

Private Rule-Making and the Politics of Accountability: Analyzing Global Forest Governance

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Abstract

Private rule-making features prominently on the research agenda of International Relations scholars today. The field of forest politics in particular has proven to be a lively arena for experimenting with novel policies (for example, third party certification and labeling) and procedures (for example, power-sharing in stakeholder bodies). This article focuses on the Forest Stewardship Council (FSC), one of the earliest and most institutionalized private certification schemes, in order to assess the role and relevance of accountability politics for global forest governance. Specifically, we ask three related questions: first, what role did a deepening accountability crisis and the resulting reconstruction of accountability play in the formation of the FSC? Second, how is accountability organized within the FSC? And finally, what accountability outcomes emerge as a result of the FSC's policies and operations? The article closes with some reflections about the general relevance of accountability for private governance in global environmental politics.

1. Introduction

In current global environmental politics we witness the transformation of international organization to increasingly transnational forms of policy making, involving a growing number of non-state actors in voluntary schemes and other coordinated efforts to address problems of global change.¹ This seems to be a reaction to detrimental transboundary and large-scale impacts of human activities on the environment that are increasingly beyond the reach of individual governments and international cooperation. On this account, the emergence of transnational governance arrangements, in particular instances of private rule-making, is seen as an innovative response to ac-

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¹ See Dingwerth 2007; Pattberg 2007

accountability deficits of more traditional forms of global policy making.² However, this development also presents a challenge to existing, more traditional (and accepted) accountability regimes as the lines between public and private are increasingly blurred, creating overlaps and conflicts between accountability regimes that are typically associated with the public sphere and regimes that are associated with the private sphere. The field of forest politics in particular has proven to be a lively arena for experimenting with novel policies (for example, third party certification and labeling) and procedures (for example, power-sharing in stakeholder bodies), creating a new type of governance that is often labeled ‘private’ and ‘post-sovereign’.³ Within this setting, the Forest Stewardship Council (FSC) has emerged as the prime “laboratory” for new governance mechanisms that combines claims to ethical superiority with strong market incentives for producers and retailers as well as shared ownership between social, environmental, and business interests. One could argue that the FSC has deliberately been built around a new understanding of accountability, both in terms of organization and decision-making. It is precisely this feature that makes the FSC an illustrative case in the wider theoretical and practical debate about accountability and global environmental governance.

This article has a twofold aim. First, we attempt to understand the emergence of private rule-making by applying a model of institutional change in accountability regimes. We argue that four factors - change in numbers, types and capacities of actors, the failure of existing accountability systems to address substantial problems, changes in the problem framing and ideological shifts - explain the deepening crisis and resulting transformation of accountability regimes in global forest politics from bureaucratic accountability to market-based and later to collaborative civil society-based regimes such as the FSC. Second, we critically discuss the accountability mechanisms institutionalized within the FSC and the larger implications of this development for global forest governance. We proceed in four steps. First, we discuss some concepts that are relevant to institutional change of ‘accountability regimes’ and develop a heuristic framework to study crises and transformations in accountability regimes. Second, we apply this framework specifically to changing accountability regimes in global forest governance. Third, we consider the distinct accountability mechanisms within the FSC and subsequently analyze emerging accountability deficits within the

² See Benner et al. 2004; Reinicke 1998
³ See Pattberg 2007; Karkkainen 2004

realm of private forest governance. Finally, we present some conclusions on the prospects of accountability in global environmental governance.

2. Accountability: Theory and Concepts

Accountability can be understood as an institution, referring to a set of (formal and informal) rules that define accountability relations, responsibilities and sanctions that link principals to agents. For instance, Mashaw regards accountability as a system of rules that pertains to six questions: “Who is liable or accountable to whom; what they are liable to be called to account for; through what processes accountability is to be assured; by what standards the putatively accountable behaviour is to be judged; and what the potential effects are of finding that those standards have been breached?”⁴ For the purpose of this article, we define an accountability system as a more or less coherent set of rules and procedures, delineating who takes part in decision-making, who holds whom responsible for what kind of actions, and by which means.

In line with this institutional understanding of accountability some authors regard accountability as a grammar of conduct, suggesting interrelated rules that are distinctive as a set, like a language that is internally consistent, but very different from other languages.⁵ Consequently, “there is no global grammar of accountability that makes sense across settings”.⁶ However, it is possible to classify some ideal-type accountability systems to help us understand the ongoing institutionalization within issue areas such as global forest governance.

2.1 Public, market-based and social accountability

We can distinguish a number of ideal-type accountability regimes.⁷ Accountability regimes are respectively associated with public governance, the market place and the social realm. Public accountability regimes encompass political (for instance electoral) systems, bureaucratic systems and legal systems. The public type is hierarchical, as obligations flow up and down hierarchies. Moreover, public accountability systems are often asymmetrical, since obligations are often directional (instead of mutual). The market place type of accountability regime includes labor markets, capital markets and product markets. This type of accountability regime is character-

⁴ Mashaw 2006, 118

⁵ See Day and Klein 1987

⁶ Newell and Wheeler 2006, 40

⁷ Mashaw 2006, 129

ized by a more fluid, non-hierarchical structure. Moreover, obligations are often mutual, rather than depending on formal positions. Finally, social accountability systems can be more or less formal (ranging from accountability systems in families to membership organizations) and resemble networks, constituting cultures and sub-cultures, wherein obligations are often informed by judgments of appropriateness. This ideal-type typology of accountability systems based on three social spheres (public, market, and civil [?] society) is useful to delineate and classify the many conceivable accountability systems.

2.2 Change in accountability regimes

Each system comprises of a more or less coherent set of accountability rules (for instance, ‘who’, ‘to whom’, and ‘how’). This relative coherence within an accountability regime suggests that structural change is unfavorable, accompanied by high costs and incompatibilities. Nonetheless, incremental regime change and even structural change are occurring constantly. What accounts for system change, in spite of high transitional costs and potential incoherencies?

We find the concept of ‘accountability crisis’ helpful to understand the factors relevant to regime change. A crisis triggers change in a given accountability system, ranging from incremental change to structural transformation. But what factors precisely induce an accountability crisis? Benner and colleagues highlight a number of operational and participatory ‘gaps’ in existing accountability systems.⁸ In line with this general observation, we propose four important factors that effectively widen existing accountability gaps and thereby induce an accountability crisis in global forest governance: (1) a change in numbers, types and capacities of actors; (2) the failure to address substantial problems; (3) changes in the problem framing at the global and international levels; and (4) ideological shifts.

Change in number and type of actors

The emergence of new types of actors in global environmental politics, such as transnational corporations and non-governmental organizations (NGOs), can lead to demand for adjusted or even completely reconstructed accountability regimes. With a growing number of corporations commanding more resources than an average devel-

⁸ See Benner, Reinicke and Witte 2004

opment country, substantial powers are vested in fewer actors that are able to change accountability systems in their favor.⁹ In addition, the rise of NGOs or transnational advocacy networks has influenced global politics and accountability regimes without guaranteeing that increased authority of such transnational actors is matched by new accountability mechanisms.¹⁰

Of course, a change in the number and type of actors does not necessarily lead to change according to demands of affected people. Indeed, changes in accountability regimes can occur against the demands of many who are influenced by such changes. Rather, regime change should be understood as the outcome of negotiation, renegotiation and conflict among different grammars of accountability. Accordingly, some suggest that certain ‘politics of accountability’ underlie changes in the accountability regimes, with winners and losers.¹¹

Failure to address significant problems

In the domestic context, state bureaucracies increasingly lack the capabilities to meet their formal competencies.¹² Decreasing state capability makes even the most established (often democratic) accountability regimes a formal but empty shell. At the international level, accountability crises are related to the broader political context of global change. A strand of scholars therefore argues for a broader view of accountability crisis: a crisis originating from the fact that accountability does not effectively address global problems. On this account, accountability crises are not a problem of design, rather they mirror substantial and unabated global problems such as poverty and underdevelopment¹³ and the continuous degradation of the global environment.¹⁴

Issue framing

Technological innovation, especially information technology, and international trade have contributed to increasingly global framings of problems. Many problems used to be contained within a domestic context accompanied by an established accountability system. However, when problems are (re-)framed as global problems, there is often no established or accepted accountability regime available. Stephen Gill argues that

⁹ Newell and Wheeler 2006, 43

¹⁰ See Keck and Sikkink 1998

¹¹ See Newell and Wheeler 2006

¹² See Biermann and Dingwerth 2004

¹³ See Newell and Wheeler 2006

¹⁴ See Mason 2005

globalization has led to an implicit (accountability) regime in the form of an international constitutionalisation, however this regime is biased towards the interests of global capital.¹⁵ With regard to globalization in particular, it has been suggested to extend democratic accountability regimes to international and global politics.¹⁶ Yet, the extension of democratic accountability into the international realm has barely been attempted, with some notable but inadequate exceptions such as in the EU.

Ideological change

Because accountability regimes reflect prevalent ideologies (for example neoliberalism) and assume a certain ‘appropriateness of relations’, accountability crises reflect ideological competition. This could explain the growing interest in alternative forms of accountability since the end of the Cold War. During the Cold War there was greater need for congruence with the Anglo-American model of democratic accountability. After the Cold War, considerable space opened up for competing discourses and models, for instance the ‘good governance’ discourse promoted by the World Bank.¹⁷

While some disagreement over the detailed origins of the accountability crisis persists, many scholars seem to agree on a rough sequence of events and a general direction in accountability shifts from public regimes to market-based regimes, and finally to social and hybrid networks. This sequence observed in accountability regimes is embedded in the larger historical transformation of the state in more general terms.¹⁸ While state sovereignty was largely unchallenged in the early and mid-20th century, states have ceded authority to markets in the last 30 years.¹⁹ Global civil society is currently reacting to market authority by an increasing number of social networks and heightened transnational activism.²⁰ There are also signs of more symbiotic relations between civil society and market actors. Evidence can be found in the growing number of public-private and private-private partnerships in sustainable development and the emergence of global public policy networks.²¹

¹⁵ See Gill 1998

¹⁶ See Held 2004

¹⁷ Dowdle 2006, 10

¹⁸ See Hurrelmann et al. 2007

¹⁹ See Strange 1996; Cutler, Haufler et al. 1999

²⁰ Tarrow 2005

²¹ Reinicke 1998; Biermann et al. 2007

Consequently, in the heuristic model we propose in order to analyze crisis and change in accountability regimes, we assume a sequence of transformation from public accountability regimes to market-based regimes to civil society and network-based accountability regimes. This does not however, imply a necessary direction, nor does this rule out the possibility that competing accountability system will exist in parallel.²² We also recognize that the network type of accountability is probably not the final stage of accountability regimes in global governance. Rather, we expect that network type regimes compete over authority with other forms of accountability within a specific policy area. In addition, we also expect different factors to be decisive in different phases of an accountability transition.²³

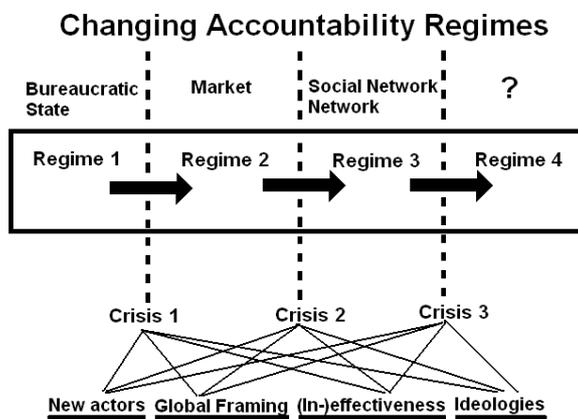


Figure 1

In sum, an accountability regime can be defined as a more or less coherent set of rules and procedures, delineating who takes part in decision-making, who holds whom responsible for what kind of actions, and by which means. Accountability regimes are not static, but change, sometimes incrementally, sometimes more structurally. These changes are triggered by at least four distinct factors (Figure 1): the emergence of new actors and changing power relations, changes in the global framing of problems, the perceived or real ineffectiveness of the regime, and ideological shifts. By considering

²² An example of a movement in the other direction, where a policy area moves back towards more public accountability systems, is when states nationalize private capital (for example buyouts of companies by governments or). However, such actions usually occur at high costs (financial and credibility) in the context of the international political economy and global governance.

²³ Rather than understanding the four factors as explanatory variables of accountability transformation, we use them indicators for a deepening of an accountability crisis within the issue area of global forest politics. For a more detailed explanatory account of the emergence of private rule-making, see Cashore 2002; Bartley 2003; Pattberg 2005.

accountability regime change as a continuous process, the questions of the emergence of new governance models and accountability systems and the question of the gradual change of governance systems and accountability regimes become interrelated. Of course, the change from an (traditional) international governmental accountability system to a private governance system is greater than from a private governance system to a slightly revised system with more actors. Nevertheless, both the emergence and the institutionalization processes are driven by crises and the resulting system instabilities.

3. Accountability Regimes and Institutional Change: The Case of the Global Forest Governance

The sequential framework presented above for the analysis of accountability systems can be applied to the emergence and the performance of the Forest Stewardship Council, one of the first and arguably effective private transnational rule-making organizations. Perceived accountability deficits, decreasing state capacity and the rise of new actors to the global governance stage have led to new accountability relations. On this account, the FSC accountability system was designed and established to better reflect a new global governance reality. In the following sections we analyze the deepening crisis and resulting change in accountability systems in area of global forest politics. We distinguish three relevant phases. First, the traditional public and state-based accountability system is challenged in the light of an intensifying forest crisis and the failure of governments to react to the demands of citizens to halt deforestation and forest degradation, in particular in tropical regions. Second, as a result of changing actor strategies and relations, business moves to the forefront of the debate, both as a cause and a potential solution to the forest problem. However, emerging patterns of market-based accountability are challenged by a growing awareness among non-governmental organizations and citizens about the inadequacy of accountability claims made by business actors. Finally, a cooperative regime emerges that combines market mechanisms with the credibility of civil society organizations. The following sections will address the factors that have contributed to a deepening accountability crisis and subsequent regime change in more detail.

3.1 State-based accountability under pressure: the unabated global forest crisis

In the first phase, two major factors have contributed to a deepening accountability crisis in forest governance. First, what had been discussed largely as a national resource was reframed as a global threat during the 1980s. In particular, consumers from the North became increasingly concerned about tropical deforestation and the associated social disturbances. Second, despite growing awareness and political mobilization, states failed to deliver an appropriate response to the intensifying forest crisis.²⁴ We will consider both factors briefly.

Concern over the substantial degradation and destruction of forests had grown to become a major issue of the public environmental debate by the mid-1980s. The Food and Agriculture Organization of the United Nations estimates that during the 1980s, 8.1 per cent of all tropical forests was lost, an increase of deforestation from 11.3 million ha per year during the 1970s to an annual rate of 15.4 million ha between 1980 and 1989.²⁵

International attempts to regulate the sensitive issue of deforestation, especially in the tropics, began to take shape in the early 1980s. In 1983, timber producing and consuming countries agreed on the International Tropical Timber Agreement, which was negotiated in Geneva under the auspices of the United Nations Conference on Trade and Development and entered into force in 1985, originally representing 36 producer and 34 consumer countries. The agreement also called for an International Tropical Timber Organization (ITTO), which became operational in 1986.

Despite this early approach, the international community failed to agree on a common framework for the protection and sustainable use of forests in the run-up to the Rio Summit in 1992. Developing and developed countries found themselves in a considerable deadlock that centered on the adequate scope of a future binding agreement. While the industrial nations, led by the US and Canada, argued for global responsibility, developing states vigorously favored an approach based on national sovereignty over forest resources. As a result, the negotiations were deadlocked by a North-South divergence of interests, where developing countries remained cautious of Northern intentions and refused to even consider a binding agreement without financial compensation.²⁶

²⁴ See Dimitrov 2005

²⁵ Food and Agriculture Organisation of the United Nations 1993

²⁶ See Bernstein and Cashore 2004

In this deadlock, non-state rule-making systems that link consumers to traders and producers through a mechanism of certification appeared a possible solution to all those that attempted to overcome the stalemate at the intergovernmental level. As Gulbrandsen summarizes it, in parallel with the difficult negotiations at Rio, “and much as a result of the states’ failure to produce a binding global forest instrument and inaction on forest products eco-labeling, non-state forest certification schemes have emerged in the shape of powerful market-driven governance and rule-making systems”.²⁷ On this account, the existing accountability system of international cooperation was severely challenged by the inability of states to address a problem that had been reframed a ‘global forest crisis’.

The failure of the international system to deliver a credible solution to the global forest crisis is particularly evident in the failure of the ITTO to include the idea of forest certification into its mandate. Environmental organizations presented the idea of forest certification to the ITTO as the most influential international process in forestry up to this time. However, the plan that was proposed to the International Timber Trade Council (ITTC) in 1989 met fierce resistance and was finally downgraded into a general study on the incentives for sustainable forest management.²⁸ At the 7th session of the ITTC in November 1989 in Yokohama, the UK delegation, in collaboration with Friends of the Earth UK, introduced a proposal for a global labeling scheme for the promotion of tropical timber from sustainable sources. Subject to intense debates in the official forum and the corridors, producer countries vehemently rejected the idea of sustainable timber certification. As Poore recalls, the “producers were privately alarmed that it would be difficult for them to provide such label for *any* timber that they marketed. Publicly, they voiced many reservations and objections of variable force and validity”.²⁹ As a result, the main objective of the proposal had to be abandoned and many NGOs took this defeat as proof of the inadequateness of international processes.

3.2 Initial responses by the business community: the business case for labeling

Within the context of an accelerating forest crisis and international deadlock, new approaches to address accountability demands from, by and large, northern consumers

²⁷ Gulbrandsen 2004, 76

²⁸ Cuncell and Loraas 2002: 11

²⁹ Poore 2003, 69

were quickly emerging. However, it was not only the global framing of the problem and the unsatisfactory responses provided by the international community that triggered a gradual reconfiguration of the accountability regimes. The increasing relevance of non-state actors, both NGOs and corporations, played a decisive role too.

Media coverage on tropical deforestation and related social issues, such as civil society protest against illegal logging and resulting land-use changes (for example investment in cattle ranching after the old-growth forest has been cleared), quickly turned the word ‘tropical timber’ into a synonym for environmental degradation and human exploitation. At the same time, many environmental NGOs working on forestry issues adapted their strategies from primarily lobbying at international negotiations to targeting business actors directly. Timber boycotts and fake ‘chainsaw massacres’ in front of well-known retail stores soon became the strategies of choice of campaigners in many industrialized countries.³⁰ This strategic reorientation was in line with growing awareness about the central role of business actors in environmental degradation. As Rowlands emphasizes:

“If we did not have TNCs [transnational corporations] spreading new forms of resource extraction, production and technological development around the world, then we could well not have many of the global environmental problems that we are experiencing today.”³¹

The increasing demand for a private approach towards sustainable forestry is thus embedded in the context of widespread boycotts against leading retailers in the US and Europe and the support those strategies could muster with consumers and the larger public. Environmental campaigns and boycotts forced exporting companies and, to a lesser extent exporting countries, to secure adequate supplies of sustainable timber. It was the success of this new strategy that turned the global forest problem into a business case.

With environmental organizations increasingly relying on boycotts against tropical timber retailers, and consumers demanding tougher regulation from their governments, companies were increasingly looking for new ways to protect their reputation and profits. Under scrutiny from NGOs and consumers, major business players quickly realized that in fact they could not account for the origin and nature of their raw materials. This created a need for transparent product labels, which were nonexis-

³⁰ Bass et al. 2001, 23
³¹ Rowlands 2001, 133

tent at that time. A report commissioned by WWF-UK in 1991 found that the vast majority of tropical timber firms' sustainability statements that had been developed as a response to increasing civil society pressure could in no way be substantiated.³² In the words of one NGO active in the field of forest governance:

“There is huge public concern about the destruction of the world's forests. More and more people demand products that come from well-managed forests. This demand has led to many different labels on forest products, making claims such as ‘for every tree felled at least two are planted’. Many of these claims are irrelevant or misleading.”³³

In a similar vein, one representative of B&Q, the world's third largest do-it-yourself retailer, recalled in 1996,

“[f]ive years ago, we were asked how much tropical timber we were selling and from which countries we buy it. We realized that we could not accurately answer the question. In fact, we couldn't answer it at all. In public relations terms, if you don't know, you don't care.”³⁴

Friends of the Earth UK had a similar experience when they had to discontinue their ‘Good Wood Guide’, an information tool for consumers, due to problems in credibility in 1990.

In sum, business actors were largely unable to answer to demands from consumers and NGOs to establish a new accountability system in global forestry, because a credible system of proof for the sustainability claims made by producers and retailers simply did not exist at that time. This opened up organizational space for a closer collaboration between civil society interests and business with a view towards securing a credible system of forest certification that would at the same time be economically viable for a wide range of corporations.

3.3 The Co-regulation of forest governance: a new accountability regime?

With the idea of forest certification neglected by the ITTO and other international organizations and the prospects for a binding agreement to protect the world's forest becoming ever more doubtful, a group of timber users, traders and representatives of environmental and human-rights organizations met in California (USA) in 1990 to discuss how they could combine their interests in improving forest conservation and

³² See World Wildlife Fund 1991

³³ Rainforest Information Centre 1998

³⁴ Cited in Viana et al. 1996, 207

reducing deforestation.³⁵ Their meeting confirmed the need for a transparent and credible system for identifying well-managed forests as acceptable sources of forest products. Between July 1990 and October 1993, seven consecutive drafts of what later would become the FSC Standards and Principles were prepared. In March 1992 the FSC founding group elected an interim board and agreed on a draft FSC mission statement. Throughout 1992, the FSC draft Principles and Criteria were field tested in ten countries and tentatively adopted. In 1993, the founding board of directors was elected by the first general assembly in Toronto, Canada. One year later, a definitive set of Principles and Criteria, together with the Statutes for the Council was agreed and approved by the votes of the Founding Members. The by-laws were ratified and the FSC began operations in Oaxaca, Mexico.³⁶

Next to the increased relevance of non-state actors, and the failure to address this situation through a credible system of company-based forest certification, another factor is important in this phase. From this perspective, the formation of the FSC as a novel cooperative mechanisms to overcome an existing accountability deficit in global forest governance can be, at least partially, attributed to broader economic and political trends in the last decades that “have given market-oriented policy instruments increasing salience”³⁷, both at the national and international level. Among those trends, the partial retreat of the state and the accompanying neoliberal economic theories are of particular relevance.³⁸ Similar to developments in the social field, where companies, predominantly in the US, began to devise their own policies on issues such as the employment of minorities or investments in South Africa independently of the government, business increasingly addressed environmental issues on its own. As a result, the norm complex of “liberal environmentalism” has become a dominant approach in global environmental politics.³⁹

In sum, the FSC has emerged embedded within a larger transformation of world politics, one that gives prominence to market-based, de-regulative policies and thereby challenged established public accountability systems. At the same time, the FSC was able to institutionalize a system of accountability in forest governance that many ob-

³⁵ For a detailed account of the early phase of the FSC formation, see Dingwerth 2007.

³⁶ The FSC International headquarter has been relocated to Bonn, Germany, in 2003.

³⁷ Cashore 2002, 506

³⁸ Elliott 1996, 83; Bartley 2003

³⁹ Bernstein 2001

servers believe to be the most credible and accountable to date. Whether this claim is matched by evidence will be the focus of the next section.

4. The role and relevance of FSC in global forest politics: new challenges to global accountability?

After this brief assessment of the accountability crisis in global forest politics and the institutional responses to this crisis, we now consider the FSC's internal and external accountability structure as well as potential accountability deficits arising from its operations as an example of the new accountability in global forest governance.

After the first forest management certificates had been issued in the early 1990s, the area certified according to the FSC standards quickly rose from less than 500,000 ha in 1994 to 21 million in 2000 and then more than doubled over the next four years to reach well over 88 million ha in 2007.⁴⁰ That amounts to roughly 1,9 percent of the total global forest cover, which stands at 3.9 billion hectares, including commercially operated as well as protected areas.⁴¹

The General Assembly (GA), a tripartite body that represents business, social, and environmental interests within three chambers, governs the FSC. Each chamber has equal voting power; internally they have a 50 percent quorum for north and south representation as well as a limitation of individual votes to 10 percent of the respective chamber. The GA elects a board of directors that mirrors the tripartite structure of the GA. Each chamber elects three members to the board for a three-year term. The representation of northern and southern countries alternates between four and five, changing every three years. The board decides on all issues of major importance, from approving national representatives and initiatives of the FSC, to allocating the annual budget, to approving new standards. The operational work of the FSC is handled by the FSC international secretariat located in Bonn, Germany, and supervised by the Executive Director who is appointed by and responsible to the board.

In relation to the FSC's accountability structure, recent analysis has highlighted a number of formal and informal accountability mechanisms at work within the FSC.⁴² First, the board as the highest executive organ is responsible to the FSC membership through the election of board members by the GA. Within the GA, dominance of in-

⁴⁰ See FSC, 2007

⁴¹ The total area of certified forest including rival certification schemes has reached over 270 million hectares in 2006, which approximately 7% of the global forest area.

⁴² Dingwerth 2007, 173-176

terest groups is unlikely, as decisions require the consent of two thirds of the vote.⁴³ Second, accountability is guaranteed by the organization's formal complaint procedures that allow members to challenge certification and accreditation decisions as well as by the division of labor within the FSC, in particular between accreditation (the process of accrediting certification bodies) and certification (the actual process of certifying forestry practices by an accredited body). Third, accountability has been extended to a wider audience beyond FSC membership, including NGOs, consumers, business, and the public at large as the result of a high level of public scrutiny.⁴⁴ Next to these positive assessments of internal accountability, authors have also pointed to a number of shortcomings that potentially threaten the FSC's overall accountability. In particular, the relatively substantial reliance on funding from foundations has been criticized.⁴⁵ Although the FSC ensures the wider public that its accountability to funding institutions is limited to meeting the objectives that have been set out in funding agreements and no political influence by donors is accepted, structural influence by funding institutions (for example through ear-marking money for certain projects or regions) cannot be ruled out.

A second question that is central when analyzing the FSC's accountability system relates to its real-world influence. Some authors have argued that the implications of private governance arrangements in world politics are considerably limited.⁴⁶ If this analysis were true, little would need to be said about potential accountability deficits deriving from private rule-making in global environmental politics. However, recent analysis of transnational rule-making has highlighted a number of influences that potentially affect actors beyond those formally connected to the arrangement in question.⁴⁷ This creates a number of challenges to the established accountability regime of the FSC.

A major accountability problem is created by the unintended side effects of forest certification, in particular economic and social implications. According to the FSC by-laws in their current version, the FSC "shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests".⁴⁸

Paragraph 8 further specifies: "The FSC Principles and Criteria are intended to apply

⁴³ Ibid., 174

⁴⁴ Ibid., 175

⁴⁵ Councill and Loraas 2002, 41-41; Dingwerth 2007, 176; Pattberg 2005, 368

⁴⁶ For example, Drezner 2004; Jänicke 2002

⁴⁷ See Dingwerth and Pattberg 2007

⁴⁸ FSC, 2002, 1

without discrimination to tropical, temperate and boreal forests worldwide which are managed for production of forest products".⁴⁹ However, actual figures look different. Currently, 79.2 percent of the certified area is in Europe and North America, while Africa, Asia, Oceania and Latin America account for only 20.8 percent. For actual forest certificates issued to forest managers and retailers the relation is 28.5 percent to 71.5 percent in favor of North America and Europe. The reason for this disparity can be partially found in inadequate infrastructure and economic disequilibrium in developing countries. It is not difficult for well-organized forestry companies in temperate regions to meet the FSC standards and criteria as the core standards of sustainable forestry have primarily been developed in Western Europe.⁵⁰ In contrast, tropical countries often lack the infrastructure to facilitate certification. An unintended consequence of this uneven distribution of certified forest area could well be the institutionalization of trade barriers between developing and industrialized countries. And with only 6-8 percent of global timber production entering international trade, a major share taking place between countries of the same region, and environmentally sensitive markets only existing in Europe and North America, producers from developing countries have significantly less access to premium markets.⁵¹

In addition, timber certification in general has a structural effect, visible for example in the world timber export growth from 1993 to 2004. While timber exports from developing countries have only grown by 4 percent on average, timber imports into industrialized countries has grown by almost 14 percent during the same period.⁵² In other words, timber imports into industrialized countries increasingly originate from industrialized countries. The causes for this shift are manifold; they do however include the growth of certification schemes and the related disadvantage of developing economies.

A second major challenge to the new private accountability in forest governance is the tough competition among various forest certification systems. There are now close to 50 different national, regional, and global standards competing with the FSC. Consider, for example, the Programme for the Endorsement of Forest Certification Schemes (PEFC). Forest owners and the timber industry started it in 1999 as an umbrella scheme for national forestry standards. But unlike the FSC, PEFC does not rely

⁴⁹ Ibid, 2

⁵⁰ The concept of sustainability itself has emerged within the context of forest management.

⁵¹ Gullison 2003, 158

⁵² See figures in Dingwerth and Pattberg (2007).

on independent on-the-spot inspections. Nor does it demand annual inspections and only applies random checks. Founded primarily as a reaction to the success and public perception of FSC, PEFC has successfully challenged the FSC, currently covering more than 200 million hectares of certified forest, mainly in Europe and North America. As a result of the competing forestry standards, the timber industry and forest owners can choose which of various regulative systems suits them best. However, consumers without detailed knowledge are in no position to assess the actual value of the various certificates, a situation that might well undermine the general idea of sustainability certification.

On this account, the new accountability system of private forest governance is weakened by multiple claims to credibility that raise the costs of decisions for retailers and consumers. Whether this state of affairs constitutes a potential accountability crisis or just some minor change in the system remains to be seen. Current negotiations among different certification schemes to reach some form of mutual recognition indicate that the system of private forest governance might well stabilize itself.

In sum, the FSC has established a system of accountability in global forest politics that attempts to overcome both the shortcomings of the international policy process (that has not reached a binding agreement to protect the world's forest ecosystem fifteen years after the World Summit on Environment and Development) and the unsubstantiated private responses that have originated from the business community.

5. Conclusion

The preceding analysis suggests that a novel system of accountability has emerged in the area of global forest governance. We have argued that the transformation of accountability has been triggered by crisis and progressed through three stages: first, the traditional state-based accountability system has faced a major challenge in the light of an intensifying forest crisis and the failure of governments to react to the demands of citizens to halt deforestation and forest degradation. Second, as a result of changing actor strategies and relations, corporations have moved to the forefront of the debate, both as a cause and a potential solution to the forest problem. Emerging patterns of market-based accountability, however, were criticized by non-governmental organizations and citizens on the grounds of inadequate accountability claims made by business actors. As a reaction to the accountability deficit of business-driven schemes and within the context of an increasingly paralyzed international negotiation process, a

cooperative private regime has emerged that combines market mechanisms with the credibility of civil society organizations. Whether the current cooperative accountability system of the FSC can evolve to become the dominant mode of accountability in forest governance remains to be seen. The formation of alternative forest certification schemes suggests that there also is a possibility of further fragmentation of the system, questioning the adequacy of the current private accountability system. A reintegration of forest governance into public accountability systems seems at least theoretical possible, although the current state of negotiations about a binding international forest convention within the United Nations does not allow for many illusions.

Based on our analysis of a changing accountability structure in global forest governance, we have assessed the FSC's internal accountability and critically discussed potential implications of forest certification from an accountability perspective. The emergence of the FSC has been applauded as a genuine step towards greater accountability in global governance and a successful contribution to problem-solving beyond the international arena. However, our analysis has pointed to some major effects of private rule-making in forest governance that potentially create a new and additional accountability deficits. In particular, current geographic patterns of forest certification indicate a bias towards northern actors. In this context, the current accountability system in global forest governance can be seen as being part of the problem, namely by reinforcing and stabilizing existing power relations.

Scholte warns against an overly optimistic reading of the potential of civil society based accountability as a counterbalance to the increasing accountability gap in global governance: "...civil society is not an easy answer to the global accountability problem. Nor can organized voluntary citizen action be expected to secure accountability in global governance on its own, without concurrent interventions from parliaments, judiciaries, official expert evaluations and the mass media."⁵³ This call for a re-engagement of public actors in accountability reflects an emerging understanding that private approaches towards global governance are not a substitute for public policy, but a mere addition. Whether the current situation of a coexistence of public and private forms of accountability is stable or rather short-lived remains to be seen.

⁵³ Scholte 2004, 233

6. References

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