Certification with Russian characteristics: Implications for social and environmental equity

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ABSTRACT

This paper applies theories of equity and transnational "governance generating networks" to assess how forest certification is enacted in Russia. Drawing on eight years of field research, we compare the engagement of shifting networks of Russian private sector, NGO, governmental and local community actors in implementing select social and environmental standards and how this impacts the effectiveness of the FSC in tackling local community and environmental concerns.

Our case study suggests that much of the parameter-setting for what is addressed in certification's "sites of implementation" happens outside of formal standards-setting processes. In regard to environmental standards, strong and stable transnational environmental networks have been relatively successful in protecting "high conservation value forests". However equivalent multi-level networks are lacking for key social standards. While a national social NGO has had some success in promoting procedural equity through community participation, we find no evidence that certification was addressing local community concerns for distributive equity. In particular, certification had failed to address the loss of small and medium forest enterprises, loss of local access to sawnwood and rising costs of fuelwood. This highlights the power dynamics of global standards implementation and the need for multi-scale advocacy coalitions to ensure their effective implementation.

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1. Introduction

Forest certification has been widely promoted as a tool to set global standards for environmentally and socially responsible forest practices, and to reward forest producers who meet those standards with access to green markets. The Forest Stewardship Council (FSC) was the first forest certification scheme to develop a global presence, and has strived to legitimate this presence through a complex governance structure based on principles of equitable decision-making (McDermott, 2013; Tysiachniouk, 2012). The FSC's institutional core includes a membership-based, multi-stakeholder platform for negotiating written certification standards. The FSC has also developed separate auditing and accreditation procedures for assessing and verifying whether forest producers are meeting those standards. These formal institutional structures are designed to ensure that FSC standards represent an equitable balance of stakeholder interests across multiple scales, and that certification yields net positive environmental and social impacts on the ground.

A growing body of literature has emerged to assess how well the FSC and competitor schemes are achieving their goals in practice. This includes research comparing and contrasting formal certification governance processes (Tollefson et al., 2008), certification standards (McDermott et al., 2009) and the environmental and social impacts of certification (McDermott et al., 2015; Moore et al., 2012; Romero et al., 2013; Teitelbaum and Wyatt, 2013). It includes studies considering how political and economic factors such as the structure of trade and strength of civil society explain differing rates of growth and differences in the content of certification standards across countries (Cashore et al., 2004; Auld et al., 2008). It includes literature expressly focused on equity, and whether certain inequalities are inevitable in certification given power differentials among stakeholders (Bostrom, 2012) and the disproportionate market barriers facing developing country producers, smallholders and community-based operations (McDermott, 2013; Mutersbaugh, 2005; Pinto and McDermott, 2013). At the same time, research into the on-the-ground implementation of certification has emphasized the importance of local context in further shaping power and influence over certification decisions (Malets, 2014; Keskitalo et al., 2009; Tysiachniouk and Meidinger, 2012). Taken together, what all of this existing research suggests is that power in certification is continually negotiated and contested across scales, and across

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formal and informal settings. A holistic understanding of equity in certification, therefore, requires research that considers formal, informal and contextual dimensions, and that is dynamic and multi-scale in its approach.

This study contributes to such a holistic understanding, by combining in-depth, longitudinal case study analysis with the examination of larger-scale formal and informal governance processes. The analysis is organized around the merging of two theoretical frames. The first is the concept of "governance generating networks," which views transnational non-governmental organizations such as the FSC as a type of highly dynamic and network-based governance (Kortelainen et al., 2010). This lens makes visible the many different sources of agency and power that drive FSC-related actions at multiple scales. Complementary to this, the concept of "equity" allows us to assess the balance of interests involved in shaping certification outcomes as well as to evaluate the type and distribution of their social impacts (McDermott, 2013).

Our local to global analysis of certification's enactment is situated in a case study in Western Russia focusing on the transnational corporation of Russian origin, Investlesprom (INP). Russia is now second only to Canada in area of FSC certified forest, and with projected growth from nearly 40 million ha in January 2014 to up to 103 million ha by 2030, may soon hold the largest area worldwide (FAO, 2012; FSC-AC, 2014). Thus the implementation of certification involving large Russian TNCs, such as INP, is of major significance to FSC's existing and potential future impacts at a global scale. More specifically the paper focuses on one forest management certification area located in Karelia Republic, which is one of the largest areas leased by the INP subsidiary Segezha PPM.

The GGN and Equity Frameworks can be applied together to assess all aspects of FSC decision-making, from scheme governance, to standard-setting and implementation. Our analysis focuses, in particular, on the dimensions of multi-level governance and on-the-ground implementation. We begin by introducing the two frameworks and their application to FSC governance at the international and national levels. This is followed by a case study that hones in on the implementation or enactment of certification standards on the ground within the forest subsidiaries of Investlesprom. In particular, we compare and contrast implementation of a select set of core environmental and social requirements for FSC certification, consisting of the protection of High Conservation Value Forests (HCVF), community participation and local benefit-sharing. The GGN and Equity Frameworks are applied to understand how the standards addressing these issues are translated into on-the-ground outcomes, and what this means in terms of equity across interest groups and scales.

2. The theoretical framework and its application to the FSC

The GGN concept was partly developed as a grounded theory in the process of studying and analyzing the FSC network. It also draws on two existing bodies of literature, the sociology of transnational processes (Sassen, 2006, 2008; Castells, 1996; Castels, 1997) and the literature on policy and governance networks (Sorensen and Torfing, 2005, 2007). According to GGN theory, networks which play a crucial role in the development of global regulatory tools, products, or standards to be implemented in different parts of the World are named Governance Generating Networks (GGNs) (Tysiachniouk, 2012). The three major components of such networks are i) the nodes of global governance design, ii) forums of negotiations and iii) sites of implementation.

The nodes of global design are transnational centers, which bring together stakeholders from around the globe working on new regulatory products, e.g., new tools, strategies and instruments for global governance. Much of the existing research on FSC governance has focused on these nodes of design, which in the case of the FSC have evolved into highly formalized institutional structures. However, as will be clear from our case study analysis, there are many important decisions that are made outside of these formal structures. The GGN framework captures these external dynamics via the concepts of "forums of negotiation" and "sites of implementation". Forums of negotiation include not only those platforms for stakeholder engagement that are expressly part of the FSC's formal procedures, but also a wide diversity of venues external to the FSC. External forums may range from market campaigns to academic conferences to town hall meetings, all of which play a role in shaping the thoughts and actions of FSC decision-makers. Forums of negotiation are part and parcel of the GGNs in the sense that they play a role in all phases of the governance process, from standards development, framing and translation to adoption and implementation (Tysiachniouk, 2006, 2012; Kortelainen et al., 2010). Sites of implementation are the physical territories where global governance is translated and adapted to local circumstances. In the context of the FSC, key sites of implementation are the forest management units undergoing assessments for FSC certification.

The global node of design for the FSC GGN is its Civil Assembly, registered in 1993 in Oaxaca, Mexico and managed from FSC's International center, located in Bonn, Germany. The FSC is a membership-based organization, intended to provide equitable access to all interested nongovernmental stakeholders who can demonstrate their commitment to FSC principles. FSC membership is distributed across three chambers, the environmental, social and economic chambers (see Fig. 1.—internal gray circle). Each chamber is afforded equal vote, with the intention of achieving equity across environmental, social and economic interests. Voting by the FSC membership is likewise divided between "Southern" and "Northern" members, requiring majority approval from both the global South and North. The FSC International Center is responsible for the development of the FSC's ten Principles and Criteria (P&C), which outline the requirements for forest management certification applicable to all certified operations worldwide. The original FSC P&C and all subsequent updates require approval from FSC's international membership.

National and regional offices constitute subordinated nodes of design, at smaller geographical scales (Fig. 1.—FSC in gray rounds). These nodes, like the FSC international membership, are also organized into social, environmental and economic chambers. Their purpose is to develop national indicators to supplement the FSC P&C, and to further govern the FSC process within the nation state. The FSC national offices, serve as a link between the global FSC node, and its sites of implementation in particular countries.

In regard to the forums of negotiation that are either formally or informally associated with the FSC, the primary focus of this paper is on those forums that have influenced the interpretation of the FSC P&C and Russian national indicators in the context of the certification of INP. The FSC has a number of institutionalized forums of negotiation at the international and national scales which are crucial to the development of its written standards. However, as will be clear from our case study, forums of negotiation associated with the FSC's implementation have largely emerged on an ad hoc basis through the efforts of particular stakeholder coalitions.

While the GGN thus maps out the decision-making dynamics of the FSC at multiple scales, our other theoretical lens, the "Equity Framework", provides a means to assess the resulting balance of power and interests this map entails. Equity is a principle well embedded within the FSC's overall goals and mission (McDermott, 2013). "Equity" in this context, is understood as the achievement of equality across some agreed upon social measure (Sen, 1992). Consistent with this definition, the FSC's nodes of design aim for an equal voice among its recognized stakeholders across environmental, economic and social interest, Northern and Southern hemispheres, and across scales. Likewise, the FSC has articulated goals for equal access to certification among large and small forest producers and the sharing of forestry's benefits with local communities (McDermott, 2013). These goals constitute FSC's visions for equity and provide a backdrop against which to consider the balance of power that is currently enacted through the FSC GGN.