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Doris Fuchs

**Private Actors in
Tropical Deforestation Governance**

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Autorenanschrift

Prof. Doris Fuchs, Ph.D.

Professur für Nachhaltigkeit & Globale Politik

HHL - Handelshochschule Leipzig

und

Wittenberg-Zentrum für Globale Ethik e.V.

Collegienstraße 62

D-06886 Lutherstadt Wittenberg

Email: doris.fuchs@wcge.org

Korrespondenzanschrift

Wittenberg-Zentrum für Globale Ethik e.V.

Collegienstraße 62

D-06886 Lutherstadt Wittenberg

Tel.: +49 (0) 3491-466-257

Fax: +49 (0) 3491-466-258

Email: info@wcge.org

Internet www.wittenberg-center.org

Private Actors in Tropical Deforestation Governance

von Prof. Doris Fuchs, Ph.D.

Introduction¹

In recent years, the fate of the world's tropical forests has captivated the media and people around the world. This public attention has increased the pressure for states even those that have no tropical forest resources to find international means to save these unique ecosystems. As with other global environmental problems international efforts to save the world's tropical forests have been complicated by issues of state sovereignty, the complexity of domestic and international economic forces, and the varied objectives of powerful international actors. This paper reviews the difficulties associated with international efforts to address tropical deforestation and investigate to what extent private rather than public governance may be able to curb rates of tropical deforestation.

Struggles for the Development of an International forest regime

Scholars and practitioners have paid considerable attention to developments at the international level when trying to explain deforestation or analyze efforts to reduce or halt tropical deforestation. Thus, they have examined how trans- and supranational actors, global markets, and international norms affect deforestation patterns and relevant national norms and policies, for example. This widening of focus has been closely linked to corresponding empirical developments, of course. The increasing global mobility of capital, for instance, has led to concerns about its potential impact on rates of resource extraction as well as domestic environmental policies and standards. Likewise, supra-national actors such as the World Bank or the International Monetary Fund (IMF) have visibly started to intervene in national forestry policy by including specific policy elements in conditionality packages, for example. In addition, global norms such as human rights and social justice have begun to have an effect on the evaluation of national developments in deforestation and relevant economic, social, and

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environmental policies, as they increasingly require national governments to justify their actions with respect to these norms. Finally, the growth of satellite imagery has led to a changing nature of national sovereignty and increasing potential for international pressure (Litfin 1997).

The debate on an international forest policy and the emergence of a global forest *regime* has been a crucial concern for practitioners and scholars (see Box 1). In this debate, many developing countries refused negotiations on a forest convention due to fears of intrusion on their national sovereignty and of the use of such an agreement as a protectionist measure in trade policy. They emphasized the idea of forests as “national resources” and rejected the competing idea of forests as the “common heritage of mankind” (Smouts 2003). At the same time, they pointed out the double standards of developed countries, who, at least initially, had wanted to keep temperate and boreal forests out of the negotiations.

In addition, the issue of financing was a major source of controversy between developed and developing countries, as even those developed countries most supportive of a Forest Convention were unwilling to provide additional finances to developing countries.² Developing countries, in contrast, had demanded the creation of a global forest fund. Importantly, the lines of disagreement were not uniformly drawn between developing countries on the one side and developed countries on the other, however. Over the course of the negotiations, changing constellations of actors could be observed. Among the developed countries, the United States has opposed a binding legal instrument on sustainable forestry, for instance.

² They argued that such funding already existed but was being spent ineffectively and inappropriately.

Box 1: A Forest Convention?

The increasing recognition the importance of tropical forests for biodiversity and the atmosphere since the 1980s led to a growing interest of the international community in the issue. Practitioners and scholars began to debate the desirability and design of global norms and regulations directly relating to tropical forests. A multitude of non-governmental organizations (NGOs) started to focus on this issue and to place the issue of an international forest policy on the global political agenda. In the preparations for the Earth Summit in 1992, the development of a forest convention was considered. However, due to the existence of substantial disagreement, in particular between developing and developed countries this idea was quickly abandoned in favor of the *Non-legally binding authoritative statement of principles for a global consensus on the management, conservation and sustainable development of all types of forests* (The Forest Principles). The Commission on Sustainable Development (CSD), then, created an open-ended ad hoc Intergovernmental Panel of Forests (IPF), which met between 1995 and 1997, to identify strategies for the management conservation, and sustainable development of all types of forest. The work of the IPF was subsequently continued in the Intergovernmental Forum on Forests (IFF) under the aegis of the

United Nations General Assembly Special Session with the aim to develop a basis for international forest governance, for instance in form of legally binding instruments for sustainable forestry. While the IPF and the IFF both developed Proposals for Action, they failed to achieve consensus on even the start of negotiations towards a global forest convention. Finally, governments agreed to create the United Nations Forum on Forests (UNFF) within ECOSOC, as a forum for dialogue and continued policy development and to foster the implementation of the IPF and IFF Proposals for Action.

Within the context of these more than ten years of negotiations, a consensus developed on matters of procedure, such as the need for national forest programs, improved cooperation among IGOs, and an improved scientific basis for international forest policy dialogue. In the eyes of critical observers, however, these negotiations in the end achieved little more in terms of an international agreement on forestry policy than what had already been covered by other regimes such as the biodiversity convention (Tarasofsky 2000). As one scholar notes, “every single international initiative on forests produced a last-minute agreement to keep talking” (Dimitrov 2003, p. 136).

The lack of a Forest Convention does not mean that no international political regulation on forests exists, however. On the contrary, a global forest regime can be identified.³ In fact, a governance system composed of existing public international law elements as well as soft law components and institutions has emerged for deforestation (see Box 2).

³ Political scientists define regimes as “implicit or explicit principles, norms, rules, and decision-making procedures around which actors’ expectations converge in a given area” (Krasner 1983, p. 2).

Box 2: A Global Forest Regime

Regime theorists argue that the body of international environmental agreements and soft law on issues related to forests that has come into existence over the last decades constitutes a global forest regime. In this view, one part of the regime is created by the Forest Principles, Agenda 21's Chapter 11, and the Proposals for Action of the IPF and the IFF. An additional part derives from a large number of other conventions and agreements who cover issues relevant to forests: the *Convention on Biological Diversity*, the *Convention Concerning the Protection of the World Cultural and Natural Heritage*, the *Treaty for Amazonian Cooperation*, the *Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa*; the *International Tropical Timber Agreement*, the *Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere*, and the *Framework Convention on Climate Change and Kyoto Protocol*. Finally, the certification and labeling schemes for tropical timber that have been may constitute a third element of a global forest regime (see below).

Next to these various layers of relevant hard and soft law institutions, scholars also introduced at

the global and national levels identify a normative consensus on core elements of a global forest regime (Brunée and Nollkaemper 1996). Specifically, they recognize four common normative elements in international forest policy today: a) an ecosystem approach stressing *in situ* conservation, b) an emphasis on local knowledge and indigenous practices, c) an emphasis on the principle of participation, and d) an emphasis on the principle of protected areas (Humphreys 2003). Others highlight progress towards consensus on sustainable forestry through an emergent consistency in criteria and indicators defined by the International Tropical Timber Organization (ITTO), the European Union (EU), and the Montreal Process (for temperate and boreal forests): conservation of biological diversity, maintenance of productive capacity of forest ecosystems, maintenance of forest ecosystem health, conservation and maintenance of soil and water resources, maintenance of forest contribution to global carbon cycles, maintenance and enhancement of long-term multiple social and economic benefits, legal, institutional and economic frameworks for forest management (McDonald and Lane 2004, p. 68).

More importantly, private actors play an increasingly crucial role in the emerging governance system on deforestation, next to the elements of public international law mentioned above. This phenomenon, which can be observed in the vast majority of policy areas, has come to be summarized under the term (global) governance. The concept of (global) governance captures the fact that private actors are acquiring increasing and to some extent autonomous political decision-making capacity and highlights new opportunities for business and non-governmental organizations (NGOs) in the design, implementation, and enforcement of standards and regulations (Messner und Nuscheler, 1996b, 2003). In this context, scholars speak of the emergence of private authority in global politics (Cutler, Haufler, and Porter 1999).

Private Authority in Global Forest Governance:

Promises and Pitfalls

The most prominent tools for the exercise of private authority in global governance are self-regulation and public-private or private-private partnerships (PPPs).⁴ These governance institutions allow non-state actors not only to influence public political agendas and rules, but to directly set rules and regulations themselves. PPPs draw on the cooperation between business and governmental actors or between business and NGOs (or even between all three groups of actors in tripartite governance institutions) in the development, implementation, and enforcement of rules and regulations. Self-regulation refers to the design, implementation and enforcement of rules and regulations for business by business.

In the context of the governance of tropical forests, both PPPs and self-regulatory arrangements play a crucial role at this point in time. The Forest Stewardship Council (FSC) is one of the most important institutions to be mentioned in this context (Domask 2003). After an unsuccessful NGO campaign for the certification of tropical timber from sustainable sources, which had targeted the International Tropical Timber Organization (ITTO), NGOs (most notably the World Wide Fund for Nature (WWF)) and timber traders created the FSC in the early 1990s. Today, FSC membership consists of a variety of interests, including environmental organizations, foresters, timber traders, indigenous peoples' organizations, community forest groups, and forest product certification organizations from more than two dozen countries, with a balance in membership of developed and developing country organizations. The FSC's mandate is to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests. In pursuit of this objective, it has developed a certification scheme for "well-managed forests," according to which more than 25,000,000 hectares of forests in 54 countries had been certified by 2002 (see Box 3). To many observers, the creation of the FSC and the development of its certification scheme promises major progress in the protection to tropical forests, due to the latter's ability to draw on market power, specifically consumer power, in the diffusion of sustainable forestry practices. With the increasing relevance of global markets and the growing export orientation of the developing countries, the possibility to channel consumer power through large retailers in Organization for Economic Cooperation and Development (OECD) countries, could lead to certification as a powerful instrument for the promotion of sustainable forestry.

Under the FSC certification scheme, certification involves an assessment of the original forest site to insure that the site is managed in a manner consistent with resource sustainability and maintenance of natural ecosystem services. Since there are differences in these core components, certification divides forest resources into three categories: forest products from natural forests, plantation forests and mixed forests. Certification also involves monitoring the chain of custody for timber to insure that what

⁴ Scholars are currently developing different conceptual frameworks to categorize and systematically explore these various governance institutions. Cashore (2002), for instance, suggests the concept of "non-state market-driven (NSMD) governance," which he distinguishes from self-regulation (see also Bernstein and Cashore 2004).

eventually ends up with a certification label available for consumer purchase is the same forest product that left a certified site.

Box 3: The FSC's Principles of Responsible Forest Management

Principle 1: Compliance with Laws and FSC Principles

Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.

Principle 2: Tenure and Use Rights and Responsibilities

Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.

Principle 3: Indigenous People's Rights

The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.

Principle 4: Community Relations and Workers' Rights

Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.

Principle 5: Benefits from the Forest

Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.

Principle 6: Environmental Impact

Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes,

and, by so doing, maintain the ecological functions and the integrity of the forest.

Principle 7: Management Plan

A management plan -- appropriate to the scale and intensity of the operations -- shall be written, implemented, and kept up to date. The long term objectives of management, and the means of achieving them, shall be clearly stated.

Principle 8: Monitoring and Assessment

Monitoring shall be conducted -- appropriate to the scale and intensity of forest management -- to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.

Principle 9: Maintenance of High Conservation Value Forests

Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.

Principle 10: Plantations

Plantations shall be planned and managed in accordance with Principles and Criteria 1 - 9, and Principle 10 and its Criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.

Source: www.fsc.org

Next to the FSC, a number of alternative certification schemes have been developed in various countries, some industry-led, some state-led. Examples include the Sustainable Forestry Initiative of the American Pulp and Paper Association, the Pan European Forest Certification System, or the Canadian Standards Association Program by the Canadian Sustainable Forestry Certification Coalition.

Companies are also using environmental management systems or codes of conduct as self-regulatory instruments. One example is that used developed by the International Standards Organization (ISO) that certifies if a company's forest management system is likely to meet its specified environmental goals (often referred to as the ISO 14000 standard or the ISO 14001 standard). A final example of the influence of PPPs is the World Bank's cooperation with the WWF in the creation of a worldwide system of protected areas.

In sum, private governance institutions increasingly are setting rules and regulations for management and harvesting practices in tropical forests. A number of pivotal questions arise from this observation. Why can private actors develop and enforce such rules and regulations and thus carry out governance functions traditionally considered the domain of the state? Why can business, in particular, obtain the position of a "regulator" of business activities? Furthermore, why would non-state actors, again in particular business, want to do so? And, what is the likely impact of these private governance institutions? Let me discuss the answers to these questions in turn.

Institutions of private governance such as the FSC or alternative labeling and certification schemes are spreading because private actors, specifically business and NGOs, have gained authority, i.e. "decision-making power over an issue area that is generally regarded as legitimate by participants" (Cutler, Haufler, and Porter 1999, p. 362). Private actors increasingly are acquiring a position in the political arena infusing their relationships with other actors with an "obligatory quality" (ibid.). The sources of this new political authority of business and NGOs are pragmatic and moral legitimacy. Pragmatic legitimacy is based on the ability to provide desired results rather than on traditional notions of participatory democratic norms and procedures, a source of legitimacy that has become extremely important for business. Moral legitimacy, legitimacy based on perceived notions of fairness and justice, has been a primary source of authority for NGOs, although business is venturing into this territory as well (Fuchs 2005).

Private governance mechanisms derive legitimacy from their fit with various layers of dominant societal norms and ideas. These norms and ideas at the most fundamental level emphasize the benefits of individualism, decentralization, and voluntary cooperation. They also stress the superiority of market mechanisms over government intervention (Falk 1999). At the more specific level, they are represented in existing international economic, environmental, and social governance institutions and emphasis placed on international trade and economic development objectives (Bernstein and Cashore 2004, Humphreys 2003). As Bernstein (2001) points out, certification and labeling schemes are very compatible with the existing broader norms of liberal environmentalism. It is the prevalence of these norms, that we recognize in the increasing interest in market based policy instruments since the 1980s and in the increasing acquisition of authority by private governance institutions thereafter.

But why would business actors want to regulate their own conduct or cooperate with NGOs in regulating this conduct? Adopting a slightly optimistic lens, one could argue that business actors participated because they – like environmental NGOs - want to reduce tropical deforestation and create a level playing field allowing them to do so. Moreover, the regulations may not hurt profits or even benefit them. Thus, companies may be able to maintain profit levels or even increase them if they can credibly distinguish sustainably harvested timber from conventionally harvested timber via certification and labelings schemes supported by consumers. Finally, business actors may have recognized that their long-term economic prospects as well as societal acceptance depends on improvements in their own conduct.

A more pessimistic view on business' regulation of business activities that always comes up in evaluations of private environmental governance is the threat of "greenwashing" activities. In this case, business self-regulation or PPPs may serve to improve its image through the promotion of a product as certified without substantial improvements in its conduct. For instance, a World Wildlife Fund study in 1991 showed that only three of eighty self-advertisements by timber importing and retailing companies that claimed their practices were "ecologically sound" or their timber was "from sustained yield production" could be linked to actual corresponding efforts. This perspective also corresponds with Dauvergne's (2004) greenwashing observation that "loggers gain some legitimacy from participation and compromise in high-level meetings, while continuing to log frantically on the ground, paying off powerful state and local allies to maintain access for as long as possible, and distributing largesse along the chain of timber production" (p. 192). Skeptics also believe that many businesses may promote voluntary, weak private regulation simply to prevent more stringent and mandatory public regulation.

Such a critical view, however, may be open to challenges when it comes to the FSC certification scheme. After all, the FSC was created precisely because public actors failed to provide an appropriate framework for forest governance. NGO participation in the FSC would appear to ensure a certain level of stringency in FSC standards. While some environmental groups do argue that these standards are too vague to prevent clear-cutting, ensure the sustainability of harvesting practices, and protect indigenous communities (von Mirbach 1999), the FSC scheme has been perceived by many as holding great potential to fill the gaps in current international law associated with forests. The FSC appears to allow the simultaneous promotion of the interests of various stakeholders and to foster substantial improvements in environmental and social regulatory frameworks for effective for forest resources (Gulbrandsen 2004). In the eyes of practitioners, the FSC promises to create effective control and compliance mechanisms for forestry practices through independent third party auditing and certification schemes and thus to facilitate the influence of market power on business' environmental conduct.

Yet, in the end, the fate of the FSC does lend some credence to a critical perspective on private governance institutions. Since the development of its certification scheme, amendments regarding rule-making have been introduced and substantial variations in regional and local implementation have appeared. More importantly, a number of alternative schemes have been created and paid for by national pulp and paper industries (Gale 2002). These schemes, which generally are considered weaker, are being promoted at the expense of FSC certification. These alternative schemes tend to emphasize process over substance, treating sustainability as discretionary and flexible, a weakness typical of many private environmental and social governance

systems (Cashore, Auld, and Newsom 2004). Likewise, they find that only the FSC performs well in all five criteria that determine the potential of ecolabels and certification schemes to promote sustainable consumption and production: scientificity, representativity, accountability, transparency, and equality (Gale 2002). And yet, the FSC label has been marginalized in important consumer markets such as the United States and Germany by the less stringent schemes (Cashore, Auld, and Newsom 2004, Gulbrandsen 2004).

The assumption underlying certification and labeling schemes as governance institutions is that informed consumers will make appropriate purchasing choices. After all, one of the major problems consumers face today is the inability to make consumption decisions based on information regarding the environmental and social costs associated with their choices (Princen 1997). The theory is that certification would help bridge the information gap between production and consumption and thus restore consumer sovereignty.

Unfortunately in practice, consumers are not as politically aware and active as frequently assumed. As studies have shown again and again, surveys of consumer willingness to pursue environmental consumerism tend to greatly overestimate the role environmental factors really play in the bulk of everyday consumption decisions (Fuchs and Lorek 2002). More importantly, environmental consumerism requires that credible and easily accessible information on the environmental characteristics of a product is available. This is the task environmental labels and certificates can fulfill. Their value, however, is drastically reduced, if competing labels with substantially different values enter the market. The majority of consumers will not invest substantial time and energy in distinguishing between more or less valuable labels. Thus, a strategy that some business actors have successfully practiced in a variety of policy fields is to create alternative labels based upon less stringent performance criteria than those created by NGOs. Gale (2002) suggests a "simple rule of thumb" in this context: consumers should "purchase goods certified by schemes endorsed by reputable environmental organizations, and be skeptical of industry- and government-sponsored logos" (p. 296). However, even such a strategy would require substantial effort on part of the consumers to be able to recognize and distinguish the relevant labels for the different types of product groups and consumption decisions.

In such a situation, NGOs are in a difficult position. First, they frequently cannot compete with business self-advertisements in volume and reach. Secondly, if NGOs highlight the inaccuracy of some labels, the consumer may react by completely disregarding all labels. Thus, such communication has to be crafted and distributed very carefully. This is precisely the situation in which the FSC and environmental organizations aiming to use consumer power to reduce tropical deforestation find themselves today. A large number of consumers in Europe and the US are aware that it is sensible to look for eco-labels when purchasing timber or products made of tropical wood. Next to the FSC label, however, an increasing number of national industry-sponsored or even firm-specific labels exist, which frequently use lower standards.

At the present point in time four percent of global forests are FSC certified and commitments for the sale of twenty percent of certified wood in the US home remodeling market and more than twenty percent in the EU market exist (Domask 2003). While those numbers may lead some observers to applaud, they also mean that almost 80% of wood sold in the US and the EU (not to speak of the Asian and non-OECD markets where certification has yet to play a major role) will come from

uncertified forests and 96% of forests remain “waiting” to be certified. Given the intentional marginalization of the FSC by powerful economic interests and in crucial markets, however, the future diffusion of FSC certification is likely to be slower and less wide-spread than FSC supporters had hoped. In consequence, FSC certification can only play a complementary role in the protection of tropical forests, but is certainly not a sufficient governance institution in pursuit of this goal.

This development is a reminder of the tension between two requirements for the success of certification and labeling schemes (Gulbrandsen 2004). On the one side, such schemes need sufficiently stringent environmental standards. On the other side, they require sufficiently widespread participation of producers. Consumers may, of course, create pressure for broad participation, but generally, they lack the capacities to do so. The reality is that stringent performance standards frequently still fail to find sufficiently broad support in the business community. In the case of the FSC, the compromise between NGOs and business actors may have partly been possible, because social, environmental, and economic actors of varying size had equal influence. In fact, the large timber companies were somewhat critical of the FSC from the beginning, because they felt underrepresented.

Importantly, FSC certification can only play a complementary role for other reasons as well. It is important to keep in mind, for instance, that a large share of certified forests are plantations, which lack many of the ecological benefits of old growth forests and whose impact on the fate of old growth forests is, in fact, ambivalent (von Mirbach 1999). Moreover, certification still falls short of a full internationalization of environmental and social costs and thus does not sufficiently change the land use decisions individuals make. Industrial logging, which can be influenced by certification, is a major source of tropical deforestation in some areas and regions. In other areas, agricultural conversion and fuelwood use, on which certification has no impact, are the strongest driving forces behind deforestation (op.cit.).

We should not reject private governance efforts with respect to tropical deforestation too easily, especially not the FSC efforts. After all, governments had demonstrated neither willingness nor capacity to create adequate rules and regulations before. At the international level, few governments had even shown interest in participating in negotiations for a Forest Convention in preparation of the Earth Summit (Kolk 1996). At the national level, misguided governmental policies as well as corruption were among the major drivers of deforestation (in part because of the influence of large logging and timber trading companies).⁵ Moreover, even those governments willing to design and implement appropriate regulations tend to face severe capacity problems, when it comes to their enforcement. Thus, private governance schemes with respect to forests may be better than not doing anything at all. In their current form, though, this is only the case as long as they are not interpreted as sufficient mechanisms of governance.

Finally, one should be aware that the future of such private governance efforts themselves is uncertain. As pointed out above, they derive their authority from a focus on the legitimacy of outputs and the assumption that these private governance schemes will provide results. Because the results themselves are open to interpretation, some level of credible achievements will be needed, for this legitimacy to last.

⁵ Dauvergne (1997) delineates the informal networks of private alliances between state officials and executives from firms along the trade chain, including affiliates and financiers.

Conclusions

What do the arguments and findings presented in this chapter mean in terms of future policy and research needs? On the policy side, it should be clear that the protection of tropical forests requires governance institutions that go beyond current certification and labeling schemes. Either the existing private governance institutions need to be strengthened in terms of their reach and effectiveness, or international law needs to fill the existing gap in governance. Unfortunately, the distribution of interests and balance of power among relevant actors suggests that neither development is likely.

Scholars and activists have placed their hopes for democratic and effective global governance of tropical forests on NGOs. Yet the actual potential of NGOs to successfully influence governance has its limits. NGOs often lack sufficient resources to successfully influence policy processes at both the international and national levels. While they have proven to be effective at the agenda-setting stages, they tend to lose influence in long and drawn-out policy processes necessary for establishing formal policy. This weakness of NGOs is further enhanced by the lack of cohesion (differing goals, strategies and objectives) among NGOs in this policy arena. Likewise, NGO resources often are too scarce to allow for effective monitoring of existing policy.

On the part of governments, there is little indication of an overall change in attitudes and practices regarding the global management of tropical forests. At the international level, there continues to be no agreement on a Forest Convention on the horizon. At the national and subnational levels, misdirected policies, an acceptance of compliance failure, as well as practices of corruption and political clientelism continue to exist, thereby diluting and undermining positive efforts at the international level (Dauvergne 2004). Even governments aiming to foster sustainable forestry practices in their countries face severe limits in resources vis-à-vis highly mobile logging firms, with intricate layers and webs of firms allowing the easy concealment of illegal logging and smuggling (op.cit). Finally, national and international norms continue to prioritize free trade and economic growth over environmental and social sustainability.

Change could come from concerted efforts by private actors and NGOs committed to the FSC standards to move them into the center of public attention and simultaneously mobilize further business support. After all, it has to be in the (enlightened) self-interest of business actors to invest in social responsibility with integrity (Suchanek 2001). The pursuit of certificates and labels that fail to achieve their promised improvements in environmental and social conduct can only be a short-term strategy and involves serious economic and political risks for the participating companies. An exposure of such activities as green-washing or white-washing instruments would lead to the loss of trust by consumers, investors, and regulators, and this trust and the associated societal acceptance would be extremely difficult to regain.

Change could also come from the arrival of a new powerful supra-national actor on the scene. The expansion of UNEP to a Global Environmental Organization (GEO) with broad competencies and sanctioning and enforcement capacities similar to the WTO would be one possibility in this context. Even a strengthened environmental IGO, however, would still have to deal with governments as well as powerful

economic interests opposing international forest governance. Thus, improvements in global forest governance after the creation of a GEO cannot be taken for granted.

In terms of research needs, two areas of inquiry promising important new insights can be identified. First, the rule-setting activities of private actors deserve more attention, both in the context of deforestation and in general. Given the large potential of private governance and the current disappointment in its actual aims and achievements in some areas, more information on strategies to improve aims and achievements is important. In this context, empirical studies with more extensive and systematic comparisons between relevant governance institutions are needed, paying special attention to the distribution of interests and power among the actors involved. Such studies could provide useful insights on the conditions under which private governance institutions are particularly effective and therefore legitimate.

Secondly, the interaction between private and public governance in general as well as in the governance of tropical forests in particular deserves more attention. The potentials and threats of private governance depend on their embedding in a public regulatory framework or lack thereof. From such a perspective, the issue of collective action problems and free-riding among business actors moves into the focus of attention. How can business actors wanting to protect tropical forests through sustainable forestry practices protect themselves against unfair competition? To what extent can they rely on and foster the development of a public framework that allows them to prevent damages to their societal acceptance caused by others?

Both, policy development and further research are urgently needed. At the present time, most scholars studying tropical forests tend to have a somewhat pessimistic outlook on their fate. As Humphreys (2003) argues, destructive forces shaped by broader socio-economic conditions still triumph over sustainability. Improving the interplay of public and private elements of global forest governance clearly is necessary. As Dauvergne (2004) states, "the process of change is currently far too slow to save the remaining old-growth commercial forests" (p. 193). These trends and developments will only turn around if we make progress in understanding the political and socio-economic processes and structures, that drive tropical deforestation. Saving a significant share of the remaining tropical forests will require the creation and expansion of relevant private and public governance activities.

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