PART II

GLOBAL FORUM
4 Changes in the Governance of Forest Resources

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Abstract: Until relatively recently, forest governance across the globe followed a “top down” or hierarchical approach. In this traditional model, policy goals were determined and developed within the confines of the nation state and implemented by state officials invoking a variety of “command and control” policy instruments. However, the limitations of traditional forest governance produced “bottom up” approaches, which emphasized interdependence, collaboration, and policy learning among state and societal organizations. New patterns of interaction, known broadly as “policy networks”, have since led to the development of an array of new institutional arrangements within the forest sector, including international forest deliberations, national forest programmes, forest certification, decentralization, devolution of public rights, and forest self-organization. The causes of the shifts in forest governance are related to the increasing demands from civil society at national and international levels, as well as to the processes of globalization and internationalization. The strength of these shifts, and the reactions to them, differ between industrialized and developing countries, and between countries with low and high forest cover. New governance initiatives often encourage voluntary, self-regulatory, or market mechanisms that raise important issues of accountability and legitimacy. We argue that rather than reducing the role of nation-states, these initiatives create new challenges for them. The main issues for future research are the interaction between state and non-state authority, and the ability of new governance arenas to simultaneously promote democratic governance and address global forest problems.

Keywords: Network governance; legitimacy; international forest deliberations; national forest programmes; forest certification; decentralization; self-organization; civil society.

4.1 Introduction

Until relatively recently, forest governance across the globe tended to follow a “top down” or hierarchical approach in which forest users and activities were directly influenced by policy goals determined and developed within the confines of the nation state. In this traditional model, state officials implemented these policy goals by invoking a variety of “command and control” policy instruments.

However, since the 1960s perceived limitations of traditional forest governance produced both descriptive accounts and prescriptive analysis of “good forest governance”. These “bottom up” approaches emphasized interdependence, collaboration, and policy learning among state and societal organizations. They have since led to the development of an array of new institutional arrangements within the forest sector, including international forest deliberations, national forest programmes, forest certification, decentralization, devolution of public rights, and forest self-organization. To direct these new institutional arrangements towards the goal of sustainable forest management, without destroying their innovative and participatory elements, requires a delicate balancing act among flexible patterns of interaction between state and civil society known broadly as “policy networks”.

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What explains the rise of these new types of governance mechanisms? Are they more effective than traditional approaches in addressing global forest problems? Are they more legitimate? To whom are these new arenas accountable?

We argue that the main causes of the shifts in forest governance are related to the increasing demands from civil society at the national and international levels, and to the widening and deepening of the closely related but separate processes of globalization and internationalization. However, the strength of these shifts and the reactions to them will differ from country to country. We argue that there are some general differences between the shifts observed in industrialized and developing countries, as well as between countries with low and high forest cover. In some regions, though not in all, changes in governance may be strongly influenced by large-scale changes in political systems, or by the political mobilization of forest-dwelling indigenous peoples.

The effects and durability of the new arenas of authority, which are often aimed at bypassing nation-states in favor of markets or industry regulation, are directly related to their perceived legitimacy and accountability. Because the new arenas have never succeeded in completely bypassing nation-states, attention must be paid to the new roles that governments can play in supporting these new systems. The main issue for future research is to understand better the interaction between state and non-state authority, and the ability of the new arenas to promote inclusionary (democratic) governance while simultaneously addressing crucial global forest problems.

This paper elaborates these arguments in six analytical steps. Following this introduction, the second section identifies why nation-states first intervened in forestry activity, and the traditional approaches they employed. The third section reviews tools and frameworks that assist in analysis of the new forest governance. This section describes policy learning, the emergence of the policy network concept, and the key problems of creating and legitimizing effective network management. The fourth section identifies specific forestry initiatives that have facilitated the emergence of these policy networks and their associated forms of authority. The fifth section describes broader global factors that underpin and explain the swift emergence of these policy networks and their associated forms of authority. The sixth section assesses the impacts of these networks, and the conclusion discusses areas for future research.

4.2 Why Nation-States Regulate the Forest Sector?

Characteristics of Forest Resources

Ever since the creation of the modern nation state, denoted by its sovereignty over a defined territory, authority to regulate forest resources has rested with national (or sub national) governments. In the last hundred years, governmental intervention has focused increasingly on steering the activities of forest owners and forest users toward socially acceptable outcomes. Governments have deemed it necessary to intervene because, unlike the air we breathe, most forest resources, from forest dependent species to timber, are “subtractible” – i.e. using them leaves less for another user.

Subtractible goods have been the focus of much government intervention, because without some mechanism to regulate their extraction they can be depleted. One strategy has been to assign individuals or companies “private property rights”, on the assumption that they then have an economic incentive to sustain these goods over the long-term (since they benefit economically from such action). However, the nature of many forest resources makes it difficult or impossible to assign individual property rights to them. It is assumed that short-term “deplete and run” approaches can occur in common access regimes. Individual users of common pool resources may calculate that it is to their advantage to draw down the resource, leaving all the other users to share the resulting costs. As the other users try to anticipate this behavior and gain their own advantage, the result is rapid and possibly irreversible depletion, leading to the “tragedy of the commons” (Hardin 1968).

In recent years traditional “command and control” approaches (stressing regulation or outright public ownership) to avert common pool resource depletion have given way to more market based, voluntary, and local or decentralized approaches (Ostrom 1990; Agrawal and Ribot 1999; Gibson et al. 2000).

Before the modern nation state began intervening in forest regulation, many common pool resources were governed (and protected) by customary common pool regimes of great ingenuity and very long standing. In these regimes, the access to resources was limited by kinship or community membership. Scholars now recognize that it was the breakdown or destruction of these customary regimes, largely promoted and supported by industrialized nation states that led to the unsustainable use of forest resources. In an ironic spiral of cause and effect, the unanticipated problems of state-centric attempts to address these unsustainable practices have led to calls for increased privatization of forest resources.

Recognition of these complex historical processes has also coincided with increasing attention to the effects or “externalities” of timber production on non-timber forest resources. It is increasingly recog-
nized that policy makers and institutions must ensure that timber production does not unacceptably reduce opportunities for non-timber uses, such as plant gathering, hunting, and so on. On the other hand, private property owners may need to be compensated for the external goods that they provide (such as maintaining forest habitat, etc.). New approaches are needed; they will need to ensure fair access to the multiple values created by forests without the cumbersome and expensive apparatus of regulation and subsidies that has characterized traditional governmental approaches.

**Traditional Governmental Approaches**

In order to address both the tragedy of the commons and the issues of externalities, traditional state-centered approaches invoked an array of policy instruments designed to regulate citizens’ behavior and define their legal rights. Such mechanisms span a continuum from assigning outright private ownership to forest resources at one end to direct state control and administration at the other. In the middle of this continuum is the granting of specific private property rights to publicly owned resources for a specified period of time; these rights would include various kinds of usufruct, lease and tenure arrangements. Historically, the reliance on assigning private property rights has meant that governments are forced to intervene directly by creating incentives (both positive and negative) designed to maintain or conserve non-economic “common pool” resources within forests.

**Substantive Policy Instruments**

Efforts to promote conservation of common pool resources within private-timber regimes focused originally exclusively on what Howlett (2000) calls substantive policy instruments, i.e. direct government intervention that required or motivated a certain behavioral change. These comprise regulatory (e.g. prescriptions, proscriptions), financial (e.g. subsidy, taxation), and informational (e.g. education, public relations) policy means, which act directly on the addressees. Substantive policy instruments have to be supplemented by procedural policy instruments, which work indirectly through institutional and organizational means by which policy is created.

The costs of employing substantive policy instruments, and their ineffectiveness in addressing global forest deterioration, have led to frustration with “top-down”, state centered policy initiatives. This has led non-governmental organizations and scholars to assess whether and how strengthening procedural policy instruments might produce more effective and enduring behavioral change from the bottom up. The next section reviews the key tools for analyzing this paradigmatic shift in forest governance.

**4.3 Analytical and Conceptual Tools**

Three interrelated factors have emerged from experiences with bottom-up policy making: policy networks as new concepts in forest governance; policy learning; and associated policy development and network management issues.

**Policy Networks: New Concepts of Forest Governance**

Since the 1960s, analysis of the limitations of the traditional mode of governing, and the administrative structures, policy instruments, and implementation styles associated with it, has become increasingly common in the social science literature (Kooiman 1993a; Mayntz 1993; Rhodes 1997). Most of the classic symptoms of “ungovernability” described in this literature are now found in forest policy. For example, in spite of all the effort that governments have put into improving forest management planning, implementation deficits are commonly observed in the form of disappointing results and unintended consequences on the ground.

The emergence of new social movements, especially issue-oriented environmental NGOs operating at a global level, has created unorthodox forms of protest against forest policies, such as consumer boycotts in timber importing countries. These protests have been sparked, in part, by open defiance of regulation in illegal logging or violation of international treaties on biodiversity conservation or by ignoring the rights of forest-dwelling indigenous peoples.

Two forms of governance have been distinguished in the literature: “old governance” and “new governance” (Kooiman 1993b; Rhodes 1997; Hirst 2000; Peters 2000; Pierre 2000; Rhodes 2000; van Kerksbergen and van Waarden 2004; Mayntz 2004). In old governance, the nation state “steers” society and the economy through political brokerage, and by defining goals and making priorities. New governance refers to sustaining co-ordination and coherence among a wide variety of private and public actors with different purposes and objectives (Pierre 2000).

The idea of new governance originated in the perceived failure of nation states’ hierarchical, top-down style of policy formulation and implementation to address forest policy problems, characterized by complex issues and the presence of multiple actors seeking to achieve their own goals (Kooiman 1993b; Mayntz 1993; Rhodes 1997; Mayntz 2004). New governance models seek to embrace complexity and turn the presence of multiple actors from a problem into a solution. They appreciate the participation of multiple actors in the identification and implementation of policy goals. Perhaps, policy goals can best be achieved by harnessing the creative capacity of
forest policy actors to be “policy makers”, rather than heavy-handed application of the old-fashioned instruments of regulation and subsidy to supposedly passive “policy-takers”. New governance “can be seen as the pattern or structure that emerges in a socio-political system as a ‘common’ result or an outcome of the interacting intervention efforts of all involved actors. This pattern cannot be reduced to one actor or a group of actors in particular.” (Kooiman 1993b).

Thus, in the new governance relationship, the complexity of the problem area is matched by a form of organization that copes better with complexity: the policy network. Networks are loosely coupled groups of private and public actors, characterized by the recognition of mutual dependence in achieving their goals. Mutual recognition leads, in theory, to rapid exchange of resources, especially information about policy impacts, unintended consequences, and unanticipated problems. In this sense, governance through policy networks (“network governance”) is part of a more general effort to empower civil society to regulate itself. Network governance provides the essential element of coordination in all six new concepts of forest governance discussed below (part 4.4).

**Policy Learning and Trust**

The great challenges and opportunities associated with policy networks lie in whether and how they might promote policy learning and build “trust” across an array of diverse interests. Policy learning and trust are important to “bottom up” governance, because the more a policy network promotes learning and trust among its members, the greater the chances for developing effective, efficient and long lasting policy outcomes. This implicit or explicit link from process to outcomes partly explains the work of the old “command and control” government interaction and the lack of trust. That is, the more decision-makers are distrustful, the stronger is the likelihood that there will be demands for specific and prescriptive “command and control” policy rules. Yet, foreshadowing our discussion on output legitimacy below, both McDermott (2003) and Rose-Ackerman (2001) have both found that there appears to be an inverse relationship between “command and control” government interaction and the lack of trust.

**Network Management: Legitimacy, Accountability and Responsiveness**

The legitimacy of old governance, in which governments directly intervene to manipulate actions of forest users, rests on the general foundations of any political system. In modern democratic states these foundations, sometimes distinguished as “input legitimacy” (Scharpf 1999), include a system of checks and balances (principle of the rule of law, periodic democratic elections, ministerial responsibility, and independence of the judiciary) to control the exercise of power, prevent its abuse and arbitrary application, hold power holders accountable, and protect citizens from them. In practice the actual development of whether and how substantial change can take place in the face of strongly opposed values and interests. Certainly, if networks are to succeed in the forestry sector, they must facilitate processes where diversity of values and interests is commonplace.

**Trust** is, likewise, strongly related to network development, since policy networks and “bottom up” approaches often lack the certainty and precision of the old “command and control” governance framework. McDermott (2003) and Rose-Ackerman (2001) have both found that there appears to be an inverse relationship between “command and control” government interaction and the lack of trust. That is, the more decision-makers are distrustful, the stronger is the likelihood that there will be demands for specific and prescriptive “command and control” policy rules. Yet, foreshadowing our discussion on output legitimacy below, both McDermott and Rose-Ackerman reveal that command and control decisions are often sub-optimal, and less efficient and effective than approaches that emphasize process, discretion, and a high degree of trust. Whether and how networks facilitate learning and trust is an issue we examine in our empirical and review sections below (part 4.4).
forest policy in many countries was contrary to the norms of democratic legitimacy, as closed policy communities of industry and technical experts, inside and outside government, tended to dominate. Growing awareness of this norm violation helped undermine the legitimacy of old forest governance in many countries.

However, the demand for new governance is also a reminder that the legitimacy of public policy rests on a second foundation. Modern citizens prize individual freedom and rights and, while they accept restrictions on those freedoms in order to achieve desirable public policy outcomes, they are unlikely to put up for long with policies that restrict freedom of action but are perceived as ineffective or even counterproductive. While the erosion of this “output legitimacy” (March and Olsen 1989; Skogstad 2003) has been a key feature in the failure of old forest governance, the same standards will be applied to the new governance relationships.

The shifts from traditional to new modes of forest governance have complex consequences for existing forms and mechanisms of governance, the locus of governance, governing capacities, and styles of governance (van Kerkvliet and van Waarden 2003). There is an upward shift from nation states to international public institutions (international forest regime), as well as a downward shift from national to sub-national levels (decentralization), and a shift from public to semi-public organizations and governance (national forest programmes, public private partnership). Policy making, implementation, enforcement, and control have been differentiated into separate functions; for reasons of efficiency and effectiveness some of these sub-tasks have been delegated to more autonomous private organizations, as in the case of forest certification. Each of these shifts poses problems of network steering and the legitimacy of policy outcomes.

4.4 New Concepts in Forest Governance

Experiments with institutionalizing new governance relationships attempt to coordinate the activities of a wide variety of old and new actors and to establish coherence in the outputs that result in effective public policy. Experiments with new forest governance have resulted in a series of different but related institutional forms. Those most relevant to contemporary forest policy are governance by:

- international forest deliberations,
- national forest programmes,
- non-state market driven forest certification mechanisms,
- decentralization,
- devolution of public rights, and
- self-organization.

**International Forest Deliberations**

Within the framework of its international obligations, each state has the sovereign right to manage, protect, and develop its forests according to its own policies. For example, a state may convert its forest to more efficient land uses or to draw on competitive advantage in wood production and trade, and neglect non-wood benefits in forest management when their market price is zero. Regional or global forest problems may arise when the effects of forest management are trans-boundary, for example, large-scale deforestation can affect carbon and oxygen cycles, or cause soil erosion or changes in hydrology and climate. Similarly, airborne pollutants generated in one country may be transported into neighboring countries and cause forest decline.

It is clear that forest management in one part of the world affects the well being of people in other parts of the world. Because of this, fundamental changes are needed in the existing national decision-making system that affects natural resources. In contrast to the situation at the national level, governments have very little coercive power to resolve forest issues at either regional or international levels. Because of national sovereignty norms, regional or global forest problems can only be managed when sovereign nation states voluntarily decide to co-operate. There are usually few short-term incentives for an individual country to establish strict performance standards for ensuring SFM on its own, unless all competitor countries in the world wood market do the same. Relatively free world wood markets mean that the efficiency of a single state’s measures can be undermined by competition from countries with non-environmentally friendly production methods. Economically rational behavior of individual states can thus lead to a result that is undesirable for all.

Nonetheless, a legally binding international forest convention does not exist despite the development, since the 1980s, of an international forest policy network of nation states and environmental NGOs. In the absence of a forest convention, international legally binding agreements focusing on special subjects (e.g. trade of tropical timber, use and protection of biological diversity, climate change), as well as non-legally binding instruments (“soft law”) on forests (Tarasofsky 1995; Glück et al. 1996; Humphreys 1996) have been developed, and constitute a complex international forest regime. Its key components include the International Tropical Timber Agreement; the Convention on International Trade in Endangered Species of Wild Flora and Fauna; the Convention on Biological Diversity; the Framework Convention on Climate Change; the Convention to Combat Desertification; other global treaties, such as the Ramsar Convention and World Heritage Convention; regional treaties, such as the Mountain Protocol of the Alpine Convention; and soft law (e.g. the Forest Principles, Chapter 11 of Agenda 21, IPF/IFF Proposals for Action, and reso-
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The UN Conference on Environment and Development (1992) was a milestone in forest policy; an agreement was achieved on important preconditions of a freestanding international forest convention. These preconditions included the principle of sustainable management, conservation and sustainable development of all types of forests, and a number of norms (e.g. prohibition of deforestation, maintenance of natural forests) that encouraged the participating states to continue the international deliberations on forests through the IPF (1995–1997), the IFF (1997–2000), and the ongoing UNFF (since 2001). By now, these negotiations have resulted in more than 270 IPF/IFF Proposals for Action, whose implementation is being followed up by UNFF through a monitoring, assessment, and reporting system based on voluntary contributions of the participating states – states are invited to report on their progress in implementing the IPF/IFF Proposals for Action and their national forest programmes.

Monitoring and reporting will provide a basis for assessing the effectiveness, by the year 2005, of the International Arrangement on Forests (UNFF and Collaborative Partnership on Forests, CPF) for developing parameters for a legally binding instrument on forests, and for defining the future role of the international forest dialogue beyond 2005. Standardized questionnaires to responsible national authorities, and sequential monitoring, have gradually increased transparency and comparability among individual national forest policies. These international policy actions should improve the future likelihood of agreeing on a legally binding instrument on forest management. This kind of consensus is gradually becoming possible through the exchange of information, formalized commitments, and periodic meetings facilitated by UNFF.

The Statement of Forest Principles contains the following definition of sustainable management, conservation, and sustainable development of all types of forests; in short, sustainable forest management: “Forest resources and forest lands should be sustainably managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations. These needs are for forest products and services, such as wood and wood products, water, food, fodder, medicine, fuel, shelter, employment, recreation, habitats for wildlife, landscape diversity, carbon sinks and reservoirs, and for other forest products. Appropriate measures should be taken to protect forests against harmful effects of pollution, including air-borne pollution, fires, pests and diseases, in order to maintain their full multiple value.” This definition is not very concrete; its vagueness is a result of the negotiations between public and private actors from different territorial levels and the interplay among these levels. The participants operate on at least two levels of co-ordination and have to comply with two basic considerations: they have to co-operate in decision-making in a given arena and to strive for commonly acceptable solutions;
and they have to pursue specific interests defined by their responsibilities to their own constituency. Agreements in one arena may reduce the chances for consent in other arenas, because actors are committed to previous deals. At worst, interdependence may lead to a deadlock. In such multi-level bargaining situations, actors tend to resort to conflict-avoiding strategies. Agreement is often found on “soft norms” that minimize direct interference with relevant interests (Hogl 2002).

There is another reason why the definition of SFM can only be very general. Both the ecological variety of boreal, temperate, and tropical forests, and the socio-economic, political, and cultural differences of the states where they are situated, must be taken into account. Thus, nation states are engaged in regional deliberations to develop appropriate operational definitions of SFM and a set of criteria and indicators for the national level. Today there are nine forest C&I processes (e.g. the Montreal Process, the Central American Initiative, and the Ministerial Conference on the Protection of Forestry in Europe, MCPFE), as well as a number of forest-related indicator sets developed as part of broader sustainable development objectives of different international organizations, such as the World Bank, UNEP, OECD, UNCBD, and UNFCCC.

About 150 countries worldwide are engaged in one or more international processes to develop national level C&I for SFM. The regional processes have had the political purpose of providing a tool for monitoring progress towards SFM. This tool could be useful in public relations and in responding to the criticisms of environmental NGOs. However, the processes have evolved to serve a more important purpose: enabling governments and international bodies to monitor, assess, and report on the status of SFM in a country or region (Rametsteiner and Simula 2003).

A common set of seven national-level criteria has emerged from these government-led C&I initiatives; they were acknowledged by UNFF in its fourth session in 2004, and define a global approach to SFM (Box 4.1). Within the regional processes, indicators of progress towards meeting the criteria have also been developed, many of which show similarities across different regions. Especially in the socio-economic criteria, the choice of indicator involves a significant political component, and agreement was usually reached through a participatory process managed by governments in consultation with technical experts and environmental NGOs (Rametsteiner and Simula 2003).

However, while the convergence on regional criteria and indicators is a significant step towards a common understanding of SFM, the current limitations of these instruments should be carefully respected. At the national level, much work remains to be done to ensure common standards of measurement and evaluation, before regional C&I can be used as information instruments in comparing progress among countries. Moreover, regional measures are “coarse filters”, and thus quite inappropriate for comparing performance at the management unit level.

**National Forest Programmes**

A significant experiment in the practical realization of forest governance by networks is being conducted through the formulation and implementation of national forest programmes (NFPs). The objective is the sustainable management, conservation, and sustainable development of a country’s forest to cope

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**BOX 4.1 Possible Common Global Criteria**

*Peter Glück*

1. Extent of forest resources
2. Biological diversity
3. Forest health and vitality
4. Productive functions of forest resources
5. Protective functions of forest resources
6. Socio-economic functions
7. Legal, policy, and institutional framework

**References**

Rametsteiner, E. and Wijewardana, D. 2002. Key issues in the future development of international initiatives on forest-related criteria and indicators for sustainable development. Background Paper No. 4, towards the work of UNFF and the international initiatives on criteria and indicators related to sustainable development. 23 p.

with local, national, regional, and global needs and demands of present and future generations (Forest Principles 1992). Since UNCED, the formulation and implementation of NFPs has been a permanent demand of many international documents on forests, because a NFP would be the core piece of a legally binding instrument for implementing SFM at the national and sub-national levels.

NFPs are policy-planning instruments, striving to render politics more rational, more long-term oriented, and better coordinated by a series of basic principles and elements that replace the principles of traditional technocratic planning (Glück 1999). Some of the principles guiding the formulation and implementation of NFPs are participation of the relevant actors in the policy making process; adaptive and iterative learning processes instead of long-term, scientifically poor forecasts; comprehensive (“holistic”) and inter sectoral coordination of actors to internalize externalities; and decentralization in order to facilitate the implementation of policy outputs (Box 4.2). The implementation of these principles requires

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**BOX 4.2 PRINCIPLES AND ELEMENTS OF NFPs**

Jeremy Rayner

A national forest programme is based on the following key principles:

- national sovereignty and country leadership in programme formulation and implementation
- Consistency with the constitutional and legal framework of the respective country
- Consistency with international agreements and related national commitments
- Partnership and participation of all interested parties in the NFP process
- Holistic, cross-sectoral approach to forest development and conservation
- Long-term and iterative process of planning, implementation, and monitoring

Other principles of national forest programmes include:

- Decentralization and empowerment of regional and local levels
- Recognition of and respect for customary and traditional rights of, inter alia, indigenous people and local communities
- Secure land tenure arrangements
- Ecosystem approaches that integrate the conservation of biological diversity and the sustainable use of biological resources
- Adequate provision and valuation of forest goods and services

Core elements of national forest programmes are:

- A national forest statement, detailing the political commitment to sustainable forest development as a contribution to sustainable development
- A sector review as an assessment of the forest sector and its interrelationships with other sectors
- Political, legal, and institutional reforms, both within and outside the forest sector
- Objectives and strategies for the forest sector, including a financing strategy for sustainable development
- Plans for action and investment for the implementation of the agreed measures, including capacity building and monitoring and evaluation, as well as mechanisms ensuring co-ordination, participation, and conflict resolution

References


the establishment and maintenance of a climate of mutual trust, keeping the participants prepared to remain at the negotiation table and to regard the dialogue on forest issues as an open-ended process.

Empirical evidence to date indicates, however, that those sectors that could become potential losers in the process are reluctant to participate. Participation is necessary to reveal existing conflicts of interest; when compromise cannot be achieved through negotiation, dissenting positions are recorded and have to be considered in future negotiations. Even if only symbolic outputs can be expected in the beginning, the NFP formulation process may change the discussion culture and policy style, which is an important precondition for substantive successes on SFM in the future. What matters is that the process of negotiation continues.

The history of NFPs – the TFAPs (Tropical Forestry Action Plans, later renamed Tropical Forests Action Programmes) (Liss 1999) and the first Finnish NFP (Ollonqvist 2004) are salient examples – reflects the move from traditional governance to governance by networks. Hierarchical co-ordination was no longer possible, and deregulation was limited because of the failure of markets to provide non-wood forest services in sufficient quantity and quality. The governments sought cooperation with other sectors within policy networks in order to achieve the objective of SFM. The concept of self-regulation (Rayner and Howlett 2004) based on policy networks instead of a hierarchy, relies on a new understanding of policy planning. “For decades and almost worldwide, the forest sector was characterized by hierarchical, centralized and even para-military government structures. The focus was on large-scale timber production. Since the 1980s the focus has shifted towards more participatory approaches aiming at reconciliation of conservation and sustainable development of forest resources” (BMZ 2004).

The formulation and implementation of NFPs is no guarantee for policy change towards SFM. In many industrialized countries, particularly in those with high forest cover, forest policies have a long history and are supported by entrenched policy communities. Depending on the power relations of the participating actors and other policy legacies, it is quite possible that NFP processes will not occur at all (as in France or Greece) or, if they do, the outcome will be purely symbolic. According to John Kingdon’s (1995) seminal Multiple Streams Approach, the time is not ripe for a certain policy unless the streams of problems, politics, and policies correspond. These three streams develop more or less independently from each other, and Kingdon refers to their convergence as the opening of a policy window. However, political actors can influence each of these three streams and thereby improve the chances for a certain policy option to arrive on the policy agenda. Following Kingdon (1995) and Kern et al (2001), Rayner and Howlett (2004) analyzed NFP processes in Europe and Canada and found that institutional factors, and the unpredictable opening of policy windows, are the most important explanations for uneven adoption of new environmental instruments like NFPs.

Recent European research on the formulation and implementation of NFPs has yielded better insight into the necessary preconditions for substantive NFPs; ongoing or future NFP processes may benefit from these findings. In what follows, some examples of these propositions are provided (Glück et al. 2003).

Before a NFP process begins, one of the basic questions is: “Who participates?” The answer depends on several factors, among them the potential actors’ abilities and willingness to engage. Participation requires citizens’ collective organization. Groups affected, but not appropriately organized, run the risk of remaining unheard. The more actors invest time and effort, the more they can expect to influence the outcome. The likelihood of substantive agreements seems to increase with adequate representation of the affected actors. If some of the participants have no clear mandate to negotiate, the probability of substantive agreements decreases.

Participation in an NFP process will normally be time and resource consuming. This implies that actors who are well endowed with resources are likely to be favored. Furthermore, process management and facilitation also require adequate resources. In particular, employing external consultants and/or independent moderators to run a NFP process might help to achieve widely accepted compromises. Other procedural aspects of NFP processes refer to goals, principles, and clear decision rules to be covered in a “code of conduct” or “process guidebook”, which is a necessary precondition for long-term, iterative collaboration processes between multiple stakeholders.

Analyses of NFPs have increased our understanding of the mechanisms that facilitate policy learning. We have learned, for example, that the success of a NFP process depends on internal procedural aspects such as government commitment, and on external factors constituting the environment of a NFP. External factors are the country specific characteristics of the political system, and they may be supportive or impeding. These lessons reinforce our discussion below on the need to assess and address both input and output legitimacy. A neo-corporatist policy style, i.e. a tradition of close co-operation between the government and a small number of selected interest groups, is an impeding factor, whereas the government’s proactive and consensus-seeking policy style can be seen as a supportive factor. Existing political culture can hardly be influenced in the short and medium term. By contrast, a clientele dominated forest administration often impedes intersectoral coordination; this must not be taken as unalterable. A legally binding framework for a NFP could support the institutionalization of an adaptive, continuous, co-ordination process.
**Forest Certification**

Markets are not spontaneous social orders that flourish best in the absence of intervention; they have to be created and maintained by institutions, such as governments and voluntary associations. Forest and timber certification are examples of new market instruments created by voluntary associations. Forest certification is the process whereby an independent third-party (called a verifier or certification body) assesses the quality of forest management in relation to a set of predetermined requirements (the standards) on sustainable forest management (SFM). The verifier gives a written assurance that a product or process conforms to the requirements specified in the standards (Rametsteiner and Simula 2003).

The certification of forest products realizes, at least potentially, one of the central ideas of governance: civil society governing itself, without the involvement of states, or without legitimation from the political authority. Cashore (2003) has urged the characterization of at least some certification programs as examples of pure private regulation. He locates the certification movement in the general trend towards international private governance. Non-state market driven (NSMD) policy instruments aim to manipulate customer preferences in the supply chain, creating a demand for forest products from sustainably managed forests. Certification will thereby bypass conventional regulation altogether, and provide market incentives for producers (Cashore et al. 2004).

The impacts of certification as an NSMD system are complicated by several factors. For example, certification is likely to provide effective market incentives to producers only in situations where round wood or its derivatives are marketed in environmentally sensitive markets. It is estimated that worldwide some 53% of all round wood is consumed as fuel wood, and only some 6–8% of total round wood production enters international trade (Sarre 2003). Of the small proportion that is internationally traded, increasing amounts are destined for markets that are not especially environmentally sensitive (e.g. China). Even in markets with well-developed consumer preferences for sustainably produced forest products, customers and/or consumers need to be made aware of such schemes, and be convinced that the claims of sustainable management are credible.

Consumers may be confused by the large number of competing certification programs, which are based on different approaches to sustainability. Finally, most of the literature on certification underestimates the extent to which traditional governing capacities are used, and the amount of network governance that is needed to support NSMD instruments. Unintentionally or intentionally, many existing certification programs use procedural instruments developed in full or in part by states.

The increasing importance of nation-states in NSMD systems was not the vision of the oldest program, the Forest Stewardship Council, which certainly comes closest to the ideal type of NSMD. The FSC grew out of discussions in Toronto in 1993, after the failure to create an international forest convention at UNCED. Some environmental organizations, notably WWF and Greenpeace, felt disinclined to renew their efforts to reach a consensus on a forest Convention, and were even concerned that a weak Convention might make a bad situation worse. They determined to develop an eco-labeling program that could harness their power to influence consumer preferences. The beauty of such a scheme would lie in its ability to bypass the governments that were preventing or preparing to water down the international forest Convention.

The organizational structure of FSC was heavily influenced by its founders’ analysis of the role of industry and government in blocking forest policy reform. Government is excluded altogether from FSC decision-making. The influence of the forest industry, which for obvious reasons could not be completely shut out, is strictly limited to one third of the votes within a complex, multi-chamber, double voting decision-making system. Originally FSC conceived of certification that would require certificate holders to conform to relatively stringent performance standards – similar to the regulations that environmentalists had urged, without much success, in the reform of national forest laws and in the international convention discussions during the 1990s.

Along with this cumbersome and demanding set of procedures, nine (later ten) guiding principles and criteria of sustainable forestry were established (specific standards were left to national and regional initiatives). However, the creation of a new policy instrument that curtailed the actions of the key target groups, forest owners and industrial forest companies, limited FSC’s ability to gain support. The forest industry and private forest owners have responded to FSC by developing competing certification programs, usually with the implicit, if not explicit, support of governmental forestry and resource agencies.

While some of these programs were originally little more than transparent attempts to resist the influence of the FSC, they have evolved into important forms of forest sector self-regulation and created new programs to compete directly with the FSC. Examples include the American Forest and Paper Association’s Sustainable Forestry Initiative (SFI) program, which was converted from a voluntary code of practices program into one that developed “on the ground” standards and a third party auditing process to assess whether companies were in compliance. Often NSMD alternatives, including the Canadian Standards Association SFM Program in Canada, Indonesia’s LEI Program, the Finnish Forest Certification Program, Brazil’s CEFLOR, and Malaysia’s Tropical Timber Council (MTTC) program, were developed with the assistance of the very govern-
ment agencies the FSC consciously excluded. Other programs, such as Program for Endorsement of Forest Certification governance systems (PEFC), originally created by European forest owners as a response to the FSC, serve as “umbrella”, “mutual recognition” program for national initiatives that have been developed to compete, or pre-empt, the FSC model. National initiatives can take on the PEFC name directly or they can be mutually recognized, as occurred in November 2004 with the Australian Forestry Standards (AFS), after the industry developed its own standard.

From the beginning, most of these alternative programs relied more heavily on process rather than performance standards, and were based on the popular environmental management system model (EMS), ISO 14001 being the most familiar. In this model, a company or an individual can be certified as practicing good forest management when they have developed a policy to increase positive and mitigate or eliminate negative impacts, and have established processes for monitoring environmental impacts.

The arguments for process over performance standards usually emphasize that the former cultivate awareness of environmental impacts and, together with criteria and indicators of SFM, engage producers in constant internal dialogue aimed at improving performance. Performance standards are seen as appropriate for governments, which are in a position to enforce them. In fact, all certification programs of this kind refer to the role of forest law and policy in providing a basic standard for environmental protection, a backdrop against which individual producers’ improvement efforts take place. In Europe, for example, national certification programs were developed, coincidentally, at the same time that national forest laws and policies were changed to promote SFM. Certification thus operates in the “shadow of hierarchy” (Scharpf 1999) and is an important example of the mixed mode of governance.

Cashore’s (2003) useful characterization of certification as a NSMD policy instrument must be seen as an ideal type, rather than a description of any particular certification program. This characterization highlights a number of the key features of forest certification as a governance instrument. First, consumers have to be made aware of the idea of sustainable forest management. Second, they have to be convinced of the importance of their own actions when seeking and purchasing certified products. Third, distributors and retailers have to be convinced of the commercial advantage of finding and stocking such products. Finally, producers have to be made aware of the standards they must meet in order to be certified as sustainable producers, and of the advantages of doing so. All this is, to a large extent, independent of those aspects of forest certification that have attracted the most political attention: the development of the standards, the process of granting the certificate, and the verification of compliance with its conditions.

Decentralization

One of the most promising directions for the creation of interdependent bottom up “policy networks” is in attempts to increase decentralization of forest resources management (Larson 2004; Ribot et al. 2004). Agrawal and Ribot (1999) define decentralization “as the transfer of powers from central government to lower levels in a political-administrative and territorial hierarchy”. The growing demand for decentralization stems largely from the documentation of widespread corruption and illegal practices in the forest sector. Such practices are particularly a problem in developing countries and in countries with economies in transition, where there is generally weak governance capacity to implement and enforce regulations over forest resources management. Illegal logging and corruption, with their widespread negative effects on the social and economic development of these countries, are viewed as major threats to the achievement of SFM (e.g. the Philippine’s president asserted that illegal logging was the cause of the December 2004 land slides that had a high death toll and a negative impact on the country’s development).

Existing research has found that corruption and illegal practices in the forest sector have serious effects, which:

- Jeopardize the livelihoods of the poor forest dependent populations;
- Distort markets for timber and discourage responsible forest operators to practice SFM;
- Reduce tax revenues of the government;
- Encourage illegal activities in other sectors of the economy, and thereby jeopardize national monetary and exchange rate policies;
- Threaten ecosystems, biodiversity and environmental services, particularly in parks and protected areas; and
- Jeopardize the intended beneficial impacts of forest sector projects. (Kishor and Rosenbaum 2003).

By creating new bottom up policy networks, decentralization efforts can destroy, or sidestep, the corruption and/or weak enforcement capacity at the central state level. This is achieved by establishing new administration structures at the sub-national level, closer to those affected by central mismanagement of the forest resource. Those advocating decentralization believe that well-informed, more accountable modes of sustainable policy governance will be achieved by creating bottom up policy networks, emphasizing interdependent local actors who are directly affected by policy decisions. This will in turn create favorable conditions for successful implementation and enforcement of SFM. The underlying logic is that local authorities represent local populations better because they have better knowledge of local needs. When they are endowed with powers, in particular with discretionary powers over public resources, they are more likely to respond to local needs than
Decentralization in Indonesia began in January 2000 and aimed at transforming Indonesia into one of the most decentralized countries in the world. The responsibilities for agriculture, land, industry and trade, capital, and labor were shifted to some 360 local governments (districts). This step had a positive influence on the general political climate in Indonesia. However, the new decentralization law did not define the local governments’ functions, for example, leaving unclear the responsibility for mining and natural resource management. In addition, local governments did not receive adequate financial resources to fulfill their new tasks.

The most significant decision in the forestry sector was that districts gained the authority to grant 100 ha logging concessions, in order to provide poor people with land for subsistence farming, and to compensate them for the loss of indigenous land rights. Clear-cut concessions of this type did not require reforestation and were only valid for one year. In the end, ambiguous, overlapping, or conflicting decentralization laws, as well as the need for revenues, have led local governments to issue larger concessions, which often overlap with centrally-issued logging concessions. In addition, the forest related legislation in Indonesia consists of some 500 pieces of legislation, many of which are overlapping or conflicting.

Decentralization is often truncated because of an array of interacting factors that limit meaningful decentralization efforts, including fear that policy makers and civil servants may lose economic benefits gained through the control of natural resources, and concerns about maintaining standards, social and en-

**References**

environmental well-being, and political stability (for details of a specific case, see Box 4.3). Given that existing efforts for decentralization face such fundamental hurdles, Agrawal (2004) has argued that “if decentralized institutions sometimes yield positive outcomes, and at other times create outcomes that are less desirable in relation to policy objectives, it becomes more important to analyze the conditions that lead to variable outcomes before pursuing decentralization as the strategy of choice.”

In order to fulfill the promise of decentralization in promoting SFM, its advocates argue that the following three basic elements are critical (Ribot 2004):

1. **Accountable, representative local institutions**: For the management of public resources such as forests, accountability should run from local groups through elected local bodies to the people.
2. **Meaningful discretionary powers**: Discretionary powers enable local authorities to respond flexibly to local needs and aspirations, making them relevant to their constituents.
3. **Secure power transfer**: Means of power transfer are manifold: they can be constitutional, legislative, ministerial decrees, or administrative orders. Constitutional transfers are the most secure and sustainable, because they are more independent of government changes.

In addition, for decentralization to be effective, accompanying measures and appropriate central government roles are necessary. These include a strong central state, minimum environmental standards, uniform minimum standards for all corporations that manage forests, additional measures for poverty alleviation, local mediation activities, etc.

### Devolution of Public Rights

Another mechanism through which “bottom-up” policy networks have been developed, and one that sidesteps central governments’ concerns about losing power, is the creation of public/private partnerships. In this approach, governments maintain authority to create policy, but delegate implementation to businesses and the non-profit sector. The idea behind these networks is that the efficiency and effectiveness of governance can be improved by the devolution of public rights over natural resources to the private sphere, by privatization and/or commercialization of forest and/or forest management.

This trend is shifting the balance of power from the public sector towards the private sector, and requires a greater involvement of private sector actors (e.g. through industry and professional associations) in processes that determine the normative framework and incentives for participation. For negotiating public/private partnership arrangements between different societal groups (e.g. central or local government, the private sector, and local communities) specific processes that focus on concrete partnership arrangements are necessary. Linder and Rosenau (2000) define public-private partnerships (PPPs) as “the formation of cooperative relationships between government, profit-making firms, and non-profit private organizations to fulfill a policy function”.

PPPs have become an increasingly common means of devolving forest management responsibilities and user rights to the private sector and civil society in general. PPPs range from broad agreements on cooperation and traditional public contracting of services and joint-ventures, to equity investment, debt guarantees, and outright grants given to the private sector and civil society for performing certain functions and providing services. Commonly they include such legal arrangements as contracts for services, management and/or leasing, contracts to build, operate and transfer or own and operate, and joint contracts. The contract parties may include central and local governments, international organizations, private companies, business and other associations, NGOs, and private individuals.

In the forest sector PPPs involve partnerships between the central and/or local government and private companies (e.g. in the case of long-term forest concessions), partnerships between central and/or local government and local communities (e.g. in the case of joint forest management agreements), and partnerships between the central and/or local government and NGOs and/or private companies as service providers (e.g. in the case of outsourcing of such functions as extension services, information services, research, etc.).

### Self-Organization

Arguably one of the most important forms of “bottom up” networks, which has also received significant scholarly attention, is the effort to return forest management back to the “common pool regimes” that had, as we noted above, managed forest sustainably for decades before the onset of the rapid social and economic transformation associated with industrial expansion. Central government’s well-intentioned efforts to address sustainable forest management through nationalization of the forest resource have tended to exacerbate problems and dislocate forest dependent communities. As a result, self-organization initiatives, which we envision as one of the most important forms of interdependent policy network, are enjoying a renaissance in many developing countries.

Elinor Ostrom and her associates have spent considerable effort in exploring the favorable and impeding conditions for the evolution of effective self-governing resource institutions, designed to avoid the pitfalls associated with the decentralization efforts noted above. She developed ideal conditions (eight “design principles” and eight “threats”) for robust common property regimes (Ostrom 1990,
1998), which are summarized in the left column of Figure 1.

Due to the absence of ideal conditions in the real world, additional requirements for adaptive self-governance have to be met in complex systems (center column of Figure 1). In the case of forestry, at the self-organization level information about forest stock, growth, health, annual allowable cut, biodiversity etc. is needed for SFM. Successful common property regimes will usually need this information for the formalized forest management plan. Moreover, the most effective self-organization institutions are those that produce interactions between the different values and interests of the forest policy network, so that power conflicts facilitate learning and widespread network agreement on appropriate policy development. A key condition of such an approach is that self-organized common property regimes need to have either a coercive or a normative system for rule enforcement that is deemed to be effective and legitimate by resource users. (Dietz et al. 2003). Financial incentives to achieve compliance with environmental wants (e.g. forest reserves) may be backed up by the threat of coercion.

In short, these particular forms of “bottom up” forest policy networks must create an arena conducive to change that encourages and facilitates adaptation to new requirements. Drawing on a range of research on common property regimes in India, Nepal, Latin America, and Africa, Dietz et al. (2003) identify three strategies for meeting these adaptive governance requirements (right column of Figure 1).

### 4.5 Causes of the Shifts in Forest Governance

The debate on what is driving the observed shifts in forest governance has barely begun. In the preceding discussion of the new modes of governance, many potential causes of the shifts were noted in passing: new forest problems, such as deforestation, forest degradation, loss of biological diversity, illegal logging practices; better democratic representation; increased efficiency and effectiveness of policies, etc. As drivers of change, they all reflect the fact that the variety of actors, the diversity of their interests, and the complexity of the relationships between the various actors have increased. In addition to the unique impacts of local and regional factors, the new complexity may be attributed to two major trends characterizing the socio-economic environment in which the forest governance debates of the 21st century take place. First, we have witnessed an increasing role for civil society at all levels of governance, sub-national, national, and international. Second, the closely related but separate processes of globalization and internationalization have widened and deepened (Bernstein and Cashore 2000). That is,
as the value of global trade in forest products continues to grow, bringing more countries and regions together in trading relationships, and increasing the importance of multi-national corporations (globalization), the transnational actors and international institutions redouble their efforts to promote their ideas and to maintain some control over trade and its impacts on the sustainability of global forest resources (internationalization).

**Globalization and Internationalization**

The dynamics of globalization and internationalization create many important new linkages that in turn promote the importance of civil society’s expanded role in forest governance. For example, multinational or transnational corporations are increasingly turning to plantations of fast-growing non-native species, like eucalyptus, to meet pulpwood needs. The implications of this for the world’s remaining natural forests have to be taken into account in attempts to monitor international trade by certifying forest products coming from sustainably managed sources. For example, FSC began by excluding plantation forestry from possible certifiable sources but latter added a tenth principle of SFM, which enables the certification of wood products from plantations. The broadening and deepening of certification in this way raises issues of transparency and accountability in corporate governance, and has helped to strengthen the NGOs, who as a response are developing certification and eco-labeling.

At another level, donor countries and multilateral donor agencies have tried to link aid, including aid for forestry projects, to the sustainability agenda. Such linkages raise issues concerning the recipient governments’ transparency and accountability. While the donor community has sometimes pressed governments to improve their governance capacity, it has often preferred to bypass governments entirely and worked directly with communities and NGOs. Such a strategy has not only furthered the decentralization of forest governance noted above, but also provided a powerful impetus for the development of civil society institutions in countries where they have remained dormant or been actively repressed.

**Civil Society**

The increasingly important role of civil society in forest governance has its roots in the limitations of traditional governance instruments in a globalized forest economy, and in the dawning realization that outside government there is capacity for innovation to overcome these limitations. Dissatisfaction with traditional instruments came to the fore in 1992, at UNCED in Rio de Janeiro, when the long-running deliberations aimed at achieving a global forest convention finally failed. The representatives of the nation states had failed to draw due attention to the rise of “a sphere of social life that is public, but outside the sphere of government” (Meidinger 2003), which in modern academic discussions is generally called “civil society”. It may be defined as follows (Diamond 1996): “It is distinct from ‘society’ in general in that it involves citizens acting collectively in a public sphere to express their interest, passions, and ideas, exchange information, achieve mutual goals, make demands on the state, and hold state officials accountable. Civil society is an intermediary entity, standing between the private sphere and the state. Thus, it excludes individual and family life, inward-looking group activity (e.g. recreation, entertainment or spirituality), the for-profit-making enterprise or individual business firms, and political efforts to take control of the state.”

Civil society relationships are usually voluntary or un-coerced. Although they lack the sanctions associated with government directives, they play a powerful role in governing society by controlling public opinion. The statements of civil-society entities fall into three groups (Gosewinkel et al. 2004): statements against the super-powerful, enticing, restricting state; statements against the omnipresence and superiority of markets; and statements emphasizing public spirit with communitarian elements, arguing that the state overestimates its capabilities, that the market is too powerful, and that the society is fragmented (e.g. civil society in Bangladesh).

In the course of the 1980s, various civil society movements from different regions gradually grew together, forming a transnational and even global civil society. Some key factors played a crucial role in the globalization of civil society (Haufler 2003; Meidinger 2003):

- Global information technologies for gathering information and communicating it by telecommunication systems, television, internet, etc.
- Transnational economic structures for increasing the scope of both transnational interdependence and the externalities associated with market activities
- Reduced roles of governments in environmental and social policy as a consequence of the growth of the transnational economic system. “The reduced ambitions of governments have made room for expanded ambitions of civil society organizations” (Lipschutz 2001 quoted in Meidinger 2003).

The larger issues of contemporary forest policy emerge at the intersection of these two socio-economic trends. That is, the development of civil society at sub-national, national, and global levels brings new actors and new ideas into forest policy, while the broadening and deepening of global forest trade and international institutions creates a rapidly changing context for action. For example, in the industrialized nations, civil society interest in forest policy issues has been closely related to broad, intergenerational
value change, identified by Ronald Inglehart (1990) as a movement from materialist to post-materialist values. Thus, civil society has become concerned with such issues as forest die-back in Europe, the loss of virgin forests in North America, and deforestation in the tropics.

The impact of post-materialist values, however, should not be exaggerated. Their influence has been much weaker in countries where questions of material development and even mere survival are important for most of the population. Even in some countries where post material values have made inroads, the forest products industry continues to be important. In countries where the timber industry is important in national development, governments and industry have advocated governing models that help to develop a competitive timber industry and to meet other community needs by ensuring access to round wood at reasonable cost. Through the broadening and globalization of the “forest agenda”, the linkages between forest management and development are situated in a more diverse policy environment, ranging from conservation and national sustainable development strategies to the UN Millennium Development Goals and the Poverty Reduction Strategy Papers (PRSPs) in the case of developing countries.

Global Trends and Local Impacts: Four Ideal Types

Combined with the increasing diversity of participating actors, the complex linkages discussed above have led to a different emphasis in the forest policy debates of different countries. Figure 2 attempts to summarize the focus of these debates. The discussion is based on two variables: forest cover (high forest cover versus low forest cover on per capita basis), which functions as an indicator of the relative importance of the forest industry to national development goals in the context of globalization; and the socio-economic status of the country (industrialized vs. developing), which functions as an indicator of the relative importance of materialist and post-materialist values in the context of the role of civil society.

The industrialized countries with low forest cover tend to see forests from an environmental sustainability angle, focusing more on forest services, including recreational uses and aesthetic landscape values, than timber production. Forest policy tends to be a sub-category of environmental or rural sustainability policy. While open conflict over forest uses tends to be unusual, there are significant issues of inter-sectoral coordination that need to be addressed if forest sustainability goals are to be realized.

In the case of the industrialized countries with high forest cover, the views of different interest groups are generally more polarized, and debates tend to focus on the level of environmental standards in forest management and the amount of forest land to be allocated for productive vs. conservation purposes. The core issue is how forests and the forest sector can best contribute to sustainable development goals in a particular country (or within a region, such as the EU). Due to the importance of the timber trade in many of these countries and their well-developed civil society networks, international NGOs are involved in the forestry debates.

In high-forest cover developing countries the focus is on timber production, but issues related to equity and local rights, environmental conservation, and the protection of non-timber forest products for local use and employment generation are also important. Because forests in these countries are key contributors to global biodiversity and climate-change goals, forestry debates tend to have prominent international links. These links are also promoted by the trade-related aspects of timber production. Illegal logging and trade in illegal timber are also important issues in the debates. The international NGOs and the trans-national timber companies participate directly in forest debates, but they also influence these debates indirectly through local and national interest groups.

In developing countries with low forest cover the main issues tend to focus on the contribution of forests and trees to local livelihoods (e.g. through farm and village forestry and wood based energy) and local environmental uses (e.g. soil conservation and watershed protection). As in the case of the low forest cover industrialized countries, there is more consensus regarding policy objectives than under the other two ideal types. However, policy must be carefully coordinated if the surviving forest, which is often heavily fragmented or in sensitive mountain terrain, is to meet the multiple demands that are placed upon it. Governments in each of these four ideal-typical situations face complex and novel issues that have strained the traditional governing instruments to a breaking point. While the precise actions of government, industry and civil society actors will depend upon a host of contextual factors that are specific to region, country, or even locality, a general com-
mon aspect can be identified. Whether by accident or design, sometimes willingly and at times with a great deal of resistance and obstruction, both national governments and international institutions have tried to mobilize the creative energies of civil society to solve the new forest policy problems, thus making a historic transition from traditional to new modes of forest governance.

We have noted above the challenges posed by the new socio-economic environment to traditional forest governance. However, forest network governance has problems, too. Each of the focal areas of forest governance debate, identified in Figure 2, will tend to generate distinctive problem sets that challenge forest network governance capacity.

In industrialized countries with relatively high forest cover, problems in opening up well-established forest policy communities of administrators and technical experts, who are often suspicious of new actors and new ideas, are common. In countries with relatively low forest cover, whether industrialized or not, formidable coordination problems arise from the existing subordination of forest policy to other goals. In industrialized countries these goals may be rural development and community sustainability or larger strategic land use planning objectives. In non-industrialized countries with low forest cover, international organizations are interested in a wide range of factors, from environmental issues like biodiversity conservation to broader social and economic concerns like Poverty Reduction Strategies, land reforms, administrative capacity building programs, and tariff and trade policies. To the extent that forest policy is recognized as a distinct policy at all, it will tend to be the residual outcome of these other processes, requiring international networks to monitor and steer the processes towards forest sustainability goals.

In non-industrialized countries with high forest cover, where the development of a flourishing forest products sector is a national development goal, the additional problem of vested local interests, which may be working against policies of local capacity building or land reform, cause the forest sector to obstruct reforms in other sectors. In these circumstances, the ability of network governance to solve these problems remains very much an open question, as the rather uneven record of certification efforts in tropical forest management and timber trade clearly indicates. The development of a more sophisticated theoretical analysis of the available network governance instruments, and the rapid diffusion of best practices based on real world experience, will be critical tasks for forest governance in the immediate future.

4.6 Impacts of New Forest Governance on Legitimacy

New forest governance raises important and difficult questions regarding the critical dimensions of input legitimacy, especially accountability and responsiveness (Ribot 2004). Faced with a lack of empirical data on the impacts of forest governance shifts on accountability, responsiveness, and legitimacy, only some general assertions can be made. This will likely become an important topic for future research.

Will New Forms of Forest Governance be Legitimate?

In spite of many differences, all new forest governance institutions have profound implications for the ways that governments establish and maintain their legitimacy. Governments are generally regarded as legitimate if citizens acknowledge their right to rule, even while disagreeing with particular policies and other government actions. Such acknowledgement is derived from approval of the procedures by which policies come about (input legitimacy), and the performance of governance institutions (output legitimacy). Input legitimacy refers to the rules of the game; output legitimacy refers to the success of the political system.

In one sense, all the new modes of forest governance increase input legitimacy. Generally, network governance employs participatory approaches to policy formulation and more actors have the chance to take part in negotiated policy making through processes like NFPs. In governance by an international forest regime, for example, legitimacy is enhanced by the promise to solve international forest issues through voluntary negotiations by nation states and international civil society. In decentralization, the legitimacy of sub-national units depends on their democratic representativeness and on clear power sharing with the central government.

Similarly, output legitimacy is improved to the extent that network governance succeeds in dealing with issues of complexity and rapid change which undermined the old, top-down national forest policy regimes, and addressing recurrent and persistent forest policy problems.

In a number of other respects, however, new modes of forest governance pose challenges to legitimacy. The use of NSMD instruments, such as certification and eco-labeling, is an excellent case in point. For the success of NSMD instruments it is essential that there be no hint of compulsion or other legal requirement to certify; otherwise, they will be identified as illegitimate barriers to trade. A successful certification scheme, by its very nature, will impose significant costs on producers who refuse to certify and provide material advantages to those who do. As Cashore and his associates have shown,
states have generally not stood idly by while private certifiers battle amongst themselves (Cashore et al. 2004). For example, governments’ use of information instruments to make consumers aware of SFM and their own responsibilities in finding certified forest products has been a critical feature in the success of certification in many countries.

Cashore et al. (2004) reveal many other ways, in which governments have directly or indirectly enhanced the legitimacy of NSM&D programs. A government may promote ecological goals by law, or by acting in a consensus-building role without determining how the goals will be reached; within these discussions, it can mobilize new actors and marginalize others. Arguably, the failure or inability of some governments to use information and procedural instruments effectively has critically weakened the impact of certification in parts of the world.

The ingenious ways in which governments have become involved in certification, allowing certification to become a familiar element of new forest governance without enacting it as public policy in the old sense, may be welcomed as a shining example of the looser kind of coordination required by new forest governance. On the other hand, certification raises acute legitimation problems. The cooperation and coexistence of state, corporate, and civil society actors that are involved in new governance disperses decision-making authority across a complex network of relationships. If citizens do not like the outcomes of network governance, how can they trace those who were responsible for the decisions and how can they hold them accountable for their actions? If they try to hold governments responsible, the latter can reply in all sincerity that the decisions were not theirs to take.

Because the international forest regime has many of the same characteristics as network governance, many of the same considerations are relevant. For instance, as international fora they are outside the old national governance system of checks and balances that provided explicit accountability mechanisms. Nobody can hold the actors in international fora responsible if they fail to produce public goods after many years of negotiations. Their success in implementing resolutions on international forest issues largely depends on the voluntary monitoring and reporting systems of the countries participating in the deliberations.

Even in domestic forest policy, where states once confidently proceeded on the basis of their ability to regulate and subsidize, we now find equally ambitious uses of procedural instruments. For example, many forest managers are now painfully familiar with new participatory planning mechanisms that focus on facilitating the emergence of policy goals from the planning process itself, rather than handing them down to the participants as pre-ordained objectives. As the North American experience with these processes illustrates, participatory planning tends to change the character of a policy network from one that seeks to enable a rapid flow of information to a network that is actively engaged in questioning what counts as “information”. Struggles over knowledge claims and voice become dynamic new elements in network politics (Shannon 2002).

Learning to “let go”, to engage in governance rather than government, has been hard for policy-makers and forest managers alike. Those dissatisfied with the outcomes have often resorted to challenging the legitimacy of the processes themselves, resulting in the civil disobedience, timber boycotts, and other forms of unconventional political protest that characterized forest politics in much of Canada and the United States in the 1990s.

Many other governments around the world are struggling with this fundamental paradox of voluntary, non-state, or self-regulation: bringing new actors with new ideas into forest policy networks increases both the creativity of forest policy-making and, potentially at least, the output legitimacy of the solutions, while simultaneously making policy networks harder to steer in the direction desired by the state and other traditional policy actors. Efforts are needed to control the risks of driving new actors out of the networks and increasing support for private self-regulation or even law-breaking and other forms of protest. The key feature of the shift from traditional to new modes of governance is that the legitimacy and effectiveness of government involvement in network steering seems to be increasingly based on government’s ability to successfully harmonize key actors’ different agendas and negotiate some form of workable consensus, rather than on its ability to impose close control (Hajer 2003).

**Co-Existence of the Old and New Form of Governance**

By drawing attention to the challenge of legitimating policies that are the outcome of new governance arrangements, we do not want to overemphasize the difficulties. Sometimes the solutions are simply novel uses of familiar instruments. For example, while the nation state retains the primary responsibility for the enforcement of international resolutions on forests, additional accountability mechanisms are being developed through efforts which institutionalize disclosure and transparency, thereby enabling civil society to assess whether businesses are living up to the commitments that they have made, and to engage in direct targeting and corporate “shaming” if they are not. The popularity of benchmarking as a tool of international comparison, while clearly open to the kind of misuse of C&I noted above, is nonetheless a promising development when used at appropriate scale.

In other cases, what appears to be a problem may contain its own solution. For example, depending on how the network structures are managed, they
may facilitate input and output legitimacy through policy learning across an array of interests. Many of the forest and non-forest C&I processes have drawn upon expert groups or technical bodies for developing an initial set of criteria, in what looks like the old technocratic manner. Subsequently, through opening up the network, not only were the criteria refined, but also the process itself was broadened and deepened. A similar shift can be observed in some NFPs that were originally conceived as expert consultations, but now operate as genuinely participatory and process-oriented networks. “Thus information exchange and disputation itself becomes part of the system of checks and balances within the network administration and the network economy. It works also as a mechanism for mutual learning … In this way, networks may be producing their own system of mutual control.” (van Kerksbergen and van Waarden 2004).

We expect experiments with the mix of old and new forms of governance, which have with only slight irony been called regulated self-regulation (Knill and Lehmkuhl 2002), to continue. With all their faults, the political-administrative structures of modern democratic states are products of considerable reflection and long political struggle around certain issues, such as accountability of decision-makers to the wider citizen body, transparency of public processes, predictability provided by the rule of law, and so on. The challenge is not merely that decision-making in networks may turn out to be unpredictable, unaccountable, and opaque. Even more serious is the possibility that traditional political structures may be the precondition for the effective functioning of networks, just as they are for markets.

Policy networks will never include everyone. How will their decisions be accepted as legitimate by citizens unless they conform in some respects to the general norms of legitimacy in democratic societies? Thus, as with markets, effective policy networks may require a certain minimum of political-administrative capacity in order to function, and may not be easily applicable in states lacking that capacity. Even when capacity is present, we may need to acknowledge more openly the importance of traditional governing values, such as democratic accountability and the rule of law, in order to avoid a situation where network governance undermines its own foundations.

There are hopeful signs that governance will eventually evolve to governing in contemporary forest policy and politics. For example, there has been a retreat from the extreme position that rejects the use of substantive policy instruments completely. Regulatory failures are not inevitable, in this view, but caused by the adoption of “one size fits all” regulatory instruments (Gunningham and Grabosky 1998; Gunningham and Sinclair 2002). Self-regulation, in the form of an industry-led scheme for certifying sustainably produced wood products, may be combined with government and NGO involvement in drawing up standards, regulatory relief for those who comply with or go beyond the standards, and closer regulatory supervision for those who fail to reach the standards or refuse to participate in the scheme. Many of the weaknesses of the existing forest certification schemes can be traced to a refusal to mix instruments in creative ways.

Fortunately, this kind of self-regulation “in the shadow of hierarchy” is becoming more common in many other policy fields and, of course, relies on the traditional governing capacities of states as much as it does on the governance skills of network actors. For example, as the competing certification schemes begin to converge on common approaches, especially C&I of SFM, some form of state involvement may be acceptable to critics who are rightly concerned about the weak enforcement capacity of private self-regulation. The experiences of forest development aid agencies with the formulation and implementation of NFPs demonstrates that government commitment to NFP implementation is probably the most important factor for a successful NFP process (BMZ 2004). In the process, governments acquire a whole new range of policy instruments and steering capacities with which to address the challenges of the new forest policy environment.

4.7 Discussion and Conclusions

Following UNCED in 1992, there has been worldwide agreement on the goals of the Statement of Forest Principles: to ensure sustainable management, conservation, and sustainable development of all types of forests in order to meet the economic, ecological, social, cultural, and spiritual needs of present and future generations. The accomplishment of these goals requires forest-related governance to adapt to
far-reaching changes in the political processes of the forestry sector.

As the Forest Principles show, the diversity of interests in forests has increased. Although timber production will not lose its importance in the future, the demand for non-wood products and services has increased considerably. In addition, the variety of actors in forestry has increased. Forestry is no longer the focus solely of forest associations and forest administration, but also of a multitude of governmental and non-governmental organizations, dealing with activities that either affect or are affected by forest management. As a result, the relationships between the various actors with diverse interests and powers have become more complex, with the relationships compatible over some issues and not over others.

Furthermore, because many forest policy issues are trans-boundary, the bargaining on forest issues no longer takes place only at the sub-national and national levels, but also at the supra-national and international levels. The impressive number of formal international instruments and initiatives aimed at implementing elements of improved forest governance (e.g. IPF/IFF/UNFF Proposals for Action; Poverty Reduction Strategy; national forest programmes; forest and timber certification; bilateral and multilateral arrangements on Forest Law Enforcement, Governance and Trade) need implementation at the national and sub-national levels. How sustainable and equitable the use of forests will be, will depend on context and vary from country to country. There is thus no blueprint for good forest governance, but rather a series of arguments supporting a general openness to policy learning and change.

**States Find New Roles**

At the beginning of the 21st century, the nation state seeks a new role in governing forest resources worldwide. In the past, the main successes of the traditional hierarchical state revolved around the formulation of substantive policy means, such as forest laws and subsidy programs, for ensuring the sustainable timber production. However, the implementation of increasingly complex forest laws exceeded the capacity of government and bureaucracy even in the developed world, leading to the familiar implementation deficits of top-down regulatory regimes. In addition, new demands on forests arose, many of which could only be accomplished at the cost of timber production. As a result, the new demands were systematically undervalued in many forest programs, which failed to deliver socially acceptable outcomes. Both program as well as implementation deficits are tackled with the same approach in the developed and developing world: power sharing by the state with civil society and regional or local networks.

The new forms of governance are characterized by different degrees of participation of the civil society at different spatial scales. At local and regional scales, decentralization and devolution to civil society and the private sector of forest management responsibilities and use rights, are major tools for improving forest resource governance, in terms of both social and environmental outcomes. This is the case especially in developing countries, where most of the forest production is for local consumption, and market based self-regulation instruments can be applied only in special cases. Preconditions necessary for success are that the mechanisms for decentralization and devolution be transparent, that sufficient attention be given to strengthening capacities at the decentralized levels simultaneously with handing over rights and responsibilities, and that institutions (whether local government, communities, NGOs, or combinations of these) be representative, accountable, and responsive to local needs.

The success of decentralized ownership and administration, however, also depends to a large degree on the development of supportive and complementary institutions and programmes at national and international levels. At the national level, governments have to be willing to accept the loss of centralized control that community or private sector empowerment implies, and find ways to replace the income previously derived from direct management of forest resources with indirect sources of income like effective taxation. The latter will be especially difficult in countries where income from forests never reached the state directly, but was channeled into the political system through corruption and patronage. Transparency and accountability at the national level will be enhanced by the development of national level criteria and indicators for SFM, and by engagement in NFPs with substantive rather than symbolic outputs. The international technical community can play an important role through supporting the development of C&I, and also through credible monitoring and reporting and the rapid diffusion of NFP best practice.

At the international level, support for decentralization and devolution also means providing the appropriate structure of financial incentives for practicing SFM at the local and regional levels. Certification is obviously a potentially important tool, especially well adapted to the management unit level. The creation of a significant market that offers premium prices for forest products from sustainably managed sources under a credible eco-labeling program would be a major step forward. We have argued that the existing developments in certification fall a long way short of this goal, and may never achieve it. Nonetheless, the emerging consensus around a common set of standards, caused by the intense competition between different certification programs and the parallel development of national level C&I systems, is encouraging. Not only will convergence answer the charges that certification is a form of disguised protectionism, but governments may step back into the picture and provide support for the kind of monitoring, reporting, and consumer education that would greatly im-
prove the effectiveness of pure NSMD certification. Again, international organizations, the international technical community, and international NGOs could usefully support these developments.

A common theme in the literature on globalization is that the related developments of a globalized world economy and the empowerment of civil society add up to the hollowing out of the state. Competencies that were once clearly wielded by the national state are now found at the local level, where local knowledge is superior, or at the international level, where there is a realistic prospect for mastering the impacts of the globalized economy. To some extent, the picture of forest governance we have presented, with its focus on decentralization underwritten by the international community, supports the conclusion of a hollow state and emphasizes the need to build local and international institutions to replace the older form of state management now rendered obsolete. However, even a most cursory glance at contemporary forest governance will show that states, while no longer so directly involved in forest management, are still prominent actors in forest governance. Rather than disappearing, states must perform new functions and acquire new competencies in a world where private and international governance capacities have become much more important than in the past.

Change in Forest Governance Will Vary

Understanding the new functions and competencies requires some simplifying of the complex, multi-level linkages that we have identified as the characteristics of contemporary forest governance. Our approach is based on the distinctions between industrialized and non-industrialized countries and between those with high and low forest cover (Figure 2). The resulting four categories are ideal types of problem sets that pose a common challenge for similarly situated actors, whether governments, the corporate sector, or civil society. Of course at this level of generality it is not possible or intended to predict the particular governance patterns that will emerge in different countries or regions, which will depend on a host of contextual factors not captured by these relatively simple distinctions. Nonetheless, we can sketch the governance challenges that each group of countries will face.

In industrialized countries with low forest cover, the protection and enhancement of remaining forest cover, in the face of the various threats it still faces, is an important priority, requiring careful coordination of policies on urban and rural development, recreation, and tourism and ecosystem restoration. There is ample opportunity for experimentation with different governance instruments and with the encouragement of local initiatives. However, the principal challenge for these countries arises from their role in the world economy as importers of forest products. How they will tackle this challenge – by support-certification, by closer bilateral links through programs and projects in the major timber exporting countries, by support for a new international regime based on a convention, or by a combination of all three – is unclear. However, leadership from this group, demonstrating that the world’s wealthiest citizens are prepared to make sacrifices to support the goals of SFM, is an essential precondition for demanding restraint in developing countries.

Industrialized countries with high remaining forest cover have similar challenges and responsibilities. The declining relative importance of forests and forest products in economies increasingly dominated by the service sector should make it easier for governments to remove the last trade-distorting subsidies from the forest sector and address the issues of regulatory capture in forest policy communities, where the health of the industry has become the goal of public policy. However, one of the paradoxes of the democratic political systems in these countries is that identifiable groups of voters, with an interest in rent-seeking at the expense of the larger public interest, are a magnet for vote seeking politicians, leading to a challenge to overcome the often tangled legacy of politics and policy in these countries. Where forest management and ownership are already highly decentralized, the strengthening of governance tools for pursuing a common purpose is more relevant than further decentralization. Most members of this group have in the past been proponents of a legally-binding convention, which could address their concern that reductions in their own production in the name of sustainability merely create opportunities for even less sustainable logging in other parts of the world. However, they must now address a well-founded suspicion on the part of other actors, especially NGOs, that any such convention would entrench a status quo in which this group of countries would be the major beneficiaries.

In both developing country groups, the governance challenges are obviously more profound and less likely to be resolved in the short term. Simply establishing workable policy networks, which we have carefully distinguished from the old government institutions, is a challenge in its own right. In these countries, governing institutions have often been weakly developed, and the observations of Zürn et al. (2000) seem most pertinent: agenda setting and policy formulation will increasingly take place outside the nation state, whereas the national political system will work as a form of territorial interest representation, which is accountable for the implementation of nationally formulated guidelines. If this is the case, the challenge is both to improve the representative character of “territorial interest representation” in these countries and to support their technical capacity to use the new instruments of information and monitoring, which will be the key components of any new guidelines. In the absence of more traditional representative institutions, decentralization and community empowerment are
critical elements of improving representativeness. In relation to the new instruments, the international technical community and NGOs are well placed to help realize the potential of monitoring and reporting as tools of international forest governance.

**Legitimation of New Governance Relations – an Urgent Problem**

It is easy to overstate the extent to which the old governance arrangements lived up to their own standards of democratic legitimacy even before the development of mature civil society institutions. Theorists of democracy have long criticized the idea that, together with the granting of a new mandate based on well-formed preferences for a particular policy platform and a clear causal understanding of the consequences of voting one way rather than another, periodic elections provide a retrospective judgment on the performance of a government. Nevertheless, citizens and theorists alike did at least share a common idea of democratic legitimacy, however imperfectly it was realized in practice. It may be true that policy networks, the kind that we have shown to be emerging rapidly in almost all aspects of international forest governance, begin with a considerable advantage in output legitimacy, even if only because of the perceived failure of the old governance arrangements. Nonetheless, providing a similar conception of input legitimacy, in which the practices of network governance are reconciled with contemporary demands for participation and the protection of rights, is an urgent task that goes far beyond the issues of international forest governance.

Forest governance, however, may provide some important clues about how to proceed. As we have emphasized throughout, the development of new governance institutions for the world’s forests has been less spontaneous and “self creating” process than the admirers of international civil society have sometimes assumed. At almost all times, successful new forest governance arrangements have emerged as the result of traditional national and international actors seizing the opportunity to work with the creative energy of new forces in civil society rather than impeding them. The result has been a distinctive pattern of new forest governance, in which old and new actors work side by side in new relationships, rather than one supplanting the other. Thus, the problem is not how to legitimate a new governance arrangement, but to determine the appropriate forms of coexistence between old and new governance, each with its own distinct sources of legitimacy. One indication of this is the popularity in recent policy sciences literature of concepts like “boundary spanners” and “policy brokers”, which are exploring new forms of coexistence between the old and new governance institutions (Papadopoulos 2003).

### 4.8 Epilogue

A precondition necessary for the coexistence of different governance forms is the acceptance of a frame for forest governance that is encompassing enough to provide some common purpose regarded as legitimate by all concerned. Sustainable forest management may ultimately provide such a frame, by raising the question of how to address what is perhaps the most important but also clearly the most demanding set of linkages between international, national, and local levels: the problem of social justice. While a full consideration of the issues would take us far away from forest governance, the fate of the world’s forests cannot be divorced from the facts of poverty, inequitable income distribution, and indebtedness. All three provide powerful motivations for short-term, unsustainable exploitation of forest resources to the detriment of SFM. We have noted some of the evolving linkages between poverty reduction programs and improved forest governance, and the interest of the international donor community in decentralized SFM. There is an urgent need to ensure that the underlying causes of the assault on the world’s forests are addressed before we find ourselves reduced to managing the symptoms of a terminal illness.

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