

**GLOBAL DEMOCRATIC CORPORATISM:
EARTH GOVERNANCE BEYOND STATES**

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Introduction

Our image of the global system shapes our assessment of the possibilities for meaningful action in fundamental ways. For much of the post-war period, the dominant image has been of a world divided into separate, formally equal, sovereign nation-states.¹ This image of the global system envisages politics as occurring within states because it is only there where the full range of social relations exists between individuals constituted as a *demos*. By contrast, international politics taken literally is an oxymoron, since the absence of a global *demos* means that individuals can only relate to each other in power terms, as bearers of their state's sovereignty and 'national interest'.

The lesson this image teaches is that those wanting to make a difference should enter government—either as politicians, bureaucrats, or technical advisors. Influence can only be exerted if one is part of the state apparatus. Those who envisage the world this way view market and civil society actors as epiphenomenon. Social and environmental activists in particular are regarded as, at best, well-meaning idealists. They are treated as naïve individuals who do not understand what power is, where it resides, or how to enlist it to secure desired objectives.

This statist image of the global system continues to be promoted in first-year IR courses, influencing a new generation of IR students to imagine the world as a realm of unsocialised unitary actors engaged in a Hobbesian struggle for power in a system characterised by anarchy, sovereignty and self-help.² These lessons are taught despite the fact that we now know a great deal more about the state than we did at the commencement of the post-war period³ and despite the fact that the process of

¹ See, for example, Henry Morgenthau, *Politics Among Nations: the Struggle for Power and Peace* (New York: Alfred Knopf, 1960); and Kenneth Waltz, *Theory of International Politics* (Reading, Mass.: Addison-Wesley 1979).

² Matters are somewhat different when introductory IR courses are taught by those influenced by Hedley Bull and the English School of IR theory. While the statist image dominates their understanding of the global system, they do not view states as completely unsocialised entities. Rather, the interstate system is minimally institutionalised via the conventions of sovereignty, diplomacy and the practice of *pacta sunt servanda*. See Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (New York: Columbia University Press 1977).

³ For neo-Gramscian analyses of the state in the global system, see Robert Cox, *Power, Production and World Order: Social Forces in the Making of History* (New York: Columbia University Press, 1987) and Steven Gill and Denis Law, *The Global Political Economy: Perspectives, Problems, Policies* (Baltimore: Johns Hopkins University Press 1988). For a more mainstream strategic account, see

globalization is deepening daily giving rise to direct, unmediated, individual market, social and cultural transactions across the globe facilitated by the new information and communications technologies. In forming friendships on Facebook and MySpace, playing virtual chess and scrabble, engaging in internet gambling, buying goods and services off E-Bay, engaging in internet dating, signing global petitions, and participating in the electoral politics of distant spaces, individuals are constructing new, more cosmopolitan identities.⁴ Neither our new knowledge about the state nor the new identities being formed in cyber-space are shaking mainstream IR's unshakeable faith in its image of the inter-state system.

It is evident that political significance of this globalising sphere of unmediated social, political, economic and cultural transactions has yet to be fully grasped. However, the shrinking of space and time and the creation of increasingly dense interpersonal global networks is opening up the possibility for the first time of large scale, simultaneous deliberation within virtual communities on a host of topics. It permits in a very real sense the formation of vertical sectoral 'polities' that complement conventional, horizontal, space-based polities and are beginning to compete with states for rule making authority in designated issue areas.⁵

This is a potentially radical and empowering opportunity.

It is one that an emerging global citizenry need to seize if it is to resolve the pressing challenges it is confronting as a consequence of the globalization process itself. The new image of the global system made possible as a consequence of the process of globalisation is of a more integrated and democratic world—one where spatially based 'horizontal polities' (states) share power in designated issue areas with sectoral polities 'vertical polities' (stewardship councils) founded and managed by global civil

Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games", *International Organization* 42, 3 (1988): 427-260.

⁴ David Held as been at the forefront of the analysis of cosmopolitanism. See David Held, *Democracy and the Global Order: From the Modern State to Cosmopolitan Governance* (Cambridge, UK: Polity Press 1995).

⁵ See, for example, B. Cashore, G. Auld, and D. Newsom. *Governing through Markets: Forest Certification and the Emergence of Non-State Authority* (New Haven, CT: Yale University Press 2004); and Volker Rittberger and Martin Nettesheim (eds), *Authority in the Global Political Economy* (New York: Palgrave Macmillan 2008).

society. The radical promise of this approach—which is redolent of Mitrany’s functionalism but does not depend on the ‘political will’ of states for its implementation⁶—is the promise of re-imbedding global production and consumption relations within their environmental, social and developmental limits.

In this paper, I outline an alternative image of the global system that highlights the formation of such vertical, ‘sectoral polities’ to complement existing horizontal territorial polities and compete with them for rule-making authority in designated issue areas may be possible. I do this by describing the most well-developed and impressive sectoral polity, the one presided over by the Forest Stewardship Council (FSC). I argue that we should conceive the FSC as far more than an international organisation, a ‘market based instrument’ (MBI) for sustainable forest management,⁷ a ‘non-state, market-based’ system (NSMB),⁸ or even a ‘transnational, rule-oriented system (TROS).⁹ I argue that the FSC is simultaneously constituting and being constituted by a nascent global, ecologically sustainable forestry polity composed of individuals operating within environmental, social and business networks who, despite their differences, are elaborating a common vision of how to envisage, implement and regulate ‘environmentally appropriate, socially beneficial and economically viable’ forestry. In particular, I highlight the unique governance arrangements within this emerging sectoral polity, which I term Global Democratic Corporatism.¹⁰ It is FSC’s unique governance arrangements that have enabled it to constitute a global, ecologically sustainable forestry polity distinguishing it in form and function from all other arrangements that share many of its objectives but few of its institutional features.

The paper is structured as follows. After this introduction, I outline an argument that explains the rise of new, global institutions such as the FSC as a consequence of four

⁶ David Mitrany, *A Working Peace System* (Royal Institute of International Affairs, London, 1943); see also, David Mitrany, *A Functional Theory of Politics*, edited by M. Robertson (London: LSE 1975).

⁷ For further information on MBIs, see Chris Tollefson, *The Wealth of Forests: Markets, Regulation and Sustainable Forestry* (Vancouver: UBC Press 1998).

⁸ Cashore et al, *Governing Through Markets*.

⁹ Errol Meidinger, “The administrative law of global private-public regulation: The case of forestry”, *European Journal of International Law* 17 (2006): 47-87.

¹⁰ A fully elaborated account can be found in Chris Tollefson, Fred Gale and David Haley, *Setting the Standard: Governance, Certification and the Forest Stewardship Council* (Vancouver: UBC Press 2008).

interacting phenomena: globalisation, governance, global civil society and functionalism. Following this theoretical overview, I show how these four elements combined to generate pressure for the formation of the Forest Stewardship Council in the early 1990s. To do this, I describe the lacklustre performance of inter-governmental forestry organisations through the 1980s, the failure to negotiate a global forest convention at the United Nations Conference on Environment and Development (UNCED), and the symbolic politics of the post-UNCED forestry institutions. Next, I outline how these intergovernmental failures of the 1980s and 1990s motivated a growing group of timber importers, environmentalists, forestry professionals and social activists to search for an alternative institution and describe the FSC's establishment, structure and development. In the conclusion, I examine the hostile response of states and the mainstream forest products industry to the FSC, offer several explanations as to the origins of this hostility, and speculate on whether the FSC is capable of becoming fully embedded in the global system as the ecological sustainable forestry polity of choice.

Global Civil Society and Institution Formation

Why are global civil society institutions being established *now*? I submit that it is the consequence of four interacting phenomena: globalization, governance, global civil society and functional agency. Globalization constitutes the context in which the other phenomena operate. While the literature on globalization is vast—and there are significant disputes between ‘hyper-globalizers’, ‘global sceptics’ and ‘global transformationalists’,¹¹ at bottom the term captures the idea that the world is shrinking in space and time and that distant events are of far greater significance to local communities. In the words of Held et al, globalization involves

a process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions—assessed in terms of the extensity, intensity, velocity and impact—generating transcontinental or interregional flows and networks of activity, interaction and the exercise of power.¹²

¹¹ The terminology comes from David Held, Anthony McGrew, David Goldblatt and Jonathan Perraton, *Global Transformations: Politics, Economics, Culture* (Cambridge: Polity Press 1999).

¹² Held et al, *Global Transformations*, 16.

A key feature of globalisation is that it is ‘decentering’ the state as the prime mover in national and global politics. This of course is not to say that the state is becoming insignificant or unimportant. However, the state is now required to share power with market and civil society actors in a process that has come to be called ‘governance’. Like ‘globalization’, the concept of governance is much debated in the literature.¹³ Interestingly, while much of the literature on governance maintains a key role for the state, an increasing number of authors have identified possibilities for non-state governance in the existence of public-private partnerships, private regimes and non-state, market-based governance systems.¹⁴ Nationally, governance has been popularised via the formation of ‘public-private partnerships’ often between business and governments. The former are keen to profit from neo-liberalisms downsizing and privatizing of state functions, while the latter are interested in relieving themselves of the costs of ‘rowing’ so they can focus on ‘steering’.¹⁵ Private international regimes, such as those presided over in the global financial system by bond agencies, regulate participants in the system by subjecting them to a rating system that can offer rewards and inflict punishments through the market. Likewise, NSMB governance systems attempt to enlist the potential market rewards of doing the right thing via certification and labelling.

In unleashing governance arrangements within and beyond the state, globalization has fostered the growth of national and, increasingly, global civil society organisations.¹⁶ At the state level, the need to cooperate with an increasingly large number of actors as state’s remove themselves from delivering a huge range of services has necessitated devolving responsibility to private social service agencies, educational institutions, environmental organisations and indigenous communities. As civil society has

¹³ For a useful overview of its diverse connotations in different disciplines, see Anne Kjaer, *Governance (Key Concepts)*. Cambridge: Polity Press 2004.

¹⁴ On private regimes, see A. Claire Cutler, Tony Porter and Virginia Haufler, *Private Authority and International Affairs* (Albany, NY: SUNY Press). On NSMBs, see Cashore et al, *Governing Through Markets*.

¹⁵ This terminology is borrowed from Gunningham et al, who popularised the concept of ‘smart regulation’ in which public-private partnerships played a key role. See Neil Gunningham, Peter Grabowsky and Darren Sinclair, *Smart Regulation: Designing Environmental Policy* (Oxford: Oxford University Press 1999).

¹⁶ For an early account of global civil society, see Martin Shaw, “Global civil society and global responsibility: The theoretical, historical and political limits of “international relations”, *Millennium* 23 (1992): 421-34. Recent accounts have focused on the role of transnational advocacy networks in the human rights, environmental and violence against women issue areas. See Margaret Keck and Kathryn Sikkink, *Activists Beyond Borders: Advocacy Networks in International Politics* (Ithaca, NY: Cornell University Press 1998).

developed within states, so have actors increasingly linked up globally to advocate for policies at the global level. Increasingly, global civil society actors are contesting the right of state and market leaders to decide on their own the shape of policy. While often viewed as filling the function of global ‘pressure groups’, civil society organisations are now establishing their own global institutions that by-pass states in the search for regulatory solutions to the increasingly pressing environmental, social and cultural problems consequent on the operation of globalising capitalism.

Much of the IR literature on institution formation in the interstate system presumes that this is the responsibility of nation states. In Mitrany’s original formulation, international organisations were formed by states by devolving responsibility to functional agencies in a variety of technical areas.¹⁷ Citizens, he argued, would come to value these global institutions for the work they performed and would gradually transfer their allegiance to them, enabling states to dispense with their own national operations. Later, via neo-functionalism, Ernst Haas applied the logic of functionalism to understanding the development of the European Union.¹⁸ In Haas’ conception of neo-functionalism, a special role existed for agents within the European Commission, who could push the process of integration forward utilising the logic of ‘spill-over’ in both its technical and political senses. Later, a ‘functional’ theory of international regimes was put forward by Robert Keohane that privileges state actors as those who identify the need for international institutions in a system characterised by increasing interdependence where states are sensitive and possible vulnerable to the actions of distant others.¹⁹

¹⁷ Although mostly concerned with states, Mitrany does note the possibility of the functional approach being applied to non-state actors. Hence he observes: “It is not only in the field of government and economics that the functional approach brings relief. In a noteworthy sermon which the Archbishop of Canterbury preached before the University of Cambridge in 1946, he boldly admitted that all schemes of unification between the English churches had failed because, as he insisted, they had tried a constitutional reunion, and he called for a different approach simply by the exchange of ministers and pulpits.” David Mitrany, “The functional approach to world organisation”, *International Affairs* 24, 3 (1948): 357.

¹⁸ Ernst Haas, *The Obsolescence of Regional Integration Theory* (Berkeley, CA: University of California Press, 1975).

¹⁹ In Keohane’s own words, “Two features of the international context are particularly important: world politics lacks authoritative governmental institutions, and is characterized by pervasive uncertainty. Within this setting, a major function of international regimes is to facilitate the making of mutually beneficial agreements among governments, so that the structural condition of anarchy does not lead to a complete “war of all against all”. See Robert Keohane, “The Demand for International Regimes”, *International Organization* 36, 2 (Spring 1982): 332.

But globalisation is not merely encouraging actors within states to consider their options and search for alternative arrangements. As a complex political, economic, technological and cultural process, globalisation is simultaneously shrinking space and time enabling previously distant and fragmented individuals to establish ongoing relationships and to establish virtual communities.²⁰ While face-to-face meetings have by no means been dispensed with, the gaps between meetings no longer constitute 'down time' and can be productively utilised to expand and deepen relationships and strengthen institutions. Because the technologies of globalisation are widely available, including in the capital cities of developing countries, the possibility exists for the first time of forming truly global institutions to tackle pressing environmental, social and developmental problems. Thus, although functionalism provides a partial explanation of how institutions come into being, we can jettison the prevailing assumption that the actors engaged in their formation represent state or regional bodies.

In the environmental arena, the rise of global civil society activism can be traced to the late 1960s when individuals concerned about the demise of whales, elephants, tigers and panda—in short 'charismatic megafauna'—began to attend international forums as observers in ever larger numbers. While not permitted to do more than make the occasional speech in plenary meetings at UN meetings, individuals participating at these meetings lobbied national delegations, published daily newsletters on progress, and coordinated their actions to achieve more effective outcomes. As environmental issues began to dominate the international agenda in the 1980s—notably with respect to the threat to the ozone layer—civil society actors redoubled their efforts to influence international organisations to adopt tough policies. They were extensively involved in several high-profile and largely successful negotiations during the decade. These included the securing of a moratorium on whaling at the International Whaling Commission from 1986 onwards,²¹ banning chlorofluorocarbons that damaged the ozone layer at the Vienna Convention (1985)

²⁰ For a range of views of the political, economic and cultural effects of globalization on national polities, see Yale H. Ferguson; Richard W. Mansbach; Robert A. Denemark; Hendrik Spruyt; Barry Buzan; Richard Little; Janice Gross Stein; Michael Mann, "What Is the Polity? A Roundtable", *International Studies Review* 2, 1 (Spring, 2000): 3-31.

²¹ See M.J. Peterson, "Whalers, cetologists, environmentalists and the international management of whaling", *International Organization* 46, 1 (1992): 147-186 for a detailed account of the global whaling regime.

and the Montreal Protocol (1987),²² and promoting the regulation of the trade in toxic waste that led to the negotiation of the Basle Convention (1992).²³

A key sector that occupied a great deal of the time of global civil society actors during this decade was tropical forestry. FAO had released the results of its first tropical forest assessment in 1982²⁴ and it had revealed very high levels of tropical deforestation around the world, notably in the Southeast Asia countries of Indonesia, Malaysia, Philippines and Thailand. In response, environmentalists encouraged states to redouble their efforts to establish the International Tropical Timber Organisation (ITTO) (see below) and in developing the Tropical Forestry Action Plan (TFAP). Towards the end of the decade, they were also extensively if informally involved in negotiations on a global forestry convention in the lead up to the United Nations Conference on Environment and Development (UNCED) in 1992. In contrast to their successes with whales, ozone and toxic waste, however, tropical forestry resisted the negotiation of substantive agreement of any kind. Moreover, it appeared that forestry might be more the rule than the exception when it came to negotiating international environmental agreements, as concerns loomed over climate change, fisheries depletion, unsustainable agriculture and water. There is little doubt that growing frustration with the lack of progress in the tropical forestry sector prompted a deep search for functional alternatives to existing institutions that might produce substantive binding commitments that would then be implemented on the ground.

To better understand why global civil society actors became increasingly frustrated with intergovernmentalism and why they were prompted to form their own global civil society institution, I turn now to a review of the history of intergovernmental negotiations in the forestry sector.

²² For accounts of negotiations to establish the Vienna Convention and the Montreal Protocol, see Richard Benedict, *Ozone Diplomacy: New Directions in Safeguarding the Planet* (Boston: Harvard University Press 1994); Karen Litfin, *Ozone Discourses: Science and Politics in Global Environmental Cooperation* (New York: Columbia University Press 1994).

²³ See Jennifer Clapp, "Africa, NGOs, and the International Toxic Waste Trade", *The Journal of Environment & Development* 3, 2 (1994): 17-46.

²⁴ FAO, *Tropical Forest Resources*. Rome: FAO, 1982.

Intergovernmental Failure and the Search for Alternatives

Of all the sectors under international negotiation in the 1980s, none has proved so resistant to reaching agreement as the forestry sector. There are numerous reasons for this. Firstly, forests embrace a huge range of mutually exclusive values. Historically, the economic value of forests has dominated, with governments and industry focused on the volume of timber that can be extracted from a primary natural forest during the initial harvest of old growth and later, after the ‘fall down’, from the sustained yield.²⁵ This ‘liquidation and conversion’ developmentalist approach to forests proved relatively unproblematic until the 1970s,²⁶ when increasingly ecologists began to point out that forests were more than trees—they were rich ecosystems where complex food webs and chains interacted in the production and maintenance of biodiversity.²⁷ As awareness grew of the ecological richness of forests, concern increased about ‘conventional’ approaches to forest management as well as the large-scale conversion projects that many states and businesses engaged in designed to replace forested land with plantation monocultures of one crop or another.

Early concern focused on tropical forests where, coincidentally, efforts were already underway through the United Nations Conference on Trade and Development (UNCTAD) to promote an international commodity agreement on tropical forests as part of its Integrated Program for Commodities (IPC).²⁸ This prompted environmentalists to push for the successful conclusion of these negotiations and the inclusion of a ‘conservationist’ objective within the agreement. Thus, brokered in 1983 and ratified at the insistence of environmental civil society organisations in 1985, the International Tropical Timber Organisation (ITTO) came into being.²⁹ ITTO itself

²⁵ For a detailed discussion of the ‘fall down’ effect, see M. Patricia Marchak, S. Aycocock and D. Hebert, *Falldown: Forest policy in British Columbia* (Vancouver: Ecotrust Canada 1999); for a discussion of the concept of sustained yield forest management see Lois Dellert, “Sustained yield: Why has it failed to achieve sustainability?”, in *The wealth of Forests: Markets, Regulation, and Sustainable Forestry* (Vancouver: UBC Press 1998): 255-77

²⁶ The terminology comes from Jeremy Wilson, *Talk and Log: Wilderness politics in British Columbia, 1965-96* (Vancouver, BC: UBC Press 1998).

²⁷ Herb Hammond, *Seeing the forest among the trees: The case for holistic forest use* (Vancouver: Polestar 1991); Chris Maser, *The Redesigned Forest* (San Pedro, CA: R. and E. Miles 1988).

²⁸ For an insiders account of the IPC, see Gamani Corea, *Taming Commodity Markets: The Integrated Programme and the Common Fund in UNCTAD* (Manchester: Manchester University Press 1992).

²⁹ For detailed accounts of the ITTO see David Humphreys, *Forest Politics: The Evolution of Cooperation* (London: Earthscan 1996); Fred Gale, *The Tropical Timber Trade Regime* (Basingstoke UK: Palgrave Macmillan 1998); and Marie-Claude Smouts, *Tropical Forests, International Jungle: The Underside of Global Ecopolitics* (New York: Palgrave Macmillan 2003). For an insiders views, see

was an atypical international institution due to the absence of a buffer stock and the presence of a conservation objective. Structurally, it was composed of two governmental coalitions: tropical timber producing countries, which were almost exclusively from developing countries; and tropical timber consuming countries, which were almost exclusively from developed countries. The ITTO met twice a year with one session held at its headquarters in Yokohama, Japan and the other overseas in a developing country. since 1985. While it remains in operation today, it was engaged by ECSOs most vigorously in the years between 1987 and 1992. For much of the 1980s, it was *the* forum for intergovernmental negotiations on tropical forests, despite the much longer establishment of its major rival, the Food and Agriculture Organisation of the United Nations.

Global civil society actors were instrumental in pushing states to ratify the International Tropical Timber Agreement to give birth to the ITTO in 1985 and they were welcomed to early meetings with open arms. A large number of ECSOs were given observer status and the twice-annual meetings of ITTO appeared full of activity and promise. Representatives of WWF, Friends of the Earth, International Institute for Environment and Development, National Wildlife Federation, Rainforest Information Centre, Rainforest Action Networks, Survival International, the World Conservation Union (IUCN), and many other environmental civil society organisations (ECSO) regularly attended these meetings.³⁰ Early on, Duncan Poore, a forester with extensive experience in the tropics and consulting with the London-based International Institute for Environment and Development (IIED), was hired by ITTO to carry out a review of sustainable forest management in tropical timber countries. Poore reported that less than 1 percent was being managed sustainably.³¹ Chris Elliott of WWF-International participated in the development of a set of guidelines for the sustainable management of natural tropical forests that included language around their environmental and social values;³² and Poore again participated in a ITTO Mission to Sarawak under the

Duncan Poore, *Changing Landscapes: The Development of the International Tropical Timber Organization and Its Influence on Tropical Forest Management* (London: Earthscan 2003).

³⁰ For details of attendance, see Gale, *The Tropical Timber Trade Regime*, Table 8.2, 132-133.

³¹ Duncan Poore, 'Natural forest management for sustainable timber production', Pre-Project Report 11/88 prepared for the International Tropical Timber Organization by the International Institute for Environment and Development (London: IIED 1988).

³² ITTO, *ITTO Guidelines for the Sustainable Management of Natural Tropical Forests*, ITTO Policy Development Series 1 (Yokohama, Japan: 1992), <http://www.itto.or.jp/live/PageDisplayHandler?pageId=201>

leadership of Lord Gasthorne Cranbrook, which promised to resolve problems of over-harvesting there while simultaneously addressing the concerns of the native Penan indigenous community.

Yet, the ITTO proved much better at identifying problems than at negotiating solutions to them. Despite having reported that only a tiny percentage of tropical forests was sustainably managed, little by way of concrete action could be agreed between the official parties on what to do about it. Even with regard to the guidelines for the sustainable management of tropical forests, states had reserved their right to determine whether, when and how to implement them. The final straw for environmentalists came when the Cranbrook's Mission to Sarawak issued its final report, which ECSOs viewed with dismay. Not only did they consider that it set the annual harvest far higher than could be ecologically justified, but also although it discussed the indigenous peoples issue it was unable to make substantive recommendations with respect to them. The NGO Statement to the plenary meeting where the Report had been presented stated:

This must be a day of shame for the ITTO. It is the culmination of a week of vacillation, compromise and lack of determination to tackle issues central to the organization's mandate... The resolution before the Council is unacceptable. It is limited to the weak responses proposed by the Sarawak and Malaysian governments. It fails to mention several key issues raised in the body of the report.³³

In short, by 1990, ECSOs were thoroughly disillusioned with the ITTO. Nor had matters progressed better elsewhere—in the Tropical Forestry Action Plan/Program (TFAP) or in the Preparatory Committees to UNCED to negotiate a global forest convention.

In 1985, with negotiations at ITTO stalled over the location of its headquarters and the appointment of its executive director, a US ECSO, the World Resources Institute, joined with the United Nations Development Program (UNDP) and the World Bank to implement the Tropical Forestry Action Plan. In 1987, and joined by FAO as lead implementation agency, TFAP aimed to tackle five priority areas: agroforestry and

³³ NGO Statement to the Final Plenary, Ninth Meeting of the International Tropical Timber Industry Council, Yokohama, 1989.

watershed management, protection of species, sustainable management, improved logging methods and research and education.³⁴ These objectives were to be achieved by providing substantial donor funding to developing tropical countries to prepare detailed plans on their forest management activities into the future. While WRI anticipated that plans would include setting aside substantial areas for conservation, investigating indigenous peoples' rights, reduced conversion of forest to agriculture and improved logging practices, in fact FAO accepted plans that endorsed business-as-usual forestry and that had the effect of speeding up the process of deforestation and forest degradation in the interests of national development. Following three negative reviews in 1990 on the program, WRI terminated its involvement and donor agencies backed off from funding commitments. Efforts were made, belatedly, to reformulate the program to meet critics' objections, but by then the damage had been done and the TFAP never recovered its status or regained ECSO support.

The final straw for global civil society actors with respect to international forestry negotiations were the failed efforts to negotiate a global forest convention in the run up to UNCED at Rio de Janeiro in 1992.³⁵ Four intergovernmental preparatory committee meetings (PrepComs) were held between 1990 and 1992 to draw up the text of a convention but early on it became clear that little of substance could be agreed. Those promoting the convention (notably the United States and the United Kingdom) encountered considerable hostility from other states (notably Brazil and Malaysia). The US was being pushed by its own ECSOs to negotiate a convention that would provide some level of guarantee that tropical forests would be protected—particularly the great expanse of Brazil's Amazonian basin. Forested countries, on the other hand, sought an agreement that would embed the sovereign right of states to manage their own forests, secure 'development' as the overriding principle for use, and obtain new and additional funding from developed countries for any actions taken. Ultimately all that could be agreed was a weak, non-binding voluntary agreement on a set of 'forest principles' which deeply disappointed ECSOs but met the requirements of heavily forested countries by preserving their sovereign right to development their forested estate as they saw fit.

³⁴ Smouts, *Tropical Forests, International Jungle*, 32.

³⁵ For a detailed history of UNCED and the post-UNCED forestry institutions, see David Humphreys, *Logjam: Deforestation and the Crisis of Global Governance* (London: Earthscan 2006).

It was this failure of intergovernmentalism to achieve meaningful agreements in the 1980s and early 1990s then that led ECSOs to search for and debate the merits of alternative approaches. Throughout the 1980s, various alternative approaches had been canvassed at the ITTO including boycotts, taxes, levies and certification and labelling. Boycotts were rejected by most actors as undesirable as they had the effect of devaluing timber products and the forest land on which they were grown, potentially giving rise to the perverse effect of forest conversion to other crops.³⁶ Import taxes were potentially discriminatory and, depending on how they were implemented, could be challenged under the General Agreement on Tariffs and Trade (GATT). Moreover, importing governments under the sway of neoliberalism were very reluctant to impose new taxes on industry—indeed, the focus was rather the opposite, on liberalisation and deregulation. Industry were not keen to implement a levy, which they felt was unnecessary on the one hand and administratively burdensome on the other. Nor were they at all keen on the idea of certification and labelling which, they pointed out, would require a complex system of tracking timber from the forest to the consumer, if purchasers were to be assured that they were in fact buying certified products. Yet, in one sense, industry—and the state governments that backed their position—protested too much. As ECSOs explored the issue of certification and labelling, they increasingly discovered a model that might in fact work. Armed with this notion—which was being partially implemented in practice by the early 1990s—ECSOs began a daring experiment: the establishment of a global forest certification organization, the Forest Stewardship Council.

Global Civil Society and the Establishment of the Forest Stewardship Council

FSC can justifiably claim to be the first genuinely global institution established by civil society actors. Its origins lie in several independent initiatives that merged in the early 1990s into a vision of an organisation that would certify sustainable forest management to a high standard and reward those operations that became certified with a certificate through which they could earn a price premium, expand market

³⁶ See, for example, the IUCN's World Conservation Strategy which notes that: "Blanket boycotts of tropical timber are likely to favour forest clearance for low-grade shifting cultivation, because they remove economic incentives to keep even modified forests". IUCN, *Caring for the Earth: A Strategy for Sustainable Living* (Gland, Switzerland: IUCN 1991): 133.

share and demonstrate corporate social responsibility.³⁷ The key milestones in its history include the ITTO's consultancies on 'incentives' for sustainable forest management, the Ecological Trading Company's (ITC) efforts to purchase sustainable timber products, the Rainforest Alliance and Scientific Certification System's decision to establish forest certification systems, and the Woodworkers Alliance for Rainforest Protection's (WARP) initiative to prevent a race to the bottom among such systems. These separate strands came together in the early 1990s in the establishment of an FSC Interim Steering Committee to progress the idea of a global certification organisation.

One important thread in the establishment of the FSC were discussions that occurred at the ITTO in the late 1980s as a consequence of a Friends of the Earth-UK's (FoE) efforts to have certification and labelling schemes considered. FoE-UK interested the British government in the idea and a pre-project proposal was drawn up and placed before the ITTO in October 1989. The idea was that ITTO would fund a consultancy "to devise a mechanism by which individual consignments of timber from sources eligible for consideration as 'sustainably managed' can be marked/labelled and documented in the producing region, enabling buyers in the consumer countries to identify and choose such timber".³⁸ The proposal was greeted with consternation by the tropical timber industry and governments of tropically forested countries. Several strong statements were made concerning the potential for certification and labelling schemes to act as barriers to trade and to unfairly discriminate against tropical timber in developed country markets.³⁹ Following the strident criticisms and objections of developing countries, the British government 'reformulated' the project proposal to focus on 'incentives' for sustainable forest management. The project was then

³⁷ This section builds on several accounts of FSC's formation including Chris Elliott, *Forest Certification: A Policy Perspective* (Bogor, Indonesia: Centre for International Forestry Research, CIFOR, 2000); Tim Synnott, "Some notes on the early years of FSC" (2005). FSC-IC. www.fsc.org/keepout/en/content_areas/45/2/files/Notes_on_the_early_years_of_FSC_by_Tim_Synnott.pdf; Benjamin Cashore, Fred Gale, Errol Meidinger and Deanna Newsom, *Confronting Sustainability: Forest Certification in Developing and Transitioning Countries* (New Haven, CT: Yale Faculty of Forestry and Environmental Studies Publication Series 2006); and Tollefson et al, *Setting the Standard*;

³⁸ ITTO, "Labelling systems for the promotion of sustainably produced tropical timber", Pre-Project Proposal PCM, PCF, PCI (V)/1 (Yokohama, Japan: ITTO, November 1989): 1.

³⁹ The official ITTO record for the meeting reports comments that included that "The ultimate output of the pre-project was a veiled attempt to install a system which was only an incentive to encourage the current campaign of boycott against the imports of tropical timber products unless they could be proved to be labelled as coming from sustainably managed tropical forests". See ITTO, *Draft report on the Seventh Session of the ITTC* (Yokohama, Japan: ITTO 1989): 54.

approved, the UK government agreed to fund it, and the Oxford Forest Institute (OFI) was commissioned to carry out the consultancy. The OFI consultants shared industry's doubts over certification and labelling's feasibility, however, and dismissed the idea as unworkable in a couple of paragraphs. Instead, they recommended that a levy be implemented by importing governments on tropical timber which could then be redirected back to improve forest management in the industry.⁴⁰

The UK government were unimpressed. A levy would be expensive and complicated to administer and there was little political will in Thatcher's Britain for such an initiative. Moreover, the Overseas Development Agency (ODA) which had commissioned the report was unimpressed with the summary dismissal of certification and labelling schemes without any detailed analysis. ODA officials decided to fund a further study on incentives for sustainable forest management, and requested the London Environmental Economics Centre (LEEC) to carry it out. LEEC reported in early 1993 that certification and labelling could make a modest contribution to improving forest management.⁴¹ However, the LEEC report was a mixed blessing for ECSOs because it also argued that a national scheme would be the most efficient process for implementing certification schemes. The problem with national schemes, however, as ECSOs clearly pointed out, was that they could promote a race to the bottom for forest management standards, with weak standards in some states forcing competitor states to lower their standards to maintain market share.

At approximately the same time as ITTO was considering certification and labelling, Herman Kwisthout, a bagpipe maker in England, was becoming increasingly concerned about the sustainability of the timber he was importing from tropical countries.⁴² Kwisthout's used high quality exotic hardwoods for his bagpipes but as an ethical consumer he also wanted to be sure that his purchases did not lead to tropical deforestation and biodiversity loss. His first instinct was to set up the Ecological Trading Company (ETC) to import 'sustainable' timber from developing

⁴⁰ Oxford Forestry Institute, *Pre-Project Report on Incentives in Producer and Consumer Countries to Promote Sustainable Development of Tropical Forests* (Yokohama, Japan: February 1991).

⁴¹ E. Barbier, J. Burgess, J. Bishop, B. Aylward and C. Bann, *The Economic Linkages between the International Trade in Tropical Timber and the Sustainable Management of Tropical Forests: Main Report to the International Tropical Timber Organization* (London: LEEC, March 1993).

⁴² For a complete account of Kwisthout's involvement in the establishment of FSC, see Cashore et al, *Governing Through Markets*.

countries. However, he quickly learned that the claims made by producers could not be verified in any straightforward way because there was no common standard, no tracking system, and no simple and appropriate labelling system to inform purchasers. Following this experience, he proposed the establishment of an International Forest Monitoring Agency (IFMA) to colleagues within the instrument making industry.

Kwisthout's proposal was discussed in 1990 at a meeting in California of the Woodworkers Alliance for Responsible Production (WARP). Like Kwisthout, WARP was composed of American producers of fine instruments and they too were increasingly concerned about the potential damage done by their importation of unsustainable tropical timber. Moreover, WARP was aware that two US-based companies were beginning already to certify timber products as coming from sustainably managed forests. The Rainforest Alliance's SmartWood program had been established in 1989 and in late 1990 was about to announce the certification of Perhum Perhutani's teak forests in Indonesia. Meanwhile Scientific Certification Systems based in Oakwood, California, also indicated that it would begin to certifying forests in the near future. The fear expressed by WARP members and those tracking certification's development was that in the absence of a single global standard, the newly established schemes would vary considerably in terms of standard, tracking processes and labelling requirements. Not only would this generate considerable confusion in the market—similar to that attending organic certification—but it could lead to race to the bottom in standards development defeating the schemes very purpose. At a second WARP meeting the following year, agreement was reached to establish an interim steering committee to progress Kwisthout's idea.

Between 1990 and 1992, several meetings of what became the FSC Interim Steering Committee were held. Early on, James Sullivan was hired as a consultant to work through the issues. It was recognised at the outset that, if the program was to be global, the involvement of a diversity of groups all around the world would be required. With funding from the Ford and Macarthur Foundations, consultations were held with business, environmental, social and indigenous peoples organisations in about a dozen countries including Australia, Canada, Brazil, Papua New Guinea, Sweden, UK and the US. Strong support was forthcoming, although each expressed concerns and sought to ensure that the newly established body would be responsive. By 1991, it had

been decided to call the nascent organisation the Forest Stewardship Council and, following extensive consultations through 1992 and 1993, the contours of the body were slowly worked out. Sullivan proposed that the organisation be established as a foundation as this would be cheaper and more manageable. He also drew up, in conjunction with an interim standards committee, a draft of the principles and criteria of sustainable forest management, drawing on the experience of WWF's Chris Elliott who had participated in the earlier ITTO efforts. Finally, an inaugural conference was held in Toronto, Canada in November 1993 to birth the organisation. After protracted and difficult negotiations that saw several ECSOs abstain from participating due to the presence of representative from the forest industry, agreement was reached on establishing the FSC and moving forward the idea of civil society certification and labelling.

Sullivan's original proposal to establish FSC as a foundation was overturned at the meeting. Three major compromises had to be made to satisfy those present. The first was the FSC was established as a global membership organisation, enabling any individual or organisation to join providing it shared FSC's vision of 'environmentally appropriate, socially beneficial and economically viable' forest management as set out in its draft Principles and Criteria. The second compromise was that members of the organisation were to be divided into constituency groups based on dominant interest. At the outset, membership divided into two chambers—an economic chamber and a combined environmental and social chamber. Later, the environmental and social chamber was split in two and today FSC is composed of three chambers representing economic, environmental and social interests, with each chamber having an equally weighted proportion of the total vote. The third major compromise was acceptance by economic chamber members of a minority say in the running of the FSC; only two of the 9 member board seats were available for economic interests, with environmental and social interests controlling the other seven. This arrangement was also altered after experience and today each chamber is equally represented on the board.

FSC's structure not only aimed to balance sectoral interests by placing them in economic, social and environmental constituencies but it also aimed to give equal power to interests along the North/South divide. Thus, members not only belong to a

sectoral chamber but also represent the geographic region they reside in. In effect, therefore, there are six FSC sub-chambers. Voting within each sub-chamber is equally weighted giving FSC members a formally equal voice in the development of standards, the elaboration of policy and in the operation of the organisation.

Another important decision taken by FSC at its founding meeting was to devolve responsibility for actually carrying out certification to profit and non-for-profit companies like SCS and SmartWood. The logic of the arrangement was that these companies were already in the certification 'business' and had built up programs to certify forest management operations. It was argued that the most efficient role for FSC was to accredit these certifying bodies, licensing them to certify operations on FSC's behalf to FSC's standard. One of FSC's first tasks, therefore, was to establish a set of criteria for accrediting certifying bodies. Today, over a dozen CBs accredited to FSC: in addition to SmartWood and the SCS, accredited companies include SGS Qualifor, BM Trada and the Soil Association Woodmark.

Global Democratic Corporatism

It is these unique features of the FSC system that warrant describing its institutional structures as a first ever instance of global democratic corporatism. To examine this novel institutional form, I will examine each term, building a case that nothing quite like the FSC exists elsewhere. Even in FSC's sister organisation, the Maritime Stewardship Council (MSC), departs from the FSC 'model' to a significant extent. To commence, FSC is self-evidently a global organisation. It was founded as such and between 1993 and 2003 it based its headquarters in Oaxaca, Mexico, demonstrating a symbolic if not entirely practical commitment to the global south. In 2003 the organisation relocated to Bonn, Germany to take advantage of German government largesse and to participate more fully in the rapidly expanding EU market for certified timber. The globality of FSC is evident in its founding decision to certify all types of forests—tropical, temperate and boreal—and all sizes of forest operations, small, medium and large. While FSC has had some difficulty implementing this mandate—small operators have found its system expensive to implement and it has had difficulty certifying forests in developing countries where resources, forest management expertise, and a range of other barriers exist—there are no barriers in principle limiting its application to any forest any where.

To meet its global mandate, the FSC has established regional and national working groups around the world. It is in these working groups that much of the on-the-ground work of the FSC occurs, notably in the setting of national and regional standards for forest management operations. For example, FSC-Canada was established in 1996 and has overseen the development of provincial standards in British Columbia, the Maritime provinces and the country's Boreal forests. In the United States, FSC-US promoted the development of standards in Pacific Coast, Rocky Mountains, Northeast, and Appalachia regions. Today, there are over 40 accredited FSC national initiatives around the world engaged in translating FSC-International's evolving standard of 10 Principles and 56 Criteria into national and regional standards in their respective jurisdictions.⁴³

That FSC is a global organisation is not especially controversial. A much more debatable claim is that its organisational structure is democratic. In an extensive review of FSC, Tollefson et al demonstrate how its various internal structures simulate the core structures of modern liberal democracies.⁴⁴ Although democracy is an essentially contested concept, a simple popular definition is 'government by the people and for the people'. Liberal democracies secure such government by adopting a number of basic principles of which four are key: a constitution, an enfranchised citizenry, elections, and the separation of powers. FSC's institutions are comparable in some respects to each of these features of liberal democracy as the comparison below demonstrates.

FSC was constituted by civil society for civil society. Participation at its founding meeting was broad and included individuals from environmental, social, economic and indigenous peoples groups from developed and developing countries. At its foundation meeting, existing FSC members voted in its constitution; and subsequent amendments to FSC's basic documents are likewise subject to the equivalent of a

⁴³ FSC, "National Initiatives", January 2008, http://www.fsc.org/keepout/en/content_areas/33/1/files/5_1_2_2008_01_22_FSC_National_Initiatives.pdf. FSC uses a somewhat complicated terminology that distinguishes several different types of 'national initiative'. These can range from a simple contact person—an individual appointed by FSC International to act as a convenor of meetings and focal point for activity in a country—to full fledged national working groups that take responsibility for the development of national and regional standards, often with paid staff based in a national secretariat.

⁴⁴ Tollefson et al, *Setting the Standard*.

referendum. The constitution obliges FSC to host regular meetings of its General Assembly at least every three years, with a 9-member Board similar to a governmental executive elected from the members to oversee the operation of the organisation between General Assembly meetings.

In another parallel with liberal democracies, all members of FSC are entitled to attend and vote at FSC General Assembly, to participate in votes for the officers of the organisation, and to nominate themselves and others to stand for election. Elections are not, however, based on a 'one-person, one-vote' system because FSC permits both individual and corporate members to join, some of whom are extremely large companies such as Domtar and Mondi from the economic chamber and WWF and Greenpeace from the environmental chamber. Given its hybrid membership, a one-person, one-vote arrangement could seriously compromise the organisation and lead to the equivalent of branch stacking at the level of individual electorates. Currently, therefore, individual members of the FSC are limited to constituting no more than 10% of the total vote in any chamber. This constitutional principle would have to be revisited should FSC suddenly experience a vast influx of individual members. At present, however, this seems unlikely to happen.

In addition to a set of parallel constitutional principles, membership and voting provisions, FSC also attempts to engage to some extent in a separation of powers via the establishment of a Dispute Resolution and Accreditation Appeals Committee (DRAAC). The purpose of the DRAAC is to hear complaints from members concerning any aspect of the FSC's operation, including especially disputed certifications by certifying bodies. While the DRAAC system is only partially separated from key FSC institutions—ultimately the Secretariat, Board and General Assembly are viewed as having a role, its arrangements are nonetheless more robust than competitor schemes.

In short, a good case can be made that FSC is accountable, transparent, balanced and open to the diverse interests that make up its 'citizenry'. Members have several avenues through which they can make their views known to other members, to their chamber, to the Secretariat and to the General Assembly. While the FSC is far from an 'ideal' democratic system, the same can be said of many of the national democratic

systems operating today. The fact that practices do not conform entirely to constitutional principles—witness branch stacking, mal-apportionment, gerrymandering, interference in judicial appointments, and vote buying—does not invalidate the general claim that democratic governments are, in the final analysis, accountable to the electorate for their actions.

Of all the terms used to describe FSC, ‘corporatism’ requires the most explanation. In the West, corporatism is a pejorative term, taken as signalling how the interests of a small subset of privileged groups dominate those of the wider community. Thus, pluralists celebrate broad-based interest group competition within ‘polyarchies’ on the basis that no single group is sufficiently powerful to permanently secure its interests.⁴⁵ The problem with the pluralist image—as pluralists like Robert Dahl and Charles Lindblom came to appreciate—is that interest groups are not equal and some are able to dominate the policy agenda on a permanent basis. In Lindblom’s formulation, the market acts as a ‘prison’, forcing the state to consider the ‘privileged position of business’ in policy making.⁴⁶ The problem with pluralist-style, stakeholder-based interest mediation processes—such as those used to develop national standards in many countries—is that they grant rule-making power to dominant social forces at the expense of other interests. They are often narrowly majoritarian in nature and as such cannot reflect a broad-based consensus on what is required in a specific set of circumstances. FSC’s solution to the imbalance evident in much national and international standard making is to create six equally weighted sub-chambers based on dominant interests and global location. Solutions emerge from a ‘double deliberation’: those that occur within subchambers and those that occur across sub-chambers.

FSC’s corporatist interest mediation arrangements promote a high level of intra- and inter-group deliberation. In practice, chamber-based coalitions must first deliberate on their group’s ‘bottom-line’ and then seek to build inter-group alliances so that the final decision reflects their preferences. In this corporatist interest intermediation arrangement, no single interest can dominate. The danger with the FSC process, of

⁴⁵ The term was coined by Robert Dahl. See Robert Dahl, *Who Governs?* (New Haven, CT: Yale University Press 1961) and Robert Dahl, *Polyarchy: Participation and Opposition* (New Haven, CT: Yale University Press, 1971).

⁴⁶ Charles Lindblom, “The market as prison”, *Journal of Politics* 44 (1982): 324-36.

course, is that deadlock can result. Majoritarian decision rules break this deadlock but at a heavy cost. Given the over-weening dominance of ‘developmentalist’ interests within modern capitalist polities, majoritarianism is a system that marginalises environmental, social and indigenous peoples interests. Evidence is accumulating too that majoritarianism is resulting in seriously sub-optimal outcomes for capitalism itself. FSC provides an alternative, corporatist interest intermediation system that, so far, has resisted deadlock and generated high-quality policy outcomes both on paper and on the ground.

Conclusion

In this paper, I have argued that FSC is constituting a new global forest polity that competes with states for rule making authority in the forestry issue area. This is a controversial claim but it opens up enormous potential for thinking constructively about possibilities for future global governance. Since the Peace of Westphalia in 1648, analysts have been fascinated by the operation of the international system of states. But the problems of religious freedom and primitive territorial war that Westphalia was established to solve pale in comparison to those we need to solve today. Hence, it is imperative that states begin to share rule making authority with sectoral policies that are specifically built around the objectives of economic viability, ecological sustainability and social equity. FSC offers a practical model whereby those who care about a particular sectoral area—in this case forestry—can involve themselves in the rule making arrangements to determine what practices are necessary to achieve “environmentally appropriate, socially beneficial and economically viable” forest management.

FSC’s is an open-ended polity. It is not enclosed in a territory and it does not presume a *demos* in the normal sense of that term—i.e., a group tied by bonds of blood, language, culture and/or religion. Rather, what binds this emerging global forest polity together is a passionate commitment to economically efficient, ecological sustainable and socially just forest management. This does not mean that individuals abandon their nationality and cease to be Australians, Canadians, Americans, or Brazilians. Rather, what it involves is a rethinking of the tasks of the state in a globalising world. From Westphalia forward, the state became a totalising entity—responsible for policy making in a huge range of sectors, reaching its apotheosis in the

post-war welfare state based on Keynesian counter-cyclical demand-management policies. Since 1985, the state has been in a partial retreat—but only with regard to a limited range of mainly economic functions. Thus, it has ceded power of interest rates to independent central banks, and has bound itself to eliminate tariffs and non-tariff barriers through the Uruguay Round of GATT negotiations.

Curiously, however, the state has yet to let go of rule making authority in many other areas that are also rapidly becoming globalized. One such area is standard making which is still perceived to be an important national activity tied to competitive advantage and free trade. Yet, state's could save themselves substantial amounts of money if they devolved rule-making authority to global agencies such as the FSC. A huge volume of current activity occurring in countries like Australia, Canada and the United States involves developing forest regulations, monitoring their implementation, enforcing codes of practices, hearing appeals, and so forth. At the stroke of a pen, the vast number of government officials that benefit from this bureaucratic approach to forest management could be dispensed with. Instead, the state could offer substantial incentives to forest companies to become FSC certified—and then leave the system for recertification in its hands. Of course, the possibilities do not end with forestry. In fact, there are a huge number of areas where sectoral polities could be established at the global level. Fisheries, mining, tourism, coffee, sugar, cotton, tea... the list of products appears almost endless. Luckily, one does not have to wait for states to take the lead either. Which explains why there are already several initiatives in the offing in these and other sectors. Sadly, however, to date none of these new initiatives appears to replicate the FSC structure. Perhaps that is because there is something unique with the forest sector? Or perhaps it reflects a failure to recognise exactly what FSC is and what it has been doing this past 15 years.