Differences in effectiveness of forest certification between the global North and South, a problem of inclusiveness?

A comparative case study between the FSC in Sweden and the FSC in Bolivia

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List of Abbreviations

CAR	corrective action request
CFB	Cámara Forestal de Bolivia (Bolivian Forestry Chamber)
CFO	community forestry operation
CFV	Consejo Boliviano para la Certificación Forestal Voluntaria (Bolivian Council for Voluntary Forest Certification)
CIMAR	Centro de Investigación y Manejo de Recursos Naturales (Centre for Research and Natural Resources)
ENGO	environmental non-governmental organization
FSC	Forest Stewardship Council
NGO	non-governmental organization
PEFC	Programme for the Endorsement of Forest Certification
SLIMF	small or low-intensity managed forest
SSNC	Swedish Society for Nature Conservation
USAID	United States Agency for International Development
WWF	World Wide Fund for Nature

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1. Introduction

Tropical deforestation is one of the many global environmental problems that we are facing today. If the current rate of deforestation continues, tropical rainforests will completely disappear within the next hundred years. Protecting tropical forests is important as they are home to a large diversity of animals and plants and deforestation is greatly endangering these habitats. Since 1970, we have already lost around 60 per cent of animal population (Carrington, 2018). Additionally, deforestation has a great impact on climate change as it influences the amounts of greenhouse gases in the atmosphere in two ways (Houghton, 2005). First, trees play an important role in absorbing the greenhouse gases from the atmosphere that impact global warming, and second, when these trees are cut down, they release the carbon that they have been storing back into the atmosphere. Fewer forests thus mean larger amounts of greenhouse gases in the atmosphere which accelerates global warming.

Currently, 11 per cent of the world's tropical forests are protected through some type of legal reserve, for example by protected areas (McGinley & Cubbage, 2011). However, the other 89 per cent of tropical forests are managed for timber and non-timber forest products and services. Sustainable forest management is needed in order to better protect the forests that we have left. After the 1992 Rio de Janeiro Earth Summit's failure where governments were unable to agree on an internationally binding forest convention, private initiatives started to evolve. One of these initiatives was the creation of the Forest Stewardship Council (FSC), a global environmental governance scheme that promotes sustainable forest management through voluntary forest certification. The founders included representatives from the timber industry and various civil society organisations, such as the World Wide Fund for Nature (WWF), and the Founding Assembly held in 1993 included 130 participants from 26 countries (Dingwerth, 2007). The FSC is arguably the first full-fledged, globally focused environmental governance system and the leading organization within the forestry sector (Bernstein & Cashore, 2008). Even though the FSC has experienced impressive growth in the number of certifications over the past two decades, they are still receiving a fair amount of critique. This is evident from Greenpeace's decision last year not to renew its membership, while it was one of the founders of the FSC at the time (Greenpeace International, 2018). Greenpeace's main arguments were that the FSC is not transparent enough and that it is failing to achieve its

most important and initial goal, to protect tropical forests. The FSC too has acknowledged that more emphasis should be placed on protecting tropical forests. While they have been successful in certifying many temporal and boreal forests, only less than 5 per cent of all certified forests worldwide are found in the tropics (McGinley & Cubbage, 2011).

A more general critique on private global environmental governance systems is their use of the market as a tool for promoting environmentally friendly behaviour (Taylor P. , 2005). While some argue that the optimization of value chains is an important approach to promote sustainable development (von Geibler, 2013), others argue that by using the market, private forms of environmental governance will never escape the unequal power relations established by our capitalist world economy (Bitzer & Glasbergen, 2015). Although the FSC tries to overcome this by balancing power among different stakeholders by using multi-level decision-making and ''democratizing'' the organizational structure, some argue that forest certification still favours large-scale industrial and state-owned temperate and boreal forests (Durst, McKenzie, Brown, & Appanah, 2006).

Previous research on the legitimacy and effectiveness of private global environmental governance systems has compared different sectors, schemes, developed or developing countries, but not many studies have compared a non-tropical country in the global North to a tropical country in the global South. Also, most research has either focused on organizational legitimacy or on outcome effectiveness (Ebeling & Yasué, 2009) (Auld, Gulbrandsen, & McDermott, 2008) (Beisheim & Dingwerth, 2008) (Elgert, 2012), but not on the relation between the two. For these reasons, this thesis will address the following research question: Can the differences in effectiveness of forest certification in the global North and the global South be explained by differences in inclusiveness? A comparative analysis of two case studies, the FSC in Sweden and the FSC in Bolivia, will be the core of this thesis.

The first section will review the relevant literature on forest certification and will first look at the broader more general critique on private global environmental governance systems. Then it will address the notion of effectiveness and how the geographical difference in effectiveness has been explained in the literature so far. It will then discuss the importance of input legitimacy. Lastly, it will look at the relation between input and output legitimacy. The second section of this thesis explains the methodology used to answer the research question, after which the third and fourth sections put forth

the two case studies. The fifth section will provide a comparative analysis of the case studies. The sixth and last section provides a general conclusion and suggestions for further research in the last section.

2. Literature review

2.1 Critique on private global environmental governance systems

A well-known feature of the capitalist world economy we live in today are the existing asymmetric power relations. Critical perspectives explain the world economy through its social relations and have shown how market-based mechanisms reflect social influences and how they are politically embedded (Elgert, 2012). Economic instruments are shaped by the values, interests and ideologies of those who are promoting and implementing them (Elgert, 2012). Because of this, some scholars have argued that instead of providing opportunities for democratization and facilitating civic participation, private environmental governance systems are rather new arenas for the expansion of corporate influence and the private capture of regulatory power (Moog, Spicer, & Böhm, 2015). They are faced with a challenge to be ''in the market but not of it'', meaning that they should pursue goals of social justice and environmental sustainability without being captured by the market's conventional logic, practices and dominant actors (Taylor P. , 2005). In line with this reasoning, sceptics of globalization argue that effective environmental regulation is structurally difficult to attain within the framework of global capitalism (Sonnenfeld & Mol, 2002).

The initial idea that private environmental governance systems could bring together actors from different sectors so that these business-NGO partnerships would be able to overcome the unequal power relations and be inclusive of all interests is now contested (Bitzer & Glasbergen, 2015). Even though these private environmental governance systems tried to formally include all relevant stakeholders, their internal governance and organization trajectories are still shaped by social and political relations, and powerful agendas are often imposed on the less powerful actors in negotiations and decision making (Elgert, 2012). Also, because these systems originate from developed countries, most organizations are headquartered in industrialized countries, and most donated funds stem from Northern organizations, many have argued that these private

environmental governance systems tend to be more accountable to Northern audiences (Biermann, 2014).

In addition, private environmental governance systems lack of equity, and thus there is dominance of economic over environmental interests, of the global North over the global South and of large-scale over small-scale producers (McDermott, 2013). In many sectors, the majority of power lies in the hands of actors based in consuming countries in the industrialized North and thus the less powerful are held hostage to the demands of international buyers or consumers, needing to conform to standards which they had no input in creating (Elgert, 2012). On top of that, the costs of implementing these environmental standards appear to have fallen largely on the producers, but not on the more powerful retail and consumption actors in the global value chains (Bloomfield, 2012). Standards seem to strengthen the position of large-scale producers and business and reinforce structural effects, particularly in a North-South context (Kalfagianni & Pattberg, 2013).

At the same time, some authors have been more positive and hopeful about private environmental governance systems. The transformationalist perspective on globalization for example, while acknowledging the negative consequences of globalization and especially global capitalism, simultaneously observes capitalism's ability to overcome internal contradictions and to produce positive change (Sonnenfeld & Mol, 2002). Others have argued that certification has fostered better dialogue between different actors in forest governance and greater transparency in the supply chain (Tricallotis, Gunningham, & Kanowski, 2018).

Yet, as was introduced earlier, the FSC has received fierce criticism which reflects the broader critique on private environmental governance systems as described above. Scholars question whether the FSC can represent an effective ''push-back'' against the unsustainable capitalism associated with neoliberalization (Klooster, 2010). Also, the dominance of economic and northern groups in the membership may have influenced FSC's policies and standards (Pinto & McDermott, 2013). On top of that, FSC certification is seen by some as an obstacle to market access for tropical woods and thus as reinforcing the structural North-South effects (Dingwerth, 2007).

Forest certification has been more successful in the global North than in the global South and this analysis has shown that unequal power relations could be a possible explanation for this. How these systems emerge and gain legitimacy should be of critical

importance when studying whether the current trajectory of global capitalism can facilitate, rather than hinder, efforts to ameliorate pressing global social and environmental problems (Bernstein & Cashore, 2008). However, there might also be other reasons for this geographical difference in effectiveness. The next section will therefore explore the effectiveness of private environmental governance systems

2.2 Effectiveness

Asymmetric power relations could possibly be an explanation for why forest certification has been more successful in the global North than in the global South. Before looking at other possible reasons for this geographical difference, it is important to assess previous research on effectiveness of forest certification and to look at the multiple ways in which effectiveness can be measured. The area of forests certified in a country or by a particular scheme is a common measure of effectiveness (Auld, Gulbrandsen, & McDermott, 2008). Effectiveness can also be assessed by the number and diversity of participating firms (Espach, 2006) or by the certification uptake over a period of time (van der Loos, Kalfagianni, & Biermann, 2018). Other indicators such as stringency of standards or the degree of participation by key stakeholders are also used to evaluate effectiveness (Schlyter, Stjernquist, & Bäckstrand, 2009). Studying certifier's audit reports and corrective action requests (CARs) is also a way to assess the effectiveness of forest certification by studying modifications of on-the-ground practices that can alleviate or reverse socioeconomic harm and environmental deterioration resulting from forestry (Auld, Gulbrandsen, & McDermott, 2008). More generally, effectiveness of forest certification implies that large areas of forests are influenced, either directly or indirectly through for example spill-over or unintended effects (Nebel, Quevedo, Jacobsen, & Helles, 2005).

The success of forest certification in the global North compared to the global South is clear from the difference in effectiveness in terms of areas of forests certified. Around 92 per cent of certified forest area is found in the Northern hemisphere and only 2 per cent is found in the tropics (Espinoza & Dockry, 2014). There is an extensive body of research aimed at finding possible explanations for this geographical difference in effectiveness. The main reason put forward by most authors is that the costs of compliance are too high for tropical forest owners in developing countries (Carlsen,

Hansen, & Lund, 2012) (McGinley & Cubbage, 2011). Others have argued that forest certification is expected to be more successful in countries where governments enforce forestry laws that narrow the gap between public regulation and certification standards (Ebeling & Yasué, 2009). On top of that, forest certification is more likely to be successful in countries where governments provide public policies that create higher incentives for forest owners to seek certification (Rafael, Fonseca, & Jacovine, 2018). Many countries in the global South lack these forestry laws or the enforcement of them, as well as public policies that create financial incentives. This could potentially explain why forest certification has been less successful in this region.

It has also been argued that little knowledge about the specificities and requirements of getting certified could be a reason why actors think the costs of complying are too high (Carlsen, Hansen, & Lund, 2012), or that the long documents are intimidating and the complex language creates barriers for small forest enterprises, forest owners, and managers with little education (Nussbaum, Garforth, Scrase, & Wenban-Smith, 2000). Other explanations for forest certification being less successful in the global South are fragmented and disputed land tenure (Dingwerth, 2007), failure to take into account the local land-use context (McGinley & Cubbage, 2011), different levels of advocacy by transnational organizations and different demand levels in export markets (Espach, 2006). Some have also argued that the market benefits are not high or not convincing enough for actors in developing countries to apply for certification (Gulbrandsen, 2004). Finally, another potential explanation is that countries in the Global South have lost their voices in the development process as these forest certification schemes were initially developed in industrialized countries and developing countries have been less involved in the whole process (Clapp, 1988). This final argument is related to the notions of inclusiveness and representation, both of which are conditions for input legitimacy. The importance of input legitimacy and what it involves will be analysed in the following section.

2.3 Input legitimacy

The previous section looked at the notion of effectiveness and possible ways to measure and analyse it. Effectiveness can also be described as output legitimacy. Output legitimacy revolves around the ''problem solving capacity'' of a governance system (Bäckstrand,

2006). Output legitimacy thus concerns the actual results of forest certification (Johansson, 2013).

Besides output legitimacy, many authors have also stressed the importance of input legitimacy which calls attention to the procedural legitimacy of certification systems. This concerns inputs such as transparency, inclusiveness, accountability and representation of relevant stakeholders. Concerning the legitimacy of forest certification organizations, broad stakeholder participation in the development of certification standards and protocols is very important (Elgert, 2012). Engagement has been put forward as an important input and means that in the development of standards, standard-setters should engage a representative and balanced group of stakeholders in the process (ISEAL Alliance, 2014).

Many authors have put specific emphasis on the importance of representation or inclusiveness as a feature of input legitimacy. A participatory process balancing interests of different stakeholder groups is seen as a basic condition for the legitimacy of a standard. It should enhance the democratization of global environmental governance which in turn reinforces the legitimacy of forest certification systems (Bernstein & Cashore, 2007). More participatory and inclusive mechanisms play a crucial role in ''good governance'' (Utting, 2002). In forest certification, participation in discussion and actions have been identified as markers of institutional trust, especially from smaller communities (Tulaeva, 2013). On top of that, research has shown that when actors have real access and opportunities to participate in the decision-making process over a common resource, they can be very effective stewards of those resources (Taylor, 2005). Particularly for standards to work in developing countries, effective participation of producers in key decisions over standard-setting and monitoring procedures should be ensured (Giovannucci & Ponte, 2005). More generally, including civil society actors in the process can improve support and awareness for policies and enhance the legitimacy of decisions taken (Beisheim & Dingwerth, 2008). Certainly, to achieve deep transformations, engagement of all stakeholder groups is needed at every step of the process (Poynton, 2015). If stakeholders lose the feeling that they can influence decision-making or feel a lack of ownership, this can cause them to lose support for a certain certification scheme, or contribute to the proliferation of competing forest certification schemes (Beisheim & Dingwerth, 2008).

As was argued earlier, fair and equal representation could overcome unequal power relations which influences a system's effectiveness. It thus seems that input legitimacy with respect to representation and inclusiveness, and output legitimacy meaning effectiveness, are somewhat related to each other. The next section will further discuss this.

2.3.1 Relationship input and output legitimacy

Even if one assumes that input and output legitimacy are related, views differ on whether this relationship is positive or negative. Some argue that within this relationship, one could compensate the other: higher levels of output legitimacy in terms of effective problem-solving capacity can compensate for lower levels of input legitimacy (Bäckstrand, 2006). Vice versa, lacking effective regulatory capacity prompts the need for higher levels of input legitimacy in terms of transparent and accountable decision-making process with equal and broad representation of all stakeholders (Bäckstrand, 2006). However, others argue that effectiveness and legitimacy are ''two sides of the same coin and mutually reinforcing'' one another (von Geibler, 2013). In other words, higher procedural legitimacy of certification systems enhances the prospects of success. Global private environmental governance systems could achieve their goals if they ensure an inclusive decision-making process (Park, Conca, & Finger, 2008). This potential positive relationship between input and output legitimacy would then be influenced by inclusiveness, but more research is needed.

The causal link in this relationship has by some been labelled by some as ''ownership through participation'' (Beisheim & Dingwerth, 2008). ''Ownership'' refers to the level of identification that stakeholders have with a certain project that concerns them and a feeling of ''ownership'' has both an emotional and a rational component. Emotionally, stakeholders engaged in a certain project could grow attached to it; rationally, direct involvement increases expectations to be able to include and defend one's own interests in the decision-making process (Beisheim & Dingwerth, 2008). Inclusiveness, here understood as the equal representation of all relevant stakeholders in the standard development and operation process (Gulbrandsen, 2005b), could simultaneously help to overcome unequal power relations and positively influence effectiveness. Not many have

explored this relationship, and this clearly shows a gap in the literature. How this thesis will address this problem will now be described in the methodology section.

3. Methodology

3.1 Main research question

Even though forest certification was initially created in order to protect tropical forests, research has shown that these systems have not been effective at certifying tropical forests in the global South compared to boreal and temperate forests in the global North. Tropical forests are vital for our planet's health and it is thus important to study this difference and analyse the possible causes. This thesis intends to find new insights by investigating whether the difference in effectiveness can be explained by differences in inclusiveness. In order to answer the research question, this thesis will compare two cases that have both been described as successful examples of forest certification: the FSC in Sweden and the FSC in Bolivia. By comparing a tropical to a non-tropical country, which has hardly been done before, this thesis will contribute to broader area of literature concerned with the emergence, evolution and effectiveness of forest certification within the field of environmental governance. These two cases are especially interesting because both are described as successful, yet still have a huge difference in effectiveness in terms of percentage of total forest area being certified. Studying this difference and analysing the underlying causes is imperative to better understand why forest certification has been more effective in the global North than in the global South.

3.2 Research design

This thesis will use a multiple case study design since this allows for both analysing within and across the two cases, and exploring the similarities and differences between them (Baxter & Jack, 2008). Findings flowing from this type of study are considered to be robust and reliable (Baxter & Jack, 2008) and have potential to advance theory development and generate new hypotheses (Johansson, 2013). Before comparing the two cases, each case will be analysed individually using discourse analysis and data from secondary sources that have used a case study design. Here, the analysis will look at how the FSC has emerged

and developed in that specific country, and focus on finding evidence for differences in inclusiveness.

Yet, while a single case study might contain more intriguing stories, a comparison between multiple case studies is arguably better for making generalizations and producing theory. The type of comparative case study in this thesis is exploratory, as the outcome and direction of the relationship between inclusiveness and effectiveness in forest certification remains to be uncovered.

3.3 Case selection

As this thesis aims to contribute to a better understanding of why forest certification has been more successful in the global North than South, a case from each region was chosen. Sweden was elected because it is arguably a successful case in the global North, and Bolivia because it has been described as a successful case in the global South. The choices are also motivated by some other reasons. First of all, both cases have a relatively long history of certification. Second, both cases saw strong state support for certification, as well as advanced forest legislation compatible with certification requirements. Third, both forest industries are dependent on foreign exports, and finally, Europe is an important export market for both countries.

3.4 Limitations and prospects

Comparing the two case studies described will contribute to existing literature on forest certification, by examining the as of yet unexplored relation between inclusiveness and effectiveness, and its potential role in explaining differences between the global North and South. While this thesis aims to provide new insights, there are a number of limitations that should be taken into account when interpreting its findings. Firstly, due to the limited time frame it was not possible to do any field work. The work therefore only draws on observations from other scholars' research. Another limitation was that the scope of used research was limited to sources written in English, due to a lack of experience working with sources written in the Spanish or Swedish language. It is also important to stress that this thesis does not intend to discuss the matter of whether effectiveness in terms of certified area also implicates effectiveness in terms of protecting forests or halting

deforestation – that is beyond the scope of this research. Rather, the thesis focuses on comparing forest certification in the global North to the global South, and in so doing will serve as a basis for future research.

4. Case study Sweden

4.1 Historical context

In Sweden, more than half of the country is covered with forests which means that it has a total of 28 million hectares of forest land (FAO, 2016). Sweden is the largest forest country in Europe with boreal forests covering the northern part of the country and boreo-nemoral forests covering the southern part (Johansson, 2013). About 50 per cent of the forests are owned by more than 300,000 private individuals and families with an average area of 50 hectares (Royal Swedish Academy of Agriculture and Forestry, 2015). About 25 per cent is owned by industry corporations, 17 per cent is owned by the state and 8 per cent is a mix of other public and private owners (Johansson, 2013). Where in the southern part of Sweden, forest ownership is characterized by smallholders, the north is characterized by the industrial companies and the Sámi. The Sámi are indigenous reindeer herding people and they cover an area of 22.6 million hectares, which includes half of the productive forests (Schlyter, Stjernquist, & Bäckstrand, 2009). There are about 3,000 Sámi who together own approximately 300,000 reindeers (Elliott & Schlaepfer, 2001) and although they are not of great economic importance when compared to forestry, they are of high cultural importance (Royal Swedish Academy of Agriculture and Forestry, 2015).

The Swedish forests have been exploited for economic reasons for centuries already and forestry is vitally important for the Swedish economy (Boström, 2003). The forestry industry is both domestically important and export-oriented. About 23 per cent of the industry turnover is forestry, also Sweden is the second largest combined exporter of overall paper, pulp and sawm timber in the world, about 90 per cent of pulp and paper production is exported and about 75 per cent of sawn-wood products is exported (Royal Swedish Academy of Agriculture and Forestry, 2015). Its main importers are the UK and Germany and the forest industry is both technology and capital intensive (Gulbrandsen, 2005a).

During the 1970s there were growing concerns of a risk that the supply of forest resources would reduce while the forest industry was expanding, and this resulted in a change in public policies (Boström, 2003). These policies focused on stimulating productivity and regarded small-scale, non-industrial forestry less viable in the long-term when compared to industrial companies (Schlyter, Stjernquist, & Bäckstrand, 2009). The government also introduced a new system which included subsidies for felling and yearly fees on standing forests to ensure supply for the industry (Schlyter, Stjernquist, & Bäckstrand, 2009). They promoted intensive forestry methods and stimulated large-scale clear cuts, fertilization and mechanization (Johansson, 2013). The 1979 Forestry Act placed greater weight on economic concerns than environmental concerns and timber production became highly regulated to ensure industry supply (Gulbrandsen, 2005c). But in the meantime, ecological knowledge increased, environmental awareness was growing and environmental issues, especially concerning biodiversity, were widely discussed in Swedish politics (Hysing, 2009). Even though the new legislation did include goals of nature conservation, the ultimate goal was still valuable forest production (Schlyter, Stjernquist, & Bäckstrand, 2009). The 1979 law therefore received a lot of critique, not only from the emerging environmental movement but also from other actors such as smallholders, on issues like intensive harvesting methods, use of herbicides, clear-cutting and protection of old-growth forests (Gulbrandsen, 2005c). These environmental concerns were not new to Sweden, but together with global environmental discourses of sustainability and conferences like the 1992 Rio de Janeiro Earth Summit, these concerns were growing bigger.

4.2 Emergence of forest certification

The widespread dissatisfaction with the 1979 forest law and the global processes concerning the environment has led the Swedish government to rethink their national plans and policies (Boström, 2003). The result was a new Forestry Act in 1994 that required sustainable production without sacrificing or harming biological diversity (Oy, 2005). The goal was to integrate modern forestry practices with ecological consideration and the new law now had two main objectives; one for environmental and one for production concerns (Royal Swedish Academy of Agriculture and Forestry, 2015). This was probably the most important change in forest legislation as it now treated economic

and environmental goals completely equal. The new forest law declares that protecting environmental values is just as important as producing timber (Johansson, 2013).

Another very important aspect of the new forest law is the high degree of freedom given to forest owners to manage their forests. The law contains only few details of how environmental and production goals should be achieved and sets only minimum standards of how behaviour should be (Boström, 2003). The Forestry Act thus assumes that the forest industry takes its own responsibility to implement the necessary measures to achieve both the production and environmental goals set out by the government (Gulbrandsen, 2005b). The law is often described as ''freedom with responsibility'' and encourages the forestry sector to search for other solutions and develop new methods for environmental protection (Gulbrandsen, 2005b). Finally, with the new Forestry Act, all subsidies towards forestry operations and infrastructure development were removed and instead more resources were allocated towards environmental protection (Oy, 2005). In sum, the Swedish government was thus using deregulation, liberalization, soft steering methods such as education and information, and was raising environmental ambitions while simultaneously the new forest law contained only minimum details and thus required new initiatives and voluntary measures to achieve the raised ambitions.

The 1994 Forestry Act has clearly opened the path towards forest certification, but also other Swedish political traditions have contributed to the emergence of forest certification. One feature of the so-called 'Swedish model' for forest policy is the notion of 'multiple strategies' which means that policy should be open for new and different strategies (Boström, 2003). The political culture is based on consensus, openness and pragmatism and this enables different stakeholders to promote new solutions for environmental protection in the forestry sector (Boström, 2003). On top of that, forest policy relies on cooperation between the forest sector and the government and is already build on a tradition of sector responsibility (Hysing, 2009). The new forest law also contributed to the emergence of certification in another way. Although ENGOs have tried to lobby for stricter legislation, after the implementation of the new Forestry Act, they felt that the traditional political channel was closed for further changes (Boström, 2003). The ENGOs and other stakeholders thus felt the need to search for other ways to influence the forest industry and looked at private voluntary measures instead.

The Forestry Act thus contributed to the emergence of forest certification in two ways. First, the forest industry had greater freedom but also had to show that they were

taking responsibility and second, the ENGOs saw the new law as insufficient and realised that stricter regulation was not a likely prospect and therefore both sides choose to turn towards the certification path. Instead of lobbying the government, ENGOs started lobbying the market and targeted actors in the forest supply chain (Gulbrandsen, 2005c). Also, among consumers there was a growing awareness that their consumption had an impact on the environment and they were starting to demand some form of assurance that they were buying sustainably produced forest products (Royal Swedish Academy of Agriculture and Forestry, 2015). In 1994, the WWF and the Swedish Society for Nature Conservation (SSNC) set up a reference working group to work on a Swedish FSC standard (Johansson, 2013).

4.3 Standard setting process

This reference working group was the foundation for a national FSC working group where many different stakeholders joined the standard setting process. By February 1996, the official FSC working group included other ENGOs such as Greenpeace, large timber companies were represented via the Swedish Forest Industries Association, trade unions and the Swedish church were included, the association for private forest owners and also furniture sellers like Kinnarps and Ikea decided to join the process (Boström, 2003). Although the ENGOs played a vital role in initiating and leading the process, all interests were represented and all stakeholders were participating in the process and negotiating the certification standards (Hysing, 2009). Not all stakeholders immediately decided to join the process. The nonindustrial forest owners, especially the ones in the north of Sweden who were opposed of the broader rights for the indigenous Sámi, only joined the working group after pressure from the forest companies (Johansson, 2012). Also, some environmentalists had doubts because they were hoping for more radical changes in forestry practices (Gulbrandsen, 2005b).

Even though all interested stakeholders were included in the standard setting process, the nonindustrial forest owners felt that the process was dominated by environmental, Sámi and labour organizations and while the industrial forest companies accepted this, the nonindustrial forest owners began to feel isolated (Gulbrandsen, 2005b). They argued that the standard was gearing more towards the industrial forest companies and that it was not suited for small-scale forestry conditions (Schlyter,

Stjernquist, & Bäckstrand, 2009). The nonindustrial forest owners therefore decided to leave the process due to the stringency of the standards, the Sámi demands, doubts about satisfying group certification options and on top of that they argued that the presupposed equal decision-making power was not balanced because the economic chamber was dominated by the industrial forest companies and retailers (Johansson, 2012). In the end, also Greenpeace decided to withdraw from the working group because they were very much against intensive harvesting methods such as the use of fertilizer (Hysing, 2009).

The remaining stakeholders, after a lot of negotiation and many compromises, all agreed on a national standard by the end of 1997 (Boström, 2003). The Swedish standard became the first national FSC standard in the world and was ratified in January 1998 after the international FSC board had approved it (Gulbrandsen, 2005b). The Swedish government, although not officially included, did have some influence in the standard setting process. Since the FSC standard had to be compatible with national forest legislation, experts from state agencies were consulted and their inclusion in the negotiations had enabled them to influence the content of the standards (Hysing, 2009). But the government has also played an important role in the uptake of forest certification.

4.4 Certification uptake

First of all, the government was very important in opening the path for certification as by increasing its environmental ambitions and by deregulating its forest policy, the government created opportunities and incentives for private forms of environmental governance (Hysing, 2009). Secondly, government support for certification has increased the FSC's legitimacy in Sweden. Private environmental governance can improve its legitimacy through broad and inclusive representation, but these governance systems can be perceived even more democratic and official when legitimized by the state (Boström, 2003). They can gain credibility as the state in this way helps to assure consumers and retailers that these products are good or at least better for the environment than others (Boström, 2003). The Swedish government viewed forest certification as legitimate and welcomed it. The state's support was made clear first because the minister of the environment, Anna Lindh, in 1998 stated that '' … give applaud to those in the forest sector that have certified their forest'' and also because Sveaskog, a publicly owned forest

company, had certified its forest and so did other municipalities and public forest owners (Hysing, 2009).

Another force that influenced the certification uptake in Sweden was NGO lobbying. In 1991, the WWF had created a network of buyers in the UK that supported sustainable forest management among retailers and manufacturers and after the ratification of the national FSC standard, the WWF required these members, the WWF 95-group, to commit their selves to FSC certified wood (Gulbrandsen, 2005c). ENGOs in general were targeting the Swedish forest sector and told them they would face increased boycotts if they refused to participate with the FSC (Johansson, 2012). But what has probably been the most important reason for the relatively rapid uptake of forest certification in Sweden was the industry structure. By the end of 1999, the FSC had already certified over 9 million hectares of forests, which is almost all forest land owned by industrial forest companies (Elliott & Schlaepfer, 2001). The Swedish forest sector was composed of vertically integrated, export-oriented companies which were directly exposed to international market pressures (Gulbrandsen, 2005a). Since retailers abroad, especially from the British and German export markets, were demanding some sort of verification for sustainably managed forest products, companies believed that FSC certification could give them some competitive advantage (Gulbrandsen, 2005a). The insertion of the Swedish forestry industry into the global economy has had a significant impact on the uptake of certification.

But as mentioned earlier, some stakeholders had left the FSC and this hindered further certification uptake, mostly amongst smallholders. The inclusiveness of the FSC may in this case have resulted in decreased effectiveness when the small-scale forest owners refused to participate after the FSC did not respond to their needs (Gulbrandsen, 2005b). When less forest owners participate in a certification scheme, the scheme's capacity to change forestry practices consequently diminishes (Gulbrandsen, 2005a). But increased European market pressure for sustainable products made the smallholders fear that they might lose their market shares if they did not come up with an alternative. The forest owners' association Södra initiated an alternative standard that was more suitable for small-scale forestry and a new certification scheme was created in 1999 (Gulbrandsen, 2005a). The nonindustrial forest owners thus became the central players in the development of this competing scheme, then called the Pan European Forestry Certification (PEFC). The PEFC council was endorsed in 2000, including representatives

from the Private Independent Sawmills of Sweden, the Swedish Church and the Forest Owners Association and weighing two thirds of governing power to forest owners (Schlyter, Stjernquist, & Bäckstrand, 2009). Mainly due to this unequal decision-making power in favour of economic interests, ENGOs have refused to join the PEFC (Hysing, 2009).

Although the FSC was trying to respond to smallholders needs by providing group certification options, the PEFC offered them a standard that suited them better and for a lower price (Gulbrandsen, 2005c). The small-scale forest owners thus chose to be certified by the PEFC, the FSC on the other hand certified the large-scale and public forest companies and were supported by several ENGOs. While one might expect that this competition would result in a ''race to the top'', the opposite has happened (Gulbrandsen, 2005b). After the FSC reduced its labelling thresholds and the PEFC upgraded its environmental standard, the two schemes became more similar and could better be described as complementary schemes instead of competing schemes (Schlyter, Stjernquist, & Bäckstrand, 2009). Although the standards have been harmonized, substantial differences still exist. The main differences are that the FSC has higher demands for stakeholders' consultations with the Sámi and higher biodiversity conservation demands as they require a 5 per cent set-aside area (Johansson, 2013). The PEFC on the other hand does not have such a clear conservation requirement and also has not changed its decision-making structure to reduce the economic interest's power (Gulbrandsen, 2005b).

Despite these remaining differences, a strategy that is increasingly used in Sweden is that of dual-certification. After the Swedish FSC standard had been adjusted in 2010 and introduced the small or low-intensity managed forest (SLIMF) indicators that make it easier for smallholders to get certified, the forest owners association Södra, one of the initiators of the PEFC, decided to also support FSC certification (Johansson, 2013). The main incentive was due to a growing demand for FSC-certified products in the European market (Johansson, 2012). But dual-certification also happened the other way around. For example, the French government supports the PEFC scheme and in order to maintain their market shares, companies supplying to the French market and that initially adopted FSC certification, now also decided to adopt PEFC certification (Johansson, 2013). Dual-certification is thus a strategy used to increase flexibility in certifying wood products and meeting consumer demands (Gulbrandsen, 2005b). In 2011, both the FSC and the PEFC

had certified an area of 11 million hectares of forests, which means that around 60 per cent of total forest area was certified and that some forest lands were certified by both schemes (Johansson, 2013). Currently, the PEFC is now the larger scheme in Sweden and has certified a total area of almost 16 million hectares (PEFC International) whereas the FSC has a little more than 13 million hectares of certified forest area (FSC International).

4.5 Critique and consequences

One of the consequences of forest certification in Sweden is that it has resulted in the development of two different schemes with the northern industrial forest owners favouring the FSC standards and the southern nonindustrial private forest owners favouring the PEFC standard (Schlyter, Stjernquist, & Bäckstrand, 2009). This has resulted in a very large area of Swedish forests being certified, either by one of the schemes or by both. Another positive effect of forest certification is that it fostered better dialogue between the different stakeholders. Where the forestry sector used to be characterized by conflicts and two opposing coalitions, an environmental and an economic coalition, certification is argued to have significantly reduced these conflicts and merged the opposing groups into a ''sustainable forestry coalition'' (Gulbrandsen, 2005b). The FSC stimulated them to work together and this has resulted in a mutual understanding of each other's problems and values (Gulbrandsen, 2005a).

What has also been identified from the literature as a positive effect of forest certification is better environmental standards in general. Certification schemes impact forestry workers through high demands for environmental education and certification's informational and educational measured have impacted the wider forest sector (Hysing, 2009). On top of that, private forest owners, forest companies and environmentalists have agreed that certification has resulted in a more systemic approach to sustainable forest management (Gulbrandsen, 2005b). Other studies have shown improvements in Swedish forestry practices and in the whole of Europe (Gulbrandsen, 2005a). Finally, FSC certification is argued to have resulted in improved rights of the indigenous Sámi. Where the Swedish government has laid the foundation of a consultation process necessary, because reindeer husbandry and the forestry sector use the same land but for different purposes, to reduce the risk of conflicts (Royal Swedish Academy of Agriculture and Forestry, 2015), the FSC goes above and beyond these rules in favour of reindeer

husbandry rights (Johansson, 2014). Although some Sámi representatives have expressed that certification indeed has resulted in short-term improvements, for example that companies with FSC certification are more concerned with them than companies who are not certified, it has not brought structural changes to the sector (Johansson, 2014). They argue that in the end, all forest areas will end up being logged due to global market demands and forestry thus remains a big challenge to reindeer husbandry (Johansson, 2014).

This critique is in line with a broader critique on forest certification which is that it is characterized by power asymmetries. Smallholders rejected the FSC standard because they believed it was custom-made for large, industrial forest companies and that the decision-making process was dominated by social, environmental and industrial interests (Gulbrandsen, 2005a). The FSC did not take into account that smallholders belong to the local community and identify with local traditional land-use and this caused problems when they were put into the same chamber as the industrial forest companies (Schlyter, Stjernquist, & Bäckstrand, 2009). All this has resulted in the small-scale forest owners lacking a feeling of ownership to the FSC scheme and feeling that they did not have enough power to influence decision-making (Gulbrandsen, 2005c).

Finally, the FSC is losing support from ENGOs as they argue that the scheme has not been effective enough. The environmental community is increasingly critical of forest certification which is evident as three of the five member ENGOs that were initially involved in the development of FSC have now left the organization (Johansson, 2014). The youth environmental organization Fältbiologerna left in 2007 claiming that ''the FSC has become a form of greenwashing'' and the SSNC withdrew in 2010 arguing that ''in practice, it is economic interests that dominate in the FSC'' (Johansson, 2012). Also, at a local level ENGOs argue that they lack power to influence forest management (Johansson, 2014). These ENGOs argue that they have limited access to monitoring, that auditors are strongly interlinked with the companies undergoing auditing, and that it is remarkable that no forest company has lost its certification despite major CARs (Johansson, 2014). Since stakeholder support is very important for a certification scheme's legitimacy, it is questionable what this loss of support will mean for the future of forest certification.

4.6 Future

Balancing inclusiveness and different interests seems to be crucial for ensuring credibility, widespread participation and rule-making legitimacy (Gulbrandsen, 2005b). Especially focusing both on input and output legitimacy among different stakeholders on a national level is of vital importance (Johansson, 2012). But despite the fact that several ENGOs have left the FSC during the past few years, total area certified still continues to grow. To this critique from ENGOs the FSC has responded that ''everyone has to give and take in negotiations. Nobody will be completely satisfied but the system is continuously under development'' (Johansson, 2012). Although the PEFC in Sweden has now certified a larger area, the FSC still holds a stronger position here than in most other countries (Gulbrandsen, 2005a). It therefore does not seem that the FSC's success in Sweden will diminish in the near future.

5. Case study Bolivia

5.1 Historical context

Half of Bolivia's total land area is covered with tropical forests, which is about a total of 54 million hectares of forested land (FAO, 2016). Many Bolivians depend on these forests, either for their livelihoods or income. During the 1970s there was a growing attention to how forests could best contribute to industrial and economic growth (Pacheco, de Jong, & Johnson, 2010). This, together with a new Forestry Act and a weak Forest Service, have made it very difficult to control illegal and unsustainable logging practices (Quevedo, 2007). Regulatory power was given to the Centro de Desarollo Forestal but they were not enough developed to enforce regulations and monitor forest concessions, also because government resources were scarce (Fredericksen, 2000). Some large timber companies who controlled vast areas of forest land manipulated the forest administration which led to even more ineffective and corrupt regulation (Pacheco, de Jong, & Johnson, 2010). These companies were able to control these large extensions of forest land due to the changes in forest policy which were based on the new 1974 Forestry Act.

All forests are owned by the state and with the new forest law, the government could decide to which stakeholders they wanted the forest concessions to go. The ones who could demonstrate that they had enough capacity to not only manage but also

process the timber, were granted concessions (Pacheco, de Jong, & Johnson, 2010). The result was that small and medium-scale land owners were not able to obtain concessions and the forest industry was dominated by large timber companies. About 22 million hectares of forests were now managed by only 173 companies (Pacheco, de Jong, & Johnson, 2010). Neither indigenous communities were given legal rights to access forest resources and this fuelled land conflicts between timber companies and indigenous people (Pellegrini , 2011). Even though the Forestry Act required these companies to write management plans, most of them ignored this because it was seldomly enforced and this led to even more conflicts and unsustainable logging (Contreras-Hermosilla & Vargas Ríos, 2002). Another aspect of the 1974 Forestry Act that contributed to high levels of unsustainable logging was the fact that companies had to pay a fee based on the amount of timber they harvested, and this resulted in very selective logging, particularly mahogany, Spanish cedar and Spanish oak (Contreras-Hermosilla & Vargas Ríos, 2002). Just mahogany accounted for more than 60 per cent of the total export value (Fredericksen, 2000).

International markets fuelled selective logging practices since they demanded the most valuable species for which they paid the highest prices in return (Quevedo, 2007). The forest industry was based on extraction and exports, and of the most valuable wood species, about 80 per cent is exported as raw of rough-sawn logs (Fredericksen, 2000). The forest industry was thus characterized by large timber companies, processing only a few valuable species, and exporting them without much value being added. These species have become really scarce, and although there were some attempts to address the unsustainable exploitation of forests, such as the 1992 ''ecological pause'', widespread corruption and a lack of political will made it impossible to effectively solve these problems (Contreras-Hermosilla & Vargas Ríos, 2002).

5.2 Emergence of forest certification

Concerns about how the forests were being exploited continued to grow during the 1990s and multiple NGOs started developing national campaigns demanding more sustainable forest management (Quevedo, 2007). National public awareness in combination with global concerns and discussions have contributed to changes in the forestry sector and have led to a new Forestry Act in 1996. The main objective of the new forest law was to

''enforce the sustainable use and the protection of forests for the benefit of the present and future generations, thereby harmonizing the social, economic and ecological interests of the nation'' (Jack, 1998). This has brought significant changes to the way forests were being used mainly due to three reasons.

First, companies were now required to pay a fee per area they managed instead of a fee per amount timber they harvested. This made it less attractive to own large areas of forests and stimulated the companies to harvest all sorts of timber from the area instead of only the most valuable species. This led to a diversification of timber species in the market (Duery & Vlosky, 2005). Second, the new law required the companies to write forest management plans that include a long-term strategy to ensure sustainability of both the quality and volume of the forests (Jack, 1998). The companies have to prepare annual operating plans and five-year management plans (Fredericksen, 2000). Third, the new forestry law led to the recognition of new actors in the sector. Indigenous communities and local social organizations were now able to legally access and exploit forest resources and form forestry enterprises (Pellegrini , 2011).

The law decentralised forest administration and land tenure reforms were taking place on a large scale which changed the forest area under concessions from 22 million hectares to 4.9 million hectares by 2001 (Contreras-Hermosilla & Vargas Ríos, 2002). This decline was due to the fact that most of the previous contracts were over exploitive and because many overlapped with concessions claims of indigenous peoples (Fredericksen, 2000). Although the new Forestry Act promoted more equitable access to forest resources and more sustainable use of forests, the law still mainly targeted large timber companies (Pacheco, de Jong, & Johnson, 2010).

The new forest law was able to create some favourable conditions for forest certification. Mostly due to the required management plans, the technical requirements were similar, and this made it only a small step for law-abiding companies to get certified (Jack, 1998). Especially for large firms with a lot of capital, the exit costs were too high to leave the industry when the new law required them to change their management plans (Jack, 1998). Also, because the new forest law discourages selective harvesting and thus forces companies to harvest new species and find new markets for them, certification was seen as a useful strategy to find greener markets for these non-traditional species (Quevedo, 2007). Although these are important conditions that contributed to the

certification process, the actual emergence of forest certification in Bolivia started some years before the law was implemented.

Earlier in the 1990s there was already a growing interest in sustainable forest management, and this resulted in the creation of BOLFOR. BOLFOR is a joint effort between the Bolivian Ministry for Sustainable Development and the Environment, USAID and some Bolivian private sector organizations and was formed in 1990 to promote sustainable forest management in the eastern part of Bolivia (McDaniel, 2002). BOLFOR was mainly responsible for harmonizing the new forest law with certification as they provided technical assistance for the new law (Jack, 1998). But also, some ENGOs that were involved in founding the FSC have contributed to the design of the new forestry law in Bolivia and made it compatible with FSC certification (Ebeling & Yasué, 2009).

In 1994, BOLFOR organized a day-long workshop in Santa Cruz to discuss whether a national forest certification system would be beneficial for Bolivia (Quevedo, 2007). Almost seventy people joined the workshop representing many different interests, including the timber industry, indigenous groups, NGOs, environmentalists, academics and government representatives (Quevedo, 2007). The outcome was that all participants agreed to support a national FSC certification system and they elected an organizing committee (Jack, 1998). This working group then nominated candidates for the technical committee for standards development and eventually twelve well-known, respected people were selected representing the three different chambers; social, environmental and economic interests (Jack, 1998). The *Cámara Forestal de Bolivia* (CFB), the Bolivian Forestry Chamber, was not yet supportive of the initiative, but members were allowed to be involved in the certification process (Quevedo, 2007). By 1995, the working group was officially established as an NGO and became the *Consejo Boliviano para la Certificación Forestal Voluntaria* (CFV) (Quevedo, 2007). Their task was to develop a national forest certification standard and technical committees of experts representing social, environmental and economic interests were created and were responsible for the standard setting process.

5.3 Standard setting process

The CFV replicated the structure of the FSC and the board of directors thus composed of an equal number of representatives of social, environmental and economic interests. This

board is elected during an annual meeting and only a small group of professional staff are responsible for the daily operations (Jack, 1998). As mentioned earlier, the CFB decided not to be involved in the standard setting process because did not trust it. Instead of confronting the CFB, the working group tried to work together with companies that were interested in certification. After some time, it became clear that certification was a useful tool because it provided access to preferential markets and also enhanced public credibility and internal administration systems (Quevedo, 2007). This led to the CFB not only supporting forest certification, but it even adopted certification as one of its institutional policies (Quevedo, 2007). Some other stakeholders, mainly from civil society, were initially a bit suspicious too as they thought that forest certification was another plan from the global North to control the world's rainforests (Quevedo, 2007). But when logging companies started adopting FSC certification, most of these doubts and suspicions disappeared.

The CFV was formally recognized as an FSC working group in 1996 and the standards were officially endorsed as a national initiative by the FSC in January 1999, which made it the first in Latin America (Quevedo, 2007). By that time, the General Assembly had already grown to more than 123 members (Nittler & Nash, 1999). The first step of the standard-setting process began in March 1995 when the technical committee met for two days and prepared the first draft (Jack, 1998). This first draft for a national standard was distributed among seventy national, regional and international stakeholders representing timber companies, environmentalists, scientists, and advocates of social interests (Jack, 1998). Their feedback was used and incorporated into a new draft and the technical committee again distributed a new version among the stakeholders. A final version was ready by the beginning of 1997 and the technical committee had restructured the standards conform the FSC Principles & Criteria to make them look similar (Jack, 1998). A consultation process then followed including multiple workshops and a field test done by CIMAR, a local certification organization, resulting in some final suggestions focused on making the standards easier to implement (Jack, 1998). One final time the standards were revised and distributed among some 450 stakeholders early 1998 and the final version was approved by the FSC by the end of that year (Jack, 1998). Although the standard-setting process had been long and encountered some difficulties, it was still a great achievement.

Many different stakeholders representing all interests had been involved in the process and this resulted in tensions. One might expect that environmental and business interests encountered the biggest problems, but these tensions turned out to be minimal (Jack, 1998). The committee members mainly pointed that the most difficult compromise was between the rights of concessionaries and the rights of indigenous communities (Jack, 1998). This resulted in some revision of the standards, for example a compromise to limit some of the timber companies' responsibilities, but in general the process generated a high level of dialogue and consensus between logging companies, environmentalists and indigenous communities (Jack, 1998). During the long standard-setting process, the technical committee did not have to resort to a formal vote in order to make decisions which shows that all stakeholders were open for discussion and were able to understand each other's interests. The development of the Bolivian FSC standard can be characterised as being made in Bolivia and by Bolivians, and not something that was imposed on them from the outside (Karmann & Smith, 2009). This could also be an explanation why all stakeholders, from forest managers to indigenous communities, supported forest certification and the FSC standard resulting in a relatively fast uptake in the country.

5.4 Certification uptake

Certification thus felt like something made by Bolivians and the presence of CIMAR, a local certification organization, has contributed to this feeling. CIMAR is the Bolivian representative of SmartWood and its staff was trained by SmartWood so that it was able to organize and carry out the whole certification process (Jack, 1998). The link between CIMAR and a foreign organization like SmartWood has resulted in increased credibility and having a local certification organization also lowers the costs of certification for timber companies and provides easier access to information (Jack, 1998). Although SmartWood is still responsible for approving the final documents prepared by CIMAR, the local certification teams are carrying out the process by themselves (Duery & Vlosky, 2005). This again contributes to this feeling of inclusiveness.

Besides these reduced certification costs, mainly for law abiding firms, there were several other factors that have contributed to the fast certification uptake in Bolivia, which has long been the largest tropical country certified after Brazil took over a few

years ago. First, some authors have highlighted the participative and inclusive process as an important factor. For example, Jack (1998) argued that stakeholders were given a feeling of partial ownership of the certification idea because the participatory nature of the process had brought all relevant interests to the negotiating table. Quevedo (2007) also argued that the participatory process attracted the interest from all relevant stakeholders.

Secondly, the market has played an important role in explaining the fact certification uptake in Bolivia due to several reasons. First, due to the new forest law and consequently the diversification of timber products, companies had to find new ''green'' markets for these new species and qualities of wood and certification was one strategy to find them. Some have argued that buyers interested in certified wood will probably also be interested in lesser known species and products made by what was considered to be waste-wood (Jack, 1998). For Bolivian timber companies it who had changed from harvesting only 3 to 5 species and now had to use more than 70 different species, certification was an interesting option and their main export markets were in Europe. Bolivian forestry is an export-oriented industry, and this is another reason why the market has played an important role. About half of Bolivian forestry products is exported mostly by some large and vertically integrated companies, only 30 companies account for almost 80 per cent of timber exports (Ebeling & Yasué, 2009). Especially when compared to other Latin American countries, as for example Ecuador where almost the whole industry is made up by small scale companies, Bolivia is different because a large part of its timber exports goes to North America and Europe rather than to regional markets (Ebeling & Yasué, 2009). Economic recessions in the region is a third reason concerning the market's importance for the fast uptake of certification. Economic crises in Peru and Brazil and an economic collapse in Argentina have forced Bolivian exporters to find new markets and this again stimulated certification. Finally, the forest sector has grown immensely between 1997 and 2008 due to a boom in the global demand for tropical hardwood (Murphy & Lawhon, 2011).

A third factor that has contributed to the relatively fast certification uptake in Bolivia is international funding and support. This already started with USAID supporting BOLFOR and BOLFOR actively promoted forest certification and assisted companies who wanted to become certified. But also, other international organizations and government agencies have played an important role in promoting and implementing forest

certification (Espinoza & Dockry, 2014). More financial, legal and technical support for forest certification came from both local and national governmental institutions and NGOs (Espinoza & Dockry, 2014). Especially for community forestry operations (CFOs) it is very difficult to get certified without technical or financial aid (Murphy & Lawhon, 2011). These communities are very much dependent on donors and continuously face the risk of donor withdrawal (de Pourcq, Thomas, & van Damme, 2009). The high certification costs make it almost impossible for small-scale and community-based producers to obtain certification on their own and this resulted in large timber companies dominating the certification market (Nebel, Quevedo, Jacobsen, & Helles, 2005).

Although Bolivia experienced a rapid uptake in forest certification compared to other tropical countries, many small-scale and community-based producers have not yet been certified. They don't have a real incentive to get certified because they mainly supply to domestic and regional markets where there is no demand for certified wood. On top of that, for most forest operations, getting certified is still too expensive. There are three different costs that they face: first they have to invest in order to improve their management practices; second, they face opportunity costs from changing their traditional harvesting operations; third, they face the actual auditing and evaluation costs for certification (Nittler & Nash, 1999). The first two, indirect costs have for a large part already been paid by companies who have adjusted their management practices due to the new forestry law. But for companies who have not yet improved their management practices, these indirect costs come on top of the direct costs of certification, which in one case were approximately 16,721 USD in total for the pre-evaluation, initial assessment and first annual audit (de Pourcq, Thomas, & van Damme, 2009).

Not only have many actors been unable to get certified, some have also already lost their certificate, and this may suggest that forest certification in Bolivia has not been sustainable (Espinoza & Dockry, 2014). While the area certified had quickly grown to more than half a million hectares in 2000 and reached its top of almost 2 million hectares in 2008, after that the area certified has only been declining (FSC International). The area has even halved in only a year; June 2018 the area certified was still almost 1 million hectares, but June of this year the area was only about half a million hectares (FSC International). Espinoza and Dockry (2014) argue that there a three main reasons for this decline in area certified. First, timber companies were not sure whether the long-term investment in forest certification was going to be a safe investment and due to current

land reforms, there is a growing legal and land tenure insecurity. Second, while the initial support for forest certification was high both from the government and international community, it is now difficult to find enough financial support for certification and the government has repeatedly mentioned to be opposed to market-based instruments. Third, global economic recessions, especially in North America and Europe, have decreased demand for certified wood. On top of that, regional markets are rising, and Bolivia is experiencing a construction boom which both increase demand for noncertified wood (Espinoza & Dockry, 2014). Besides these three reasons, there is more critique on forest certification in Bolivia.

5.5 Critique and consequences

Forest certification was initially very much welcomed in Bolivia and many expected benefits to come from it. Now, many have started pointing at the negative aspects of it. The first critique that can be identified is that forest certification is favouring large-scale operations. This jeopardizes one of the FSC's fundamental goals: equity (Quevedo, 2007). Not only do only these large timber companies have preferential access to international markets, it is also not sure whether certification has any effect on the poor performing companies as it only seems to attract the best performing forest companies (Nebel, Quevedo, Jacobsen, & Helles, 2005).

The second critique that can be identified is linked to the first because forest certification not only favours large-scale operations, it also simply seems impossible for indigenous communities to become certified. In Bolivia, many indigenous communities depend on the forests and especially after the current government administration's land reforms, these communities are of growing importance to the forestry industry. As mentioned earlier, even if communities get technical and financial support in the beginning, it is very difficult for them to sustain their certificate on their own. Examples from the Lomerío or Yuquí community show that it is not only a problem of donor dependence, but they also have difficulty to comply with the high demand that comes from the international markets for certified products (de Pourcq, Thomas, & van Damme, 2009). These markets demand high quality products, reliability of supply, particular species and competitive prices (de Pourcq, Thomas, & van Damme, 2009).

Community-based forest management is also much more complex than it is for timber companies due to the need to address several objectives (Quevedo, 2007). For example, external actors who are facilitating a community to become certified might choose young community members, who have had some education and are thus able to read and write, to lead the certification process while they may not have the same confidence as some adult community members (de Pourcq, Thomas, & van Damme, 2009). It could also lead to resentment among other members as they either wish they received some schooling as well or because they fear that this young person might leave the community once he received the education (de Pourcq, Thomas, & van Damme, 2009). Finally, general information about the certification process and the FSC requirements can be too technical and difficult for local community members and this again partially explains why so little indigenous communities have been able to receive certification (de Pourcq, Thomas, & van Damme, 2009).

As explained earlier, timber companies initially hoped that certification would provide them access to international markets for lesser known species and higher prices for their certified wood. Forest certification is now receiving critique since certified products do not provided the expected price premium when compared to noncertified products (Espinoza & Dockry, 2014). Especially suppliers of raw materials, such as CFOs, have not been able to obtain higher prices (de Pourcq, Thomas, & van Damme, 2009). Mostly suppliers and retailers higher up the supply chain who can add some sort of value to the products have received price premiums. Therefore, many forest operations in Bolivia do not have an incentive keep or try to receive certification.

A final critique that has been identified in the literature is that forest certification has only been implemented with a short-term focus instead of looking at its long-term sustainability. In the Cururú CFO for example, the certification process was more focused on quickly receiving certification results instead of focusing on crucial learning processes (de Pourcq, Thomas, & van Damme, 2009). Others have also argued that certification gave timber companies the feeling that planned logging is enough for management practices to be sustainable but should also have focused to address problems with regeneration and other silvicultural treatments (Fredericksen, Putz, Pattie, Pariona, & Pena-Claros, 2003). Another community commented that their initial fear of certification, receiving financial and technical support but lose autonomy, has proven to be true (McDaniel, 2002). Instead

of making forest certification the ultimate goal, the focus should be on the process and its long-term viability.

Besides these critiques, many have also pointed at the positive effects of certification. Quevedo (2007) has argued that wildlife and rare species are better protected, working conditions within the certified forest industry have improved, social conflicts have been minimized, and the forestry sector has received a better reputation in general. Espinoza and Dockry (2014) also argued that certification has raised the education level and standard of living for workers in the certified forestry industry. Finally, de Pourcq, Thomas and van Damme (2009) have argued that certification has improved all stakeholders understanding of each other's needs and this helps to improve to sustainability of all forest operations. But currently, especially since Evo Morales became president in 2006, the future of forest certification in Bolivia is insecure.

5.6 Future

Where the new 1996 Forestry Act had already resulted in huge land redistributions as smallholders and communities received legal rights to access forest resources, these land reforms accelerated when Evo Morales came into power in 2006. He is the first indigenous president and wanted to switch from a focus on private sector elite towards the empowerment of marginalised actors in society, such as smallholders and indigenous communities (Murphy & Lawhon, 2011). He has been redistributing forest land towards these actors, but the elite and large timber companies still have a lot of power and also, Morales has failed to effectively control illegal logging and corruption (Murphy & Lawhon, 2011). The continued land reforms have increased legal and land tenure insecurities, which was one of the reasons of the decline in area certified in Bolivia and made the future of forest certification even more insecure.

The land redistributions also impact certification in another way. As more forest land is being given to smallholders and indigenous communities, the incentives to certify forest lands are becoming smaller as they mostly supply to domestic and regional markets and not to ''green'' markets. Communities and smallholders are becoming the most important actors in the Bolivian forestry industry and thus play a vital role in sustainable forest management (Soldan, 2011). They are the key players if forest certification is going to have any future (Espinoza & Dockry, 2014).

This future is threatened even more since the Morales administration is strongly opposed of market-based policies and neoliberalism. Certification has been questioned by the administration because of its market-based and neoliberal development approach (Pacheco, de Jong, & Johnson, 2010). Morales has a radical voice about the rights of Mother Earth due to his indigenous background, but some of his proposed policies may be a threat to the country's forests. Some of these policies focus on natural resource industrialization and promote expansion of agriculture production (Pacheco, de Jong, & Johnson, 2010). Other plans are to tax the export of timber and to create a state enterprise in the forestry sector which can be damaging for the forest industry and companies who operate legally (Pellegrini , 2011). About 40 per cent of domestic timber supply is already illegal, and these numbers will probably increase when these plans go through (Pacheco, de Jong, & Johnson, 2010).

The greatest challenges for certification in Bolivia are how to promote sustainable forest management in small-scale and community-based forest operations and how to make certified forestry not only competitive to traditional and illegal forestry, but also to other types of land uses such as agriculture. (Ebeling & Yasué, 2009)

6. Comparative analysis

The aim of this thesis was to explore whether differences in inclusiveness could be a possible explanation of why forest certification has been more effective in the global North than in the global South. The idea was that a more inclusive process, meaning equal representation of all relevant stakeholders in the standard development and operation process, would lead to more effective outcomes because the stakeholders feeling of ownership would be higher, the standard would thus be more widely accepted and consequently more effective in terms of percentage of total forest area being certified. A comparative analysis of the FSC in Sweden and the FSC in Bolivia will hopefully contribute to a better understanding of this geographical difference in effectiveness. Earlier it was briefly explained why these two cases were chosen and the discourse analyses have indeed shown that these cases are similar in several ways.

First, in the two decades before forest certification emerged, the forestry sectors in both countries were focused on increased productivity and thereby promoting large-

scale production. In Bolivia, the government only granted forest concessions to the large timber companies because they were able to manage and process timber and also in Sweden, large industrial companies were perceived to be better able to supply to an expanding forest industry.

Second, interest in sustainable forest management was already present in both cases before forest certification was introduced. Improved management practices in Sweden can be traced back to the 1980s when forest companies were hiring ecologists to help them improve forestry planning, and with the creation of BOLFOR in the beginning of the 1990s, awareness of unsustainable forestry practices was growing in Bolivia.

Third, new forestry laws in both countries have contributed to the emergence of forest certification. In Sweden this was mostly due to the focus on ''freedom with responsibility'' and forest owners consequently had to find new ways in order to achieve the raised environmental goals set out by the government. The new law in Bolivia was harmonized with certification requirements and especially the forest management plans required by the new forest law made the step towards certification smaller.

Fourth, the forest industry has always been important for the Swedish and Bolivian economies. In both cases, the industries are export-oriented, and they supply to eco-sensitive markets, with the UK and Germany being the most important ones.

Finally, the governments in both cases have contributed to the legitimization of forest certification. The Swedish government clearly showed its support by certifying most of its public forests with the FSC standard and the Bolivian government made its forest laws compatible with forest certification. These similar characteristics can explain why forest certification emerged relatively easily in both cases and why they were both followed by a period of fast certification uptake. But in the end, certification has been far more effective in Sweden than in Bolivia in terms of percentage of total forest area being certified. We will therefore now look at differences in inclusiveness at different stages of the certification process.

Both in Sweden and Bolivia, national working groups were created to discuss the possibility of forest certification and this was initiated by local stakeholders. In Bolivia, this working group was led by BOLFOR and in Sweden two local ENGOs were leading the process. Initially, some stakeholders had their doubts about certification. In Sweden this were the nonindustrial forest owners, mainly from the Northern part of the country, and in Bolivia the CFB was hesitant at first. The CFB therefore decided not to join but did allow

forest companies and the national FSC working group to work together. When they started seeing certification as a useful tool, the CFB decided to support certification and implement it as an institutional policy. Here it thus seems that not being officially included in the standard-setting process has not impacted effectiveness because the CFB and timber companies still decided to adopt certification while not having been able to influence the process. In Sweden on the other hand, after some pressure, the nonindustrial forest owners decided to join the national FSC working group. But even though they were officially included in the standard-setting process, they felt that decision-making was dominated by other interests and their inclusion was thus not able to overcome power asymmetries. The nonindustrial forest owners therefore decided to leave the working group and their exclusion lead to hindered certification uptake amongst smallholders and thus decreased effectiveness.

Although in Bolivia, stakeholders representing community and indigenous peoples' interests were included in the certification process, communities are faced with tremendous difficulties in receiving certification. Here, inclusiveness has thus not led to increased effectiveness. Adding SLIMF indicators to a national standard could make it easier for communities to become certified, still the Bolivian standard has not yet been revised. Surprisingly, the Swedish FSC standard has been updated and now includes SLIMF indicators and as a result, smallholders are choosing to dually certify their forests. Although the exclusion of the smallholders from the standard-setting process at first resulted in hindered certification uptake, they eventually did decide to support FSC certification and it has therefore not resulted in less effectiveness. On top of that, the FSC is losing support from ENGOs as several have decided to leave the organization but this too has not led to decreased effectiveness. Finally, where officially, governments are not included in the decision-making process, they can still help to legitimize forest certification schemes. The loss of government support for forest certification is partially explaining the decline in area certified in Bolivia, while on the other hand the continuing government support for the FSC in Sweden contributes to its relatively strong position when compared to other countries. Is thus seems that governments also impact the effectiveness of private forms of environmental governance and this further supports the results that inclusiveness does not result in increased effectiveness.

Overall, this comparison does not reveal any evidence that inclusiveness could be a reason for the difference in effectiveness of forest certification in the two countries. On

the contrary, with the early exclusion of smallholders from the standard-setting process and with several ENGOs now leaving the organization, the FSC in Sweden has been less inclusive than in Bolivia, but far more effective in terms of area certified. The inclusive and participatory process was an important reason for the fast uptake in Bolivia and therefore made it a success story in the tropics. But this thesis provides no evidence that inclusiveness is explaining the geographical difference in effectiveness between the global North and the global South. On top of that, by looking at the Swedish case only, we can find more evidence to support that this relationship is not valid because while the PEFC has been far less inclusive and has a lower input legitimacy compared to the FSC, the PEFC turned out to be more effective in terms of area certified than the FSC. But comparing two competing schemes and their effectiveness in beyond the scope of this thesis.

What is then the main reason found for this geographical difference by comparing these two cases? The industry and market structure seem to be of great importance. Even though in both cases the small-scale and community-based forest owners encountered difficulties with FSC certification, the smallholders in Sweden still felt pressure to certify their forests because they supply to eco-sensitive markets demanding proof of sustainably produced timber products. Smallholders and communities in Bolivia on the other hand don't face these demands and in combination with high certification costs, they have no incentive to become certified. Yet, even large-scale timber companies in Bolivia are losing incentives to get stay of become certified due to changes in market structure. Local and regional market demands for timber are growing, and these markets don't demand the timber to be certified, therefore certification is becoming less valuable to them. Additionally, certified forest products have not resulted in the expected price premiums, increased demand has pushed up the prices for non-certified timber, therefore certification is not leading to higher profits and consequently in less interest in certification. In Sweden on the other hand, local, regional and export markets are demanding sustainably produced timber, and this thus results in all forest owners, large- and smallholders, being exposed to market pressures for certified forest products and therefore choosing to invest in sustainable forest management.

7. Conclusion

Forest certification initially emerged as a tool to protect the world's tropical forests by promoting sustainable forest management. It has become clear that forest certification has been far more effective in the global North than in the global South in terms of area certified. The literature reviewed showed the importance of both input and output legitimacy for private global environmental governance systems and questioned how they are related. Would higher input legitimacy in terms of inclusiveness lead to higher output legitimacy in terms of effectiveness? In other words, could inclusiveness be a possible reason for the difference in effectiveness of forest certification between the global North and the global South? This thesis therefore did a comparative case study analysis between the FSC in Sweden and the FSC in Bolivia. Discourse analyses have shown how forest certification emerged in both cases, which stakeholders were included in the standard-setting process and what have been the consequences of forest certification.

The outcome of the comparative analysis showed no evidence that inclusiveness explains why the FSC has been more effective in Sweden than in Bolivia. The main reasons found in this comparison were the differences in industry and market structure in terms of demand for certified products. The Bolivian forestry sector has no demand for certified timber from the internal and regional market. Whether this is a possible explanation for the geographical difference of forest certification's effectiveness more generally is difficult to conclude. Due to the limitations of this thesis, which are mainly that it only relied on observations from other scholars by using secondary data and was bound to a limited time frame, it cannot provide significant evidence for broader generalizations. Future research using primary data collected during field work should be performed to further investigate the potential relationships identified in this thesis – namely between effectiveness and inclusiveness, and between effectiveness and market structure.

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