

Quality and Legitimacy of Global Governance: Case Lessons from Forestry

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1. Introduction

Origins of Global Governance

The institutions that emerged in the immediate post Second-World War period, most notably those associated with the United Nations (UN) and Bretton Woods Conference, represent an important step in international economic, social and political relations. Previously, conflicts between nations were resolved principally by means of the Westphalian model of international diplomacy whereby state-centred sovereignty remained unchallenged. Today, this sovereignty still remains intact, but it is increasingly the subject of a system, in which governments are rendered accountable to each other – albeit imperfectly – through such bodies as the UN. A whole series of covenants, treaties and declarations have also arisen between contracting states in the wake of the post-War settlement, including the 1948 Universal Declaration of Human Rights. Despite their shortcomings these agreements represent an attempt to redefine the national interest and protect society's minority groups from the excesses of the state – and from each other. The result is a far more global understanding of international relations (IR), institutionally expressed through a range of such bodies as the Food and Agriculture Organisation (FAO) and the International Monetary Fund (IMF). These developments, combined with the integration of global financial activities in the post-Cold War period and the ongoing growth of information and communication technologies have all contributed to the description of the contemporary era as one driven by the processes of globalisation.

At the same time, and historically commensurate with the rise of globalisation, it is also possible to discern an increasing ‘environmentalisation’ of global institutions. Two important contributions were the establishment of the International Union for the Conservation of Nature and Natural Resources (IUCN, now the World Conservation Union) in 1948 and the creation of the United Nations Commission on the Human Environment (UNCHE) twenty years later. The United Nations Environment Programme (UNEP) and the Stockholm Declaration of 1972, both of which arose out of UNCHE, placed the imperative for environmental action on the global level, and set the normative context for future discussions about the environment. Global action reached a high point with the United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro in 1992.

The substantive outcome of Rio, *Agenda 21*, formally recognised the participation of non-state interests, particularly non-governmental organisations (NGOs) in the framework of international environmental policy and environmental decision-making at all levels.¹ Participation is an essential component of citizen power, without which democracy is an empty and frustrating process.² Despite this degree of acknowledgement, governments still see themselves as the chief political negotiators at the global level, and democratic participation – if it occurs at all – continues to take place within the nation-state. Global decision-making remains largely in the states’ hands, undertaken between governments meeting in forums that exist beyond the electoral mandate of national citizens. But these historical arrangements are under pressure as a result of the globalisation and environmentalisation of world politics. The supra-national nature of the UN, and other regional projects such as the European Union, are challenging the very idea of national sovereignty, even if it remains formally intact. Secondly, contemporary issues, climate change

being the chief exemplar, are not always contained within territorial borders. These developments have impacted on the relationship between the individual and government, and national citizens are questioning the political supremacy of the nation-state. This makes for a complex debate regarding roles and responsibilities in this, the post-modern era, which is characterised by its complexity, uncertainty and risk. The expectation for increased citizen participation that these developments have brought about pose some major problems for contemporary democracy, both in terms of how to structure institutional responses in ways that effectively deal with global problems, but also how newly-enfranchised actors should be included in decision-making processes. Territorial systems, in which political participation is limited almost exclusively to electing representatives to make decisions, are no longer the only sites of democracy.

As a result, there has been an ongoing evolution away from traditional processes of *government* towards the more abstract concept of *governance*, based on based on the “dynamic interplay between civil society, business and public sector.”³ But this transition from government to governance is neither straightforward nor uncontested. Alternative institutional venues have not supplanted the sovereignty of the nation-state. Some complement existing intergovernmental processes, others may compete with them. This competition is made all the more significant in view of claims that traditional multilateral institutions are weak, and have proven to be of only limited value in solving global problems.⁴

Understanding Contemporary Governance

It is important to understand the evolution away from government and towards governance that has arisen in the wake of in the wake of globalisation. When it comes to explaining

contemporary developments, conventional disciplines are no longer entirely applicable in their classical form. This is particularly the case with IR. The previously orthodox viewpoint that geopolitical cooperation occurs almost exclusively within the sphere of intergovernmental regimes comprised of intergovernmental agreements that are pursued in the context of state-based authority is now considered as being largely out of touch.⁵ The regime concept, particularly influential in recent theory, is beginning to be replaced by the more relevant idea of multi-level governance. Governance itself is also becoming increasingly understood in terms of its expression not only on the national and international levels, but at all spatial scales. Contemporary environmental governance articulates this trend particularly strongly, and is exemplified by the interactions that occur between decentralised networks made up of multiple actors functioning at all levels, from the global to the local, and vice versa.

A body of theory in the field of comparative politics has also arisen over the past two decades, which argues for a broader understanding of state and non-state relations than those explained by traditional top-down, command-control models of regime-based state authority. Modern governance is portrayed as essentially social-political in nature, and understood as ongoing processes of interaction between social groups and forces within public and private institutions.⁶ Interaction is key, and is identified as a series of 'co'-arrangements between state and non-state actors, more oriented towards collaborative approaches to problem solving based on the formulation of criteria, or the setting of standards.⁷ In such models the transmission of information and knowledge and its valuation by those involved plays a central role; and deliberation, as opposed to directive, has become an alternative mechanism of dealing with the complexity and ambiguity of political and social problems.⁸ Deliberation has

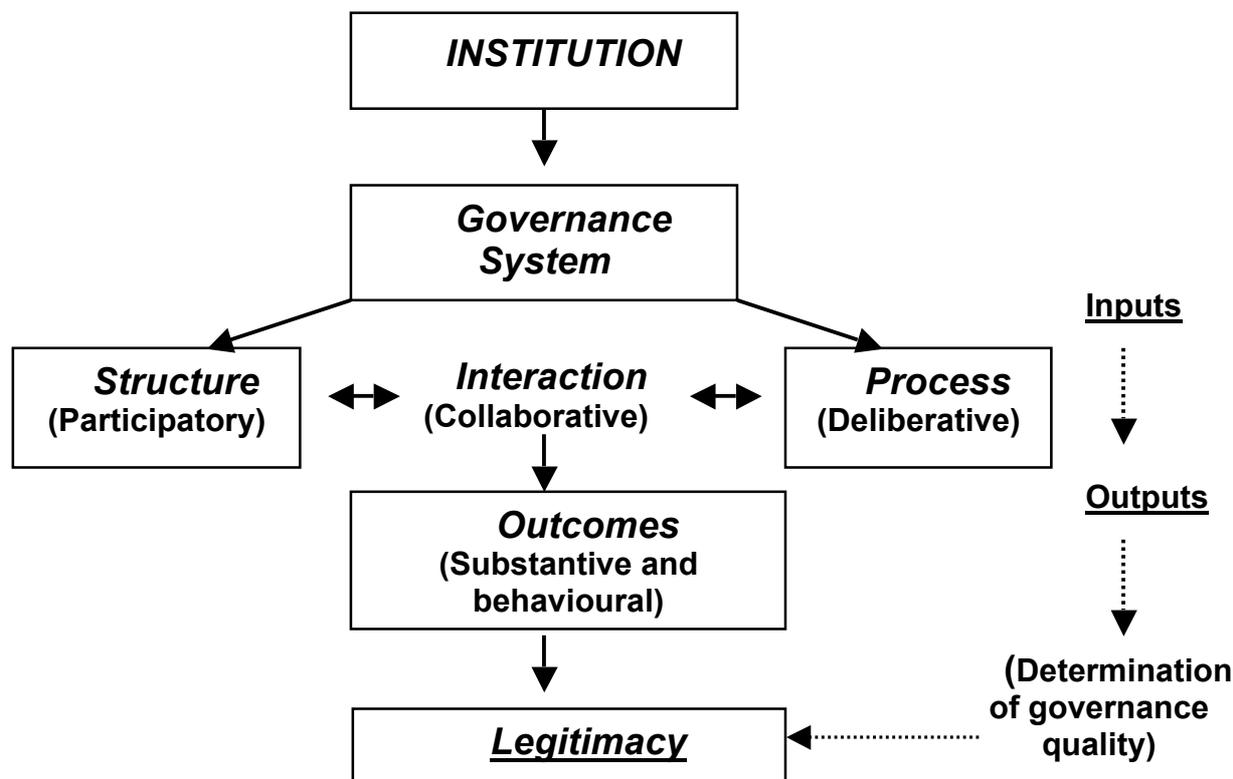
come to be identified a specific method of political interaction, markedly different from the traditional practice of democracy, as it is seen within nation-states, and especially when this practice is extended into the international arena. Deliberation occurs when problems are discussed with a view to developing solutions through cooperation and joint agreement and in which rational discourse contributes to problem solving.⁹ This is to be contrasted with the traditional democratic practice of aggregation, or aggregative democracy, when divergent interests are grouped together and the one with the greatest level of influence (often numerical) prevails. This is the most common system on the national level. The designation of democracy as deliberative or aggregative is a critical theoretical method of interpreting the particular expression of a given system, and in the final analysis, is characterised as consisting of co-operative versus competitive political interaction.

These new systems now sit alongside traditional, more legalistic, mechanisms and have been interpreted as representing new processes of governing.¹⁰ There is also a growing acceptance that governance theory and analysis is grounded on the assumption that structure and process is fundamental to understanding the quality of interactions between participants in contemporary global institutions.¹¹ This emerges in the material of the early 1990s, and in the light of research experience re-emerges a decade later in terms of 'governance as structure', understood as the models utilised by various institutions, and 'governance as process', referring to the idea of steering or coordinating, and comprising the 'co' arrangements referred to above.¹² Together, these two conceptions of governance have been identified as the key determinants of 'governability', understood as the overall capacity of a system to govern itself.¹³ In the light of such conceptual developments, and in order to make governance more effective, there have been calls for researchers to think about institutional

design more creatively.¹⁴ Following on from previous work, this book establishes an institutional relationship between *participation as structure* and *deliberation as process*. In this conception, participation and deliberation have a functional significance beyond their particular expression in a given institution; it is not the institution per se, but rather how participation and deliberation occurs within it that determines the effectiveness, or quality, of its governance.

But even if quality of governance is conceived of in these terms, it is nevertheless still necessary to determine what makes an institution legitimate, since there is disagreement between governance theorists as to whence legitimacy is derived. Two theories currently dominate. Legitimacy can be 'input oriented': that is, derived from the consent of those being asked to agree to the rules, and concerning such procedural issues as the democratic arrangements underpinning a given system. Legitimacy can also be 'output oriented': derived from the efficiency of rules, or criteria for 'good' governance, and demonstrated by substantive outcomes.¹⁵ Legitimacy can therefore be determined both according to the principles of democracy on the one hand and efficiency and effectiveness on the other. Input legitimacy concerns itself with the structures and processes of governance, whilst output legitimacy is more interested in results. Additionally, recognising the social-political nature of contemporary governance emphasised in the literature, it is also necessary to further conceive of legitimacy in sociological terms.¹⁶ In this broader context, legitimacy of governance should be understood in terms of the social-political interactions within the structures and processes of an institution and the outcomes they generate; the more balanced these elements, the more governable the system.¹⁷ It is the quality of these interactions that ultimately determines legitimacy. This interrelationship can be expressed figuratively (see Figure 1.1 below).

Figure 1.1 Conceptual model of contemporary global governance



Institutional Expressions of Governance

Given the diffusion of power away from the old paradigm of top-down, command and control state-led approaches, there has been a proliferation of new forms of governance and associated policy instruments. Starting at the shift in global politics away from intergovernmental, state-based relations, it is now possible to discern a growing trend towards alternative forms of governance. This is a development most analysts no longer deny. Such forms are characterised by their network-like relations between private and public actors and include such arrangements as business-driven self-regulation, and public/private or civic/private partnerships.¹⁸ They are closely related to economic globalisation and the reduction in state power, as well as the weakness of global governance at intergovernmental

levels. Ironically, the move to private sector governance has been given a boost as a result of the international institutions that have either arisen within the UN, such as the United Nations Environmental Program (UNEP), or via UN-sponsored initiatives, such as the Global Compact (2000). But UNEP and other initiatives notwithstanding, the UN system has been criticised as being neither effective in the assessment, review and monitoring of the measures it prescribes, nor in ensuring compliance.¹⁹ As a result, although corporations still lobby governments through traditional processes based around multilateral agreements, they are also dealing with each other and other non-state actors as well as the state. Such efforts amongst private actors, civil society and the state have given rise to private and civic governance arrangements that resemble the public governing functions of states and intergovernmental institutions. Relations are of a permanent and institutionalised nature and should be distinguished from simple cooperation, which is ad hoc and short-lived.²⁰

Such private and civic initiatives are categorised in a number of ways. Self-regulation is defined as “mechanisms to reach collective decisions about transnational problems with or without government participation.”²¹ Three discrete self-regulatory models have been described, centred upon civil-society-based monitoring and advocacy initiatives, industry-driven standard setting, and traditional government-led regulation. Self-regulation should not simply be interpreted as industry opportunism seeking to undermine regulatory systems to the lowest common denominator. Many companies are in fact developing international standards that exceed the requirements of national legislation. Instead, self-regulation should be interpreted as further evidence of the changing nature of global governance.²²

Although self-regulation is seen as having the potential to encourage significant improvements, a range of other traditional, and newer, political approaches are in use. Indeed,

there is an inter-play between governance, government and policy instruments, which reflect the nature of the changing roles of state and societal actors, in a period of what has been referred to as governance transition. In the literature covering environmental policy instruments particularly, a trend away from the traditional regulatory approach dating back to the late 1960s towards new environmental policy instruments (NEPIs) has been noted. Various sub-types have been identified, but there are three of particular significance: voluntary agreements, environmental management systems and market-based instruments (including eco-labels). Older policy instruments continue to compete with these NEPIs, which are themselves competing with each other. Hybrid forms of regulation, with strong features of governance such as self-monitoring and societal organisation are also appearing. Governance and government therefore represent a continuum of different governing types on two heuristic 'poles'. On balance, though, jurisdictions have nevertheless shifted from a position of government to governance with regard to their use of newer instruments.²³

The role of non-state actors is central to these newer instruments. New sub-political arrangements have emerged that are institutionalising environmental, non-state interests in the economic domain, especially when governments fail to act, or when intergovernmental agreements and institutions prove inadequate. Market-based mechanisms are making an increasingly significant contribution to global reform in this regard.²⁴ An initial wave, brought about by public pressure, consisted of largely unilateral company codes, designed to demonstrate good conduct, but not generally open to public scrutiny. These instruments were intended to address the concerns of consumers in industrialised countries concerning issues such as child labour, but ignored more entrenched problems, such as freedom of association. This was followed by a further development with greater levels of scrutiny, based around

reporting, and designed to demonstrate a company's environmental and social responsibility to its shareholders. The third and most ambitious was the creation of sector-wide arrangements, involving several businesses and/or associations, and including civil society participants. All three used certification of one form or another to verify compliance. While the resultant institutions that have arisen do not and cannot replace nation-states, they have introduced new elements and dynamics into the processes of global governance.²⁵

Classifying Governance

A further and more complex result of the evolution of contemporary governance is its diversity, and how it is categorised in the literature. Theorists dispute the number and types of contemporary governance. Most authorities are able to see a difference from earlier conceptions, generally described, as noted earlier, as being top down in nature; contemporary governance by contrast is portrayed as being less command-and-control oriented, but there are disputes over the phenomenon of governance, which can make comparisons between theories difficult. These differences depend both on theoretical perspective and date, and can be generally summarised according to scholarly discipline – but by no means exhaustively – as in Table 1.1 below.

Table 1.1 Four typologies of governance 1997-2006

<i>Public Policy</i>	<i>Form</i>	<i>International Relations</i>	<i>Form</i>	<i>'Analytic' (Arts)</i>	<i>Form</i>	<i>Comparative Politics</i>	<i>Form</i>
<i>Centralised</i>	Government has control	<i>Top-down</i>	Traditional governmental & inter-governmental relations (including business)	<i>Old</i>	State-steered (top-down, command-control)	<i>Private transnational</i>	Financial market schemes;
<i>Minimal state</i>	Less government, more privatisation	<i>Bottom-up</i>	Informal civil society initiatives	<i>New</i>	New modes (self-regulation, etc. - public-private)		NGO programmes
<i>Corporate</i>	Directed and controlled by companies	<i>Market</i>	Multiple players using formal & informal market-based mechanisms	<i>All</i>	New and old mechanisms for procuring public goods (public, private & mixed)		Business/ NGO partnership
<i>New public management (NPM)</i>	Private sector practices in the public sector	<i>Network</i>	Formal state, civil society, business alliances	<i>Normative</i>	Programmes to renew management (good governance, new public management & corporate governance – public & private)		Multi-stakeholder processes
<i>'Good'</i>	Practices of NPM and liberal democratic values	<i>Side-by-side</i>	Informal cooperative arrangements between state & non-state				International Union based projects (codes of conduct; business partnerships)
<i>Socio-cybernetic</i>	Social-political interaction	<i>Mobius-web</i>	Intricate, overlapping mixed arrangements ("end-state" of contemporary governance)				
<i>Self-organising networks</i>	Inter-dependent actors/ agencies delivering services						

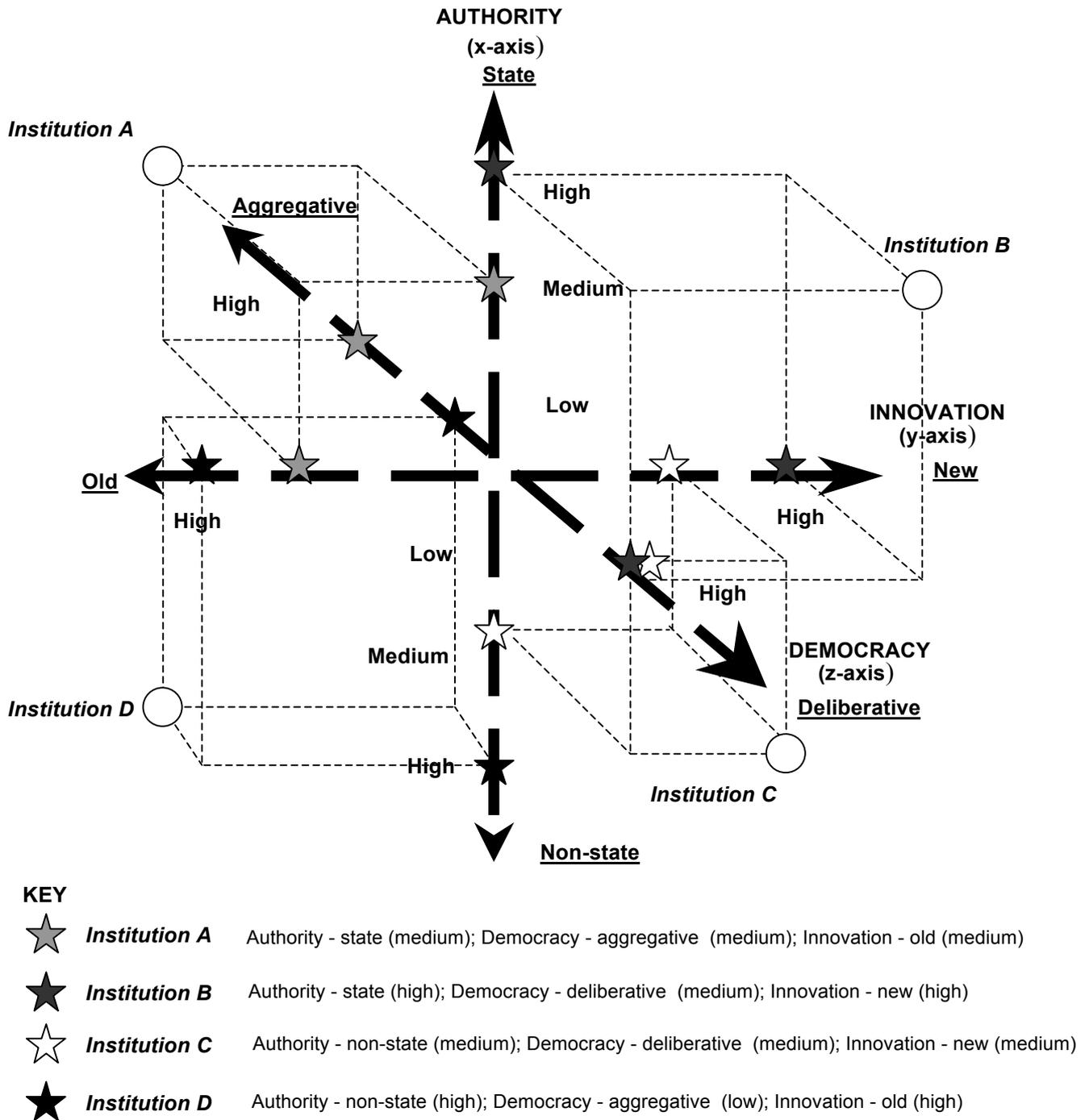
Sources: Rhodes (1997), Rosenau (2003), Arts (2006), Dingwerth (2008)

But rather than presenting global governance as existing only within rigid definitional sets, it would be better to conceive it as a dynamic interplay between the factors influencing institutional expression. Three major factors in particular stand out amongst the many issues

affecting the practice of global governance, and the institutions in which it is expressed. The first of these is that a shift in locality away from the nation state to multiple sites implies that the nature of contemporary *authority*, or sovereignty, is changing. Authority may be located within national governments, but, given the nature of global social and economic transactions, it may also be vested in non-state agents, from corporations (or alternatively formulated, the private sector) to NGOs (or civil society), and multilateral organisations such as the WTO and IMF and so forth; even traditional notions of public and private are no longer clear-cut. Here, the old state-centric exercise of authority, and the new power of non-state organisations exist on two ends of a continuum. The second and related theme, given the erosion of the role of the nation-state as the sole sphere of authority, regardless of its continuing existence and contribution to global politics, is the discussion across the literature about the practice of *democracy* in a globalised world. In the old world, democracy is characterised by territorially located, political parties; in the new, non-territorial sectors, consisting of groups such as civil society and business, engage one with another in a much more cooperative set of arrangements, where collaboration is central to rule-making. Here, deliberation is to be contrasted with the other democratic end of the continuum, where interests are aggregated and compete with each other. Thirdly, within governance theory itself, the discussion is also about the move away from traditional, towards new forms of governance.²⁶ This is complicated by the fact that it is easier to distinguish between 'old' than the many and varied 'new' governance types.²⁷ In practice, divergent forms of governance also appear alongside each other in the global policy arena. This is demonstrated, for example, by the existence of intergovernmental multilateral environmental agreements, exemplified by UNFF, alongside non-state market driven instruments, such as the Forest Stewardship Council. Consequently,

innovation provides a third benchmark against which contemporary governance is to be understood.

Figure 1.2 Typological framework for the classification of four hypothetical governance institutions



Sources: adapted from Koenig-Archibugi (2006), Reuben (2003)

Timothy Cadman, 2011, Palgrave Macmillan, reproduced with permission of Palgrave Macmillan

These three factors are interpreted here as influencing the type of governance expressed in a given institution. Each institution will also sit in different places along the continuum in relation to each of these factors. This interplay can be expressed conceptually by way of a three-dimensional attribute space. By allocating some form of simple rating system (for example, low, medium and high) it is also possible, to determine the extent to which these themes are expressed in existing institutions, and to plot those institutions in three dimensions (see Figure 1.2 above).

Major Elements of Governance

The term 'governance arrangement' has come to be used to refer to a range of specific mechanisms influencing the nature of the interaction between the participants involved collective problem solving.²⁸ A wide range of scholars has commented at length on the various arrangements underpinning governance. These institutional elements, identified across the fields of governance theory, have a bearing on governance quality and legitimacy, and are worth exploring at this point.

Interest Representation

Interest representation, closely identified with the inclusion or inclusiveness of stakeholders, is recognised as a fundamental problem in contemporary global governance and a source of considerable institutional variation. Inclusiveness has been broken down into two elements, access and weight. Access concerns who is bounded or affected by a given policy and whether they actively participate in developing regulatory responses, whilst weight denotes the extent to which influence is shared equally amongst participants. Inclusiveness therefore sits along a power continuum and is measured by the extent to which participants are involved

in decision-making processes and whether their input is taken into account.²⁹ Democratic theorists commenting on global governance also link equality to inclusiveness – and by extension, exclusiveness to inequality – arguing that legitimacy is normatively expressed by participation in decision-making. Processes at the global level in which nation states play the predominant role are inherently exclusive and in order to increase levels of representation require a wider range of previously marginalised groups and perspectives.³⁰ There is an inherent, and problematic, interplay between interest representation, inclusion and equality in these kinds of non-spatial and non-territorial venue. Simply using previous nation-state oriented democratic standards can erode equality even if there are increased opportunities for involvement.³¹ Although many other theorists accept that participation within contemporary governance is basically representative and group-oriented in nature, they likewise recognise that the complexities brought about by globalisation call for a reinvention of interest representation. Attention has consequently been paid to the problems associated with greater participation and wider inclusion inherent in the governance concept, notably the prevalence of hidden places of influence and power.³² This problem has been referred to elsewhere as ‘fugitive’ power and can result in a number of governance legitimacy issues; this has led the European Commission for example to identify inclusiveness as one of its principles of ‘good’ governance.³³

Effective interest representation in global governance also requires significant resources. These are generally only available to well-endowed organisations, residing in the more privileged parts of the world. Lack of resources can be offset when associations collaborate, however, and in this regard at least, networks have been identified as having the potential to play a beneficial role. If the problems surrounding how networks are themselves resourced

can be overcome, such structures have the potential to impact positively on global governance.³⁴ Scholars further point to the need for economic-technical capacity (money and expertise) and well as institutional support as a structural framework condition for organisations seeking to develop effective policy within decision-making processes that include both public and private actors.³⁵

Accountability and Transparency

Accountability has become a central aspect of the quality of governance debate, since the rise of new actors and new institutions has necessitated a reconfiguration of existing democratic mechanisms for holding participants to account.³⁶ It is seen as being both an internal and external requirement of good governance.³⁷ There is a need for a better meshing together of internal and external accountability measures, posing a number of unresolved normative questions.³⁸ Some scholars see that defining what constitutes a robust accountability system is a major problem facing advocates of new governance, and have problems envisaging any serious contenders to the state as a source of democratic accountability.³⁹ Consequently, there have been calls for properly adapted principles and standards of accountability to satisfy normative democratic criteria as world politics generally lack universally accepted values and institutions. Greater freedom of information might compensate for the remoteness of global processes from democratic accountability.⁴⁰ In this context, the external accountability of decision makers is to the public at large, and is linked to what appears as a related attribute, transparency, expressed in terms of public access to information and decision-making procedures.⁴¹ Transparency plays a role both in the participation of interests from the inception of a governance system or policy process (*ex ante*) and in the public scrutiny of decision-making (*ex post*).⁴² It is effectively a precondition for effective accountability, since

it is impossible to hold an institution to account if its regulatory operations are not open to public view.⁴³ Formal structures and clearly defined rules are required for each level, otherwise transparency can be lost, and policy making predetermined.⁴⁴ In short, how the responsibility of participating actors should be addressed in non-state, non-elected structures continues to be the subject of some debate.

Decision-making

There is general recognition that as governance continues to develop at a global level, procedural arrangements are likely to be based more and more upon commonly agreed rules and practices.⁴⁵ Governance itself is increasingly multi-level, undermining traditional concepts of community and representation, generating a form of decision-making, which is occurring in forums that in addition to their democratic expression are also, as indicated above, more deliberative in procedural style.⁴⁶ Current intergovernmental systems are seen as lacking the necessary processes to cope with greater degrees of non-state participation. This has led to the conclusion that without existing institutional arrangements being changed in favour of more productive interaction, built around consensus, global environmental negotiations will continue to produce inadequate results.⁴⁷ EU regime scholars have examined whether decision-making operating on a consensual or majority basis is more effective.⁴⁸ Anecdotal case studies of environmental processes, echoing those of their EU counterparts in the US indicate that agreement is often reached by consensus (understood as total agreement) during the working stages of negotiation, reverting to a majority vote at the end.⁴⁹ However, commentators critical of current policymaking have noted an almost obsessive trend to consensus within new modes of regulatory governance. Criticisms include the definitional

inconsistencies of consensus, which can be defined as both constituting unanimity, or as a decision everybody can live with.⁵⁰

Policy-making, implementation and enforcement inevitably involve conflict amongst interested parties requiring dispute-resolution mechanisms. The inability to resolve conflicts has been identified as a key indicator of governance failure. Interestingly, it is in the arena of environmental governance where some of the most extensive use of these processes is made. In cases of environmental dispute resolution, it has been noted that the consensus developed through mediation can bring separate interests closer together.⁵¹ Such an approach would again consist of “discursive procedures” for dispute settlement through the solving of problems cooperatively.⁵² Conflict should therefore not be seen as a negative aspect of governance. So long as it does not encompass irreconcilable issues such as matters of religion or ideology for example, conflict can be managed, even if it is ongoing. Indeed, the ongoing nature of “muddling through” a particular conflict may even set the stage for the next round of engagement and negotiation.⁵³

Implementation

In order to determine whether a given policy objective has been implemented effectively it is necessary to trace the final effects of a given policy and its related programmes.⁵⁴ EU scholars stress the relationship between implementation and compliance. If implementation is the action of putting commitments into practice, compliance relates to the consistency between a given rule and an affected party’s behaviour. In this context, effectiveness is presented as a measure of the extent to which a policy has been successful in solving the problem it was created to address. Compliance is consequently seen as a proxy for effectiveness.⁵⁵ Successful implementation therefore relates to both behavioural- and problem solving effectiveness.⁵⁶

The importance of problem solving as an aspect of institutional governance has led one scholar to note “an environmental regime is successful when it solves the problem that led to its creation.”⁵⁷ Notably, it is argued, an institutional approach to problem solving that incorporates a degree of flexibility results in governance systems that are more resilient in the face of external change and may even benefit from it. Non-resilient systems on the other hand are vulnerable to change.⁵⁸ Here, the implication is that flexibility and adaptability contribute to the durability of an institution. However, it is also important to bear in mind that factors external to the governance system also impact on the success of implementation. Governance systems stand little chance of improving situations where legal requirements and enforcement capacities are weak, and where social, economic and political contexts beyond the institution itself impede successful implementation.⁵⁹

Evaluating Governance Quality

Although a wide range of scholars has commented at length on the various attributes of ‘good’ governance, as the discussions above demonstrate, they have generally not examined the nature of the relationship between those arrangements as a whole, as they often focus on a single criterion (the most frequently discussed being accountability). If they do comment on several criteria, these discussions are more often related to the authors’ areas of expertise, or particular institutional focus, than on the significance of these criteria as parts of a holistic mechanism contributing to quality of governance. In addition, the terminology used for describing these governance arrangements are inconsistent and criteria and indicators are used interchangeably. If there are inconsistencies in the academic literature, it should come as no surprise to see this reflected in practice. The lack of a consistent and coherent approach to

measuring and verifying governance quality has meant that institutions face considerable difficulties in reaching agreement over the necessary elements for assessing the legitimacy of competing systems.

For the purposes of understanding the nature of the relationship between the various governance arrangements discussed above, two simple methods for evaluating governance quality have been developed for the case studies, which follow. The first is a framework of principles, criteria and indicators (PC&I) relating to governance quality. A *principle* is a fundamental rule, which serves as a basis for determining the function of a complete system in respect to explicit elements. A principle can also express a certain perspective, or value, regarding a specific aspect of the system as it interacts, in this context, with the overall governance system.⁶⁰ *Criteria* function at the next level down, and can be described as categories of conditions or processes, which contribute to the overall principle.⁶¹ They are intended to facilitate the assessment of principles that would otherwise be ideational and non-measurable. Criteria are not usually capable of being measured directly either, but are formulated to provide a determination on the degree of compliance. They are consequently linked to *indicators*, which are hierarchically lower, and which represent quantitative or qualitative parameters, and do describe conditions indicative of the state of the governance system as they relate to the relevant criterion. Together, PC&I may be used as the basis for *standards*, which serve as a reference for monitoring, reporting and evaluation.⁶² Standards are the substantive outcomes of the governance system and determine how the system is formulated and applied, thereby delivering effectiveness and legitimacy.⁶³ The relationship between principles, criteria and indicators, and how the various governance arrangements

discussed above can be formulated for assessing institutional performance, are laid out in Table 1.2 below.

Table 1.2 Hierarchical framework of principles, criteria & indicators of governance quality

Principle	Criterion	Indicator
“Meaningful participation”	Interest representation	Inclusiveness
		Equality
		Resources
	Organisational responsibility	Accountability
Transparency		
“Productive deliberation”	Decision-making	Democracy
		Agreement
		Dispute settlement
	Implementation	Behavioural change
		Problem solving
		Durability

Here the rule (perspective, value) concerning participation is that it should be *meaningful*. This term is frequently associated with participation in much of the literature, and serves here as a normative, qualitative descriptor.⁶⁴ The second principle, referring to the deliberative, procedural, aspects of governance, has been ascribed the term *productive* as its descriptor.⁶⁵ This refers both to the quality of deliberations, as they occur within the system, as well as the quality of the outcomes, or products, of those deliberations. Meaningful participation is assessed through two criteria, *interest representation* and *organisational responsibility*. In the discussion of the governance literature presented above interest representation is seen as a key component of ‘good’ governance, and has been linked to three elements of governance, which function on the indicator level: *inclusiveness*, demonstrating who has access to a governance system; *equality*, indicating the balance of power, or weight, of participants; and *resources*,

referring to the economic, technical or institutional capacity of a participant to represent their interests within the system. The second criterion, *organisational responsibility* relates to whether the range of organisations involved in a governance system can be considered as acting responsibly. This includes the institution itself, related entities (such as accreditation and certification bodies), and its constituents (members and non-members). Responsibility is comprised of two indicators, *accountability* and *transparency*, which are usually treated together in the literature, and refer to the extent to which the behaviour of participating organisations can be both called to account both inside the institution and externally by the public at large, and the degree to which their behaviour is visible and open to scrutiny by other actors within the institution, and beyond.

The procedural principle of productive deliberation is demonstrated through two criteria, *decision-making* and *implementation*. Decision making is an essential part of the deliberative process, and are linked in this study to three indicators: *democracy*, not referring to a specific mode of democracy, but rather the extent to which a system can be deemed to be functioning democratically; *agreement*, referring to the method in which decisions are reached, such as voting, or consensus; and *dispute settlement*, indicating the system's capacity to manage conflict when there is no agreement, or there are challenges to decisions made. Implementation refers to the process of putting commitments into practice.⁶⁶ However, the fact that a system has created policies or standards does not automatically demonstrate productiveness. Three indicators are therefore associated with implementation in this study: *behaviour change*, used to determine whether the implementation of agreements, or substantive outcomes results in changed behaviour regarding the problem that the system was created to address; *problem solving*, referring to the extent to which the system has solved the

problem it was created to address; and *durability*, capturing the related elements of adaptability, flexibility and resilience.

Scope of This Book

The central argument of this book is that *the more deliberative and participatory the governance system the higher its quality and the more legitimate the institution*. Institutional use of aggregative models of democracy invariably pits social, economic or environmental needs against each other, as divergent interests must compete for supremacy one over the other. Grounded as they are within the territorial confines of the nation state, such institutional approaches are no longer adequate in an era of globalisation, in which the need for collaboration to tackle global problems has become a pressing necessity.

Deforestation, the central environmental problem under scrutiny in this book, serves as a case in point. Although almost everyone at this historical juncture is prepared to accept there is a problem of over-extraction, national governments continue to face considerable political difficulties in determining how to best manage forests when they are used by many individuals in common, and there is conflict over what action to take. Institutions seeking to combat deforestation and regulate forest management also exist within a global market system that continues to ignore the existence of environmental limits; it compels ever-increasing production in a world that is limited. As a consequence, and despite their efforts, global deforestation continues to escalate.

A key objective of a number of the institutional responses to combat deforestation is to promote *sustainable forest management* (SFM), which is the process of managing a forest to ensure ongoing production whilst maintaining its environmental and social functions.⁶⁷ This

objective has been pursued via intergovernmental initiatives and private sector programmes, such as forest certification, a major focus of this study. *Certification* in this context should be understood as “a process, which results in a written quality statement (a certificate) attesting to the origin of raw wood material and its status and/or qualifications following validation by an independent third party.”⁶⁸

Deforestation has been attributed to a wide range of causes including international development and debt policies, population growth, poverty, drug cultivation, wars and the role of the military, land tenure inequities and natural causes. Transnational corporate financial investment associated with the exportation of timber from producer countries to consumer countries has also been identified as playing a significant role.⁶⁹ As the subsequent case studies demonstrate, neither sustainable forest management, nor certification have been entirely successful policy mechanisms for tackling deforestation. Deforestation is often the result of non-forestry activities, such as clearing land for cash-crop agricultural commodities like palm. In this case, no matter how exemplary the management of a given forest may be, if the market dictates a higher price for palm oil than timber, the incentive for conversion can be overwhelming for even the best manager. It is therefore somewhat simplistic to interpret SFM as the ‘solution’ to the ‘problem’ of deforestation.⁷⁰ Rather, the significance of SFM lies more in its contribution to the discourse of sustainable development – and how this discourse is implemented institutionally – than as a universal panacea for deforestation. In the case of market-based approaches, the point has been made that certification, for example, has a limited impact on the problems of forest degradation and deforestation. From this standpoint the contribution of each of the case studies should be seen as partial, and relating more to the

extent to which what they have to offer does in fact complement the range of other initiatives aimed at improving forest management practices.⁷¹

Reflecting the complexity of contemporary governance generally, forest governance is expressed in a number of different models, both state and non-state. Four global institutions of forest governance have been selected to explore the book's central argument. Each of the four schemes have been selected on the basis of their different arrangements for interaction between social, economic and environmental interests on the global, national and local levels (both public and private, or state and non-state), the model of governance they employ, and democratic mode. The case studies are the Forest Stewardship Council (FSC), the Program for the Endorsement of Forest Certification Schemes (PEFC), the International Standardisation Organisation (ISO) 14000 Series (Environmental Management Systems - EMS), and the United Nations Forum on Forests (UNFF).

The FSC is the first institution investigated, and, as a system of forest certification, it is particularly interesting as it represents an early 'ideal type' of non-state market-driven governance on account of its strongly non-governmental (as opposed to governmental, or intergovernmental) orientation regarding rule-making authority, standard setting and compliance verification.⁷² This is reinforced by the fact that it has been created largely by civil society, with some contribution from business.⁷³ PEFC provides an interesting counter-example to FSC, since like FSC it was largely initiated originally by a single interest grouping, but in its case forest owners, as opposed to NGOs, and is an essentially 'business' model of governance. How it expresses the various institutional attributes identified in this study as contributing to quality and legitimacy provides some interesting insights into the quality of this type of forest governance versus the more 'civic' model of FSC. PEFC

provides an umbrella under which national certification initiatives challenge FSC's 'original' model of market-driven governance. The differences between these two models consequently provide further insights into the broader understanding of the strengths, and weaknesses, of certification as a regulatory tool for forest management.

The ISO 14000 Series does not deal specifically with forest management, although its standards can be applied to both forestry and forest products. There were plans for the development of a forest-management specific standard, but these were later abandoned, an interesting story in its own right. Because these standards were developed within a broader institutional context, it has at times been necessary to look both at ISO itself, and the technical committee (TC 207) under which the 14000 Series was developed. As a result, the assessment of the governance quality of the 14000 Series cannot be viewed in isolation from of ISO as a whole, and the evaluation of the Series consequently acknowledges this institutional context. It has been included on account of its value as another global environmental governance system with an emphasis on environmental management, and an associated certification programme.

UNFF provides an example of an existing – intergovernmental – forest-related model. It has been chosen for the express purpose of rounding out the comparative analysis, contained in Chapter Seven, by enabling the reader to compare non-state, market-based systems with a more conventional, state-based approach to governance. With no formal standards development process, and no related certification scheme, it differs considerably from the other case studies in this regard. As an intergovernmental body, most of its activities are concerned with UN member countries and their national forestry-related regulations and programmes. It concentrates less on the role of the market as an environmental problem

solving mechanism, and places more emphasis on forest policy instead. Consequently its approach to participation and deliberation is viewed more in terms of the sovereignty of the nation state, than the other systems examined. This orientation produces a different expression of contemporary global governance, but one that is equally suited to the analytical methods used in the preceding three studies.

Of the four institutions the largely non-governmental initiative, FSC, achieves the highest rating. The point to be emphasised is that it is not due to any inherent superiority of FSC that merits this evaluation, but the quality of the structural and procedural interactions within its governance system. It is the degree to which participation as structure and deliberation as process is institutionally embedded that ultimately determines legitimacy.

Method

Each of the institutions has been subjected to a review of primary documentation from the institution itself, secondary materials from academic scholars, and ‘grey’ literature generated by NGO commentators and consultants. Interviews were also conducted with representatives from the main interests – economic, environmental, social and governmental – that participate in forest governance, as well as with staff, from each of the institutions. Given the size of the sample (37) it was not possible to divide interviewees along strictly sectoral lines without revealing the identity of individuals, so participants have been placed into three groups: NGOs (social and environmental); Business (private consultants, company employees and NGOs with a specific business orientation); and ‘other’ (institutional and governmental representatives, and other agencies). A full list of interview participants and their designation is included in the Appendix. These sources have been used to evaluate the case studies, which

follow. The intention behind using three discrete sources of information for each case study (primary and secondary sources and interviews) is intended to provide for a 'triangulated' critical analysis, not reliant on a single source.⁷⁴ But it should be stressed, however that the 'score' is a qualitative one; readers can decide for themselves whether to accept this evaluation or not.

The data thus collected have been used as the basis for qualitative analysis of institutional performance, generating firstly, an institutional classification following the typological framework of Figure 1, and secondly, the hierarchical set of PC&I in Table 1.2, above. Each of the institutions is also rated using a Likert scale, ranked from very low to very high. Performance is evaluated at the indicator level, which for the purposes of comparative analysis is also recorded in numerical terms (from one to five points) with a 'pass' threshold of 3 (or 'medium' rating). Following the hierarchical assessment framework of PC&I, the cumulative values of the relevant individual indicators demonstrate the degree of fulfilment at the criterion level; these criteria in turn form the cumulative basis for determining compliance at the principle level; at both the criterion and principle levels a value of 50% is used to determine the pass/fail target. Results are to the nearest percentile. See Table 1.3 below.

Table 1.3 Evaluative matrix of institutional performance

Principle	1. Meaningful Participation						
Criterion	1. Interest representation Highest possible score: 15 Lowest possible score: 3			2. Organisational responsibility Highest possible score: 10 Lowest possible score: 2		Sub-total (out of 25):	
Indicator	Inclusiveness	Equality	Resources	Accountability	Transparency		
Very high	5	5	5	5	5		
High	4	4	4	4	4		
Medium	3	3	3	3	3		
Low	2	2	2	2	2		
Very low	1	1	1	1	1		
Principle	2. Productive deliberation						
Criterion	3. Decision-making Highest possible score: 15 Lowest possible score: 3			4. Implementation Highest possible score: 15 Lowest possible score: 3		Sub-total (out of 30):	
Indicator	Democracy	Agreement	Dispute settlement	Behavioural change	Problem solving	Durability	
Very high	5	5	5	5	5	5	
High	4	4	4	4	4	4	
Medium	3	3	3	3	3	3	
Low	2	2	2	2	2	2	
Very low	1	1	1	1	1	1	
Total (out of 55)							Final Score:

Contents Outline

Having explored the origins, development, expression and evaluation of contemporary governance in this introduction, chapter two sets the historical and institutional scene for the case studies, which follow. The chapter traces the historical development of international cooperation over forest management prior to and after the 'Earth' Summit. It argues that

traditional multilateral processes were ultimately incapable of solving the forest problematic, leaving the way open for alternative market based mechanisms, such as the FSC and other more nationally focussed certification initiatives. The next four chapters systematically investigate the governance arrangements of each of the case studies, commencing with FSC, and following with ISO, PEFC and UNFF. After a history of the emergence, evolution and significant controversies affecting each particular case study, a second section presents an overview of its governance system and type, followed by an evaluation of the institution's performance. Each chapter finishes with some case-study specific conclusions. Chapter seven provides a systematic comparison of the governance arrangements of all four case studies, highlighting similarities and differences and discussing the relationship between institutional type and performance. Chapter eight, the conclusion, summarises the case lessons, revisits the analytical framework, and ends with a commentary on some of the salient developments in governance theory since the completion of research.

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