

Private Environmental Governance and the South

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Abstract

Private authority beyond the state has become a popular theme of academic writing. Yet, both its impacts on Southern stakeholders and the potential of Southern stakeholders to shape the outcomes of private transnational governance schemes have rarely been addressed in the literature. In an attempt to fill this research gap, this paper examines three private governance schemes in the field of global sustainability politics – the World Commission on Dams, the Global Reporting Initiative, and the Forest Stewardship Council. The analysis shows that private transnational governance schemes exert a significant influence on Southern stakeholders. In particular, such schemes shape the meaning of key normative concepts, induce discursive shifts that constrain the ways in which sustainability politics may or may not be framed, and establish new regulatory frameworks to which Southern actors need to respond. Yet, while Northern interests are well represented in all three schemes, the representation of Southern stakeholders varies significantly. It is particularly low in knowledge-centred elements of the various governance schemes. Moreover, Northern mainstream discourses of 'sustainable development' are dominant in all three cases, leaving little room for alternative Southern discourses to shape both the agenda and the meaning of key concepts of the decision-making process. In sum, all three processes incorporate innovative participatory elements that have a potential to increase Southern participation. However, they are unable to make full use of this potential; instead, they tend to reproduce some of the imbalances that characterise intergovernmental negotiations.

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1 Introduction

When addressing the Stakeholder Forum of the World Commission on Dams (WCD) in 1999, Richard Falk (1999) noted that “It may turn out that what is most memorable about this Commission is that it has successfully initiated an inclusive democratic process that has encompassed the most relevant voices.” What is remarkable about Falk’s statement is that the WCD was a novelty in global decision-making in as much as decisions were made not by states, but by a variety of non-state actors.

The World Commission on Dams is hardly unique in this regard. The Global Reporting Initiative (GRI), the Forest Stewardship Council (FSC), the Marine Stewardship Council (MSC), but also initiatives such as the Rugmark Foundation labelling scheme for carpets produced without child labour, the Earth Island Institute’s “Dolphin Safe” label for tuna, the Common Code for the Coffee Community (4C) or the Mining, Minerals and Sustainable Development (MMSD) initiative are further illustrations of a growing market of non-state processes in which issues are defined, rules are made, and compliance with these rules is monitored. As far as their output is concerned, these governance processes appear to resemble international regimes – with the important difference that it is not states, but non-state actors who generate both, the “principles, norms, rules, and decision-making procedures” and the expectations associated with them. Hence, we might speak of transnational regimes that have emerged in many areas where international regulation is either absent or weak. As the phenomenon of non-state rule-making beyond the state is of relatively recent origin, conceptual and theoretical consensus is still weak. As a result, authors have referred to qualitatively similar phenomena as global public policy networks (Reinicke et al. 2000), private authority (Cutler, Haufler, and Porter 1999a), public-private rule-making (Dingwerth 2005), non-state market-driven governance systems (Cashore 2002), civil regulation (Bendell 2000) or as multi-stakeholder processes (Hemmati et al. 2002).

In the context of this debate, this paper examines to what extent Southern interests have been represented in actual private rule-making processes beyond the state. In a first step, section 2 illustrates that the private governance literature has thus far largely overlooked Southern stakeholders as the objects and subjects of private governance schemes. Sections 3 and 4 address this gap and examine the role of Southern actors in the World Commission on Dams (WCD), the Global Reporting Initiative (GRI), and the Forest Stewardship Council (FSC). While section 3 provides an overview of various impacts of the three schemes in developing countries, section 4 discusses to what extent Southern stakeholders have been able to influence their outcomes. In particular, I examine how stakeholders groups have been defined in the three cases (section 4.1), how Southern stakeholders are enabled to participate in key governing bodies (section 4.2) and in the wider governance scheme (section 4.3), and to what extent Southern discourses have been able to enter the deliberations on par with ‘Northern’ or ‘Western’ discourses (section 4.4). Overall, the paper illustrates that existing private governance arrangements have largely been unable to make full use of their potential to address

North-South disparities in global rule-making. Instead, they tend to reproduce some of the imbalances that characterise intergovernmental governance processes.

2 Largely Absent: The South in the Private Governance Literature

It appears plausible to assume that private governance schemes are particularly relevant in contexts where state capacities are limited.² For individual schemes such as ISO 14000, it is thus a widely-held view that private transnational regulation has partially replaced public regulation in developing countries (Conzelmann and Faust 2005: 10-11). Yet, despite such recognition, it can hardly be said that the South figures prominently in the contemporary literature on private governance beyond the state.

In the course of the private governance debate, several aspects appear to have hindered a more thorough analysis of what the emergence of private governance means for the South. First, a great deal of the literature is still focused on general-level attempts to grasp the phenomenon itself. As a result, a range of conceptual studies examine different forms of public-private or private governance beyond the state, the relation of these different forms to the state-system or the implications of their emergence for the conduct of 'global governance' more generally (e.g., Börzel and Risse forthcoming; Cutler, Haufler, and Porter 1999c; Knill and Lehmkuhl 2002; Lipschutz and Fogel 2002). Second, the more empirically oriented literature has thus far primarily sought to explain and understand the emergence and effects of private governance schemes (Biersteker and Hall 2002; Pattberg 2005c), the potentials of different sectors of society to self-regulate across borders (Cutler, Haufler, and Porter 1999b; Ronit and Schneider 1999) or the ways in which economic actors respond to private rules (Cashore, Auld, and Newsom 2004). In most of these studies, a Northern perspective dominates,³ moreover, decision-making processes themselves – and hence the role of Southern actors in these processes – are rarely analysed.

Summarising the discussion on global public policy networks as a specific form of (public-)private governance beyond the state, Conzelmann and Faust (2005: 20, my translation) therefore conclude that

² I use the term "private governance" in an encompassing way to denote both purely private, but also public-private governance schemes. As Robert Falkner (2003: 76) correctly observes, in practice, "the 'pure' form of private governance (governance outside the realm of the state-system) is only of limited empirical and conceptual relevance" as most instances of private governance "are of the kind that are better described as 'mixed' regimes (...) [that] emerge out of the interactions of private actors, either with the involvement of states or with the later adoption, or codification, by states and/or intergovernmental organizations."

³ One team of authors explicitly asserts that "governance through private organizations, realistically, is restricted to the more developed parts of the world" (Ronit and Schneider 1999: 246). Yet, as their primary focus is on inter-firm cooperation, their conceptualisation of private organizations is confined to the business sector.

even if it can be assumed that, because of the precarious legitimacy of [global public policy networks] as a governance instrument, incentives exist for a balanced representation of actors from the developing world, we are so far lacking systematic analysis on whether, beyond formal representation, Southern actors also exert a significant substantive influence within global public policy networks.

The fact that studies on the role of the South in private governance schemes are so rare might suggest that developing countries may de facto not play a very prominent role in transnational rule-making processes and that the high hopes associated with “multi-stakeholder initiatives” and “global public policy networks” may therefore not be warranted. In fact, Reinicke et al. (2000: 77) are well aware on this possibility when they note that,

Although often described as global, most public-policy networks are in fact dominated by elite actors (public and private) from the industrial world, with few ties to developing-country groups or local institutions.

As a result, the authors note a “dual challenge of inclusion” which global public policy networks need to address: First, they need to make sure that developing country stakeholders are included. Second, they should attempt to bridge the local-global gap by also including actors whose primary level of engagement is at the national or sub-national level. To meet these challenges, Reinicke et al. (2000: 82-89) identify several strategies, including the establishment of multiple levels of engagement, the institutionalisation of inclusion or measures to strengthen capacities of developing countries stakeholders.

Whether or not non-state governance schemes are well equipped to address the deficits of more traditional intergovernmental approaches and allow for a more balanced way of global decision-making is an empirically open question. Cutler, Haufler and Porter’s conclusion in their volume *Private Authority and International Affairs* suggests they do not. Yet, in contrast to other aspects of their study, the authors remain relatively vague in relation to the implications of private authority for the South:

The rules established by the private sector (...) may favor some participants over others. (...) [They] may advantage firms in some countries and not others, for instance, excluding full participation by developing-country firms. The asymmetrical operation of private authority is evident in the standards regime, where (...) the contributions of developing countries and nonexperts are openly discounted. The exclusionary nature of epistemic authority is also evident in the activities of bond-rating agencies, the insurance industry, the regulation of maritime transport law, and the negotiation of intellectual property rights (Cutler, Haufler, and Porter 1999b: 369).

The remainder of this paper aims at a more systematic analysis of how Southern interests are included in (or excluded from) private governance schemes. The analysis is primarily based on the evidence gathered in case studies on the World Commission on

Dams (WCD), the Global Reporting Initiative (GRI), and the Forest Stewardship Council (FSC). The following section briefly introduces the three cases and discusses their relevance for Southern stakeholders.

3 Private Governance and the South: Does it Matter?

The demand for Southern inclusion in private governance schemes is valid to the extent that the interests of Southern stakeholders are affected by the outcomes of such schemes. This section therefore examines the main impacts of the WCD, the GRI, and the FSC in the developing world. Such impacts can be broadly classified in three categories: discursive impacts related to the framing of issues and key concepts of the decision-making process; normative impacts related to the establishment of new norms, rules and standards at the national and international level, and a variety of more direct material impacts 'on the ground'.

3.1 The World Commission on Dams

Set up by the participants of a workshop convened in 1997 by the World Bank and the World Conservation Union (IUCN) in Gland (Switzerland), the World Commission on Dams was operative between 1998 and 2000.⁴ In the context of a lasting struggle between proponents and opponents of large dams, the Commission's mandate was to provide a global overview of the development effectiveness of large dams and their alternatives and to develop internationally acceptable standards, guidelines and decision-making criteria for the planning, evaluation, building, monitoring, operation and decommissioning of large dams (IUCN and World Bank 1997: 9-12).

At the centre of the WCD process was the twelve-member commission itself. It comprised representatives from various geographical regions and from different sectors of society and was supported by a small secretariat based in Cape Town as well as a stakeholder forum comprising approximately seventy organizations.

The final report of the WCD, entitled, *Dams and Development: A New Framework for Decision-Making*, was based on an extensive Knowledge Base. This knowledge base consisted of a variety of country studies, case studies, and thematic reviews the WCD had commissioned on the social, economic, and environmental consequences of large dams. In its report, the commission concludes that the majority of the 45,000 large dams built so far have either failed to fulfil the expectations associated with them or had far more detrimental consequences than foreseen in the planning phase. According to the report, social and ecological consequences in particular have been given only marginal consideration in the planning of many large dams. In its guidelines for future dam building, the Commission recommends an approach that gives particular empha-

⁴ For a more detailed discussion of the World Commission on Dams as a transnational rule-making process, see Dingwerth (2005).

sis to rights and risks of affected people. Moreover, the commission provides a list of thirty-three policy principles which should guide future decision-making on large dams throughout the world (World Commission on Dams 2000).

As far as its effects are concerned, there is a general perception that “the WCD has certainly made an impact, and its circle of influence is ever widening” (Imhof, Wong, and Bosshard 2002: 13). Thus, within the Dams and Development Project established under the auspices of the United Nations Environment Programme (UNEP), numerous governments are consulting about how to proceed with the WCD’s recommendations.⁵ Moreover, NGOs such as the WWF or the International Rivers Network (IRN) are using the WCD report for their campaigns, and participants of the WCD process claim that “every company has the report on their desks.”⁶ In short, the norms put forth by the WCD have become a new frame of reference for talking about large dams. While a more systematic evaluation of concrete effects on the ground remains yet to be conducted, the Southern stakes in the WCD are relatively obvious. Hence, while industrialised societies have largely exploited their hydropower potentials, many developing countries intend to further develop their potentials to meet and manage increasing energy and water demands. As a result, to the extent that the WCD has had an impact at all, it mainly affects stakeholders in developing countries.

That the WCD has had an impact on decision-making around large dams can hardly be disputed. First, at the governmental and intergovernmental level, a proposed EU directive links the WCD guidelines to the Clean Development Mechanism (CDM) of the Kyoto Protocol. For emission reductions from hydropower projects with a generating capacity exceeding 20 MW to be accredited under the European Union’s emission trading scheme, the directive demands that

Member States shall, when approving such project activities, ensure that relevant international criteria and guidelines, including those contained in the World Commission on Dams 2000 Report “Dams and Development – A New Framework for Decision-Making”, will be respected during the development of such project activities (Directive 2004/101/EC of the European Parliament and Council).

In addition, the recommendations of the WCD also found their way into negotiations for replenishing funds for the International Development Association (IDA), where delegates asked that, in addition to requiring all IDA-funded projects to comply with the World Bank’s environmental and safety standards, IDA should “take into account the core values and strategic priorities suggested by the WCD for preparing and evaluating dam projects” (International Development Association 2002: 18).⁷

⁵ For an overview, see <http://unep-dams.org>.

⁶ Personal interview with a member of the World Commission on Dams.

⁷ The International Development Association (IDA) is part of the World Bank Group. Its main purpose is to assist highly indebted countries in reducing their debts; in order to fulfil this task, the IDA provides long-term interest-free loans and grants to these countries.

Next, some Export Credit Agencies (ECAs) have included parts of the WCD recommendations – or at least their spirit – in their policies for large dam projects. WCD recommendations are explicitly mentioned in the German, French, and Swiss ECAs' guidelines (Knigge et al. 2003: 29). In the case of the Swiss agency, the seven strategic priorities identified in the final report of the WCD have been incorporated into national policies; as a result, companies that seek a dam-related export credit insurance from the agency are now required to report to what extent these priorities are met in a given project (Knigge et al. 2003: 42).

Finally, civil society organisations have taken up the WCD's recommendations and based their post-WCD campaigns on the core values, strategic priorities and policy principles developed by the Commission. For instance, the IRN has prepared a Citizens' Guide to the World Commission on Dams in order "to ensure that the WCD recommendations are more likely to be followed than not." Consequently, it recommends its readers to "prepare analyses on whether proposed projects comply with WCD recommendations and distribute them to government agencies and funders", to "advocate for WCD recommendations to be incorporated into national laws and policies", and to "push the World Bank, regional development banks, export credit agencies and bilateral aid agencies to adopt WCD recommendations into their policies and follow them in practice" (Imhof, Wong, and Bosshard 2002: 3-4). As a result, campaigns against individual dams also base many of their arguments on alleged non-compliance with WCD recommendations (cf. Imhof, Wong, and Bosshard 2002: 25-27; Pottinger 2001).

In sum, the WCD has not stopped the building of large dams, but it has certainly changed the discourse around large dams and, as one commissioner with a Southern background noted, made it more difficult for developing countries to continue the construction of large dams.⁸

3.2 The Global Reporting Initiative

The Global Reporting Initiative (GRI) has been set up as a multi-stakeholder initiative in 1997 to provide a framework for organisations – most often corporations – to report on their sustainability performance. The organisation was initially conceived by two US-based organisations, the Coalition on Environmentally Responsible Economies (CERES) and the Tellus Institute.⁹ It now includes several hundred members from various regions and societal sectors. In contrast to the WCD, where a private governance scheme emerged as a result of the absence of international standards, the GRI was initiated in response to the proliferation of different reporting standards that made a comparison between individual companies' sustainability reports ever more difficult.

⁸ Personal interview with a member of the World Commission on Dams, 27 September 2004.

⁹ CERES was set-up as a coalition of socially responsible investors and environmental groups in 1989, largely in response to the public outrage following the Exxon Valdez oil spill (cf. Pattberg 2005c). The Tellus Institute is a leading North American think tank in the field of sustainability politics.

First led by a steering committee of early leaders in the field of sustainability reporting, the GRI became an independent organisation in 2002. Since then, internal procedures have been formalised and the organisation is now led by a board of directors that is assisted by a small secretariat, a stakeholder council, and a technical advisory council.

Since its inception, the GRI's ambition has been to make "reporting on economic, social and environmental performance as routine and comparable as financial reporting" (Global Reporting Initiative 2003: 4). As its main instrument to achieve this aim, the GRI is developing and advertising its Sustainability Reporting Guidelines. A first version of these guidelines was developed in 2000 and refined thereafter. The current version of the guidelines dates from 2002. Its eleven reporting principles and currently 97 performance indicators provide guidance to reporting organisations on how and what to report. The aim of the guidelines is to enable report users – rating agencies, investors, and shareholders, but also employees, consumers or local communities – to evaluate a company's performance and to compare it to that of its competitors.

As the GRI has managed to position itself as the leading reporting scheme in its field, overall reactions to its Sustainability Reporting Guidelines have been relatively positive. The GRI has been praised for its pragmatic approach and for its commitment to continuous improvement of its guidelines. The Guidelines themselves are widely considered as a viable compromise between comprehensiveness and feasibility of corporate non-financial reporting. As of April 2005, over 650 organisations have produced social and/or environmental reports based on the GRI reporting framework (Global Reporting Initiative 2004c). Whether this indicates a fast or a slow uptake of the Guidelines is a matter of perspectives – most observers however consider the GRI to be a success story. Nonetheless, a recent study of reports issued by Swedish companies reveals that even where companies use the Guidelines in the preparation of their reports, comparability among reports can remain relatively low due to the variance in how the Guidelines inform individual reports (Hedberg and von Malmborg 2003: 157). In addition, of the over 650 reports mentioned by the GRI, just over fifty meet the stricter "in accordance" criteria.

There appears to be consensus among observers that, as one participant in the process stated, "if the GRI Secretariat ceased to exist tomorrow, the reality is that GRI has changed the perception of non-financial sustainability reporting forever."¹⁰ On other occasions, the Sustainability Reporting Guidelines have been termed an achievement "so huge that few firms, big or small, can ignore them"¹¹ and the GRI is credited for having had "a transformational effect in terms of setting expectations for corporate disclosure" and bringing about a "major sea change in terms of the status, the belief, and the

¹⁰ Interview with a participant in the GRI process, 13 December 2004.

¹¹ Bill Birchard in *Tomorrow*, November/December 2000, cited in the CEO Quarterly Newsletter (May 2002) of the Global Policy Forum (<http://globalpolicy.igc.org/reform/business/2002/privateSD.htm>, last accessed 10 June 2005).

respect of non-financial reporting.”¹² Besides these general statements, a more systematic analysis can distinguish between a number of more concrete effects:

First, the GRI has generated an expectation that ‘good companies’ report on their performance in relation to sustainability and that they base their reports on the GRI framework. Currently, favourable estimates indicate that roughly forty per cent of all CSR reporters are using the GRI Guidelines in preparing their reports and that nearly half of the Fortune 250 companies are GRI reporters.¹³ In addition, the GRI maintains that forty-seven of the top fifty company reports identified by SustainAbility, Standard & Poor’s, and UNEP have referenced the GRI Guidelines (Global Reporting Initiative 2003: 8; 2004b). The main reporters, however, have their corporate headquarters in industrialised countries so that direct effects on Southern business appear relatively marginal. Nonetheless, as the first stock exchange globally, the Johannesburg Stock Exchange has required publicly listed companies to report on GRI indicators (Bendell 2004: 39). In addition, the report of the King Committee on Corporate Governance has put ‘good corporate governance’ on the agenda of South African policy-making. The publicly commissioned report urges companies operating in South Africa to adhere to the Code of Corporate Practices and Conduct developed in the King 2 report. Reporting is part of this code which states that “Disclosure of non-financial information should be governed by the principles of reliability, relevance, clarity, comparability, timeliness and verifiability with reference to the Global Reporting Initiative Sustainability Reporting Guidelines” (King Committee on Corporate Governance 2002: section 5).

Second, establishing reporting standards – that is, selecting specific criteria and indicators (e.g., child labour policies) on which organisations should provide information and excluding others (e.g., employee remuneration and working time) on which information is deemed less relevant – implies a normative standpoint on appropriate corporate behaviour. While it is true that the GRI does not specify what kind of performance is deemed appropriate or inappropriate in relation to its indicators, both the selection and framing of indicators represent deliberate and often highly political choices. As a result, the Guidelines may be read as an attempt to determine the content of CSR ‘through the backdoor.’

Finally, a more subtle but equally important discursive effect lies in the GRI’s effort to rhetorically blend different practices into a unified pattern of “corporate sustainability.” A side effect of this aggregation consists in levelling the moral status of practices that are usually not discussed within a single framework. Thus, Pax Christi Netherlands (2000) has criticised a draft version of the 2000 Sustainability Reporting Guidelines for its failure to acknowledge the legal character of human rights and for blending reputation management issues with human rights responsibilities of corporations.

¹² Interview with a former member of the GRI Steering Committee, 11 April 2005.

¹³ Fortune 250 includes the 250 top-ranked companies in the Fortune 500 ranking. Published annually by the Fortune magazine, Fortune 500 ranks the 500 largest U.S. corporations as measured by gross revenue.

The above-mentioned normative impacts are relevant for the South in as much as 'good corporate behaviour' or 'corporate sustainability' are increasingly demanded not only from Northern, but also from Southern producers – at least where the latter seek access to Northern markets. As a result, reporting schemes such as the GRI have been considered by some Southern stakeholders as vested attempts to introduce social and environmental clauses. Southern governments have so far strongly rejected the inclusion of such clauses in international trade rules as an imposition of Northern standards. In this context, developing country stakeholders have expressed concern that increasing demands for non-financial reporting pose a barrier to market access for Southern companies who either cannot afford reporting costs or lack the institutional capacity to implement sustainability management or information systems.¹⁴

3.3 The Forest Stewardship Council

The Forest Stewardship Council (FSC) is the most mature of the three organisations analysed in this paper.¹⁵ Set-up in 1993 in response to the ongoing failure of governments to reach consensus on a global forest convention, the FSC has developed principles and criteria for certifying good forest management, elaborated a strict policy for accrediting other organisations as certifiers for the FSC system, and established a widely accepted label that can be attached to products which have been manufactured on the basis of FSC-certified wood.

As the recommendations of the WCD and the GRI guidelines, FSC certification is – legally speaking – voluntary. So far, the uptake of FSC certification has been stronger in industrialised countries than in developing countries. Approximately eighty per cent of the overall FSC-certified area is in Northern countries, with developing countries accounting for only twenty per cent (Thornber 1999). Nevertheless, forest certification has had a number of significant impacts in the South:¹⁶

First, some Southern governments have established national legislation that is either similar to FSC regulations, requires FSC certification in exchange for long-term forest concessions, or grants exemptions from government inspections to holders of FSC certificates (Domask 2003: 176). For instance, Bolivia's 1996 forest law stipulates that independent third party certification may replace statutory audits of compliance with national management standards in forest concessions (Bass et al. 2001: 77). Similarly, buyers of privatised South African state forests have to commit to have their forests certified according to FSC standards (Pattberg 2004: 11; Segura 2004).

Second, the WWF and the World Bank have, in 1998, established a Forest Alliance in which the two organisations commit to bring "200 million hectares of the world's pro-

¹⁴ For similar concerns in relation to ISO 14000, see Clapp (1998).

¹⁵ For a more detailed analysis of the Forest Stewardship Council, see Gulbrandsen (2004) and Pattberg (2004; 2005a; 2005d; 2005c).

¹⁶ For a more comprehensive study of the FSC's impact in the developing world, see Ebeling (2005).

duction forests under independently certified sustainable management, by the year 2005." As the WWF is committed to supporting only FSC-certified wood, this policy has a significant potential to affect forest management policies in the Bank's client countries (Counsell and Loraas 2002: 13).

Third, developing country stakeholders have voiced concerns that resemble those made in view of the cases presented above, namely that the normative framework established by the FSC was primarily based on the ideas of Northern activists and that its main effect would be to hamper development perspectives in the South. Hence, observers have noted that FSC-certification is attractive mainly to Northern forest owners for whom certification costs are relatively low as a result of the comparably high domestic legal standards. As demand for certified wood is so far limited to Northern retailers, FSC certification is seen by some as an obstacle to market access for tropical wood that closely resembles earlier boycotts:

So far, the main result has been to boost the comparative advantages of temperate forests on the timber marketplace. (...) Over 90 percent of the FSC certified forests are temperate and boreal forests. Conclusion: if you feel you must have FSC certified timber, buy Scandinavian, Eastern European and North American wood, not tropical wood. If that is not a boycott, it bears a close resemblance (Smouts 2002).

Finally, the FSC process has a strong discursive impact in one of the most contested discursive arenas of global environmental politics. In a discursive struggle in which many developing countries insist on national sovereignty over their natural resources whereas activists invoke a "common concern" or even a "common heritage of mankind", the FSC can hardly remain a neutral player. The following statement by a Southern board member of the FSC summarises some of the concerns of developing country stakeholders:

Forest certification or the market are complementing other mechanisms, such as the discourse of sustainable development, the appeal to conservation ethics, and international environmental legislation, to once more convert forests into 'heritage of mankind'. As a result, countries and some social groups within the countries lose the power to dispose of their forests and to economically benefit from them. (...) And as far as forest-producing countries are concerned, we cannot compare those from the South with those from the North, given that while the former have to invest heavily to obtain certification, for the latter it merely represents an additional payment to those incurred by the practices they already had to obey as a part of their obligations under national legislation (van Dam 2002: 19, 23, my translation).

4 Southern Participation in Private Transnational Governance Schemes: A Comparative Perspective

On the whole, all three processes discussed above have clear impacts on Southern stakeholders. Although to varying degrees, they shape the meanings of key normative concepts, induce important discursive shifts in the field of sustainability politics, and bring about changes in political practice at the level of governments, international agencies, and non-state actors. As private governance schemes exert a significant influence on sustainability politics in the South, it is worth asking to what extent Southern stakeholders have in turn been able to shape the outcomes of these schemes. This section therefore analyses the role of Southern stakeholders in terms of their explicit recognition as a stakeholder category (section 4.1), their formal participation in the central governing bodies (section 4.2), their contributions to the wider decision-making process (section 4.3) and, finally, the role of 'Southern' discourses in the decision-making process (section 4.4).

4.1 Definition of Stakeholder Categories

The definition of stakeholder categories is the most fundamental task of any multi-stakeholder process. Thus, while all multi-stakeholder processes aspire for 'balanced representation', the units that should be represented in a balanced way have to be defined at the outset of the process. Empirically, definitions differ widely. In the case of the WCD, units were not formally defined; informally, however, the governmental sector, civil society, and business were identified as the three main stakeholder categories. In the GRI and the FSC, governments do not constitute a stakeholder category in their own right. Instead the GRI seeks to balance representation between business, civil society, labour, and so-called 'mediating institutions', a category that includes academics, consultants, and auditors. Finally, the FSC distinguishes between economic, environmental, and social interests.

As the only one among the three global decision-making processes, the FSC has a further layer that explicitly acknowledges the South as a stakeholder category in its own right. Hence, the FSC's economic, environmental, and social chambers each have a Northern and a Southern sub-chamber. Regardless of their actual membership, all six sub-chambers have equal voting power in the organisation's General Assembly, thus ensuring a balance between 'Northern' and 'Southern' interests. More precisely, the FSC's by-laws stipulate that

Northern organizations are those based in High Income countries (according to United Nations criteria) and Southern organizations are those based in Low, Middle and Upper-middle income countries (again according to United Nations criteria) (Forest Stewardship Council 2002: art. 14).

The intent to base the governance of the FSC on an explicit North-South parity clearly distinguishes the FSC from other private governance schemes. Its practical implemen-

tation, however, raises some questions. For instance, as a result of abovementioned definition, stakeholders from Croatia, the Czech Republic, Estonia, Hungary or Poland are currently classified as Southern members of the FSC. Even if the concept of “the South” is used flexibly in the literature, such a broad definition seems counterintuitive. Moreover, its consequences are puzzling: While the system of weighted voting is commonly interpreted as an attempt to institutionalise North-South equity, it effectively ensures that stakeholders from high-income countries retain fifty per cent of the overall voting power even if they represent less than fifteen per cent of the global population.¹⁷

That a North-South balance may nonetheless be important to gain legitimacy in the South can be exemplified by reference to the WCD process where the non-recognition of Southern stakeholders as a stakeholder category in its own right and the lack of government inclusion in the decision-making process have led some observers to argue that Southern representation in the WCD process was inadequate. In particular, the critics noted that governments of core dam-building countries such as India (Iyer 2001), Brazil or China (McCully 2001: xxiv-xxv) either did not support the WCD at all or played a very passive role. Both the Chinese and Indian government showed some initial support for the Commission, with the Chinese government even sending a commissioner. However, the Chinese commissioner withdrew from the process before substantive issues were discussed and the Indian government soon perceived both Indian commission members as pertaining to the anti-dam lobby and decided not to cooperate with the WCD (Khagram 1999: 10; Iyer 2001: 2275).¹⁸ The final reaction of the Government of India to Dams and Development has later been described as “not mere non-acceptance but total denunciation” (Iyer 2001: 2275).

4.2 Participation in Key Decision-Making Bodies

The institutional design of the three processes is similar in as much as they are all based on a division of labour between a small board of directors, a larger stakeholder assembly and a secretariat that coordinates the overall process. In the case of the WCD and the GRI, the commission or board is the ultimate decision-making body. The stakeholder bodies are usually advisory, but may – as in the case of the FSC – have significant powers to shape the organisation’s policies. Finally, the secretariat, although rarely equipped with formal policy-making authority, exerts considerable influence on the strategy and decisions of the organisation. The following paragraphs give an overview of how different geographical regions are represented in the key governing bodies of the three processes. In sum, the numbers reveal that, while European and North

¹⁷ As stated by a 2001 UN report, the population of high income countries according to UN criteria amounts to approximately 900 million (<http://www.un.org/reports/financing/summary.htm>, last accessed 12 September 2005). Based on a world population of 6.1 billion as of 2001, this represents less than 15 per cent of the world’s population.

¹⁸ Similarly, Brazilian dam opponents challenged the legitimacy of the commission because they perceived José Goldemberg as “preempting a fair hearing of their views” (Khagram 1999: 10).

American stakeholders are well represented in all three processes, the representation of Southern interests is generally lower and varies across both, cases and regions.

At the level of the board or commission, the share of representatives from outside Europe and North America ranges between two thirds in the case of the FSC and just over one third (6 of 17) in the early GRI. With the move from a rather informal initiative to a formal and permanent organisation, the GRI board has however become more representative in terms of its regional diversity. As a result, European and North American representatives do not represent an absolute majority in any of the three executive bodies. In addition, all three schemes mainly operate on the basis of consensus so that voting power becomes less central. In terms of Southern participation, it is nonetheless striking that both the GRI board and the WCD commission include only one African and Latin American representative each. In contrast, in the FSC board, for which a North-South quota has been inscribed into the organisation's statutes, Latin American board members account for nearly half of all current directors.

At the level of the stakeholder assemblies, Southern participation is slightly stronger. In the WCD forum, members from Asia and the Middle East represent the largest regional group, followed by Europe; the combined share of European and North American members accounts for slightly over a third of the overall membership. In the stakeholder council of the GRI and the FSC's general assembly, these two regions are stronger and represent 48 and 60 per cent of the overall membership, respectively. In the WCD forum, Asian and Middle East representation was about as strong as European and North American representation, but included members from industrialised countries such as Japan or South Korea. Finally, in the FSC general assembly, Latin American representatives account for about the same relative share as North American members, while African and Asian interests are represented by a relatively small group of members. In total, the FSC has thus not (yet) reached its goal of fifty per cent Southern membership.

	Africa	Asia & Middle East	Europe	Latin America & Carib.	North America	Oceania	Int'l or global org.	Total
Board of directors/Commission								
WCD Commission ¹⁹	1	4	2	1	3	2	—	13
GRI Steering Committee ²⁰	—	3	5	1	6	—	2	17
GRI Board of Directors ²¹	1	3	3	1	2	1	4	15
FSC Board of	1	—	3	4	—	1	—	9

¹⁹ Calculations are based on World Commission on Dams (2000).

²⁰ Membership as of June 2001; numbers are calculated based on Waddell (2002: Appendix B).

²¹ Membership as of June 2005. Calculations are based on <http://www.globalreporting.org/governance/board.asp> (last accessed 10 June 2005).

Directors ²²								
Stakeholder assemblies								
WCD Forum ²³	6,5	17,5	16	7	9	1	11	68
GRI Stakeholder Council ²⁴	5	13	16	7	12	5	—	58
FSC General Assembly ²⁵	36	37	209	151	162	22	—	617
Secretariats ²⁶								
WCD Secretariat ²⁷	3	2	4	1	6	1	—	17
GRI Secretariat (Amsterdam) ²⁸	—	2	12	—	5	1	—	20

Table 1: Geographical balance in key governing bodies.

Finally, the numbers for the secretariats differ significantly. While the WCD secretariat included representatives from various regions and only a relatively modest bias towards European and North American staff members (10 out of 17), the ratio is significantly higher for the GRI secretariat (17 out of 20). In the case of the WCD secretariat, the awareness of the highly political nature of the WCD process meant that a geographically balanced staff composition was mandatory for the WCD to be successful. As a result of the lower external pressure exerted on the less politicised GRI process, but also of the organisation's history and its primary focus on the OECD world, GRI staff is less geographically diverse and does, for instance, not include Africa or Latin American citizens.

4.3 Participation in the Wider Governance Scheme

Beyond these central governing bodies, all three cases include additional and innovative access points for stakeholder participation. In the WCD, the creation of a so called Knowledge Base, on which commissioners based their final report, included three main instruments to increase the participatory basis of the commission's findings. Southern participation differed substantially across these instruments.

²² Based on http://www.fsc.org/en/about/governance/board_directors (last accessed 2 June 2005).

²³ Based on http://dams.org/commission/forum/forum_list.htm (last accessed 2 June 2005). The ratings for Africa and Asia reflect that the International Water Management Institute operates in both regions.

²⁴ As of June 2004; calculations are based on information provided at the GRI's website. URL: <http://www.globalreporting.org/governance/SC/Scmembers.asp> (accessed 14 June 2004).

²⁵ Calculations are based on Forest Stewardship Council (2005).

²⁶ Data on the geographic backgrounds of FSC secretariat staff were not available.

²⁷ Numbers include only permanent and temporary programme staff and are based on the WCD website (<http://dams.org/commission/secretariat.htm>, last accessed 2 June 2005).

²⁸ Numbers are based information provided in Global Reporting Initiative (2005).

First, a number of thematic and country studies were authored or co-authored by Southern experts. Overall, the numbers for the influential thematic reviews, however, reveal that advice was predominantly sought from Northern experts. Hence, of the seventeen thematic reviews, six were exclusively or almost exclusively written by experts from industrialised countries, while only one review was written by Southern experts.²⁹ In total, the author lists for the thematic reviews include 86 experts, with 55 originating from the North and 24 from the South. Northern dominance is particularly strong with regard to issues such as options assessment (27 Northern, 8 Southern experts) or economic impacts of large dams (13 Northern, 3 Southern authors).

Second, the WCD held four regional consultations in Brazil, Egypt, Sri Lanka, and Vietnam to inform commissioners about regional perspectives and differences. Participation in the consultations was based on a broadly defined call for papers issued by the WCD secretariat. The consultations brought together 1,400 individuals from 59 countries, with Southern participants accounting for the largest share.

Third, the WCD's policy to make all documents commissioned for its Knowledge Base available on the world wide web enabled stakeholders to comment on the information gathered for the final report. On the whole, the WCD received over nine hundred public submissions that were reviewed by the secretariat in the preparation of drafts of individual chapters of the final report. A significant proportion of these submissions were received from stakeholders in developing countries.³⁰

In the case of the GRI, three mechanisms are worth mentioning. First, official documents are usually developed in multi-stakeholder working groups organised by the secretariat. The so called Measurement Working Group (MWG) is charged with selecting and defining the performance indicators that constitute the core of the Sustainability Reporting Guidelines; it is thus the most influential of the GRI working groups. In the context of the 2002 revisions of the GRI guidelines, the MWG comprised approximately 140 members. Southern participation in the group was relatively limited; for instance, African countries were represented by three members, Asian developing countries by eight members, and Latin American countries by four members. In total, the thirteen representatives from the developing world were clearly outnumbered by their European and North American counterparts who had sixty-five and thirty-four seats on the MWG, respectively.

As a second participatory element, the GRI conducts a 'structured feedback process' in which it asks reporters and report users for qualitative feedback on its guidelines. In the current round of guidelines revisions, this feedback process for the first time comprised regional roundtables in the spirit of the WCD's regional consultations. Between

²⁹ Nine further reviews were written by mixed author teams; information on the regional origin of the author of the remaining review was not available. All calculations are based on the author lists provided on the WCD website (<http://www.dams.org/kbase/thematic/>, last accessed 10 June 2005).

³⁰ For an overview of the public submissions, see http://www.dams.org/kbase/submissions/submissions_index.htm (last accessed 10 June 2005).

December 2003 and March 2004, seven such roundtables were held around the globe, including roundtables in Brazil and in South Africa. In total, 416 organisations participated in the seven events. The roundtables primarily intended to collect the views of stakeholders within various regions of the world. As a result, the number of African representatives involved in this part of the structured feedback process amounted to roughly the same number as that of European, North American, or Australian participants. While this appears as a clear indication of the increasing role of Southern stakeholders, the roundtables, however, suffered from the built-in constraint that they did not allow for an exchange of views among stakeholders from different regions (Global Reporting Initiative 2004a).³¹

Finally, in the case of the FSC, the main innovative elements are the strong role of FSC members in the governance scheme of the organisation and the establishment of a multi-level process of standard-setting. As of May 2005, the FSC had 617 members, of which approximately 60 per cent were organisational members and 40 per cent were individual members. Geographically, European (33.9 per cent), North American (26.3 per cent) and Latin American (24.5 per cent) members dominate; together they account for approximately 85 per cent of all FSC members. In turn, membership from African (5.8 per cent) and Asian countries (6.0 per cent) as well as from Oceania (3.6 per cent) is comparatively low.

		1997	1999	2001	2002	2005
Environmental	North	31.0	30.3	23.2	22.4	18.6
	South	10.5	13.2	12.5	13.4	19.4
	Total	41.5	43.5	35.7	35.8	38.1
Social	North	11.5	10.8	12.1	12.4	10.4
	South	5.5	6.2	5.3	5.6	7.4
	Total	17.0	17.0	17.4	18.0	17.8
Economic	North	33.5	29.3	37.4	35.8	28.2
	South	8.0	10.2	9.4	10.4	15.9
	Total	41.5	39.3	46.8	46.2	44.1

Table 2: FSC membership by stakeholder group, 1997-2005 (in % of overall membership).³²

³¹ Furthermore, and similar to the WCD process, the GRI process of developing new policy documents is relatively transparent. Hence, draft documents are made available to the public and all documents are submitted to a public comments period of at least sixty days during which the GRI secretariat actively encourages comments from various constituencies. As the largest share of the GRI's stakeholder basis is located in OECD countries, it can however be assumed that Southern participation in public comments activities is relatively low.

³² Numbers are based on Counsell and Loraas (2002: 33) and Pattberg (2005b: 8).

Considering the membership trends from 1997 to 2005, it is noteworthy that the share of Southern members has increased from 24 per cent in 1997 to over 42 per cent in 2005. In the environmental and economic chambers, Southern shares have almost or actually doubled, respectively (see table 2). Interestingly, however, a striking difference exists in the numerical relation between individual and organisational members in the Northern and Southern sub-chambers. While organisational members account for almost three quarters of all Northern members, they are clearly outnumbered by individual members in the Southern chamber (see table 3). In sum, the combined figures for Southern membership therefore conceal that Northern interest representation is significantly more organised than Southern representation.

		Economic	Environ- mental	Social	Total
North	Organisations	119 (68.8%)	95 (82.6%)	44 (68.8%)	258 (73.3%)
	Individuals	54 (31.2%)	20 (17.4%)	20 (31.2%)	94 (26.7%)
South	Organisations	34 (28.6%)	41 (41.4%)	21 (46.7%)	96 (36.5%)
	Individuals	85 (71.4%)	58 (58.6%)	24 (53.3%)	167 (63.5%)

Table 3: FSC members by category (individual vs. organisational) and by region (North vs. South). Source: Author's calculations based on FSC (2005).

As a second participatory element, the multi-level character of standard-setting in the FSC means that FSC International develops the globally applicable Principles and Criteria, which are translated into national standards through domestic multi-stakeholder consultations. Where national standards have been developed and approved by FSC international, they serve as the basis for accredited certifiers in their assessment of forest management units. As a result, the multi-level character provides domestic stakeholders with a considerable degree of flexibility in relation to the interpretation and implementation of global FSC principles. As of August 2004, twenty-two national or regional standards for ten different countries have been approved by the FSC. Of these, eight had been developed in the South – three in Bolivia, two each in Colombia and Peru, and one in Brazil (Forest Stewardship Council 2004).

4.4 The Role of Southern Discourses

Beyond direct participation of Southern individuals and organisations, the role of Southern discourses is an important dimension of the inclusiveness of governance schemes that aspire to be global. In this context, the analysis suggests that in all three cases, arguments based on a Northern mainstream conception of 'sustainable development' had a better chance to enter the deliberations than arguments based on more critical notions of either 'sustainability' or 'development'. While the following analysis is based on anecdotal rather than systematic evidence and while the criticisms pre-

sented in the following paragraphs cannot clearly be identified as representing 'Southern discourses', a Southern dimension can be ascribed to them either because they are put forth by Southern observers (as in the case of the WCD) or because they present counterarguments to mainstream discourses accused of reflecting 'Northern' ideas and interests.

In the context of the WCD process, the specific development paradigm that was underlying both the WCD's mandate and its final report *Dams and Development* has been criticised by the Indian commission member Medha Patkar. As the leader of the 'Struggle to Save the Narmada River' movement, Patkar indicated to her fellow commissioners that, while she accepted many of its findings, she could not agree with some fundamental issues contained in the report. In her comment added to the final report of the World Commission on Dams, Patkar wrote that

The problems of dams are a symptom of the larger failure of the unjust and destructive dominant development model. (...) [A]ddressing these issues [of global development] is essential in any attempt to reach an adequate analysis of the basic systemic changes needed to achieve equitable and sustainable development and to give a pointer towards challenging the forces that lead to the marginalisation of a majority through the imposition of unjust technologies like large dams. (...) To endorse the process and many of our findings, I have signed the Report. To reject the underlying assumption of a development model which has palpably failed (...) I have asked for this note to be attached (World Commission on Dams 2000: 321-322).

Patkar's comment suggests that the Commission has stayed within a specific development paradigm – a paradigm that privileges large-scale infrastructure over community-based initiatives, is technology- rather than human-centred, and is ultimately grounded in the interests of private capital rather than society at large. The alternative development model is implicit in Patkar's criticism. As the authors of such an alternative paradigm, Patkar identifies

the peoples' movements whose role and perspectives should be given their due place. Not just with stories of eviction, repression and confrontation, but with their ideologies, strategies, and vision (World Commission on Dams 2000: 321-322).

Whether this comment actually points to a discursive bias in as much as the WCD was from its outset based on a single development paradigm or whether appending a dissenting opinion of an individual commissioner shows that alternative views existed, but represented a minority opinion, is debatable. At the very least, however, the publication of Patkar's comment as a part of the final report indicates that alternative views have not been wholly absent from the commission's deliberations.

As a second aspect of the WCD discourse, the commission's stakeholder rhetoric has been subject to criticism. Iyer's discussion of the stakeholder concept provides some

thoughts about the implications of this rhetoric for the WCD and for private governance, more generally. In particular, Iyer (2001: 2279) criticises that

The concept of 'stakeholder' is a flawed one that has great potential for misuse. (...) [It] is an ethically neutral concept that lumps together every person or party having any kind of connection or concern with a project. Not only those who are likely to be adversely affected by the project or expect to enjoy the benefits that it will bring, but a wide range of others who are concerned with it in one form or another come within the ambit of the term. (...) The interests and concerns of these diverse categories may not in all cases be benign and legitimate, and some may have a more vital 'stake' than others, but the term 'stakeholder' makes no distinctions: it legitimises and levels all kinds of 'stakeholding'.

The choice to explicitly base the WCD on a 'stakeholder' approach can therefore be interpreted as excluding arguments that question the normative adequacy of this approach. Whether or not the dam industry should sit at the table, whose interests 'representatives' of non-governmental organisations actually represented or why governments were only marginally involved are thus questions that were unlikely to be asked or even answered within the stakeholder framework of the WCD process.³³ Instead, the WCD from its outset followed the strategy to present itself as a legitimate multi-stakeholder forum in which 'all those interested' could 'openly deliberate' about issues related to large dams and eventually find the 'best solution' to the problem of how to make decisions about building (or not building) large dams. In the context of the GRI, criticism has similarly focused on an alleged dominance of economic discourses over critical 'ecological' discourses of 'sustainability'. Hence, Chris Hibbitt (1999: 4) has criticised the early GRI for its "simplistic, down-played and, therefore, potentially misleading perception and understanding" of sustainability. Most importantly, Hibbitt sees "danger that the concept of sustainability will be captured and defined by the business community in standard business parlance" (Hibbitt 1999: 7). From the critic's perspective, such "standard business parlance" is implicit in the GRI's alignment with existing models of financial reporting or in the interpretation of relevance as a fundamental reporting principle (Hibbitt 1999: 14-15).

Similar concerns have also been articulated elsewhere. For instance, Murphy and Bendell (1999: 39) have, although at a more general level, observed "a business-first attitude to environmental and social problems, which often undermines more fundamental approaches to environmental sustainability" and the emergence of "eco-modernism" as the dominant industry discourse on the environment. In this eco-

³³ On the first question, see for instance the comment by Medha Patkar: "No undue legitimacy should be granted to corporations and international financing agencies. The sovereignty of both people and the nation-state must not be compromised for anything but the basic values and goals of humankind. It is necessary to give a serious critique of the privatisation of the water and power sectors and the resulting marginalisation of local people and corporate domination over natural resource-based communities" (World Commission on Dams 2000: 321-322).

modernist discourse, environmental degradation is seen primarily as a technological problem – for instance, pollution is viewed as an economic opportunity for prevention and clean-up technologies rather than an indication of fundamental problems with the current economic system (Murphy and Bendell 1999: 40). Finally, the GRI's focus on 'sustainability' has been criticised for drawing together various conceptual dimensions that were previously treated separately (Berthoin Antal et al. 2002: 12-13). On this reading, arguments that focus on a single dimension of this aggregate concept or that reject the assumption that economic, environmental, and social aspects of corporate conduct are intrinsically linked to each other are therefore less likely to enter the GRI discourse.

Finally, the FSC has similarly been criticised for its use of market instruments to conserve tropical forests, for its failure to address the underlying causes of deforestation, and for basing its strategy on the assumption that sustainable forest management may be attained without radical change (Murphy and Bendell 1999: 74). In contrast to this perspective, Humphrey (2003: 52) has, for instance, argued that while "contemporary global environmental governance privileges the economy", protecting forest life required "a fundamental reorientation of international law in which life protective norms prevail over the rights of capital."

In addition to its definition of sustainability, the FSC's partnership approach has – as the WCD's stakeholder approach – been criticised. In the eyes of one observer, the FSC thus represents

a major shift within the environmental movements of the 1990s – from 'political ecology' to 'environmentalism of results'. Environmentalists who held to a counter-discourse about development and whose activities – until the 1980s – included putting pressure on the World Bank and a campaign to boycott tropical timber, were invited to produce solutions within a 'consensus-building' atmosphere around a particular notion of sustainable development, roughly understood as economic growth along with environment protection (Zhourri 2004: 69-70).

On the whole, the range of criticisms suggests that in all three cases, mainstream discourses of 'sustainable development' dominate over more critical notions of both, sustainability and development. Moreover, newly emerging discourses of policy-making as 'partnerships' of various types of actors appear to dominate over more critical conceptions of politics as primarily driven by interests, power and domination. An evaluation of the extent to which these discursive developments represent a dominance of Northern over Southern discourses would require two things – a deeper understanding of what constitutes 'Northern' as opposed to 'Southern' discourses, and a more systematic analysis of empirical evidence. As both are beyond the scope of this paper, the above discussion can merely hint that the agendas of private governance schemes appear to be biased towards 'Northern' narratives.

5 Private Governance and the South: Conclusions

As a specific subset of global governance research, private authority beyond the state has become a popular theme of scholarly debate. Yet, as with global governance research more generally, the private governance literature has predominantly focused on the OECD world while neglecting the developing world. To overcome this deficit, this paper has examined both, the impact of private governance on Southern stakeholders and the potential of Southern stakeholders to shape the substance of private governance. The analysis of three processes in the field of global sustainability politics – the World Commission on Dams, the Global Reporting Initiative, and the Forest Stewardship Council – illustrates that private transnational governance exerts a significant influence in the developing world. In particular, it shapes the meaning of key normative concepts, induces discursive shifts that constrain the ways in which sustainability politics may or may not be framed, and establishes new regulatory frameworks to which Southern actors need to respond.

In terms of the potentials of Southern stakeholders to influence the outcomes of private governance, the discussion reveals that, while Northern interests are usually well represented, the representation of Southern stakeholders is generally lower and varies significantly across cases and regions. Numerically, African and Latin American representation was found to be particularly low across the key governing bodies of the GRI and the WCD. In the FSC, where a quota system has been established for Southern stakeholders, African participation is equally low, while Latin American interests are well represented.

Beyond the key governing bodies, all three governance schemes include promising innovative elements intended to increase the participatory basis of decision-making processes. Some of these elements – such as, for instance, the WCD's regional consultations or the FSC's system of national standard-setting bodies – give a relatively broad range of Southern stakeholders an opportunity to participate. Yet other participatory tools – in particular expert-based elements such as the GRI's Measurement Working Group or the thematic reviews prepared for the WCD knowledge base – are largely dominated by Northern representatives. Moreover, all three processes are subject to relevant criticisms that challenge the allegedly Northern bias in the underlying norms and values of "sustainable development" that guide decision-making in all three processes, leaving little room for alternative Southern discourses to shape both the agenda and the meaning of key concepts of the decision-making process.

So, are the high hopes associated with 'global public policy networks', 'public-private partnerships', 'civil regulation' and 'multi-stakeholder processes' in vain? Do these "new forms of global governance" merely replicate – or even strengthen – the imbalances that characterise intergovernmental rule-making? I believe the answer is yes and no. On the one hand, it would be naive to assume that private policy-making is free from power imbalances and that it resolves structural inequalities through the establishment of fair procedures in which the public and the private sector join forces in

harmonious partnerships that promote the benefit of all. In fact, it might be regarded as one of the more severe shortcomings of the contemporary literatures on multi-stakeholder processes and public-private partnerships that they downplay power imbalances between different actors engaged in policy-making. Including the South in the analysis of the structures and processes of global governance – whether public or private – might, in this context, help to correct this weakness.

On the other hand, a number of features of the decision-making processes described in this paper point to the participatory potentials of private governance schemes. Hence, the FSC's system of weighted voting, despite its practical deficiencies, provides a symbol of North-South parity in global governance whose normative appeal makes it likely to become a role model for other initiatives. Moreover, the many participatory elements, including regional consultations and roundtables held around the globe, public comments periods or the FSC's system of national standard-setting provide forums for numerous stakeholders, including those from developing countries, to provide input, exchange arguments and thereby participate in the making of transnational rules. As political institutions, the organisations studied in this paper are relatively recent; accordingly, they should be given time to develop. Yet, how they develop will also depend on societal norms. Since private governance schemes lack sanctioning power, their success ultimately depends on their perception as legitimate (Beisheim and Dingwerth 2005). As a result, a rather effective instrument to increase Southern representation lies in the hands of those actors whose support is deemed crucial in granting private governance schemes the legitimacy they require.

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