

- Schuster, Gerhard, ed. n.d. *Das österreichische Umweltzeichen*. Vienna: Verlag Österreich.
- Schwar, Beatrix. 1999. *Umweltzeichen und betrieblicher Umweltschutz*. Vienna: Verlag Österreich.
- UBA. 1991. *The Environmental Label Introduces Itself*. Berlin: Umweltbundesamt.
- UBA. 1996. *Das Europäische Umweltzeichen: Wege zum produktbezogenen Umweltschutz in Europa*. Berlin: Umweltbundesamt (Texte 62/96).
- UBA. 1997. *Nachhaltige Konsummuster und postmaterielle Lebensstile, Vorstudien*. Berlin: Umweltbundesamt (Text 30/97).
- UBA. 1998a. *Erfolgskontrolle Umweltzeichen/Assessing the Success of the German Eco Label*. Berlin: Umweltbundesamt.
- UBA. 1998b. *Logo? Ökologisch ausgerichtete Kennzeichen für Produkte und Dienstleistungen*. Berlin: Umweltbundesamt.
- UBA. (2001), see <www.umweltbundesamt.de/umweltzeichen>.
- Ungerer, Brigitte, & Franz Waarden, eds. 1995. *Convergence and Divergence? Internationalisation and Economic Policy Response*. Aldershot: Avesbury.
- Vogel, David. 1986. *National Styles of Regulation: Environmental Policy in Great Britain and the United States*. Ithaca, NY: Cornell University Press.
- . 1995. *Trading Up: Consumer and Environmental Regulation in a Global Economy*. Cambridge: Harvard University Press.
- . 1998. "EU Environmental Policy and the GATT/WTO," in J. Golub, ed., *Global Competition and EU Environmental Policy*. London: Routledge.
- Weale, Albert. 1992. *The New Politics of Pollution*. Manchester: Manchester University Press.
- , Geoffrey Pridham, Michelle Cini, Dimitrios Konstadakopulos, Martin Porter, & Brendan Flynn. 2000. *Environmental Governance in Europe: An Even Closer Ecological Union?* Oxford: Oxford University Press.
- Wicke, Lutz, & Burkhard Huckestein. 1991. *Umwelt Europa: Der Ausbau zur ökologischen Marktwirtschaft*. Gütersloh: Verlag Bertelsmann Stiftung.
- Wurzel, Rüdiger K. W. 1996. "The Role of the EU Presidency in the Environmental Field: Does It Make a Difference Which Member State Runs the Presidency?" *Journal of European Public Policy* 3, 2: 272-91.
- . 2000. "Flying into Unexpected Turbulence: The German EU Presidency in the Environmental Field." *German Politics* 9, 3: 23-43.
- . 2002. *Environmental Policy-making in Britain, Germany and the European Union*. Manchester: Manchester University Press.
- Zito, Anthony. 2000. *Creating Environmental Policy in the European Union*. London: Macmillan.
- , & M. Egan. 1998. "Environmental Management Standards, Corporate Strategies and Policy Networks." *Environmental Politics* 7, 3: 94-117.

Legitimizing Political Consumerism: The Case of Forest Certification in North America and Europe

Benjamin Cashore, Graeme Auld, and Deanna Newson

Introduction

As international and domestic public policy processes made limited efforts in the 1980s and early 1990s to address the problem of ecological deterioration of the world's forests, environmental groups and their allies turned to the marketplace in the hopes of creating more efficient and effective institutions to govern forest management. The market's supply chain is the key arena in this political struggle over forest resource use. Institutional consumers, such as business and government as well as individual consumers along the supply chain, are encouraged and coerced by environmental groups to demand that the wood products they purchase come from sustainably managed sources. This chapter explores forest certification, which can be defined as a non-state market driven (NSMD) governance system (Cashore 2002) that is dependent on choices made by customers of forest products.

We analyze the institutional development of forest certification as a tool for improving the condition of the world's forests, and examine the difficulties and obstacles in legitimizing NSMD political consumerism in the marketplace. This is done in four steps. First, we trace the development of the origins of the global forest certification system, the Forest Stewardship Council (FSC), and the forest certification programs created by industry and landowner associations designed to compete with the FSC for rulemaking authority. Second, we locate forest certification as the most dominant form of NSMD governance in this area and identify the key features and the role of institutional consumers and global civil society in shaping its development. Third, we conceptualize how the competing NSMD forest certification systems achieve three distinct types of legitimacy.

We conclude by discussing the case study results more generally and what they tell us about: the types of legitimacy that create strong institutionalization and the role of consumers and non-governmental organizations in influencing support for NSMD forest certification along the supply chain.

Emergence of Forest Certification: The FSC and Its Competitors

The FSC's origins can be traced to two related events. First, following widespread scrutiny of tropical deforestation, timber retailers and distributors (themselves often the targets of traditional consumer boycott campaigns) began looking for credible sources of sustainably managed forest products (Meidinger 1999, 4). Second, the failure of the Earth Summit in 1993 to create a global forest convention (Bernstein & Cashore 2000, 2001) led many environmental groups to feel, that they were expending significant effort and resources on state-sanctioned international forums with no discernible policy gains. As a result of these two related events, the World Wide Fund for Nature (WWF) and other transnational groups decided to use market-based mechanisms to influence forest landowners and forest companies to certify their products as coming from sustainable forests. In doing so, they expanded the repertoire of political consumerism from the traditional negative approach that involved boycotts (as discussed in Friedman's chapter) with positive political consumerism in the form of a certification or labeling scheme, a topic taken up in the chapter by Wurzel et al. in this volume.

The FSC was created in 1993 and was legally registered in 1994. It sees forest certification as forcing upward worldwide standards governing sustainable forest management. Its NSMD governance approach diverges considerably from traditional clientelist public policy processes. It institutionalized a tripartite decision-making process that limits business dominance in policy deliberations (Meidinger 1997, 1999). The FSC also forbids direct government involvement in rulemaking and has a wide-ranging policy scope that encompasses environmental and social rules.

Sustainable development forms the basis of the FSC principles.¹ The principles are performance-based and broad in scope. Included among the criteria for certification are principles involving tenure and user rights, community relations, workers' rights, environmental impact, management plans, and monitoring and preservation of

old growth forests (Moffat 1998, 44; FSC 1999). The FSC program also requires the creation of regional or national working groups, which are responsible for developing specific indicators and verifiers to apply the principles and criteria more locally.

As support for the FSC certification program increased among forest producers and consumers, industry and forest landowner associations responded with their own versions of forest certification (Cashore et al. 2001). In the United States, the FSC competitor is the American Forest and Paper Associations' (AF&PA) Sustainable Forestry Initiative (SFI) program. In Canada, it is the Canadian Standards Association (CSA) program, initiated by the Canadian Pulp and Paper Association (now the Canadian Forest Products Association). In Europe, there were a number of national FSC competitor programs that developed early in the 1990s. By the late 1990s, the Pan European Forest Certification (PEFC) system, created by landowner associations that felt especially excluded from the FSC process, emerged as the key competitor program. These FSC competitors are now attempting to create an umbrella program to coordinate their programs so that they can develop a better international presence that only the FSC enjoys currently.

The SFI, CSA, and PEFC programs differ from the FSC in that they apply a narrower view of sustainable development and take forest owners' concerns as their point of departure. Their performance requirements follow existing voluntary best management practices (BMPs) programs, legal obligations, and regeneration requirements. Thus, procedurally AF & PA member companies are required to file a report with the SFI regarding their forest management plans and the objectives they are addressing, but specific company data are not reported. Instead, information is aggregated and given to a panel of experts for review. The CPPA turned to the reputed Canadian Standards Association (CSA)² to develop a certification governance program. Similar to the SFI, the focus began as "a systems based approach to sustainable forest management" (Hansen & Juslin 1999, 20) where individual companies are required to establish internal "environmental management systems (EMS)" (Moffat 1998, 39). The SFI now permits voluntary third party audits.

The PEFC was created in 1999 and was based on criteria identified at the Helsinki and Lisbon Forest Ministers Conferences in 1993 and 1998 (PEFC International 2001). From the start, the program was explicitly designed to address forest managers' criticisms of the

FSC, which was perceived as not taking private landowners' opinions into account, and as putting unrealistic requirements on individual landowners. Landowners have the majority vote on all decisions made by the PEFC. The PEFC national initiatives developed procedures for certifying entire regions, and leaves the development of certification rules and procedures to the discretion of national initiatives. A European Secretariat, which is dominated by landowner and industry representatives, decides whether to accept national initiatives as part of the PEFC recognition scheme (Hansen & Juslin 1999). However, national initiatives are not required to address the agreed upon criteria and indicators (Ozinga 2001). Overall, the program offers few prescriptive requirements and leaves forest landowners and forest companies in control of the rulemaking process.

As explained in figure 1, the FSC competitor programs operate under a different conception of NSMD governance (Cashore 2002). They believe that business should dominate rulemaking, and non-governmental and governmental organizations should only be involved in advisory, consultative capacities. Underlying these programs is a strongly held view that there is incongruence between existing forest practices and civil society's perception of these practices. Under the SFI, CSA, and PEFC, procedural approaches are ends in themselves, and individual firms retain greater discretion over implementation of program goals and objectives. This conception of governance draws on environmental management systems approaches that have developed at the international regulatory level (Clapp 1998; Cutler, Haufler, & Porter 1999; Prakash 1999; Kollman & Prakash 2001).

Key Features of NSMD Governance³

As can be seen in figure 2, Cashore (2002), using the case of forest certification, has identified four key features that distinguish NSMD governance from other forms of shared governance and private-sector firm level initiatives. They are the role of governments, markets, organized interests (business along the supply chain, and individuals as consumers and value holders), and compliance incentives. Arguably, the most important feature of NSMD governance is that there is no use of state sovereignty to force businesses to comply with transnational standards. There are no popular elections under NSMD governance systems, and no one can be incarcerated

Figure 1
Comparison of FSC and Key FSC Competitor Forest Certification Schemes

PROGRAM	FSC	PEFC	SFI	CSA
Origination	Environmental groups, socially concerned retailers	Landowner	Industry	Industry
Performance or Systems based	Performance	Combination	Combination	Combination
Territorial focus	International	Europe Origin, now International	United States North America	Canada
Verification Options	Third party	Third Party	First, second or third	Third Party
Chain of custody	Yes	Yes	No	Limited
Eco-label or logo	Label and Logo	Logo and label	Logo, label emerging	Logo

Source: Adapted from Moffat (1998, 152), Rickenbach, Fletcher, & Hansen (2000)

Terms: Performance or systems based characteristics distinguish programs from whether they focus primarily in the creation of mandatory on the ground rules, governing forest management, or in the development of more flexible and often non-mandatory procedures that address environmental concerns. *Third Party* means an outside organization verifies performance; *Second Party* means that a trade association or other industry group verifies performance; *First Party* means that the company verifies its own record of compliance. *Chain of Custody* refers to whether the programs track the wood from certified forests all the way to the individual consumer. A *logo* is the symbol that certification programs used to advertise their programs. It can be used by companies making claims about their forest practices. An *eco-label* is used along the supply chain to give institutional consumers the ability to discern whether a specific product comes from a certified source.

or fined for failing to comply. This point is important because it means that since the state does not require adherence to its rules, organizations, companies, and landowners must undertake *evaluations* to decide whether they want to comply or not.

This does not mean that governments are not important actors in NSMD governance. They can act as traditional interest groups attempting to influence NSMD policymaking processes by means ranging from offering advice to asking to help write specific rules. They

Figure 2
Key Features of NSMD Governance

Role of the market	Products being regulated are demanded by purchasers further down the supply chain
Role of the state	State does not use its sovereign authority to directly require adherence to rules
Role of stakeholders and broader civil society	Authority is granted through an internal evaluative process
Enforcement	Compliance must be verified

Source: Cashore 2002

are not, however, a source of authority, an important difference when compared to the eco-labeling schemes discussed in this book. Governments can also act as any large organization by making procurement policies and taking other kinds of economic actions that may influence market driven dynamics. In the case of forest certification, governments can act as landowners. Indeed, in many countries public land ownership is a key part of forest policy and, to the extent that governments are persuaded to attempt to adopt certification on their lands, they are drawn into an NSMD system as landowners. Governments may also use their policy authority to influence a particular key target audience of an NSMD governance program, thus creating a hybrid effect in which NSMD logics apply to some audiences but not to others. In such a case, it is crucial to understand whether compliance of a key audience is a result of NSMD dynamics or state authority. For example, a government law requiring that all forestland owners become certified according to the FSC would negate any need to understand landowner evaluations of the FSC, as they are complying as a matter of law rather than of individual calculations.

A second key feature of NSMD governance is that authority is granted to NSMD governance systems by "external audiences" who must undertake their own evaluative decisions about compliance. These evaluations are crucial for understanding whether and how NSMD governance may gain legitimacy to create the rules. External audiences include forest companies and landowners, who are the ultimate target of forest certification as well as environmental and

social groups, purchasers of wood products along the supply chain, and individual consumers. These audiences are affected or empowered by the third key feature of NSMD governance, authority granted through the market's supply chain. Much of FSC's efforts to promote and encourage forest owners and managers to apply sustainable forest management (SFM) occur further down the supply and demand chain, that is, toward those value-added industries that demand the raw products, and ultimately to the retailer and its customers (Bruce 1998, chap. 2; Moffat 1998, 42f). To satisfy this demand, the FSC grants not only forestland management certification but also *chain of custody* certification for those companies wishing to purchase and sell FSC products.⁴

The fourth key feature of NSMD governance is the presence of a verification procedure to ensure that the regulated entity actually meets the stated standards. Verification is important, because it provides a validation necessary for legitimacy to occur, and to distinguish products to be consumed along the supply chain. In the case of the FSC and CSA, external auditing companies conduct the mandatory auditing process. The SFI originally developed looser verification procedures, but voluntary independent third party auditing is now the method of choice for most companies operating under SFI. The desire to be seen as a good corporate citizen is linked to a market advantage.

Forest Certification and Legitimacy

To analyze whether forest certification does or does not gain legitimacy from its relevant audiences, we (Cashore 2002; Cashore, Auld, & Newsom 2002; Auld 2001; Newsom 2001; Lawson & Cashore 2002) have used Suchman's seminal work in organizational sociology, in which he identifies three different types of legitimacy that audiences may grant an organization. The motivations of those seeking legitimacy and the durability of the legitimacy granted to the organization are key characteristics. Suchman identifies three different types of legitimacy achievement strategies that organizations may pursue in their efforts to obtain legitimacy, which are important for understanding the interactive process between the external audiences and the NSMD governance system. In this section, we review these categories and then use them to present and analyze the competition among NSMD governance systems (see Cashore

2002). Suchman (1995, 574) defines legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions.” He identifies three types of legitimacy that are central to understanding support for forest certification as an NSMD governance system: (1) *pragmatic legitimacy* rests on the “self-interested calculations of an organization’s most immediate audiences,” where the material “well-being” of the legitimacy grantor is enhanced (Suchman 1995, 589); (2) *moral legitimacy* reflects a “positive, normative evaluation of the organization and its activities and rests not on judgments about whether a given activity promotes the goals of the evaluator, but rather on judgments about whether the activity is ‘the right thing to do’” (Suchman 1995, 579); and (3) *cognitive legitimacy*, which is based on neither interests nor moral motivations, but rather on “comprehensibility” or “taken for grantedness.” In the former case, legitimacy is given because the actions of an organization are understandable, in the latter case, legitimacy is given because “for things to be otherwise is literally unthinkable” (Suchman 1995, 583). Suchman implies that pragmatic legitimacy may be the least durable. Our case studies show that the pragmatic legitimacy can be durable, but it varies and depends on the external audience that grants it. Moreover, as Suchman predicted, cognitive legitimacy is probably the most durable, though we cannot draw this conclusion because forest certification has not been in existence long enough for us to make this assessment.

Suchman noted that organizations seeking legitimacy are rarely passive. They actively employ *legitimacy achievement strategies*. This assumption is confirmed in our research on forest certification. The battle for legitimacy was actively fought by the FSC and its competitors on different fronts. They also used a variety of techniques. Suchman identified three types of achievement strategies, which are important for our review.

Manipulation achievement strategies refer to those cases in which organizations actively seek to change preferences of those from which it wants legitimacy. Thus, the FSC and its core supporters, such as the WWF, have been actively involved in the creation of new interests by organizing buyers groups (Rametsteiner et al. 1998; Hansen 1998) as institutional consumers now operating in Europe (Mirbach 1997; WWF UK 2001), North America (Certified Forest

Products Council 1999), and globally through the recent creation of a global forest and trade network (The Global Forest and Trade Network 2000). Manipulation strategies are important because, if successful, they grant legitimacy to forest certification programs and allow them to stay closer to the core conception of certification for which they initially were created.

In addition, forest certification programs can attempt to achieve legitimacy by using *conforming strategies* on external audiences. For example, our cases show that the FSC has changed its rules governing harvesting in old growth forests, added a new rule on forest plantations, and developed small landowner initiatives, all in an attempt to gain pragmatic legitimacy from supply-side interests. Likewise, FSC competitor programs are constantly adding new rules and including new stakeholders in an effort to appeal to retailers, who are currently demanding only FSC wood. Conforming strategies are seen as less desirable by certification programs and stand in contrast to manipulation strategies because they alter certification programs. They often move the program slightly away from its original conception. Indeed, part of the question is how far FSC, and FSC competitor programs, can go in conforming to gain legitimacy from non-core interests without risking disapproval from their core audiences. Conforming strategies are often undertaken when manipulation strategies have failed to alter significant degrees of support.

Finally, certification programs may attempt to achieve legitimacy by using active *informing strategies* that focus on those audiences likely to grant legitimacy, if they were simply aware of the program. Informing strategies include advertising campaigns or information targeted to like-minded, organized interests. Our research found that informing was used as a strategy in the case of forest certification, though less so than the other two legitimacy achievement strategies. Identifying whether a program uses conforming, manipulating, or informing strategies is important because it directly addresses whether certification programs remain close to their original goals, or whether they must weaken their approach to forest sustainability in an effort to become accepted in the marketplace. Because conforming strategies are less preferred than manipulation ones, identification of conforming strategies helps us establish when a certification program is having difficulty gaining support.

Differences in Legitimacy Granting in Forest Certification

We applied the legitimacy types and legitimacy achievement strategies to our cases and found key differences in terms of support and the ability of FSC to pursue manipulation versus conforming strategies (for a detailed analysis, see Cashore, Auld, & Newsom 2002). FSC gained moral legitimacy from its core audience of environmental and social organizations and from key retailers. It gained scant legitimacy from forest companies and landowners, who granted pragmatic and moral legitimacy instead to FSC competitor programs created by their own associations. In British Columbia, Canada, the FSC made significant inroads through active legitimacy achievement strategies, with the result that initial forest company rejections of the FSC gave way to a situation in which seven of the ten largest companies in the province indicated some support for it (Cashore, Auld, & Newsom 2002). However, in the United States, most large forest companies continue to reject the FSC and have instead strongly supported the AF&PA's Sustainable Forestry Initiative. In the United Kingdom, state forest owners reluctantly supported the FSC, while small, private landowners initially turned to the PEFC (a stance that has proven highly volatile with landowner associations recently shifting to a position of greater neutrality). The PEFC has gained the support of most state and private forest landowners in Germany. The FSC is supported by a minority of state forest landowners whose German political masters support an environmental agenda (Auld 2001; Newsom 2001). In Sweden, large industrial forest companies support the FSC, while small landowners reject it (Cashore, Auld, & Newsom 2002).

Why Different Legitimacy Achievement Patterns?

Five interrelated factors help explain divergence in legitimacy achievement (Cashore, Auld, & Newsom 2002). They are regional dependence on foreign markets, priority given to forest management issues on the political agenda, character of forest sector ownership, associational systems of forest companies and landowners, and nature and structure of FSC's competitor programs. Each factor is discussed in this section.

First, in regard to a region's degree of dependence on foreign markets, our study shows that forest companies and landowners in a region that sells a high proportion of its forest products to foreign

markets appear more susceptible to FSC legitimacy manipulation achievement strategies when institutional consumers further down the supply chain are located outside the regional borders. For example, in the case of British Columbia, environmental groups pressured demand-side companies in Europe and the United States to terminate their contracts with companies operating in the region that did not conform to FSC criteria (Stanbury 2000; Vertinsky 1997). We also found that when a region is a net importer of raw materials, domestic FSC legitimacy achievement strategies are enhanced when retailers demand that foreign and domestic supply are subject to the same scrutiny. Thus, the FSC is more able to pursue manipulation strategies when institutional consumers make purchasing commitments that apply to both domestic and foreign products. For instance, the UK case reveals that when the supply-side in a region is small and cannot produce the volume of forest products required to meet local demand it becomes susceptible to competition from FSC imports (Auld 2001). When the British home improvement retailer B & Q issued an ultimatum to its suppliers that, by the end of 1999, it intended to purchase only FSC certified wood, local processors were cast under the same net, even though they were not the source of original concerns (Stanbury 2000; National Home Center News 1998; DIY 1998). In fact, competition from FSC-certified suppliers in Sweden and the fear that countries in the Baltic States would follow suit (Tickel & WWF 2000; Hansen & Juslin 1999) made UK local producers recognize the need to protect their UK market share by conforming to FSC sustainability requirements.

The second key explanatory factor is the extent to which forest management issues are on the domestic public policy agenda or not. When forest management practices are seen as an issue for the public policy agenda, forest companies and landowners will take independent action to avoid potential political controversy. We found that forest companies are more likely to give the FSC pragmatic legitimacy, when forestry practices are perceived as a major problem in need of government action. Pragmatic legitimacy becomes even more important when governmental initiatives fail to remove the issue as a perceived problem. For example, despite a decade of governmental efforts in British Columbia, the deep dissatisfaction that existed among many environmental groups and a significant section of the general public forced forest companies to look at the FSC as a way of avoiding constant scrutiny and ongoing consumer boycott

and market-based campaigns. In contrast, in Germany, where there was no discernible societal support or years of direct action campaigns against German landowners, the PEFC was successful in its efforts to gain legitimacy from forest landowners (Newsom 2001).

The third key explanatory factor is the nature of forestland ownership. Our research reveals that forest companies and landowners, in regions where land ownership is fragmented, will be less likely to grant the FSC pragmatic legitimacy because of the high transaction and implementation costs. This is illustrated in the case of the U.S. Southeast where most forestland is owned by non-industrial private forest landowners. Wood processors in the region require a continuous fiber supply in order to feed their highly specialized, capital-intensive mills. Consequently, industrial forest companies consider the logistical problems associated with the FSC chain of custody requirements overwhelming, given their large number of small fiber suppliers. Our research also reveals that many forest landowners in this region are ideologically opposed to FSC-style certification (Newsom et al. 2002; Vlosky 2000), which helped convince many industrial companies to give pragmatic support to the FSC competitor, the SFI (Auld, Cashore, & Newsom 2002). At the same time a small number of large landowners in the region were more easily converted to the FSC because they enjoyed economies of scale in the costs of implementing FSC certification. The United Kingdom is between British Columbia and the U.S. Southeast with 35 percent of its forestland held by the government (Forest Industries Council of Great Britain 2000) and the other by non-industrial private forest landowners. These conditions led the FSC to apply a conforming strategy to meet the actual needs of these companies. It did so by changing the threshold percent requirements for an FSC product to carry a label. The FSC was even able to use successful manipulation strategies by targeting large areas of government lands, which meant that processors had sufficient FSC wood supply even without the certification of any large portion of the private growers. Thus, the presence of one key landowner open to certification has made possible broader acceptance of the FSC in the UK (Auld 2001).

Our fourth factor is the nature of forest company and landowner associational systems. This characteristic is necessary to understand competition for legitimacy and FSC legitimacy achievement strategies. In particular, members of the supply-side in a region, where companies and landowners are well-represented and unified, are less

likely, everything else being equal, to grant the FSC pragmatic legitimacy. For instance, in the United States, a highly centralized associational system under the AF & PA (Cashore 1997) allowed the FSC competitor program, the SFI, to undertake highly strategic choices to gain its support among large industrial companies and minimize the influence of the FSC. Once support was granted, the SFI turned its legitimacy achievement strategies to the institutional consumers down the supply chain in the hopes of convincing them to support SFI certification in addition to their FSC commitments. The SFI facilitated these efforts by undertaking a number of conforming strategies (e.g., developing tougher standards and third-party procedures) and expanding its decision-making institutions to include conservation and professional organizations. The Canadian forest sector, by contrast, was represented by a fragmented and regionally focused associational system (Coleman 1987, 1988), which inhibited the adoption of a unified stance on certification issues. This situation explains the pragmatic legitimacy that the supply-side in BC has given to the FSC. When the FSC became a serious issue, no industry association had a clear mandate to develop a response. Once a few companies showed an interest in pursuing FSC, other companies followed suit.

The final key legitimacy mediating factor is the nature and structure of FSC's competitor programs. Our research indicates that, in order for FSC competitor programs to maintain support from companies and landowners (or at least not have to share legitimacy with the FSC), they must develop a program that walks a fine line between being too prescriptive (which means that the costs of FSC do not seem more difficult) and too weak (so that the market will not accept the program). Supply-side members' decisions to support the FSC (or not) are influenced strongly by how well the competitor program balances costs and benefits. In our Canadian cases, the standards of an FSC competitor program were perceived as being too rigorous to be acceptable by the supply side. Canadian forest companies initially endorsed the CSA. However, its costs, level of public scrutiny, and time commitments eventually met, or exceeded, those of the FSC. At the same time, the program could not offer the potential market benefits of the FSC. Consequently, what had been a program that was meant to limit FSC success became one among a number of certification alternatives. In its attempts to gain support from the environmental community by conforming to existing Canadian

public policy norms about public consultation, it appears that the program lost some of its pragmatic appeal with the industry.

Legitimacy, Core Audiences, and Durability of NSMD Governance

The emergence of NSMD and legitimacy, it is granted, varies according to the region being studied, the organizations granting legitimacy, and the nature of the competition between the FSC and its competitor programs. General patterns emerge from these complex dynamics that address legitimacy granting and the durability of NSMD institutions. First, both FSC and its competitors have core audiences, whose support is fundamental to the existence of the NSMD governance system. The FSC core audience is composed of environmental groups, likeminded social interests, and a small handful of retailers whose values resonate with the FSC approach. The FSC competitors' core audience is forest companies and/or landowners who strongly support a more flexible, discretionary approach to forest certification for pragmatic and moral reasons. Just how far the FSC and its competitors can go in undertaking conforming strategies in their efforts to woo non-core audience members along the supply chain (forest companies and forest landowners for the FSC and institutional consumers for the FSC competitors), is a very important question in need of further research.

Research in public policy asserts that deep core values held by actors in a policy subsystem are hard to change and provide the key to understanding the potential success of conforming strategies (Sabatier & Jenkins-Smith 1993). Our research indicates that this factor is an important brake on FSC and FSC competitors' efforts to gain legitimacy. For example, as a member of the FSC core audience, the U.S. Sierra Club's opposition to FSC certification on U.S. federal lands (they wish to see all these lands protected from harvesting) has limited FSC efforts to gain an immediate and quick source of sustainably managed timber (MacCleery 1999). Similarly, U.S. forest companies are increasingly concerned that the SFI's new Sustainable Forestry Board and efforts to accommodate moderate conservation groups as The Nature Conservancy and Conservation International, might eventually result in policies that they view as too prescriptive.

For the FSC, there is a clear relationship between maintaining moral legitimacy from its core audience and achieving pragmatic legiti-

macy from forest companies and landowners. So far, its success has been mixed, with British Columbia and the UK eventually yielding some degree of pragmatic support from key companies and landowners, while efforts to achieve the same support in the United States, the Canadian Maritimes, and Germany have been hampered. Whether forest companies granting pragmatic legitimacy to the FSC results in cognitive legitimacy over time remains arguably the most important question for future research on NSMD governance.

Yet one should be wary about accepting Suchman's assumption that pragmatic legitimacy is always the least durable type. For profit maximizing companies, pragmatic legitimacy seems more durable than moral legitimacy. Pragmatic evaluations will trump moral ones and are thus potentially more durable because companies want to stay in business. But such support is double-edged. While it may mean that companies will support certification when it offers a clear market advantage, the reverse is also true. Companies granting only pragmatic legitimacy will reconsider their support if they view certification as a liability. Indeed, understanding the conditions that produce *both* moral and pragmatic legitimacy appears to be the key to durability.

Conclusion

Forest certification is, first and foremost, about restructuring power relations among competing interests over use and exploitation of the world's forest resources. Environmental groups, dissatisfied with public policy processes, created their own governance systems and used the marketplace to force or encourage compliance. Their governing institutions created corporatist style, tripartite procedures (though redefined to include business, environmental, and social divisions) that explicitly forbade business domination in the policy process. These institutions directly challenged traditional business-government dominated clientelist policy networks that, until recently, have characterized domestic and international forest policy development. In response, business and landowner associations have created their own NSMD governance systems that offer a more traditional approach to forest resource management.

Competition for legitimacy on forest certification appears to legitimize the idea of forest certification among a wide range of audiences. Competition can at the same time eliminate the original FSC

conception of NSMD governance, or result in a compromise that may or may not be supported by either set of core audiences. An FSC-style conception of governance (or even a hybrid conception), accepted as legitimate by an array of actors along the supply chain, can conceivably alter the power relations in traditional environmental governance in two ways. It grants more decision-making authority to non-business interests than many traditional public policymaking processes. It also makes it more difficult for environmental organizations to criticize businesses that abide by FSC rules as environmentally unfriendly. This makes it difficult for environmental organizations to demand government action, as the businesses possess the legitimacy granted to them by the NGO-supported NSMD governance system. Government may also refer to NSMD governance systems to explain why it has decided not to take regulatory action on environmental concerns. Thus, NSMD governance systems allow governments to avoid taking political responsibility in areas important for global common well-being.

What is clear is that domestic legitimacy contests are far from predetermined. They are influenced not only by a region's place in the global forest economy, the nature of public policy problem definition, and land ownership patterns and associational systems, but also by the strategic choices made by the FSC and its competitor programs. What remains to be seen is what kind of role final-end-product consumers will play in the emergence of NSMD governance. It is possible that, if one system emerges as appropriate for institutional consumers further down the supply chain, then individual consumer choices may matter very little for understanding the emergence of NSMD governance. If, however, end-product consumers are able to choose among competing certification programs in the marketplace, they could conceivably be very influential in determining which type of NSMD governance system will be seen as legitimate.

As this is an ongoing struggle for legitimacy, it is important that research carefully analyzes the types of evaluations that occur and explores how pragmatic and moral legitimacy granting might eventually lead to the granting of cognitive legitimacy. If NSMD governance gains cognitive legitimacy from an array of external audiences, it could shift rule-making authority from traditional public policy processes and, thus, radically reshape existing power struggles over resource and environmental protection. Thus, political consumers—be they institutional actors as business or government in its

procurement function, or individual families just wanting to buy new patio furniture—may play a crucial role in reshaping the parameters of environmental practice globally.

Notes

1. Originally a two-chamber format was created with social and environmental interests together in one chamber with 75 percent of the votes, and an economic chamber with 25 percent of the votes. There are currently three equal chambers among these groups with one-third of the votes each. Each chamber is further divided equally between the North and South.
2. The CSA program actually contains two standards: one explains how to develop an environmental forest management system, and the other focuses on auditing requirements (Hansen & Juslin 1999, 20).
3. This section draws heavily from, and is based on, Cashore (2002).
4. Likewise, in the case of the Marine Stewardship Council (MSC), sustainable fisheries are promoted by offering market demand that can be accessed by companies adhering to their rules through a chain of custody provision (Simpson 2001).

References

- Auld, Graeme. 2001. "Explaining Certification Legitimacy: An Examination of Forest Sector Support for Forest Certification Programs in the United States Pacific Coast, the United Kingdom, and British Columbia, Canada." Master's thesis, School of Forestry and Wildlife Sciences, Auburn University.
- Auld, Graeme, Benjamin Cashore, & Deanna Newsom. 2002. "Perspectives on Forest Certification: A Survey Examining Differences Among the U.S. Forest Sectors' Views of Their Forest Certification Alternatives," in L. Teeter, B. Cashore, & D. Zhang, eds., *Forest Policy for Private Forestry: Global and Regional Challenges*. Wallingford, UK: CABI Publishing.
- Bernstein, Steven. 2001. "Legitimacy in Global Governance: Three Conceptions." Paper presented at the annual meeting of the American Political Science Association, 29 August-1 September, San Francisco, California.
- _____, & Benjamin Cashore. 2001. "The International-Domestic Nexus: The Effects of International Trade and Environmental Politics on the Canadian Forest Sector," in M. Howlett, ed., *Canadian Forest Policy: Regimes, Policy Dynamics and Institutional Adaptations*. Toronto: University of Toronto Press.
- _____. 2000. "Globalization. Four Paths of Internationalization and Domestic Policy Change: The Case of Eco-forestry Policy Change in British Columbia, Canada." *Canadian Journal of Political Science* 33 (1): 67-99.
- Bruce, Robert A. 1998. "The Comparison of the FSC Forest Certification and ISO Environmental Management Schemes and Their Impact on a Small Retail Business." Master's thesis, University of Edinburgh Management School, UK.
- Cashore, Benjamin. 1997. *Governing Forestry: Environmental Group Influence in British Columbia and the U.S. Pacific Northwest*. Toronto: University of Toronto, Department of Political Science.
- _____. 2002. "Legitimacy and the Privatization of Environmental Governance: How Non State Market-Driven (NSMD) Governance Systems Gain Rule Making Authority." *Governance Journal* 15 (4) (October).
- _____, Graeme Auld, & Deanna Newsom. 2002. "Forest Certification (Eco-labeling) Programs and their Policy-Making Authority: Explaining Divergence Among North American and European Case Studies." *Forest Policy and Economics* (forthcoming).

- Certified Forest Products Council. 1999. Certified Forest Products Council packet. Beaverton, Oregon.
- Clapp, Jennifer. 1998. "The Privatization of Global Environmental Governance: ISO 14000 and the Developing World." *Environmental Governance* 4 (3): 295-316.
- Coleman, William D. 1987. "Federalism and Interest Group Organization," in H. Bakvis, & W. M. Chandler, eds., *Federalism and the Role of the State*. Toronto: University of Toronto Press.
- _____. 1988. *Business and Politics: A Study of Collective Action*. Kingston: McGill-Queen's University Press.
- Cutler, Claire, Virginia Haufler, & Tony Porter. 1999. "Private Authority and International Affairs," in C. Cutler, V. Haufler, & T. Porter, eds., *Private Authority in International Politics*.
- DIY. 1998. Hodkinson Tells World Bank of B&Q's FSC Plans. DIY, 23 January 1998.
- Forest Alliance of British Columbia. 2000. *Forest Alliance Pleased with Provincial Government Commitment to Certification*. Vancouver, BC: Forest Alliance of British Columbia.
- Forest Industry Council of Great Britain. 2000. *A Reference for the Forestry Industry*. London: Forest Industry Council of Great Britain.
- FSC. 1999. *FSC Principles and Criteria*. Forest Stewardship Council.
- Hansen, Eric. 1998. "Chapter 3: Certified Forest Products Market Place." *Forest Products Annual Market Review*, edited by U. N. T. Committee. Geneva, Switzerland: United Nations Timber Committee.
- _____, & Heikki Juslin. 1999. *The Status of Forest Certification in the ECE Region*. New York and Geneva: United Nations, Timber Section, Trade Division, UN-Economic Commission for Europe.
- Kollman, Kelly, & Asseem Prakash. 2001. "Green by Choice: Cross-National Variations in Firms' Responses to EMS-Based Environmental Regimes." *World Politics* 53 (3): 399-430.
- Lawson, James, & Benjamin Cashore. 2002. "Firm Choices on Sustainable Forestry Forest Certification: The Case of JD Irving, Ltd.," in L. Teeter, B. Cashore, & D. Zhang, eds., *Forest Policy for Private Forestry: Global and Regional Challenges*. Wallingford, UK: CABI Publishing.
- MacCleery, Doug. 1999. *NFS Certification Issues*. Washington, DC: USDA Forest Service.
- Meidinger, Errol E. 1997. "Look Who's Making the Rules: International Environmental Standard Setting by Non-Governmental Organizations." *Human Ecology Review* 4 (1): 52-54.
- _____. 1999. "Private Environmental Regulation, Human Rights, and Community." *Buffalo Environmental Law Journal* 7: 123-237.
- Mirbach, Martin von. 1997. "Demanding Good Wood." *Alternatives Journal* 23 (summer).
- Moffat, Andrea C. 1998. "Forest Certification: An Examination of the Comptability of the Canadian Standards Association and Forest Stewardship Council Systems in the Maritime Region." Halifax, Nova Scotia: Dalhousie University (MES, Environmental Studies).
- National Home Center News. 1998. "B&Q Pledges to Work towards Forest Certification." *National Home Center News* 24 (2): 9.
- Newsom, Deanna. 2001. "Achieving Legitimacy? Exploring Competing Forest Certification Programs' Actions to Gain Forest Manager Support in the U.S. Southeast, Germany, and British Columbia, Canada." Auburn, AL: Auburn University, School of Forestry and Wildlife Sciences.

- _____, Benjamin Cashore, Graeme Auld, & Jim Granskog. 2002. "Forest Certification in the Heart of Dixie: A Survey Of Alabama Landowners," in L. Teeter, B. Cashore, & D. Zhang, eds., *Forest Policy for Private Forestry: Global and Regional Challenges*. Wallingford, UK: CABI Publishing.
- Ozinga, Saskia. 2001. "Behind the Logo, an Environmental and Social Assessment of Forest Certification Schemes. Moreton-in-Marsh: Fern, based on case studies by WWF France." Taiga Consulting, Taiga Rescue Network, Natural Resource Defense Council (NRDC), Fern, Finish Natural League, and Greenpeace.
- PEFC International. 2001. Welcome to PEFC. 2001 [cited 2001]. Available from <www.pefc.org>.
- Prakash, Asseem. 1999. "A New-Institutional Perspective on ISO 14000 and Responsible Care." *Business Strategy and the Environment* 8: 322-35.
- Rametsteiner, Ewald, Peter Schwarzbauer, Heikki Juslin, Jari Karna, Roger Cooper, John Samuel, Michael Becker, & Tobias Kuhn. 1998. *Potential Markets for Certified Forest Products in Europe*. Joensuu, Finland: European Forest Institute.
- Rickenbach, Mark, Rick Fletcher, & Eric Hansen. 2000. *An Introduction to Forest Certification*. Corvallis, OR: Oregon State University Extension Service.
- Sabatier, Paul A., & Hank C. Jenkins-Smith. 1993. "The Advocacy Coalition Framework: Assessment, Revisions, and Implications for Scholars and Practitioners," in P. A. Sabatier, & H. C. Jenkins-Smith, eds., *Policy Change and Learning: An Advocacy Coalition Approach*. Boulder, CO: Westview Press.
- Simpson, Scott. 2001. "B. C. Salmon Industry Seeks Ecological Certification: Industry's Ability to Meet Global Council's Standards Hangs on Sustainability Question." *Vancouver Sun*, Thursday, April 26. Internet posting.
- Stanbury, William T. 2000. *Environmental Groups and the International Conflict Over the Forest of British Columbia 1990 to 2000*. Vancouver, BC: SFU-UBC Centre for the Study of Government and Business.
- Suchman, Mark C. 1995. "Managing Legitimacy: Strategic and Institutional Approaches." *Academy of Management Review* 20 (3): 571-610.
- The Global Forest and Trade Network*. 2000. The Global Forest and Trade Network: Leaders for responsible forestry: Forest Stewardship Council, WWF.
- Tickel, Oliver. *World Wildlife Fund for Nature*. 2000. *Certification: A Future for the World's Forests*. Godalming, Surrey, UK: WWF Forests for Life Campaign.
- Vertinsky, Ilan, & William T. Stanbury. 1997. "Boycotts in Conflicts over Forestry Issues: The Case of Clayoquot Sound." *Commonwealth Forestry Review* 76 (1): 18-24.
- Vlosky, Richard P. 2000. "What Do Non-Industrial Private Forest Landowners in Louisiana Think about Third Party Certification." *Forest Landowner* 59 (6): 45-47.
- WWF UK. 2001. History of the WWF 95+ Group [Online information]. WWF-UK 2001 [cited March 2, 2001]. Available from <www.wwf-uk.org/95+group/1286History.html#>.