last session of the United Nations Forum on Forests, the body currently in charge of international negotiations, governments agreed to the voluntary nature of the propositions made by the international community. They also decided to postpone discussions on the creation of a binding multilateral instrument until... 2015.

### The shortcomings of the international regime

Although based on 'soft law' instruments, the international forest regime has gradually developed around several key elements that are described by Guldbrandsen (2004): the ecosystem approach; the principle of protected areas; recognition of local knowledge of forest resources and the need for the equitable sharing of benefits arising from their use; recognition of the role forests play in climate change; consensus between states on a series of good forest management criteria and indicators resulting from nine different regional negotiation processes; and finally the implementation of non-binding international principles through national forest programs and a reporting system allowing states to demonstrate their commitments and progress made in terms of forest policy.

The same author points out that this regime is currently characterized by four major weaknesses. First, the regime does not take into consideration the interests of all the different stakeholders, but focuses instead on those of forest owners. Second, commitments to environmental and social issues are insufficient under the current regime. Governments have failed to reach agreement on the implementation of substantial measures to protect forests and satisfy the interests of indigenous populations and local communities. Third, enforcement tools are too weak. As the main mechanism for monitoring the implementation of proposals drawn up at the international level, reporting is not enough to prompt governments to meet their current commitments or to make further commitments to forest conservation and management. Finally, there are no consensual multilateral rules aimed specifically at trade in forest products from well-managed forests.

Most environmental NGOs highlight these weaknesses (Wilson & Guéneau, 2003). NGOs are somewhat skeptical about the potential of multilateral negotiations to produce regulatory mechanisms that are truly binding. They believe that governments will struggle to set up a powerful international forest regime in the short term, with good rules of observance, monitoring mechanisms and sanctions. They alert political decision-makers regularly to the sluggishness of multilateral talks and the risk of ending up with a consensus that reflects the lowest common denominator. They point out that a lack of political will leads to non-implementation or delays in the application of political decisions, despite the fact that the issues are fundamental and pressing. NGOs stress the inadequacy of monitoring and assessment mechanisms for the implementation of international decisions, the red tape involved in verification and compliance procedures for Parties' commitments (annual reports), and the lack of financial means and technical assistance. They note problems of equity in negotiations, which mean that delegations from developed countries have more influence than those from developing countries. NGOs also condemn the lack of government acceptance of civil society representatives in international debates. Finally, they believe that international forest negotiations lack structure and coordination.

NGOs took considerable action to ensure forest matters were acknowledged by the CBD, with some going as far as to dub the sixth Conference of the Parties of the CBD, held in The Hague in 2002, the "Ancient Forest Summit". But at the close of these negotiations, most condemned the non-binding nature of the CBD work program. The hopes NGOs placed in the international forest negotiation process have thus gradually faded. However, their role in global forest governance has continued to grow, through their media denunciation campaigns, their partnerships with public authorities for the organization of forest protection initiatives and their attempts at regulation using market instruments

such as certification. These changes in the role NGOs play make a vital contribution to the emergence of new global forest governance systems.

## New global governance systems

The concept of global governance has inspired a great deal of research that follows in the footsteps of work on regimes. A forerunner in the field, James Rosenau (1987) updated the “governance without government” process, in other words the means of regulating human activities that emerge despite the lack of international regulation mechanisms provided by the official authorities. Although a large amount of research exists on global governance, the subject remains highly controversial. As Pattberg (2006) points out, the concept of governance has in fact become a buzzword in international relations analysis. This author lists some 10 definitions of the concept of governance, which covers many different forms of coordination between actors: NGOs taking part in international decision-making processes, public-private partnerships established at the world level, transnational firms with a growing role in world politics, etc.

These different forms of coordination have at least one thing in common: they underline several ways in which public action has changed (Holec & Brunet-Jolivald, 1999). First, the concept of governance rejects the traditional political model, where government authorities are solely responsible for managing public affairs. It thus differs from the classical notion of government, where the government represents the institution and governance the act of governing (Rosenau & Czempiel, 1992). Second, the concept of governance stresses the range and diversity of actors involved in public affairs management: the boundaries between public and private are redefined with the transfer of responsibilities taking place between the state, civil society and market forces. Finally, governance is based on a process of interaction and negotiation between diverse stakeholders, making it possible to look beyond different, conflicting interests in order to reach a consensus.

Further to Rosenau’s work, several approaches were developed, highlighting the “privatization of governance” (Cutler, Haufler & Porter 1999), in other words the growing role of private bodies in the regulation of human activities at the transnational level.

## Transnational advocacy networks

One of these lines of research concentrated on transnational advocacy networks. The aim was to analyze the way in which certain private bodies influence global policy through militant action, raising certain issues to the rank of global priorities in political agendas, or even by means of lobbying within international negotiations (Keck & Sikkink, 1998; Arts, 1998; O’Brien & al, 2000). These networks are particularly active in the field of forestry. The major environmental NGOs all have forest programs among their main action priorities. In the run-up to the Rio Earth Summit in 2002, forest protection campaigns were particularly strong, leading some OECD member country governments, for example, to attempt to impose bans on tropical timber imports.

More recently, in view of the particularly high deforestation rate in the Brazilian Amazon, especially in the state of Mato Grosso, Greenpeace International launched a campaign aimed directly at soy producers and the governor of the state in person. The report entitled “Comendo a Amazônia”<sup>3</sup> (“Eating up the Amazon”) published recently by the NGO highlights the responsibility of the agricultural commodities giants, ADM (Archer Daniels Midland), Bunge and Cargill, which control 60% of soy production in Brazil and supply more than three quarters of all soy used for animal feed in European processing industries. This campaign reached its peak with the ‘crackdown’ operations carried out by Greenpeace in Brazil and Europe. In May 2005 in Santarém, deep in the Amazon rainforest, Greenpeace blocked the Cargill soy grain terminal – which it considers illegal – for several hours. A month earlier, Greenpeace activists in Europe occupied several McDonald’s restaurants,

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<sup>3</sup> Eating up the Amazon, Greenpeace, April 2006, <http://www.greenpeace.org/raw/content/international/press/reports/eating-up-the-amazon.pdf>

accusing the multinational of fuelling the destruction of the Amazon in order to grow soy to feed the chickens used in its products. This Greenpeace campaign was given a great deal of media coverage and affected a soy industry already in a state of crisis due to the Brazilian government's monetary policy. A WWF International campaign was also launched several years earlier, with the publication in October 2003 of a report entitled "The Impacts of Soybean Cultivation on Brazilian Ecosystems". This report condemns the responsibility of the soy industry in Amazon deforestation, atmospheric pollution, the deplorable social conditions of its workers and the disregard for the rights of local and indigenous communities. But the ultimate aim of this campaign is to define 'responsible' soy production criteria<sup>4</sup>. To achieve this, WWF uses partnerships with distributors, especially Swiss ones (Migros and Coop). Together they have drawn up a list of criteria – known as the Basel Criteria – which encourage responsible soy production.

McDonald's and other agri-food companies quickly reacted to the NGO campaign by demanding that Brazilian soy traders belonging to ABIOVE (Brazilian Association of Vegetable Oil Industries, which includes Cargill, Bunge, the Brazilian Amaggi group and the French Dreyfus group) cease trading products that contribute to Amazon deforestation. In a statement made on 24 July 2006, ABIOVE and ANEC (Brazilian Cereal Exporters' Association) announced their commitment to stop trading products planted as of October 2006 grown in areas within the Amazon biome that are deforested after the date of the announcement. This moratorium on the sale of Amazon soy is planned to last two years. During this period, both associations commit to working with the government and organizations representing producers and civil society in order to prepare and implement an action plan including a mapping and monitoring system, to develop strategies to encourage producers to comply with Brazilian law, and to work with actors concerned to develop new instruments, policies and rules for their operations in the Amazon biome.

### Public-private partnerships

The role of non-state actors in global governance has also been addressed via the way in which these actors contribute to political processes with the public authorities. Certain authors have analyzed the emergence of public-private partnerships and of "global public policy networks" (Reinicke & Deng 2000, Börzel & Risse, 2005) as new forms of governance for global environmental issues. These new forms of governance also represent a significant element of global forest architecture. Alliances between governments, NGOs and the private sector are being developed on a geographic or sectoral basis. They soak up a considerable part of the bilateral and multilateral cooperation funds and resources available to international NGOs. For example, the Congo Basin Forest Partnership was launched during the World Summit on Sustainable Development in Johannesburg in 2002 by the US and South African governments. A number of other governments, international institutions (ITTO, World Bank, CBD Secretariat, etc.), forest research centers (CIFOR<sup>5</sup>, IUFRO<sup>6</sup>), NGOs (Wildlife Conservation Society, WWF, Conservation International, IUCN) and private sector representatives also take part. In all, 29 partners are associated with this original initiative. A similar partnership model, the Asian Forest Partnership, was launched by the Japanese government.

Another example of this kind of public-private partnership, this time with a sectoral basis, is the one set up to combat illegal logging. NGOs have made the fight against illegal production one of their main campaigns, highlighting the role played by forest crime in deforestation, loss of tax revenue and increased poverty. According to WWF, 50% of Cameroon's logging operations are illegal and 80% of Brazil's timber is produced illegally<sup>7</sup>. Launched in the 2000s by the World Bank, 13 governments, NGOs and private sector representatives, the FLEG process (Forest Law Enforcement and Governance) aims to combat forest crime, especially using voluntary partnership agreements. Among other things, some of these agreements provide for legality verification mechanisms through greater civil society involvement and incentives for loggers to implement laws.

<sup>4</sup> Soja, oleo de palma e florestas tropicais: uma estratégia para a vida, WWF Brazil, September 2005

<sup>5</sup> Center for International Forestry Research

<sup>6</sup> International Union of Forest Research Organizations

<sup>7</sup> The Timber Footprint of the G8 and China, WWF, [www.panda.org](http://www.panda.org)

Producers can also work towards legality by developing independent verification systems with NGOs. This is the case with the Congo Basin forest concession monitoring system developed by IFIA<sup>8</sup> in collaboration with several NGOs, including Global Forest Watch, the World Resources Institute (WRI), IUCN and WWF. This system is designed to single out companies that comply with the laws in force by means of legality certification. Companies participate voluntarily in complying with laws and commitments to sustainable forest development, set out by a multi-party steering committee composed of representatives from regional organizations, NGOs and the private sector. WRI is responsible for auditing how these requirements are met. Any breaches noted are given media coverage, thereby creating a reputation effect for the company at fault. If the company still fails to comply after a one-month deadline, its certificate of legality can be withdrawn. The certificate attesting to the legality of the logging operation is attached to the other documents required to export products. Certifiers have developed some control systems with slight differences, such as the “OLB certificate” (Origine et Légalité des bois / Timber origin and legality) created by the Eurocertifor monitoring company (now Bureau Veritas) in 2004.

### Private governance systems

It is only very recently that scholars have turned their attention to exclusively private regulation processes, based on transnational dialogue between non-state actors of different kinds (NGOs and companies, for example). These private configurations are new in the sense that they no longer seek to influence public policy via media campaigns or their active participation in public-private coalitions. They develop global rules, outside any state framework. They also differ from other forms of private governance such as the self-regulation processes that companies develop in order to improve their corporate social responsibility, which are made possible by governments implicitly or explicitly delegating part of their decision-making powers (Cutler et al. 1999).

On the contrary, Cashore (2002) asserts that states have no decision-making power faced with what he calls non-state market-driven governance systems. In this kind of governance system, political decision-making processes are based on the manipulation of global markets by non-state bodies. Pattberg (2004) describes this new phenomenon as the institutionalization of private governance: “This institutionalisation of private governance is different from ad-hoc partnership or strategic alliances because it involves the notion of shared norms and principles as well as the prescription of roles and responsibilities”.

In forestry, though long confined to the public authorities’ sphere of responsibility, the definition of ‘good management’ standards now increasingly calls upon private construction methods, especially within the context of multi-stakeholder consultation forums involving manufacturers, retailers, traders, environmental NGOs, consultants, local communities and foresters, etc. One such forum was institutionalized as early as 1993 by the creation of an international non-profit organization, at WWF’s initiative: the Forest Stewardship Council (FSC). The FSC board of directors is made up of actors from different forestry backgrounds and different countries: environmental movements, forestry companies, indigenous peoples’ organizations, etc. The forest management standards set by FSC are the product of the different stakeholders’ involvement, and their application is voluntary. Their specificity lies in the fact that they are the result of an agreement reached after comparing different points of view and that they potentially concern a large number of independent actors liable to adopt them. Furthermore, the methods for applying and monitoring the implementation of FSC standards call for a specific voluntary certification procedure. Voluntary certification involves issuing a certificate that guarantees compliance with 10 principles and 56 criteria drawn up by FSC-International. However, compliance with these forest management standards is not directly controlled by this original organization. Third party certification bodies, judged independent and accredited by FSC, are responsible for this function. When national FSC initiatives are created and recognized by FSC-International – based on a model similar to FSC-International – certification bodies can certify good practices based on indicators drawn up locally by these national initiatives.

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<sup>8</sup> Interafrican Forest Industries Association

Finally, as an international multi-stakeholder forum, FSC is part of the effort to build a global civil society. FSC's internal governance rules aim to guarantee all participants identical participation conditions and to ensure decisions made are transparent. The members of FSC-International (NGOs and private sector representatives; states are not included) are divided among three chambers (economic, social and environmental) whose voting weight is the same whatever the number of participants in each chamber. Votes are weighted in order to ensure parity of representation between Southern and Northern members in each chamber, whatever the number of voters from the North or the South. The forum for dialogue set up by FSC is open to all – organizations and individuals – but the voting weight of individual members must not exceed 10%. The voting and interest balancing system within FSC-International decision-making authorities can therefore be seen as an attempt to find a democratic solution to collective problems at the global level.

## FSC's regulatory potential as a private global governance institution

The analysis we propose of FSC's regulatory potential comprises several different sections. First, it focuses on the two basic characteristics that distinguish FSC from other forms of forest governance: a private voluntary standards system with universal scope; and methods for applying and monitoring these standards using a singular market instrument, certification. How do these two specific characteristics of the FSC global governance system help to provide solutions to global forest problems?

Second, by regulatory potential, we mean not only the direct effects but also the side effects and the institutional and political changes brought about by FSC. The direct effects are the behavioral changes seen in actors directly targeted by FSC forest management rules, whether those who decide to engage in a certification process or those who already possess a good management certificate. The side effects are those that can be directly linked to the emergence of FSC, but whose effects on global governance have not been anticipated and which do not correspond to the goals initially announced by FSC. Finally, FSC has many political effects. These involve FSC's contribution to redefining the boundaries between the public and private decision-making spheres. They also include the democratic construction processes that FSC implies. The political effects can also be seen in the reproduction of forms of public action and the public policy-making processes instigated by FSC.

### Governing through the market?

Through his analysis of forest certification, Cashore (2002) made a significant contribution to conceptualizing the new forms of private global governance, for which authority is diffuse and located in the marketplace. According to this liberal view of the regulation of public affairs, it is consumers – through their willingness to pay more for certified products than for conventional products – who will encourage producers to improve their forest management practices. However, the handful of market research conducted to date indicates that consumers are little inclined to pay a premium for certified products (Ozanne & Vlosky, 1997, 2003), even though they are increasingly concerned about the destruction of tropical forests and now know more about certification systems. Even in Europe, where consumer environmental awareness is strongest, the FAO recently announced that other than in the Netherlands, consumers demand very little in the way of certified forest products<sup>9</sup>.

To get round this problem, the NGOs behind FSC have carried out active campaigns targeted at retailers and importers. By committing to buying only FSC-certified timber, major private companies have created demand. The social tension generated by these campaigns has led stakeholders to accept an institutionalized compromise concerning the way in which certification is to regulate the forest sector (Lafrance, 2005).

The social construction of the FSC certification market nevertheless remains limited: it is efficient only in sectors where the distributors are in a position of oligopsony. For example, in the civil

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<sup>9</sup> *Forest Products Annual Market Review, 2005-2006*, FAO, 2006



construction sector, trade in timber and by-products is largely concentrated among certain specialized companies, which can demand that their suppliers obtain FSC certification. But in some countries, sales are scattered among a large number of SMEs, which are unable to create a bottleneck in this way. It is mostly on European markets that demand for certified products is highest, although this demand is growing in Canada and the United States. However, the major markets of Asia and Latin America are not yet receptive to certified forest products<sup>10</sup>.

The market for certified forest products is therefore growing in sectors major private multinational groups, established in countries where environmental awareness is particularly high. This chiefly concerns the pulp and paper market, which is dominated by a small number of multinationals, certain markets for wood products sold retail by major DIY chains (Home Depot, B&Q, etc.), and several large furniture distribution chains (Ikea, etc.). As a result, the restricted certification market still constitutes a serious limit to FSC's scope as a forest governance system.

Another limit exists at the supply level: since retailers do not assume the cost of certification by increasing the sales price for their products, this cost is passed on to producers. Why should these producers increase their production costs and reduce their profits by engaging in costly forest certification programs? The reason for tropical producers to engage in certification is therefore essentially to maintain their access to American and Northern European markets. But even more than the advantages linked to certification, other factors such as the price or the quality of forest products still largely condition international trade in tropical timber. Timber retailers point out that it is in fact very difficult to source FSC-certified timber, especially from tropical forests<sup>11</sup>. Certain cases are described, where in order to find the quantity and quality of tropical timber ordered, certain companies were obliged to top up their timber deliveries sourced from certified forests with timber from non-certified forests (Counsell & Loraas, 2002).

Finally, it is worth noting that a large part of world timber production is excluded from these certified forest product markets, since less than 10% of global timber production enters international trade. Forest products are predominantly sold and used on domestic markets, many of which care little about certification or the conditions in which timber is produced. In developing countries, in particular, the market structure is highly competitive, these markets are often informal or even non-existent, and domestic consumption levels are still very high. This intrinsic limitation of FSC as a private global governance system is underlined by Thornber et al. (2000): it mainly concerns producers included in the business economy and has little effect on rural producers situated outside the market economy, despite the fact that these actors play a vital role in the dynamics of forest cover change, especially in tropical areas.

In September 2006, the area of FSC-certified forest reached 79 million hectares in 74 countries. The number of countries concerned is clearly representative and the areas certified considerable. The proliferation of forest areas managed according to FSC standards is also remarkable. But in relation to the four billion hectares of forest across the world, the possibilities for forest governance provided by FSC must be put into perspective.

### Governing through standards?

One of the limits to FSC's scope as a global governance institution lies in the discrepancy between its international standards and the local context in which they are applied. The certification process and the threat of certificate withdrawal if specifications are not met are clearly elements that contribute to forest law enforcement in countries where the authorities responsible for monitoring compliance with laws do not have sufficient means or numbers and where forest resources are very extensive. The certificate is issued for a limited period, at the end of which it can be withdrawn if the forest company no longer complies with FSC standards. A sanctions system also exists, whereby the certificate may be withdrawn at any time during this period. Certification bodies can also be

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<sup>10</sup> International trade in forest products and services, FAO, 2006  
<http://www.fao.org/forestry/site/11475/en/page.jsp>

<sup>11</sup> Position sur l'écocertification, Note from the association Le Commerce du Bois to the French working group on tropical rainforests, Paris, 30 August 2005

sanctioned by means of the temporary or permanent withdrawal of their accreditation. For example, FSC accreditation was temporarily withdrawn from the Dutch certifier SKAL in 2001 (Kern 2004).

The effectiveness of the system must not be judged solely on the basis of its enforcement qualities, but also on its scope for acceptance by a very wide range of actors. In places where forest ownership is characterized by small, highly fragmented areas, forest producers are strongly opposed to the FSC certification system. When forest management traditions are firmly rooted in history and owners manage their property “as a good father should” generation upon generation, as is the case in France, opposition to the FSC system is even stronger. In addition, certification costs penalize small-scale operations (Guéneau, 2002). These costs include the preliminary certification assessment costs, the costs of the management changes needed to obtain certification and, finally, the cost of the yearly audit. Some of these costs are fixed and therefore result in scale effects: the smaller the forest operation, the higher the proportion of these costs in the total price of the certified product, and the greater the competitive disadvantages generated by forest certification. Conversely, large-scale operations will find it easiest to bear these costs.

The discrepancy between FSC international standards and the local context is particularly noticeable in tropical countries. According to Atyi and Simula (2002), some of the main obstacles to the proliferation of certification in tropical countries are the lack of flexibility in certification standards, the disregard for the local context in which natural resources are used, and conflicts between national legislation and certification rules. In fact, FSC has developed far more quickly in boreal and temperate forest areas than in tropical areas. Furthermore, the development of certification has focused more on industrial plantations in tropical areas. For example, between 2000 and 2005, the area of FSC-certified industrial plantations in Brazil represented around two thirds of all certified forest areas<sup>12</sup>. FSC also had little impact on small-scale operations and community-managed forests. These arguments limit FSC’s scope for imposing binding rules – including those resulting from international agreements – as frequently pointed out by certain researchers (Kern, 2004; Pattberg, 2006).

The North-South divide is also visible in FSC decision-making and standard-setting bodies. Between 1993, when FSC was set up, and late 2005, the geographical distribution of FSC members changed very little. North American and European representatives currently make up around 60% of all FSC members, which was already the case in 1993. Certain large forested countries are un- or under-represented, such as Russia, Finland and African countries in the Congo Basin. FSC has attempted to rectify this imbalance through weighted voting: whatever the number of Southern participants in each chamber – environmental, social and economic – they represent half of all votes. Several limitations to the scope of this readjustment mechanism deserve mention. First, the balanced voting system is essential, but not sufficient in itself. The under-represented categories of actors are in the minority in debates and sometimes their lack of knowledge on some crucial issues means they are unable to oppose decisions that could penalize them. The low level of participation by representatives from tropical countries limits the possibilities for building an agenda for discussion and standard setting that closely reflects their concerns. Second, the criterion chosen by FSC to define the ‘Northern’ and ‘Southern’ categories is average per capita income. Consequently, some transition countries belong to the ‘Southern’ category, such as Poland and Hungary. The result is that half of all votes are given to less than 15% of the world’s population, the richest group. But above all, this distribution does not correctly reflect the specificities of Northern forests (boreal and temperate) in relation to those of tropical forests, where conservation challenges are far more pronounced (Dingwerth, forthcoming). Furthermore, it is worth noting that Southern members are represented by a high proportion of individual representatives: in late 2005, the figures stood at 59%, 53% and 71% respectively in the environmental, social and economic chambers. Moreover, this ‘Southern’ element is primarily composed of organizations from transition countries. Finally, the democratic façade often given by FSC supporters as one of the system’s strong points actually masks the under-representation in FSC decision-making bodies of socially organized groups and private sector representatives from tropical countries. This factor has undoubtedly helped to sustain the discrepancy between FSC international standards and the local context in which they are applied.

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<sup>12</sup> Figures available on the FSC-Brazil Web site (<http://www.fsc.org.br/>).

Because of this discrepancy, certification remains extremely limited in its scope for solving the problems considered central to the future of tropical forests. These especially include illegal logging, land tenure insecurity and the conversion of forestlands to other uses, such as agriculture and livestock farming. We will now examine FSC's impact on these three issues.

Over recent years, areas of managed forest have grown considerably in the tropics. According to ITTO, 96.3 million hectares, or 27% of permanent natural tropical forest used for production is currently covered by management plans. But many of these plans have not yet been implemented (ITTO, 2006). Despite the regulatory bans on development in force in several tropical countries, a large number of forest producers continue to pursue illegal logging practices. Forest law enforcement is often mediocre due to insufficient personnel, the distance from resources and the confusion created by multiple laws, decentralization and other political processes (ITTO, 2006). Most observers agree on the fact that forest crime represents one of the greatest threats to tropical forests. But can certification provide a means of countering this threat? Compliance with national laws is, of course, one of the conditions for obtaining FSC certification. But the gap separating the very demanding FSC standards from the reality of many tropical forest management practices is still too broad to ensure real incentives to work within the framework of the law through certification. Gullison (2003) reports that an Amazon forestry company speaks of operational costs 30% higher in certified forests than in conventionally logged forests. Forest operators that comply with laws contend that they are in fierce competition with those who continue to develop illegal practices (Espach 2005). In the Brazilian Amazon, many of the timber processing companies that sell FSC-certified products are obliged to purchase their own forestland in order to guarantee the legality of their sources.

Second, land disputes are still commonplace in tropical forested countries. Due to land tenure insecurity, producers are discouraged from implementing costly management plans, and are even less inclined to meet demanding certification standards that they are unsure of being able to comply with in the long term (Becker, 2004). In Brazil, 'invasions' of forest owners are common practice, as is the falsification of land titles. In June 2005, for example, some 2000 people settled on Amazon property belonging to the Martins group, whose forests are managed in line with FSC standards<sup>13</sup>. These new occupants cleared trees and jeopardized the company's wildlife reintroduction plans. Several cases of land disputes between certified forestry companies and local communities have been recorded (Lachefski & Freris, 2002; Carneiro, 2004; Fanzeres & Murrieta, 2000). Furthermore, the Brazilian authorities regularly suspend logging permits in certified areas with a view to clarifying the land tenure situation. Faced with the complexity of this situation, some Brazilian companies are abandoning their forest activities in order to move over to lower risk activities. These land tenure problems are also observed in the small number of FSC-certified community forests.

Another factor limiting FSC's scope as a private global governance system is linked to the cost/benefit relationships for FSC-certified forest management methods. The economics behind this are simple: due to high discount rates in developing countries, the timber harvested in the distant future should have only a low value that does not justify investment in the technical forest management model required for certification. This argument, often used in Anglo-Saxon literature (Niesten & Rice, 2004) is nevertheless challenged by several authors. Karsenty & Nasi (2004) believe that if we take account of technological progress in industrial timber processing, the economic rent that is regularly recreated makes long-term investment in the management of natural forests attractive. The same authors add that forest management also has an impact on short-term economic results due to higher labor productivity and lower operating costs. Several comparative studies between reduced impact logging and conventional logging seem to support the arguments of Karsenty and Nasi. According to Barreto et al. (1998) and Holmes et al. (2002), the productivity gains and waste reduction resulting from well-managed operations means they have economic advantages over conventional operations. If, in the light of this research, we can laud the economic advantages of well-managed forests that comply with FSC standards, the fact remains that sustainable management for

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<sup>13</sup> "Sem-toras" ameaçam as florestas certificadas, Pinto, R.J., O Diarrio do Para - 01/07/2005

<http://www.amazonia.org.br/noticias/noticia.cfm?id=168214>

Projetos certificados são prejudicados, Pinto, R.J., O Diarrio do Para - 05/07/2005

<http://www.amazonia.org.br/noticias/noticia.cfm?id=168691>

timber production is less profitable for the different stakeholders concerned (governments, dealers and local communities) than the other forms of land use possible (ITTO, 2006). Due to high discount rates and the land tenure and political insecurity characteristic of tropical countries, the opportunity costs of long-term forest management are very high in relation to the conversion of forestland to farming uses (Gullison, 2003). In fact, FSC global forest governance, through its principal instrument, certification of good forest management, has little control over the conversion of forests into pastureland and farmland, the main cause of deforestation in numerous tropical countries.

FSC has attempted to reduce the discrepancy between its demanding international standards and difficulties in applying them at the local level by fostering the creation of national initiatives in tropical countries, which could adapt FSC principles and criteria using good management standards suited to the local context. FSC-International has also promoted 'group certification', through the intermediary of a forest cooperative, a forestry company or a forest consultant, meaning auditing and certification costs can be reduced. Finally, in 2004, FSC-International approved new standards for small and low-intensity managed forests (SLIMFs) in order to minimize certification costs for small-scale producers. FSC rules and standards are therefore now more flexible and better suited to the local contexts in tropical countries. FSC-accredited certifying bodies are also more present in tropical areas than in the past. The adaptation of FSC rules has allowed certain groups of actors to obtain certification more easily. For example, 1.5 million hectares of indigenous lands in the Brazilian Amazon were certified according to FSC standards in late 2006, making this the most extensive tropical forest certification. This forest is inhabited by Kayapo Indians, who principally farm Brazil nuts. Certification was obtained on the basis of FSC standards for non-wood forest products.

Nevertheless, some scholars highlight the numerous difficulties facing forest certification initiatives for community forest management. Garcia Drigo et al. (2006) show that the reasons motivating communities to obtain FSC certification are the prospect of increasing their income in the short term and the possibility of protecting their lands against settlers from other areas. But in actual fact, new occupants settle on community lands either because they are free, or because they have been abandoned. However, these new occupants often prefer to clear the land of trees in order to set up extensive cattle ranching operations, rather than to manage the forest according to FSC principles. Furthermore, certification projects for community forests are strongly dependent on financial and technical assistance from NGOs and financial backers. The communities in question are not made sufficiently aware of the financial risks involved and market low-quality products that find no takers in the marketplace (Garcia Drigo & al, 2006).

### Behavioral effects

FSC's growing impact on global forest management is often demonstrated by supporters of the system using indicators such as the area of forest certified, the number of certificates issued and their respective progress. For example, by late 2006, almost 900 FSC forest management certificates had been issued by FSC-accredited monitoring bodies. These figures are often presented as evidence of FSC's success, but are not actually enough to formally establish that the certification process has truly influenced the behavior of certificate-holders, through an improvement in their forest management practices.

Whether or not certification allows companies to develop green marketing strategies without actually making any substantial changes in their practices remains a highly controversial question. Several researchers have attempted to provide answers using specific indicators, such as the corrective action recommended by certification bodies during the initial audit process (Thorner, 1999, Gullison 2003, Newsom & al., 2005). This research shows that certification bodies have demanded that companies engaged in a certification process implement corrective action in several environmental and social fields.

In Brazil, the assessment report drawn up by the SCS monitoring body on forest management certification for the Cikel company showed that considerable behavioral changes in the company's practices were required (Bauch & al.). SCS asked the company, inter alia, to define areas used by traditional Quilombo communities for their subsistence hunting and gathering activities. This demarcation then required formal acceptance by the communities in question. Other initiatives have focused on social measures (improving workers' rights, compulsory local recruitment, etc.) or

environmental measures (developing a wildlife characterization map in order to set up conservation areas, defining monitoring indicators for rare and endangered wildlife, etc.).

Certain observers nevertheless point out that significant differences exist between tropical regions. In the Brazilian Amazon, monitoring procedures pay more attention to improvements in environmental and social issues than in Africa (Cassagne, 2006). During an interview with the representative of an environmental NGO, he stressed the difficulties in applying certain FSC standards concerning employee working conditions in Central African forestry companies. Through habit and convenience, some workers refuse to use safety equipment, and despite binding audit procedures, it is often very difficult to force them to do so. Resigned, the certification bodies decided to let this pass, with the famous phrase: "This is Africa, you know..."

Furthermore, certain authors point out that many companies already demonstrated 'better than average' forest management practices before obtaining certification (Atyi & Simula, 2002). This is particularly true of certified public forests, when forest authorities are powerful enough to apply management standards and to monitor their effectiveness. This is also the case for certain private tropical forests, when NGOs, financial backers and research institutes provide technical assistance and funding to improve forest management. According to Pattberg (2005), in Germany almost a third of operators engaged in a forest management certification process already complied with FSC standards before the certification process began. Further to a survey conducted in Brazil and Argentina, Espach (2006) reports that, according to the auditors and forest consultants interviewed, FSC certification results in relatively few changes in practices. As Richards (2004) points out, the broader the gap between a company's forestry practices and those needed to obtain FSC certification, the lower the incentives to engage in a certification process. In other words, the companies with the poorest forest management practices are the least inclined to improve them through certification.

### Side effects

The first side effect brought about by FSC's emergence concerns the structural problems of international equity. FSC certification has in fact had far more success in Northern countries than in tropical ones where, paradoxically, biodiversity is richest and the forests are the most endangered. According to FSC International, over 82% of FSC certified forest areas are in Europe and North America. Only 3% of these areas are in Africa (2.5 million hectares, of which 1.7 million alone are in South Africa) and 4% in the Asia-Pacific region. These North-South disparities in the development of FSC certification are partly explained by cost differentials between developed countries and developing countries. According to Gullison (2003), certification costs for large forestry companies in the United States or Poland stand at 0.02 to 0.03 US\$ per cubic meter, compared to 0.26 to 1.10 US\$ in tropical countries and over 4.00 US\$ for small-scale producers in Latin America. These significant differences would be of no importance if the products traded were not in competition with each other on the same markets. Unfortunately, this is partly so. For certain purposes, such as joinery, tropical forest products may enter into competition not only with temperate and boreal timber, but also with other materials such as PVC and aluminum. The requirements of certain actors on the major European cooperation markets, who force suppliers to systematically engage in certification, can act as prohibitive measures for tropical timber. In fact, the assumption that certification is used for strategic purposes by some actors, in order to push their competitors aside, cannot be completely ruled out. It must, however, be further supported by economic analysis.

Should it become the norm to demand FSC certification for the sale of certain products on certain markets – especially in Europe – then the companies established in tropical countries could be forced to turn their export flows towards markets that are less sensitive to environmental considerations, but nevertheless buoyant. Emerging countries, especially China, display such characteristics. Economic agents could also be tempted to sell their companies to foreign investors, some of which will be little inclined to improve their environmental practices given their preferential access to markets with little concern for environmental issues. Worse still, if the barriers to European markets are too high, forest owners could be tempted to convert forests to different, more profitable uses, such as farming or livestock ranching.

In the pulp and paper industry, FSC timber supply is also unevenly distributed at the geographical level. However, certain paper pulp production units, whose customers have opted for FSC certification, also have difficulty sourcing timber from forests managed in line with FSC standards. In France, for example, forest owners and the state, through the national forestry office (ONF), have massively opted for a certification system that competes with FSC. The result is that certain paper factories are obliged to source timber abroad to meet orders from European paper manufacturers demanding the FSC label. Paradoxically, this situation could lead to serious environmental impacts linked to the transportation of timber.

The second indirect effect of the private global forest governance system is linked to the emergence of voluntary certification systems that compete with FSC. Several private initiatives emerged in North America (the SFI certification system, Sustainable Forestry Initiative, in the United States and the CSA system, Canada Standard Association) and in Europe (PEFC, Pan-European Forest Certification Scheme) during the 1990s. Other voluntary certification programs have been launched by governments, especially in developing countries: the CERFLOR system in Brazil, CERTFLOR in Chile and MTCC in Malaysia, etc. What these initiatives all have in common is that they were set up in direct response to the threat of economic actors or states losing control over forest governance with the emergence of FSC, an organization supported by NGOs.

Most of the certification systems competing with FSC have been grouped within the PEFC, whose acronym now stands for the Programme for the Endorsement of Forest Certification Schemes. This program has become an international mechanism for the mutual recognition of voluntary national certification initiatives and counts among its members, in addition to the CSA, SFI, CERFLOR, CERTFLOR and MTCC certification programs, the Australian forest certification system and the Pan-African Forest Certification Scheme (PAFC) based in Gabon. In the PEFC system, the standards that serve as a reference to certification are the forest management criteria and indicators resulting from a dozen regional intergovernmental negotiation processes. To name but a few, these include the Helsinki process set up in 1993 for Europe, the Montreal process set up the same year for North America, the Tarapoto process set up in 1995 for the Amazon and the African Timber Organization's criteria and indicators defined in 1996.

PEFC standards determine procedures for improving practices that forest operators must adhere to. They are not as stringent as FSC standards, which set performance levels that apply to all forest operators. The areas of forest managed according to PEFC standards are rapidly growing. PEFC now covers over two thirds of the total area of certified forest in the world, with FSC counting for 28%.

Several private and public forest owners and managers who support the PEFC system believe it to be more legitimate than FSC as a global governance institution, since it is based on the result of official negotiations between states, rather than on discussion forums. In their opinion, FSC is manipulated by NGOs that act as pressure groups. Furthermore, accreditation of monitoring bodies that issue the PEFC certificate is carried out by national accreditation associations belonging to the International Accreditation Forum (IAF) which guarantee that these bodies are competent and impartial and obtain recognition of their competence at the international level. This is not the case of FSC, which is itself responsible for accrediting independent certification bodies. Finally, although PEFC was created by private forest owners and operators, this does not make it any less open to all stakeholders concerned. In France, for example, the leading environmental NGO, France Nature Environnement, is a member of PEFC-France. The fact that NGOs belong to PEFC undeniably strengthens its legitimacy. But PEFC nonetheless remains a certification program designed by and for private sector representatives, a strong argument that FSC supporters do not hesitate to use.

Analysis of the respective development of FSC and PEFC reveals a certain convergence between the two systems. PEFC has evolved towards internationalization and greater openness to members of civil society. FSC, on the other hand, has set up more flexible procedures allowing for better linkage between its global principles and criteria and the specific local contexts. However, the gulf standing in the way of mutual recognition between the two systems remains vast. First, because tension between the two systems, which ran very high in the past, has left scars that are very slow to heal. Second, because profound differences still exist. FSC remains a certification system based on performance indicators, while the PEFC system is based on the assessment of procedures. Consequently, FSC is supported by a base of national standards that all certificate holders must comply with, whereas

significant local differences can exist within forest management units covered by PEFC certification. Furthermore, FSC certification monitoring procedures are stricter than PEFC ones, since the former impose a systematic on-site inspection, while the latter can be based solely on the examination of documents, especially management plans. Due to these differences, it is likely that the two certification systems will coexist, but never converge, at least not in the immediate future.

What conclusions can we draw from the impact of the emergence and development of FSC's rival certification systems on its influence as a global governance institution? In a certain sense, the emergence of PEFC can be explained as an attempt to compensate for some of FSC's weaknesses as a global governance institution. From the outset, PEFC standards were in fact taken on board by a significant number of operators who believed that FSC was not sufficiently attentive to their specific situations. We could thus conclude that by triggering the emergence of other competing certification schemes, FSC consolidated global forest governance. FSC's rival certification programs in fact allow for forest sector regulation by codifying forest managers' practices and consolidating their implementation by means of independent monitoring mechanisms. In response, it could of course be argued that PEFC standards do not demand that certified forest managers reach a given performance level. But this does not alter the fact that they are based on the principle of a virtuous circle in which practices are improved, which is far better than no improvement at all.

Then again, we could also argue that the competitive struggle between the two systems will go on, limiting FSC's possibilities for regulating the forest management practices of certain economic agents whose have chosen the PEFC certification. Now, owing to the profound aforementioned differences between the two certification initiatives, PEFC certification undoubtedly has less impact on the improvement of forest management methods than FSC, although comparative research on this issue is still sorely lacking (Ozinga & Krul, 2004). On the other hand, the increasing number of certification programs, and therefore of logos that consumers can identify, risks generating confusion and weakening the credibility of responsible consumption, upon which the private governance system is based. Furthermore, when certain producers want to – or are obliged to – obtain both certificates, this will result in higher transaction costs. Even if certifying bodies – which are often accredited to issue both certificates – point out that in most cases a single audit is enough to obtain both the FSC and the PEFC certificate, forest operators must nevertheless pay the fees for both certification systems. Finally, the emergence of private voluntary schemes may also be encouraged by governments that are attempting to support national timber industries. Insofar as certification may give certain companies a competitive advantage or restrict market access for foreign companies, states may favor certain systems over others under the pressure of organized industrial lobbies. For example, the French government has traditionally stood in favor of PEFC, partly by backing the certification of public forest management through PEFC standards, and partly by providing financial support to this private voluntary initiative.

### Political effects

FSC's political effects can be understood by first considering its cognitive and discursive function (Pattberg 2005). This function involves the dissemination and improvement of knowledge and the development of learning processes that influence political discourse and processes. By creating forums for multi-stakeholder dialogue, FSC acts as a institution for “cognitive and discursive governance” (Pattberg, 2005): NGOs improve their knowledge of the problems affecting the companies they previously labeled as unscrupulous, and companies learn to better understand the position of NGOs that they previously considered as radical. These forums for dialogue provide a means of settling disputes that were hitherto based to a large extent on ignorance and disinformation.

Through the learning, dissemination and lay expertise processes it implies, FSC constitutes an example of what Callon & al (2001) called the new arenas of technical democracy. This dimension is particularly important in the forest sector, where decision-making processes take place in a context marked by scientific uncertainty. The sustainable management of forests is indeed a complex issue, which varies in space and time and suffers the effects of serious disagreement even within the international scientific community. For example, in tropical areas, the uncertainty characterizing long-

term forest dynamics makes it difficult to assess the impact operations will have on the state of the forest after two rotation cycles (Karsenty, 1999). The development of forest management standards must also take account of diverse expertise on issues that are still subject to considerable scientific controversy, such as measuring biodiversity value. In this uncertain world, building forums for dialogue is a way of revealing social demands and collective preferences, and consequently of fostering the emergence of new discursive regimes that permeate political processes.

FSC has thus helped to influence international forest debates and policy-making, with certification even becoming one of the main subjects of international forest negotiations (Bass, 1996, Bass, 2002). At the national level, the creation of FSC national initiatives and multi-stakeholder working groups – which may include governments – can have a significant political impact. In some countries, these are often the only forums for discussion and consultation that exist on forest issues. Within these forums, debates go far beyond the problem of forest certification alone (Guéneau & Bass, 2007). When there are no national initiatives making it possible to organize debates and foster the emergence of social demands, the individual certification procedures developed by FSC include the compulsory consultation of local actors and complaints procedures for local NGOs. This means that in many countries, the rights granted to local NGOs through the FSC process are greater than those they are given under national legislation (Kern 2004). FSC thus plays a role in supporting the emergence and consolidation of civil society in some countries.

FSC also has a political impact through the dissemination of an institutional model to an ever wider range of sectors. Numerous initiatives have copied FSC's structure and operational style, in the fisheries sector (MSC, Marine Stewardship Council), in marine aquarium organizations (MAC, Marine Aquarium Council), in tourism (STSC, Sustainable Tourism Stewardship Council), and in several agricultural sectors (RSPO, Roundtable on Sustainable Palm Oil; RTRS, Roundtable on Responsible Soy).

Another of FSC's political effects can be appreciated through the integrative functions it involves. This "governance through integration" (Pattberg, 2005) concerns the way in which private voluntary regulation schemes fit into public policy measures and, vice versa, how public policies can find scope for implementation via FSC. These integrative functions are not specific to FSC, since in many other sectors public action is largely supported by private regulation initiatives, either for improving the effectiveness of public policy instruments, or for public policy-making. This is the case, for example, of organic farming, which was originally a private voluntary initiative and is now largely regulated by legal prescriptions.

In the forest sector, private certification initiatives have begun to influence public action through the greening policies recently launched for public markets. Several European governments (United Kingdom, France, Denmark, the Netherlands and Germany) committed to using only timber of verifiable origin from well-managed, certified forests. Some countries, such as the United Kingdom and Denmark, have wholeheartedly signed up to the FSC system. On the other hand, in France, the government regulations adopted in April 2005 holds that by 2010, all public procurement of tropical timber will come from sustainably managed forests. The French approach does not therefore promote one certification program over another. As we have seen, both the French approach and others could produce indirect effects by favoring local certified timber, which is in abundant supply, over tropical certified timber.

This risk of protectionism implied in certification has been discussed on several occasions in international forest negotiations. The growing integration of environmental concerns in public procurement has, for many years, been the subject of a debate on their WTO compatibility. According to WTO international trade rules, an importing country cannot ban imports of a product under the pretext that the production processes and methods (PPMs) used for this product have an environmental impact in the exporting country. Each country holds the sovereign right to draw up its own environmental policy, whether their trade partners like it or not. However, public procurement is a special case, in that several – but not all – WTO member countries have signed a multilateral agreement on public procurement. The provisions of this agreement hold that PPMs may be part of the technical specifications for public procurement contracts, provided they create no "unnecessary barriers" to trade. The question of what may be considered as such remains open, of course, meaning that in the absence of case law precedents, it is difficult to know how the WTO Dispute Settlement Body would judge a complaint for discriminatory practices.



Furthermore, these public procurement policies are not limited to states, as a growing number of local authorities in Europe have announced their intention to purchase only timber sourced from forests managed according to FSC standards. In France, the Nord-Pas-de-Calais Regional Council and several City Councils (Lille and Rennes) have also taken such steps. In Germany, the government of North Rhine-Westphalia committed to procuring only FSC-certified timber in early 2001. By promoting voluntary certification at different levels of forest governance, FSC has thus provided a lever for local actors who, in timber-consuming countries, feel excluded from international forest regulation processes.

Beyond public procurement policies, FSC can directly impact forest legislation, especially in countries where the dismantling of state services no longer allows them to provide some traditional functions. For example, South African forest monitoring operations have been entrusted to FSC. In Mexico, a forest law has been inspired by FSC standards (Pattberg 2006). Finally, through the agreement reached between WWF and the World Bank in 1998, FSC has a direct influence on political processes at the international level. One of the objectives of the agreement between the World Bank and WWF was to reach 200 million hectares of certified forests by 2005. This target has been reached, since in July 2005, the area of certified forests for all programs stood at 244 million hectares.

## Conclusions

The international forest regime is characterized by several shortcomings that we have illustrated throughout this article. Although it seems clear that to date, multilateral intergovernmental forest negotiations have not resulted in the regime's weaknesses being remedied, the question of whether or not FSC is capable of doing this – an argument supported by several authors – remains debatable. On the one hand, several arguments show that FSC can fill many of the gaps inherent in the global forest governance regime. FSC standards are truly binding, monitored and accompanied by sanctions in case of non-compliance, by means of certificate withdrawal. By imposing demanding standards, FSC works to significantly improve the behavior of actors engaged in forest management. This system brings the interests of certain stakeholders closer together: FSC institutionalizes compromises between environmentalists and the private sector in order to achieve a certain 'social peace'. The open, transparent, participatory and balanced FSC bodies offer an attractive democratic alternative in the absence of international governance of forest issues. FSC has significantly influenced discourse and political processes on different scales: local, national and supranational. FSC provides an answer to the problems of interlinking trade and environment by providing a means of favoring trade in forest products sourced from well-managed forests over those from production processes that harm the environment.

On the other hand, these indisputable effects must be counterbalanced by the intrinsic limitations of private governance systems that are based on demanding performance standards and market-driven.

First, FSC is only partially capable of resolving all the tension between actors concerned by forest issues. As we have seen, FSC good forest management certification essentially – but not exclusively – concerns the largest companies that are firmly established in global markets; the very ones that find it easiest to improve their behavior. Certain actors that did not take part in standard-setting processes feel excluded from the system, or have purposefully differentiated themselves in order to recreate a parallel global governance system, based on other legitimacies. Despite the precautions taken by FSC to ensure transparency and equity in order to balance the participation of actors in decision-making and standard-setting bodies, a broad gap remains between FSC's international standards and the local context in which they are applied.

Viewed globally, the behavioral improvements noted are in fact fairly close to situations observed before the application of FSC standards. The more environmental and social damage caused by practices, the further they are from reaching FSC standards, and the less likely economic agents are to be motivated to improve them through the FSC governance system. In reality, FSC is an instrument that falls within the framework of corporate social responsibility (CSR): it highlights the good practices of actors whose previous behavior, while not necessarily 'politically acceptable', was not the most threatening to forests.

Furthermore, since good management criteria are far easier to meet for certain categories of producers and certain regions than others, trade in certified forest products reveals discriminatory practices, especially when they are backed by states, for example through subsidies or public procurement.

In sum, FSC's shortcomings and the side effects it produces seriously minimize its regulatory potential as a private global forest governance system. On the other hand, it has an indisputable influence over political processes, in terms of leading the public debate, learning processes and the professionalization of actors. It therefore acts not only as a simple market instrument, but also as a political tool serving states which, in a context where the "deliberative imperative" (Blondiaux & Sintomer 2002) is the norm, redeploys their action around these new forms of private governance. This enthusiasm for these new forms of action with their liberal undertones nevertheless carries certain risks. It focuses civil society's attention on economic actors, to the detriment of the public authorities and international negotiation spheres. Attempts at international coordination are diminished by the lack of pressure from civil society, despite the urgent need for collective action to solve problems of common interest. Through action such as land tenure clarification or the implementation and monitoring of forest development plans, public policies nevertheless seem vital for the improvement of forest management practices. But do they receive enough support?

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