

New Solutions for Old Growth? Reflections on Forest Policy Development in the Global Era



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Who Am I

- Political scientist
 - **Humility**
 - **Not a “real” scientist**
- Specialize in policy studies
 - **Classify and describe environmental policy and politics**
 - **Assess policy choices made by**
 - **Governments**
 - **firms**
 - **environmental groups**
 - **Explain divergence**
- ‘Dispassionate’ research
 - **Do not take sides**
 - **Everyone thinks we are taking the other group’s side**

I collaborate!

☞ McDermott, Cashore and Kanowski

☞ *Global Environmental Forest Policy, Forthcoming Earthscan*

☞ Cashore, McDermott, Levin, with Auld and Newsom

☞ *The Shaping and Reshaping of British Columbia Forest Policy in the Global Era 2006*

☞ Cashore, Benjamin, Fred Gale, Errol Meidinger, Deanna Newsom

☞ *Confronting Sustainability: Forest Certification in Developing and Transitioning Societies 2006*

☞ www.yale.edu/forestcertification

☞ Bernstein, Steven and Benjamin Cashore

☞ *Can Non-state Global Governance be Legitimate? A Theoretical Framework 2006*

☞ Cashore, Benjamin, Graeme Auld and Deanna Newsom

☞ *Governing Through Markets: Forest Certification and the Emergence of Non-state Authority 2004*

☞ www.governingthroughmarkets.com

☞ Cashore, Benjamin, Graeme Auld, Aseem Prakash and Erika Sasser

☞ *Project comparing 16 US forest companies choices over forest certification*

☞ Cashore, Benjamin

☞ *Legitimacy and the Privatization of Environmental Governance: How Non State Market-Driven (NSMD) Governance Systems Gain Rule Making Authority. Governance: An International Journal of Policy and Administration, 2002 vol. 15, no. 4 (October). 503-529*

Two themes

- Confuse political scientists
 - **Structure /agency**
 - **Stand sit**
 - **Need to become unpredictable**
- Old growth issues cannot be understood in isolation
 - **Directly related to other forest policy**
 - **Protected areas**
 - **Plantations**
 - **Conversion**
 - **Domestically and globally**

Two questions

- Why are forest politics in Tasmania so polarized?
 - **Makes environmental politics in 1990s in**
 - **British Columbia and**
 - **US Pacific Northwest**
 - **look like parties**
- What can Tasmania/Australia forest strategists play in addressing
 - **global forest deterioration?**
- Remainder of talk food for thought
- Designed to get all of us thinking about strategic interventions

Why are forest politics in Tasy Polarized?

- H 1:

- Forest politics in Tasmania are polarized because forest policy is relatively weak

- Arguments enlisted in favor of this hypothesis

- Poisoning of animals permitted until 2004

- Conversion of natural forests to plantations only being phased out now

- Logging in old growth forests continues

- Argument against this hypothesis

- 45% of Tasmania is under reserves

- 13% British Columbia

- Similar in Washington state

- Alabama less than .5%; Georgia less than 2%

- Forest practices regulations relatively prescriptive

- See working paper

Why are forest politics in Tasy Polarized?

•H 2:

- **Forest politics in Tasmania are polarized because non-governmental organizations (NGOs) do not feel included in the policy process**

- **Logic behind this**

- **No correlation between level of forest policy development**
 - **And societal acceptance**
- **“logic of appropriateness”**
- **“logic of consequences”**

- **If accurate**

- **As much attention needs to be placed on process reforms as on substantive reforms**

- **What are some examples?**

Examples of institutional reforms

•Ontario Forest Accord

- Directly linked old growth preservation to designated commercial harvesting elsewhere

•NGOs

- Part of making decision
- Accepted harvesting as part of policy approach
- “logic of appropriateness”

•What one official from the NGO Wildlands League said:

- “The Forest Accord marked the first time in Canada that a group of environmental organizations linked efforts to protect wild areas to commitments to mitigate the impacts on industrial wood users. It was also the first time that the forest industry agreed that future increases in wood use will have to go hand-in-hand with increases in protected land”

Examples of institutional reforms

• Ontario Forest Accord

• Abitibi-consolidated

- “The war in the woods took up so much time, energy and resources. Now our foresters spend more time on managing the forests better. We are going for win-win rather than win-lose” Don Hopkins

• Federation of Ontario Naturalists

- “It forces all of us around the table to talk about our interests....The result is going to be better conservation and better forestry” Ric Symmes

Examples of institutional reforms

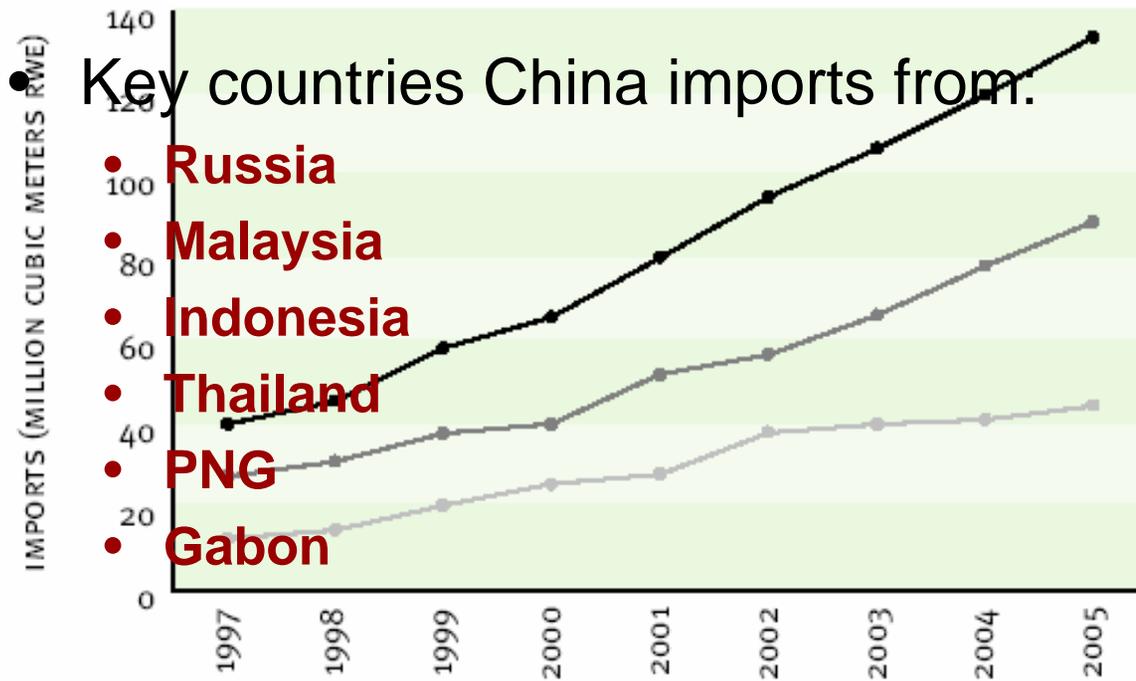
- New Zealand
 - Also linked plantations to preservation**
- British Columbia Central Coast
 - NGOs and industry spearheaded conservation plan**
 - Joint learning**
 - developed collaborative scientific research projects**
- None of above perfect
 - But greater attention to “logic of appropriateness”**

What Role can Tasy/Australia play in global forest degradation?

- ☞ Let's first review key global problems
- ☞ Reflect on what strategists can do

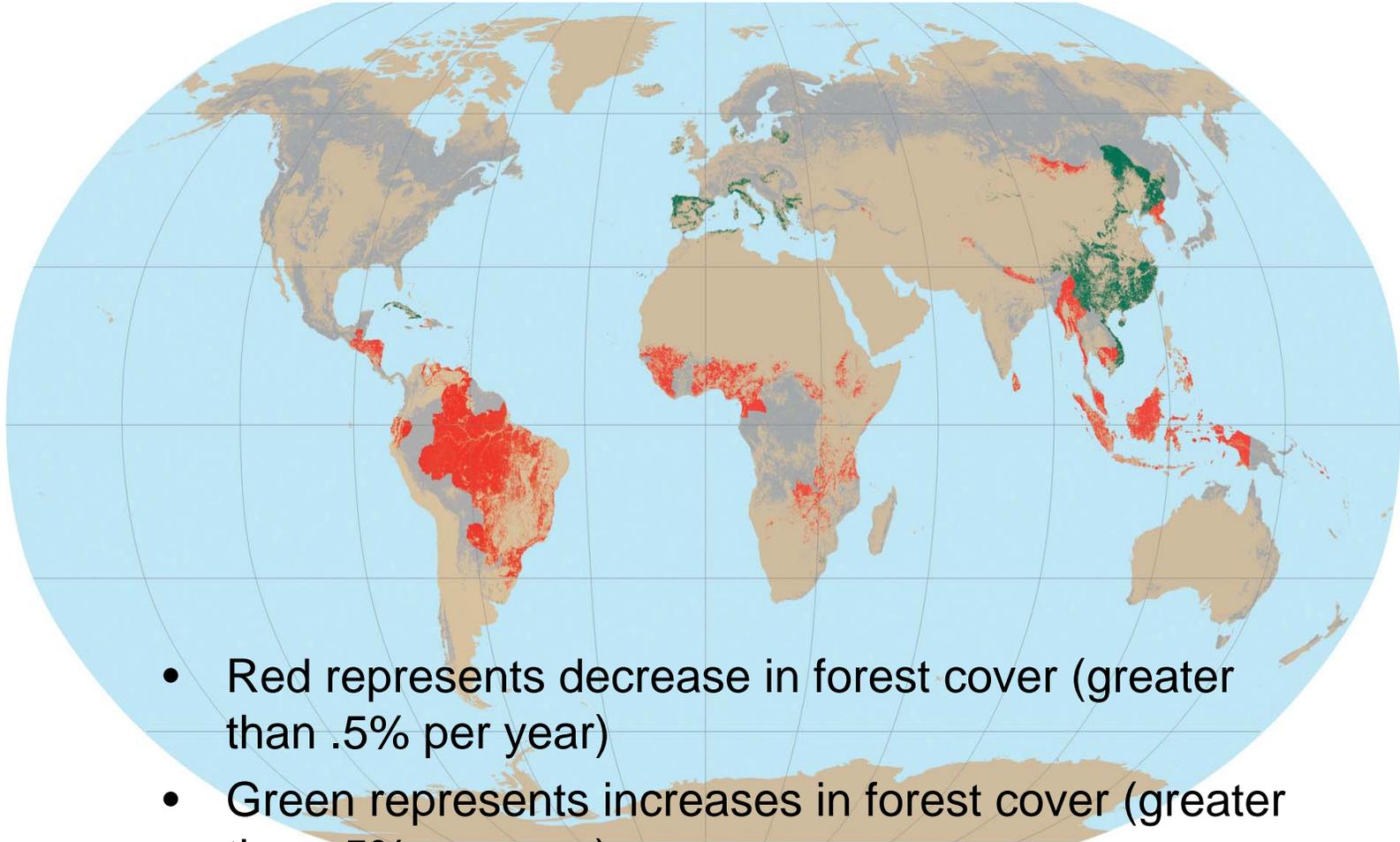
Global Forestry Challenges

fig.1 RECENT TRENDS IN CHINESE FOREST PRODUCTS IMPORTS⁴

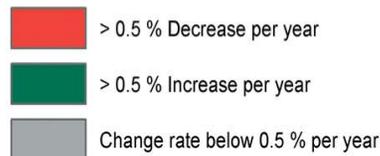


Source: Chinese customs statistics

Environmental Challenges in Global Era: Deforestation



- Red represents decrease in forest cover (greater than .5% per year)
- Green represents increases in forest cover (greater than .5% per year)



Illegal Logging

Country	Wood harvested illegally (estimates)
	
Br	
Russia	20-50%

Source: ITTO Tropical Forest Update. 2002. Vol. 12, No.1. The ITTO data is based on a wide range of sources employing different measurement methodologies.

Climate



- Will impact where trees can grow
- Forest dependent species that can't migrate fast enough in trouble
- Will alter ecosystem balance
 - **Mountain pine beetle in British Columbia**

Environmental Challenges: Climate Change



What Can Tasy and Australia do?

- **Global policy responses to each of the previous problems woefully inadequate**
 - Out of step with the nature of the accelerating problems
- **Many say culprit is economic globalization**
 - Encouraged firms to go to less regulated countries
 - Cheap labour, poor enforcement of government policies
- **But, some say globalization isn't bad**
 - that forces of globalization can be harnessed to develop and promote effective "upward" global policy responses
- **Argue not preordained**
 - Depends on strategic decisions taken

Analytical Framework: The California and Delaware Effects

- The “California Effect” (Vogel)
 - Phenomenon where business in regulated markets
 - See strategic self interest in promoting similar regulations on their less regulated competitors
 - Bootleggers and Baptists coalition
 - Market integration (economic globalization) requirement for such phenomena to occur
 - Prerequisite: active environmental and social NGOs
 - Spark initial regulations
 - Environmental groups’ markets campaigning healthy

Analytical Framework: The California and Delaware Effects

- The “Delaware Effect”
 - The Phenomenon where businesses flee to less regulated markets
 - Or act as break to increase regulations
 - Common phenomenon in an era of increasing economic globalization
 - Forest firms operating in Indonesia or Malaysia
 - or from US Pacific Northwest to US Southeast

How can California Effect be encouraged?

- ➡ First look at how policy development has occurred historically
- ➡ Reflect on strategic decision that might create “win win” coalitions

Brief History of Global sustainable Forest Policy Efforts 1980s - present

- ☞ Focus on tropical forest destruction in 1980s
- ☞ Boycotts failed
 - ☞ **Encouraged conversion of forests to other uses**
 - ☞ **Didn't distinguish responsible from irresponsible forestry**
- ☞ International Tropical Timber Agreement viewed as weak
- ☞ Efforts at 1992 Rio Earth Summit focused on developing a Global Forest Convention
 - ☞ **Canada was a strong supporter**
 - ☞ **Strategic interest on part of firms to increase responsibilities on less regulated competitors**

Brief History of Global Forest Policy

☞ If successful convention could have resulted in a California effect

☞ Would have forced less regulated countries to increase forest practices efforts

☞ **But failed – short term strategic reasons**

☞ **Developing countries feared loss of sovereignty**

☞ **Developed countries failed to give compensation**

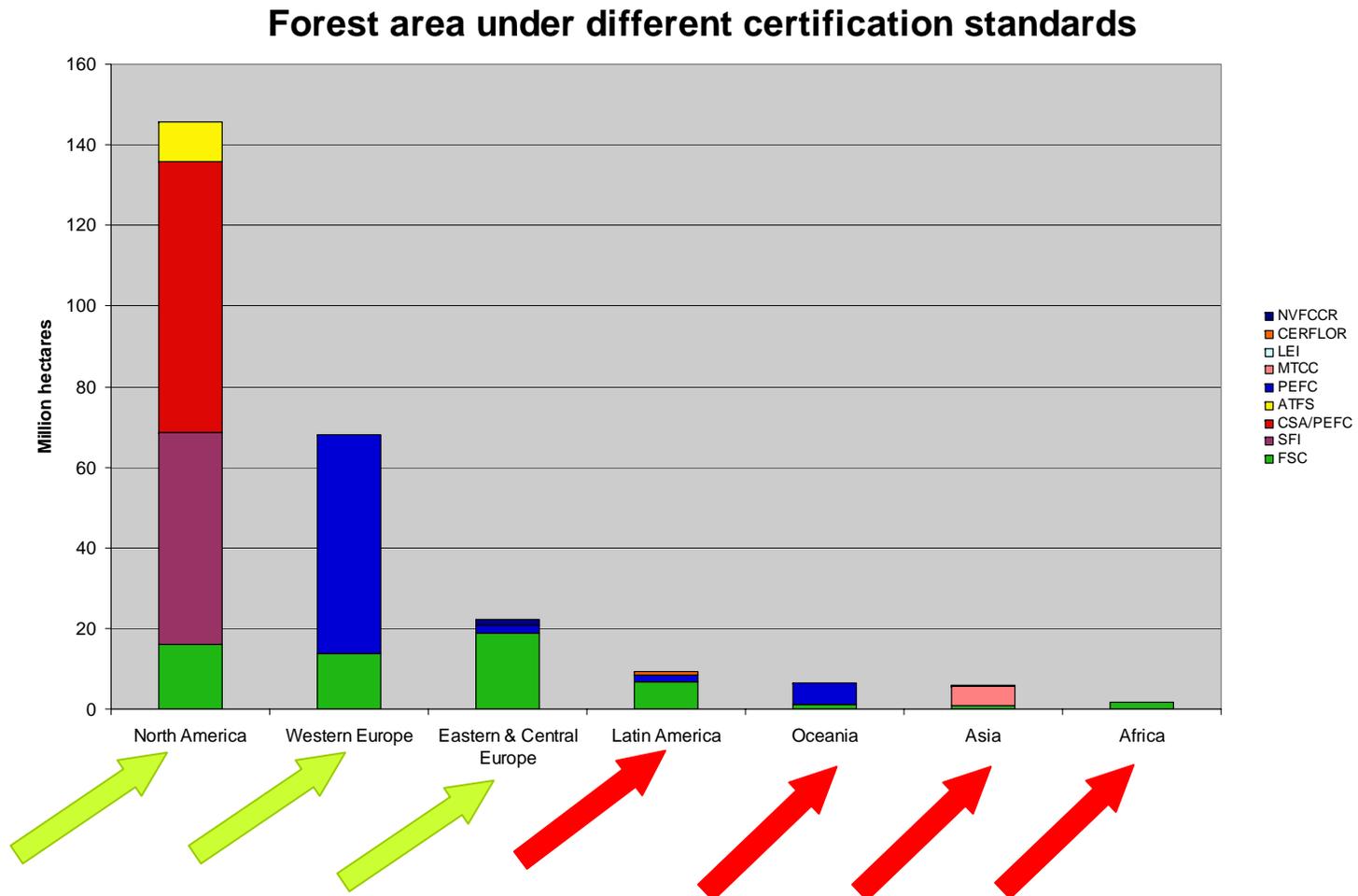
☞ Left with “Non-Binding Authoritative Statement of Forest Principles”

☞ **Delaware effect**

Emergence of Forest Certification

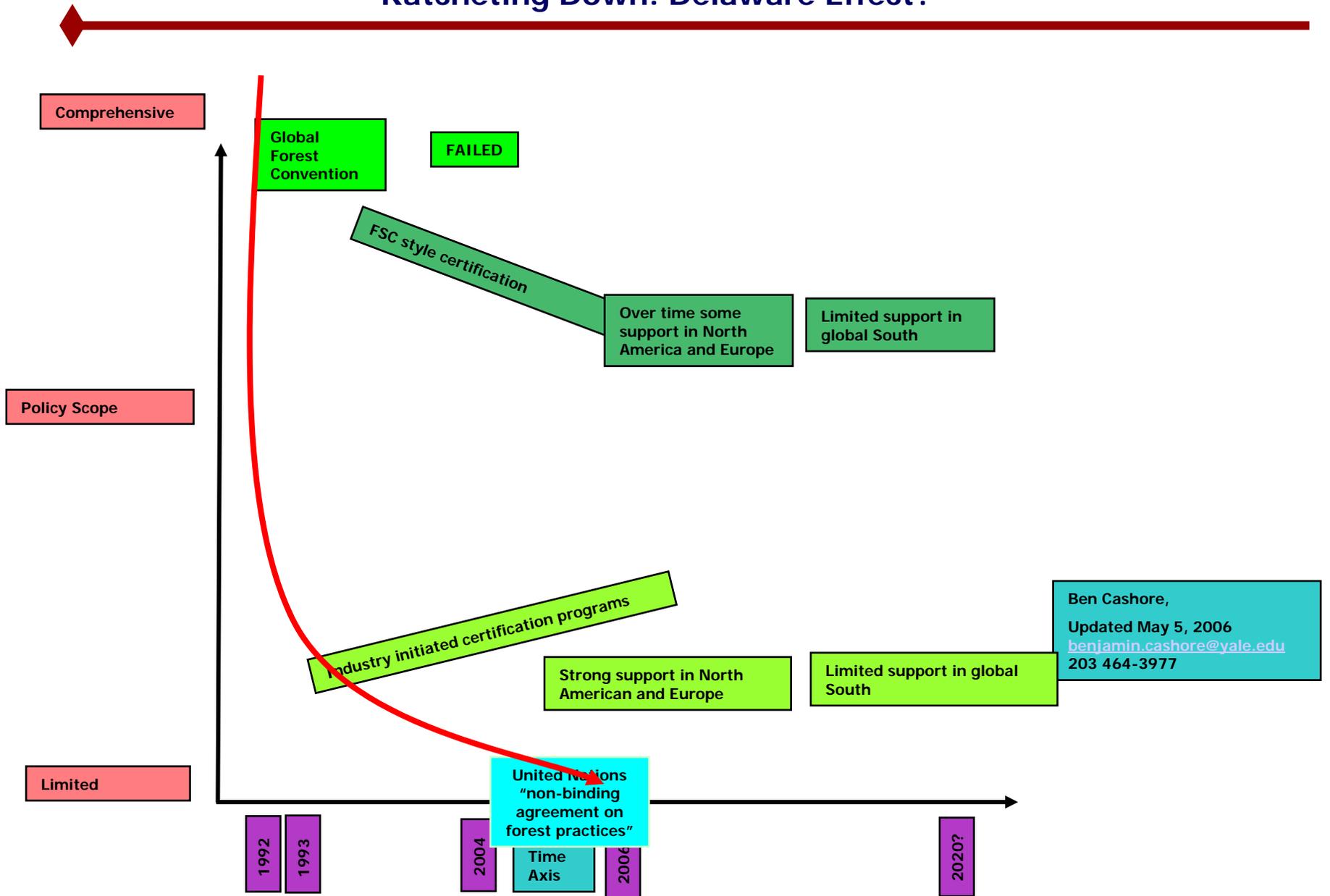
- ☞ Emerged out of ashes of failed 1992 Rio Earth Summit
- ☞ Sparked by
 - ☞ **international environmental groups;**
 - ☞ **forest owner/industry associations**
- ☞ *Bypassed* governments
- ☞ Created their own system of global rules about what constituted responsible forestry
- ☞ Turned to market forces to encourage companies to comply
 - ☞ **Carrots**
 - ☞ **Market access**
 - ☞ **“social license to operate”**
 - ☞ **promise of price premium**
 - ☞ **Stick**

Area Certified: by Region and Certification system



Brief History of Global Efforts to Promote Sustainable Forestry 1992-2006

Ratcheting Down: Delaware Effect?

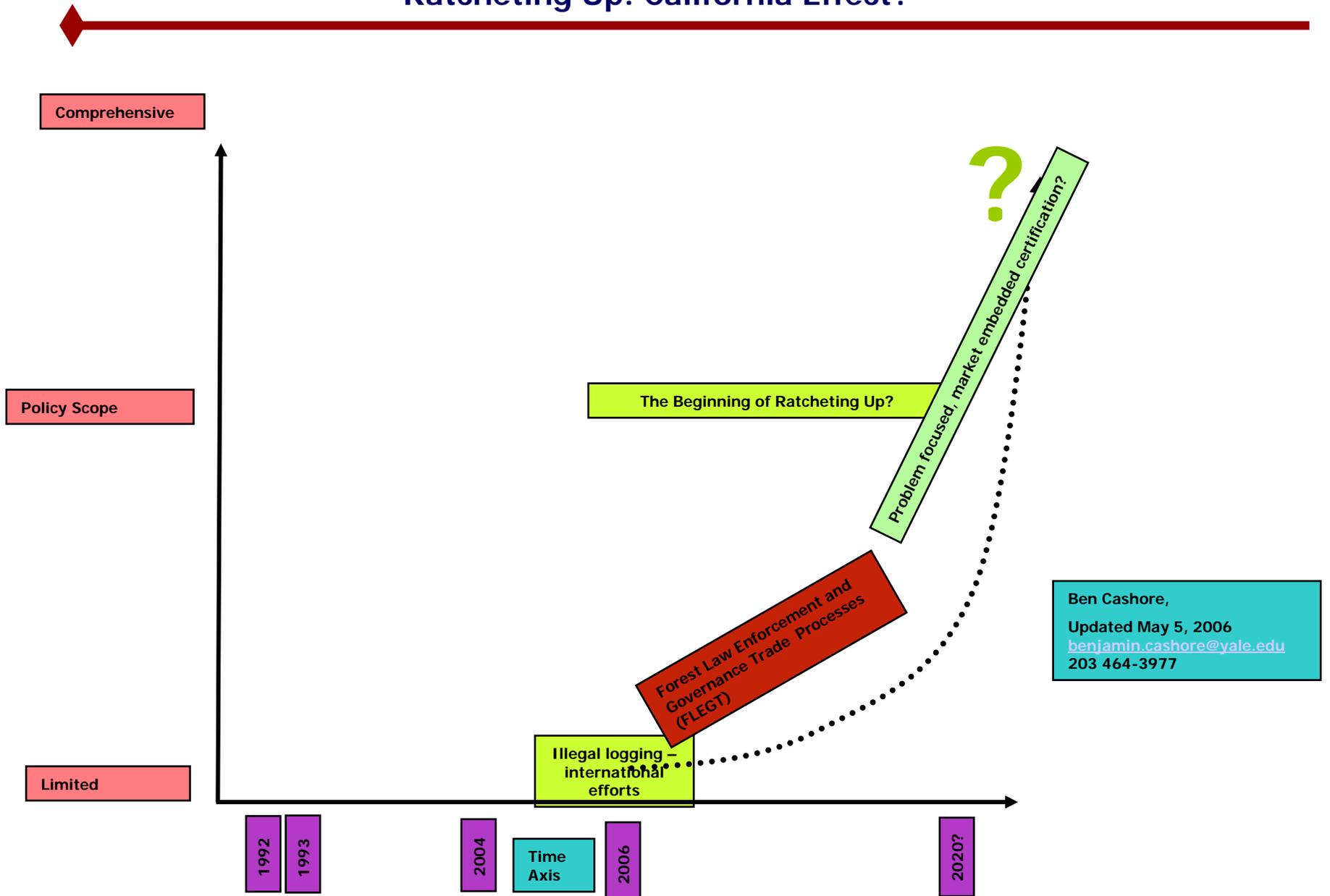


Towards a 'California Effect'?

- How might firms in relatively regulated markets be sparked to promote a "California effect" globally?
- Three possible venues:
 - **Engage in efforts to reinvigorate a global forest convention at intergovernmental level**
 - **Uncertain given current UNFF approach**
 - **Encourage/assist countries who can't enforce their laws**
 - **Forest Law Enforcement and Governance (FLEG) and Trade (FLECT) Processes**
 - **Australia \$200 million announcement to help Indonesia**
 - **Champion market-based efforts that weed out worst performers**
 - **Potentially through certification/tracking of legally harvested wood products**

Future History of Global Efforts to Promote Sustainable Forestry 2006-2020

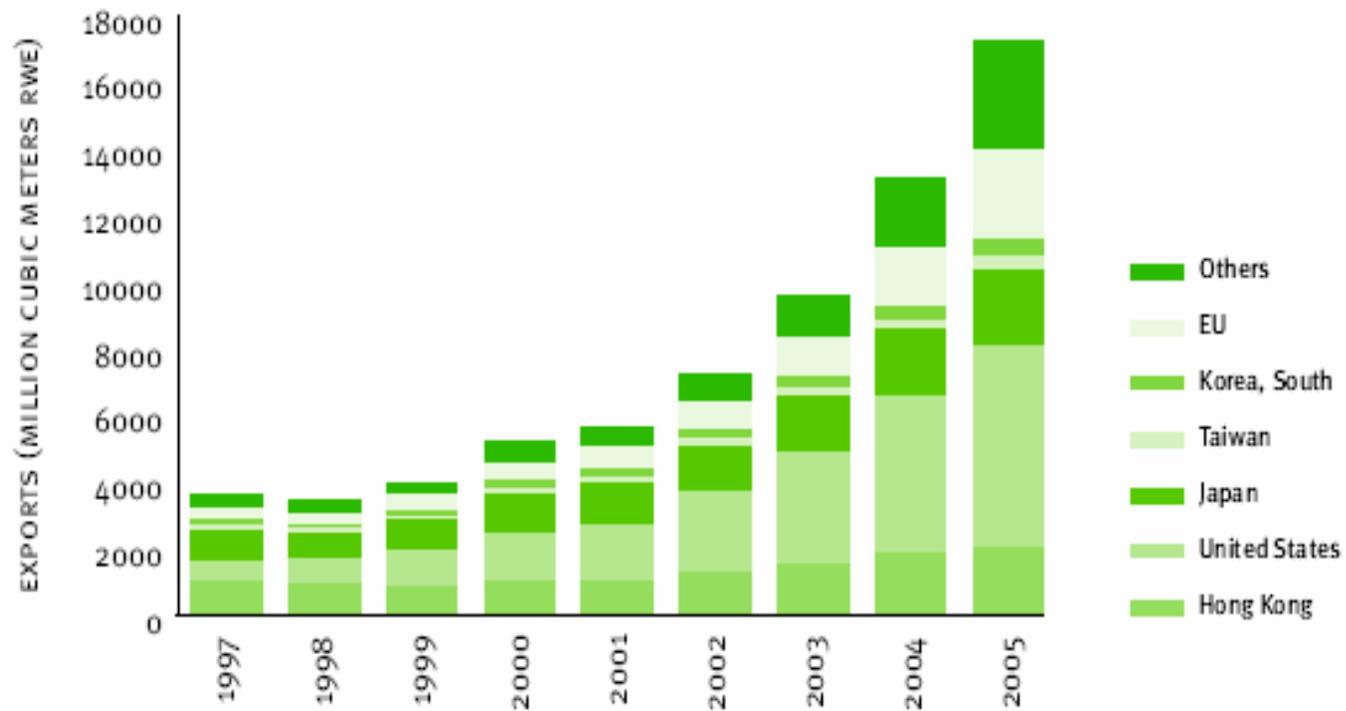
Ratcheting Up: California Effect?



Processes for Sparking a California Effect?

- 1) Relatively high domestic environmental standards
 - a) **In countries with coveted consumer markets**
 - b) **In some countries who compete for coveted markets**
- 2) Widespread recognition of these differences
 - a. **On part of NGOs**
 - b. **Industry**
 - c. **Governments**
- 3) Strong global concern about environmental problems in countries with relatively *weaker* policies
- 4) Recognition that consumption is biggest challenge to global forest deterioration
 - a. **Wealthy consumers biggest problem**
 - b. **This means all of us**
 - c. **Let's return to China**

fig.5 CHINA'S CUSTOMERS (EXPORTS IN US\$ MILLION)



From White et al, China and the Global Market
for Forest Products, March 2006