

The International–Domestic Nexus: The Effects of International Trade and Environmental Politics on the Canadian Forest Sector

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Canada contains 10 per cent of the world's total forest lands and exports more forest products than any other country.¹ These factors result in two countervailing forces: on the one hand, the world's economic and population growth place heavy demands on Canadian forests as a major source of world fibre; on the other hand, growing international concern about sustainable forestry puts pressure on Canada to maintain its forest ecosystems and old-growth forests. Depending on their fundamental interests, domestic groups identify with one or the other of these pressures. In response, state officials must walk a policy tightrope in their efforts to encourage sustainability and improve Canada's position in the world forest economy.

This chapter highlights the interaction of what Howlett calls the 'domestic forest policy regime,' with a broader set of international institutionalized patterns that also correspond to the regime concept. Canada helps to shape these international forces, but also reacts to them. The 'non-binding' nature and limited regulations of most global forest policies means the case would be overstated to suggest that the domestic regime is fully nested within a global regime. Nonetheless, in a sector vulnerable to the international marketplace and sensitive to increased international scrutiny from a variety of transnational and state actors, these pressures do shape important aspects of Canadian forest policy, and their influence is likely to grow. Understanding Canadian forest policy requires attention to how international policy regime dynamics interact with the domestic regime.

The nature of this international–domestic nexus is most apparent in the international trade and sustainable forestry initiatives since 1990.

We argue that international forest trade and environmental policy have become intertwined, as norms from one permeate the other. The result is the emergence of 'liberal environmentalism' at the global level.² Norms of liberal environmentalism predicate environmental protection on the promotion and maintenance of a liberal economic order. These norms reflect the view that environmental protection and the preservation of ecosystems, economic growth, and a liberal international economy are compatible, even necessarily linked. Thus, international environmental and trade agreements are restricted to those that accept economic growth and trade liberalization as ultimate goals. As a result, market-oriented solutions such as the 'polluter pays principle' – which aims to internalize the costs of pollution into the price of a product – dominate, while policies that would restrict trade liberalization or distort markets are rejected. Liberal environmentalism constrains and directs Canadian officials in their attempts to implement their dual and often competing international obligations.

Canadian domestic forest policy has shown signs of both adaptation and resilience to these international pressures. Policy resilience is partly explained by the failure to achieve strong 'binding' international agreements on forestry. Where international trade rules exert more direct pressure, policy resilience also occurs where 'durable' policy legacies make fundamental change difficult to achieve. Adaptation usually occurs in policy areas with high levels of state autonomy from domestic interests opposed to change, or in areas where the state and/or business interests are able to use this international pressure to force their own policy agendas.

This chapter proceeds in five parts. First, we set the context for international pressures by demonstrating the importance of the forest industry to the Canadian economy and its dependence on international trade. Second, we examine how international trade policy directly places pressure on the forest policies of Canada's provinces. Third, we turn to broader international efforts to institutionalize a global set of rules on forest practices and the Canadian response to these initiatives. Fourth, we examine how environmental groups have by-passed international and domestic policy-making processes by using market pressure to target the forest industry directly; these measures range from international boycott campaigns to promoting certification and eco-labelling schemes in processes that sometimes overlap with state–state negotiations. Finally, we assess how the international forces we identify may shape future changes in forest policy in Canada.

The Context

The importance of the forest sector to Canada's economy, and its dependence on foreign markets for its products, makes it unlikely that Canadian forest policy can operate independently of international pressures. Forty-five per cent of Canadian land is forested, 94 per cent of which is publicly owned: 71 per cent by the provinces and 23 per cent by the federal government (most of the federally controlled land is in the Yukon and the Northwest Territories). The forest products sector contributed \$20.6 billion to the Canadian economy in 1996, or almost 3 per cent of the gross domestic product. Direct employment in forestry accounted for 2.7 per cent of total Canadian employment. Revenues to provincial governments for rights to harvest publicly owned timber contributed over \$2.1 billion to provincial coffers in 1995. Forest products did more than any other sector for Canada's balance of trade surplus, contributing \$32.1 billion in 1996³ and \$31.7 billion in 1997.⁴ The United States is the most important market for Canadian forest products. In 1997 Canadian forest product sales to the United States were valued at \$28.6 billion, to Japan at \$3.8 billion, and to the European Union at \$3.3 billion (see Figure 3.1).

At the same time, the natural beauty of Canadian forests is a source of tourist dollars, although this revenue is not as important to the balance of payments as is the forest products sector.⁵

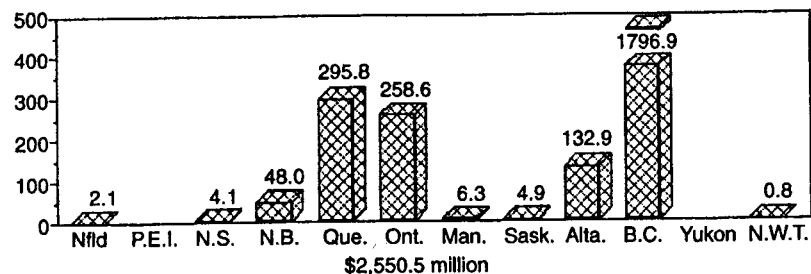
Canada's traditional support of multilateral cooperation in international affairs also provides an important context to understanding its role in, and responses to, international forestry negotiations. Since the Second World War, Canadian foreign policy has championed multilateralism as a means to achieve a stable international political and economic environment, a goal reflected in its international forest policies. Canadian governments also view foreign policy as a means to promote Canadian values internationally. In the case of forestry, Canada's position as a forest 'superpower'⁶ has afforded the federal government and Canadians acting through non-governmental, business, and international organizations, leadership roles in international activities and negotiations.

Canada and International Trade

Trade Policy Setting

Since the Second World War, tariffs on forest products headed to the

Revenues from the Sale of Timber from Provincial Crown Land, 1997*
(\$000 000)



*Revenues from sale of Crown timber can include stumpage charges, rent charges, area and holding charges, reforestation levies, protection fees, permit and licence fees, sales and rentals, and other revenues. Revenues collected by the Crown must be considered in the context of the responsibilities and associated costs borne by forest industry.

Source: National Forestry Database

Figure 3.1: Revenues and Economic Profile

United States, Europe, Japan, and other world markets have gradually declined or been eliminated as part of a general pattern of trade liberalization in goods and commodities. International trade agreements, most notably the General Agreement on Tariffs and Trade (GATT) and its successor, the World Trade Organization (WTO), facilitated this process. The Canada-U.S. Free Trade Agreement (FTA) and its successor, the North American Free Trade Agreement (NAFTA) enhance this process on the regional level, pushing towards increased economic integration.

The importance of these agreements extends beyond trade enhancement, since they also provide the rules and mechanisms by which trade and investment is conducted and disputes are channelled.⁷ The institutionalization of such rules and mechanisms encourages new practices in conformity with the underlying values and goals of the agreements. Thus, critics note that the agreements aim primarily to promote economic growth and trade liberalization, which tends to encourage resource exploitation over environmental preservation. Recent attempts to promote ecological goals in the context of trade liberalization include the North American Commission on Environmental Cooperation

(NACEC), a side agreement to NAFTA.⁸ This agreement fits within the constraints of liberal environmentalism⁹ because it predicates a concern with the environment on the promotion of liberal trade. Its power is limited to oversight of existing domestic laws in member countries, and it has no enforcement capability. The creation of NACEC reveals the difficulties of implementing liberal environmentalism in practice, as charges of unfair environmental practices become channelled through mechanisms subordinate to the broader liberal trading regime. Partly as a result, environmental groups have looked to the more developed rules and mechanisms regarding trade subsidies as a way to influence forest policy change.¹⁰

We use the case of the U.S.-Canada softwood lumber dispute to reveal how trade disputes are channelled and how existing institutions direct patterns of conflict and mobilize producer, consumer, and environmental groups. The dispute offers a good example of how environmental issues and trade are intertwining in the forest sector.

Conflict first arose when Canadian forest exports increased their share of the U.S. market, just when U.S. producers were stung by strict environmental laws governing U.S. national forest lands. Below we examine how the U.S. industry used international trade rules to address this situation, the way trade rules influenced the Canadian response, and the degree of policy resilience that occurred.

The Softwood Lumber Dispute

Since 1982 a coalition of U.S. forest companies has argued that Canadian provincial governments subsidize their forest industries by charging below market prices (stumpage rates) for the rights to harvest publicly owned timber.¹¹ This coalition argues that the low rates create an unfair competitive advantage, drive down prices, and increase Canadian producers' share of the U.S. lumber market. To neutralize these unfair advantages, U.S. forest companies have launched countervail proceedings under U.S. trade law. Their goal is to have a punitive tax imposed on Canadian lumber to offset perceived subsidies. This case also allows us to see the influence of the FTA/NAFTA bi-national dispute resolution mechanism, implemented six years after the dispute first began.

The dispute has produced both policy convergence and divergence. On the one hand, Canadian stumpage rates increased in response to

U.S. pressures. On the other hand, the policy instrument used in calculating most provincial stumpage fees continues to be driven by the government, rather than by market forces, and the underlying form of harvesting remains long-term forest licences (tenure agreements).¹² The softwood lumber dispute also provided environmental groups critical of Canadian forest policy (especially in British Columbia) a controversial tool with which to promote increased environmental protection. Environmentalists believe that low stumpage rates contribute to an excessive harvest rate, underplaying the value of the resource to the forest ecosystem and other uses not related to timber.¹³ This line of reasoning fits with the ‘user pays principle,’ a derivative of the ‘polluter pays principle, both of which illustrate the prevalence of liberal environmentalism. This policy norm argues that governments should charge users, in this case forest companies, the full cost of using resources, so that a proper social price can be set that would include, or internalize, environmental damage costs or costs of maintaining the resource. In principle, this would promote sustainability in a way that does not distort markets with government subsidies.¹⁴

U.S. countervail trade law involves two separate adjudication processes over whether a subsidy exists (handled by the U.S. International Trade Commission (ITC) of the Department of Commerce) and whether the imports in dispute injure U.S. producers (which is adjudicated by the department’s International Trade Administration or ITA). Despite changes to U.S. trade law that aided U.S. domestic industry in launching countervail cases,¹⁵ the U.S. Department of Commerce ruled in 1983 that no subsidy existed. This was largely because U.S. companies failed to prove that provincial stumpage programs were tailored to a ‘single industry.’¹⁶ Following intense congressional lobbying and legal precedence regarding definitions of ‘subsidy,’ U.S. lumber companies petitioned for countervail relief three years later, and this time the commerce department reversed itself, preliminarily finding that a subsidy did exist.¹⁷ Amid Canadian charges of political interference, the two countries agreed to a compromise ‘memorandum of understanding’ (MOU) under which Canada would impose an export tariff of 15 per cent on its softwood lumber exports, with the money going back to provincial coffers.

These pressures by U.S. forest companies sparked a debate in Canada about the level of stumpage rates that provinces such as British Columbia charged their forest companies to harvest provincially owned forest land.¹⁸ Those groups and individuals who argued that forest companies

did not pay a fair price for publicly owned timber found a new argument, while cash-strapped provincial governments quickly realized that resolving the problem through higher stumpage fees could also solve their budgetary problems. The B.C. government’s support for the MOU was key to its adoption,¹⁹ as was the provision to allow provincial governments to reduce the export tax by increasing stumpage fees. The combination of the countervail action, pressures on stumpage rates, and the B.C. government’s wish to increase revenues caused a schism between the provincial government and a forest industry opposed to the MOU. In fact, the B.C. government moved quickly after the MOU was signed to reduce the export tax to zero, through increased stumpage fees. Thus, U.S. law governing international trade resulted in increased stumpage rates, closer to U.S. rates. However, owing to the well-entrenched tenure system in most provinces, which gives large forest companies the right to harvest timber under long-term licensing agreements, large-scale changes to a U.S.-style market-oriented, competitive bidding system did not occur.

The MOU also allowed the Canada–U.S. FTA negotiations to continue. Congress made it known that if the softwood lumber dispute with Canada was not ‘fixed,’ it would withhold fast-tracking authority for trade discussions with Canada.²⁰ The subsequent signing of the FTA altered the dynamics of the softwood dispute because of the deal’s Chapter 19, which created a bi-national dispute settlement process. Officials of the Canadian federal government championed this new mechanism as a way to de-politicize trade disputes such as the one over softwood lumber. As a result of Chapter 19, and pressure by the Canadian forest industry, the Canadian federal government ended the MOU in 1991, arguing that provincial changes in stumpage rates made it no longer necessary. The federal government believed that because any future challenge would be sent to a bi-national panel, future direct interference by Congress would be less likely to occur.

Upon termination of the MOU, the United States initiated a third countervail proceeding. This move sparked another debate in Canada about sovereignty, stumpage rates, and (this time) environmental protection, which the U.S. lumber lobby raised more explicitly to Congress. Using the argument from environmentalists lobbying in Canada,²¹ members of Congress²² argued that poor forest practices contributed to British Columbia’s competitive advantage, even though the formal adjudication process of the ITC and ITA could not officially take environmental issues into account. Following these developments, the U.S.

commerce department's ITA and ITC again ruled that subsidies existed and injuries had occurred to U.S. producers. Yet this time, they ruled that the largest subsidy was British Columbia's raw log export restriction policy, and not provincial stumpage fees.²³ B.C.'s raw log export restrictions were calculated to result in a 3.6 per cent subsidy, while stumpage payments, which earlier had been the key complaint of the U.S. coalition, now amounted to less than a 2.91 per cent subsidy.²⁴ The finding that export restrictions provided the largest subsidy created a conundrum for environmental groups, who traditionally supported such restrictions because they provided increased fibre supply at home.

Canada appealed the ruling to two FTA bi-national panels, which ruled (eventually along national lines) that the ITA and ITC did not properly follow U.S. trade law and that the United States must remove duties and refund those already collected. Here, the FTA/NAFTA appeared to fend off forces of convergence and to allow Canadian provinces to determine stumpage fees as they saw fit. However, this reading fails to take into account the power of the U.S. coalition to lobby Congress to alter the definition of 'subsidy,' thereby improving the chances for another countervail. Indeed, Congress immediately moved to change U.S. trade law, addressing every single point put forward by the judicial panels to support their ruling in favour of Canada.²⁵

The Canadian government became convinced that the recent changes to U.S. trade law made it unlikely it would again prevail at any future bi-national panel process. To avoid a fourth countervail, Canada negotiated a second compromise deal, the Canada-U.S. Softwood Lumber Agreement (SLA), signed in 1996. This time, U.S. negotiators accepted a quota system, offered by the B.C. forest industry, in which exports would enter the United States duty free up to a certain quota, after which an export tax would be imposed.

Owing to a non-derogation clause, U.S. forest companies and North American environmental groups could now use the SLA to limit changes in environmental forestry regulations and stumpage rates. Consequently, when the B.C. government moved to streamline its forest Practices Code and reduce stumpage rates (in order to offset the collapse of the Asian market), it met fierce and sustained opposition from both the U.S. lumber lobby and environmental groups, who argued that the SLA did not permit such changes.²⁶ In this case, U.S. and NAFTA trade law resulted in an SLA that had the effect of minimizing downward changes to forest practices and stumpage rates.²⁷ In fact, some industry economists now argue that B.C.'s rates are above market value,

much higher than many stumpage rates in the United States and in Eastern Canada.²⁸ Canada's dependence on the U.S. market and U.S. trade policy thus facilitated higher stumpage rates being imposed in British Columbia, which out-produces all other Canadian provinces in softwood lumber exports to the United States. Indeed, the quota system and the collapse of the Asian market appeared, at first, to give impetus towards the creation of U.S.-style competitive bidding processes in British Columbia. Some hoped that such a move might reduce or eliminate U.S. countervail pressure. For example, MacMillan-Bloedel (before it was purchased by Weyerhaeuser in January of 2000) had produced a white paper in which it proposed a plan to see half of B.C.'s lumber sold through a competitive bidding system.²⁹

B.C.'s Fletcher Challenge echoed these views,³⁰ the B.C. Council of Forest Industries began to publicly raise such ideas,³¹ and the opposition Liberal Party followed suit.³² In this climate, a B.C. government forest policy review called for the establishment of a competitive log market.³³ Despite this increasing interest, the institutionalization of the current tenure system shows no signs of changing. Without changes in this system, a U.S.-style competitive bidding system is not possible.

The softwood dispute has done more to increase stumpage rates than environmental protection per se. Environmental groups have arguably lost some legitimacy by building links with the U.S. timber industry, and whether these links have actually resulted in pressures for increasing or maintaining environmental forestry initiatives remains unclear. This strategy reveals an environmental movement with such limited domestic legal tools that it will cast its net internationally in order to exert pressure to further its goals. At the same time, these groups are split on whether to support or oppose the latest SLA. For example, a coalition of groups in the U.S. Pacific Northwest launched court action in 1998 against the SLA, arguing that it encourages overexploitation of British Columbia's old-growth forests.³⁴

As the clock ticked closer to the end of the five year SLA, set to expire at the end of March, 2001, the usual players began to jostle in their attempts to influence any future political or legal solution. The U.S. coalition stepped up its congressional lobbying efforts, including efforts to criticize Canadian environmental forest policies. Likewise Canadian and U.S. environmental groups took the opportunity to argue that Canadian stumpage policy negatively affected the environment.³⁵ At first, two different industry organizations emerged in Canada, splitting the B.C. industry into one group, and Alberta, Ontario and Quebec forest com-

panies into another. However, by January 2001 these two associations had merged to form the Canadian Lumber Trade Alliance, and immediately called for 'free trade' in Canadian lumber.³⁶ The new organizations' policy is to oppose extending the SLA, and to help construct a new pact with little or no restrictions on trade.

This manifestation of liberal environmentalism does not guarantee sound ecological practice or environmental protection. The softwood dispute has created odd coalitions, but it has not been the source of increased environmental protection. Changes for greater environmental protection came from domestic pressures and from the international arena through international agreements and environmental groups' use of markets as a tool to further their agenda.

International Institutions and Canadian Forest Policy

The dynamics of liberal environmentalism can be seen most clearly at the international level, where they shape the forest agreements that apply to Canada and militate against the likelihood of a binding international regulatory framework to manage the use and protection of forests. Canada sits uneasily within these dynamics. Since the late 1980s it has stood out as one of the strongest supporters of a global forest convention, which is a major goal of the international plank of Canada's *National Forest Strategy for 1998–2003*.³⁷ Such a convention would provide Canadian producers and governments with a stable set of rules to guide trade in forest products and ensure access to markets, as well as clarifying commitments for forest management. For similar reasons, Canada has played a major role in the debate over trade and the environment in the WTO and the Organization for Economic Cooperation and Development (OECD).³⁸ However, while Canadian forest companies benefit immensely from an open international trading system, they have been reluctant to commit to tough environmental standards imposed internationally. Like other northern producer countries, Canada wants a strong reputation as champion of the global environment by pressing for protection of tropical forests, but is as protective of its own sovereignty as are developing countries when it comes to binding commitments at home.

The broader context of liberal environmentalism puts these seemingly contradictory positions in perspective. A fundamental tenet that underlies international liberal environmentalism is that it privileges states as the sole repositories of sovereign authority. International discussions are thus largely directed by this principle, despite policy alter-

natives that individual countries may offer. Indeed, the foundational norm of international environmental law is that states have a sovereign right to exploit their own resources pursuant to their own environmental and development policies.³⁹ States remain the privileged actors in negotiating international agreements on forests, and their interests remain paramount. As a consequence, international negotiations tend to reflect North–South conflict over sovereignty issues, rather than hard debate over the proper criteria for sustainable forestry. This section demonstrates how the attempts by the international community to navigate competing pressures of sovereignty, liberal trade, and environmental protection militate against Canada's hopes for a comprehensive forest convention. Indeed, the nature of forests as both a global concern but located within national jurisdictions (unlike commons issues such as ozone depletion) makes these competing pressures particularly difficult to reconcile within the broader liberal environmental framework. The section also shows how the commitments that do exist might influence Canadian domestic policy.

International Forest Negotiations and Agreements

Beginning in the 1980s international efforts began in earnest to achieve a global forestry convention, as a 'second wave' of environmentalism swept over most industrialized countries. At first, northern countries and environmentalists focused their attention on tropical deforestation after public concern mounted over alarming statistics about the rate of deforestation in the Amazon, Asia, and other tropical forest regions. The linkages to threats of climate change and especially to the loss of biodiversity also fuelled demands for action.⁴⁰

This pressure helped to secure the inclusion of a mandate to conserve tropical forests and their genetic resources in the International Tropical Timber Agreement (ITTA) of 1983, and in the organization established by the treaty to promote ITTA goals, the International Tropical Timber Organization (ITTO), even though ITTO's primary mandate remained the facilitation of trade in tropical timber.⁴¹ Then, in 1991, tropical timber producer countries adopted Target 2000 – the date by which tropical timber traded internationally should come from 'sustainable' sources.⁴²

ITTO remained committed to norms of free trade and sovereignty, which accounts in large part for the ability of consumer and producer countries to reach consensus on an agreement (as of September 2000,

membership consists of thirty producers and twenty-six consumers, including Canada). As Humphreys points out, a primary objective of the ITTA is 'the expansion and diversification of international trade in tropical timber,' and sovereignty over resources is asserted.⁴³ This combination has led non-governmental organizations (NGOs) such as Friends of the Earth to assert that the incompatibility between environmental and trade goals has resulted in ITTO promoting the former over the latter and not sufficiently encouraging the implementation of sustainable forest management at the national level. For example, ITTO did not respond to requests by NGOs in the late 1980s to seek a waiver from GATT rules to allow discrimination between sustainable and unsustainable timber, which would violate the norm of non-discrimination.

The organization of ITTO along producer-consumer lines has amounted to a North-South split in voting rights and divisions over matters such as aid and the scope of ITTA. Northern and southern countries disagree especially over whether ITTA should be extended to temperate and boreal forests. After prolonged negotiations on a successor agreement (ITTA 1994), consumer countries, including Canada, pledged to manage their own forests sustainably by the year 2000, but outside the context of ITTO. They reasoned that a pledge within ITTO would undermine the prospects for a global forest convention, which they wanted to be much broader than the trade-focused ITTA.

Tropical versus non-tropical divisions also characterized attempts to negotiate a forest convention at the 1992 U.N. Conference on Environment and Development (UNCED) in Rio de Janeiro, popularly known as the Earth Summit or the Rio Conference. In 1990 the Group of Seven industrialized countries, at the Houston Summit, initially gave a strong commitment to negotiating a convention to 'curb deforestation, protect biodiversity, stimulate positive forestry actions, and address threats to the world's forests.'⁴⁴ The United States thus proposed a framework convention in Rio, envisaged as requiring no binding commitments to forest conservation. The Bush administration believed such a convention would be easy to achieve and viewed it as the main initiative of the United States at UNCED.⁴⁵ While the North originally wanted a focus on tropical forests, it became clear that any global convention would need also to cover temperate and boreal forests if it were to receive support from the South. The group of 77 (G-77), plus China bloc of developing countries, suspicious of northern intentions on a variety of fronts, refused at the second preparatory committee meeting of UNCED

(PrepCom II) to even consider a binding agreement, and U.S. calls for a binding agreement at later PrepComs were to no avail.

The debate on forests during the PrepComs became polarized over the threat to sovereignty, particularly to southern countries, that a binding treaty might entail. In addition, a battle emerged over the level of financial and technological commitments that the North would make in order to aid the South in promoting sustainable forestry.⁴⁶ Northern states, such as the United States and Canada, argued for a 'global responsibility' approach, and Malaysia and India, argued for 'sovereign discretion.' The latter view reflected the fears of developing countries that the former approach would lead to forests being viewed as part of the 'common heritage of mankind [sic]' norm. They strongly opposed this norm on the grounds that it would potentially allow northern states to influence how forests within the jurisdictions of southern states should be managed.

What resulted from the Earth Summit was a 'non-legally binding authoritative statement of principles for global consensus on the management, conservation, and sustainable development of all types of forests,' known as the 'forest principles.' As this wording suggests, the statement of forest principles does not capture consensus on how to reconcile the competing visions of forest management, development, and conservation, nor does it bind states to specific commitments. It does, however, contain some support for the principles of biodiversity and the maintenance of ecological processes, while it also recognizes the role of forests as fulfilling economic and social needs.

Despite various attempts by governments and NGOs to reinvigorate movement towards a convention, all have failed to date. Whether a global treaty presents the most appropriate way to protect or manage the world's forests, the lack of movement on a convention, nevertheless, stands in stark contrast to the relative success of international negotiations on climate change and biodiversity. Instead, governments and non-governmental groups have launched various initiatives on specific facets of forestry to get around conflicts that continually arise when discussions turn towards a convention.

Forestry politics after UNCED grew more complex and disjointed for a variety of reasons, including continued distrust between North and South. In place of negotiations focused exclusively on a binding or comprehensive treaty, a variety of narrower international and/or regional initiatives have taken shape since 1992. These initiatives include the Montreal Process on creating criteria and indicators (C&I) for the con-

ervation and sustainable development of temperate and boreal forests (which Canada played a major role in formulating and which have influenced provincial forest policies), the Helsinki Process on protecting forests in Europe (which includes a C&I process), the negotiations already mentioned toward ITTA 1994, initiatives on labelling and certification schemes (largely led by non-governmental groups and/or industry), and a number of expert and governmental forestry workshops.

The only process to focus serious attention on a global convention was the Intergovernmental Panel on Forests (IPF) in 1995, sponsored by the UN Commission on Sustainable Development (CSD). After two years of discussions that failed to reach consensus on a number of key issues, the Intergovernmental Forum on Forests (IFF) succeeded the IPF. Obstacles concerning trade, sovereignty, and aid continued to plague IFF discussions, suggesting progress towards a forest convention will remain slow.⁴⁷

As it became clear that forestry negotiations and activities were likely to continue in an evolutionary process rather than produce a specific outcome, states involved in the IFF process decided to create a permanent UN Forum on Forests (UNFF). Established in October 2000 as a subsidiary body of the UN Economic and Social Council, UNFF is mandated to carry on work to implement existing agreements and initiatives from the IPF/IFF process. In addition, it will 'consider' within five years the possibility of a mandate for negotiating a binding convention.

Effects on Forest Policy in Canada

The lack of binding agreements means that international forestry agreements do not directly affect Canada in the way international trading rules do. Furthermore, Canada's strong economy and global political position buffers Canada from direct pressures that less wealthy countries might face, such as lending conditions the World Bank has imposed designed to influence forest practices in developing countries.⁴⁸ Similarly, direct financial incentives from non-governmental groups, such as debt-for-nature swaps, are unlikely to work in wealthy countries such as Canada. However, Canada is susceptible to international pressures that work in less direct ways.

The international realm is the source of important norms and ideas that find their way into the Canadian domestic forest policy agenda. Mere participation in international organizations and negotiations may also alter domestic coalitions or networks since they can develop

linkages with transnational or other domestic groups through such forums.⁴⁹ Below, we review the effects of norms and ideas, and the way international institutions influence power relations in Canada. We focus especially on the case of British Columbia, where these effects are most evident.

In the case of British Columbia, international influences can be traced back to the U.N.-sponsored 1987 Brundtland Commission report, which set the normative benchmark for forest protection there. The 12 per cent land protection commitment of B.C.'s Protected Area Strategy came from the Brundtland report's call for a tripling of the world's protected areas from the then current 4 per cent.⁵⁰

The formal and informal preparations for the Earth Summit also affected B.C. policy, as did the agreements reached. For example, the biodiversity guidelines in B.C.'s Forest Practice Code reflect values promoted in the Statement of Forest Principles, despite the weakness of the agreement, and the Convention on Biological Diversity. Related concepts such as 'ecosystem management' also influenced B.C. forestry policy. Indeed, international scrutiny over the logging of Clayoquot Sound was largely diffused through the adoption of the Clayoquot Sound Scientific Panel's recommendation that the forest in this region be logged according to the principles of ecosystem management. Panel participants included well-known U.S. proponents of ecosystem management.⁵¹

At the national level, work under the auspices of the Canadian Council of Forest Ministers (CCFM) led to the establishment of criteria and indicators (C&I) for achieving sustainable forest management in 1995 that fed into the Montreal Process for establishing C&I internationally for temperate and boreal forests. Although debate surrounds the sufficiency of C&I processes for meeting multiple goals of sustainability (ecological, social and economic),⁵² international-domestic interactions clearly affected domestic policies since the same CCFM process that fed into international processes also led to C&I being written into legislation governing forests in Ontario and Quebec.

Domestic international interactions are also evident in the CCFM's *National Forest Strategy: 1998-2003*. The report notes that the development of the national forest sector strategy was 'instrumental to Canadian representations at the 1992 Earth Summit and that this allowed Canada to argue in the international sphere that it was a leader in sustainable forest management.'⁵³ The 1998 report focuses Canadian forest policy on the 'forest ecosystem,' something it acknowledges was absent

in the CCFM's 1987 *National Forest Sector Strategy* report. The latter focused more on industry timber yield factors and less on environmental concerns. As the 1998 report notes, the Brundtland Commission and the emergence of other international norms caused the council to consider the forest ecosystem and social, cultural forest values alongside economic ones.

A second avenue for influence comes from the ability of international institutions to facilitate the development of transnational coalitions of environmental groups who can share information and force international attention on Canadian forestry practices. Negotiations and international meetings become meeting grounds for various groups to forge links. For example, in addition to scientific linkages, the Earth Summit augmented interaction among world-wide environmental activists. One U.S. activist working on B.C. forest policy explained, 'One thing that came out of the Rio Earth Summit was really a much stronger network of environmental and native people working together on these issues.'⁵⁴ New institutions may reinforce these processes. For example, the New North American Commission on Environmental Cooperation also provides incentives for North American environmental groups to coordinate their efforts.⁵⁵

Finally, owing to increased international awareness, transnational environmental groups have used B.C.'s dependence on foreign markets to launch well-publicized boycott campaigns first aimed at Clayoquot Sound, but later expanded to other regions of British Columbia.⁵⁶ These pressures influenced B.C. policy change by pressuring, and to a degree aiding, the B.C. government in the early 1990s to continue with its forest practices and land use reforms.⁵⁷ They also highlighted the degree to which environmental groups could use the marketplace to force policy change.

The Marketplace

The growing sense of disillusionment that environmental groups felt towards the post-UNCED negotiations, combined with a sense that the prolonged bargaining was draining their time and resources, led these groups to look at directly influencing the private sector as a faster and perhaps more effective way to achieve sustainable forestry. These groups took a dual-track approach. First, they continued the traditional but decidedly negative boycott efforts to force companies to change forest practices and/or purchasing habits by leading consumers away from

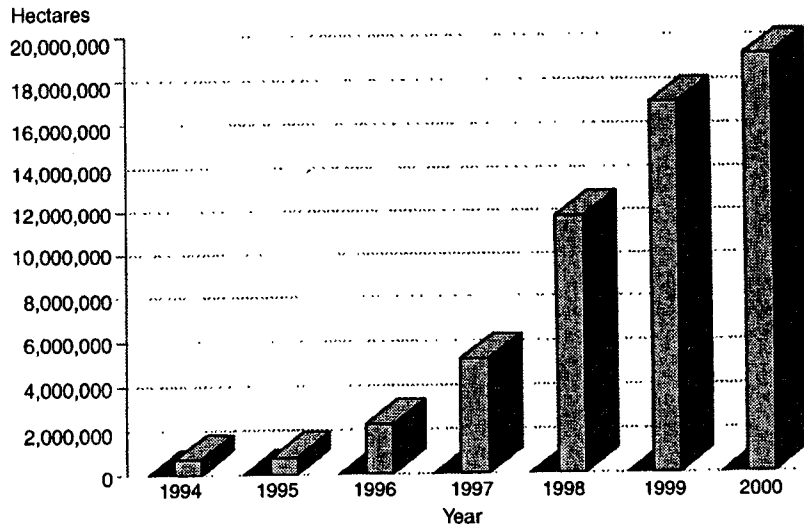
their products. Second, they launched a proactive certification scheme with the ultimate goal of leading consumers towards purchasing wood products harvested in an environmentally friendly manner.

This proactive process took shape primarily through the Forest Stewardship Council (FSC), formed in Toronto in 1993, and headquartered in Oaxaca, Mexico.⁵⁸ Spearheaded by the WWF, FSC accredits organizations (certifiers) who must perform evaluations to see if a company's forestry operation matches ten established principles and criteria. More specific regional standards are then developed based on these broader principles. Regional standards are developed, or are being developed in British Columbia, the Maritimes, Ontario, & the Canadian boreal forest.

Forestry industry companies and associations in Canada and the United States began to develop their own sustainable forestry initiatives in the form of systems-based schemes because they were concerned about the influence of environmental groups under the FSC program and its emphasis on environmental performance.⁵⁹ The American Forest and Paper Association (AFPA) created its Sustainable Forestry Initiative (SFI) in 1996,⁶⁰ while the Canadian Pulp and Paper Association (CPPA) developed Sustainable Forest Management System Standards under the auspices of the Canadian Standards Association (CSA). The Alberta Forest Products Association (AFPA) developed a similar forest certification process entitled Forest Care, which has already certified Weyerhaeuser operations in Grand Prairie. These 'systems'-based approaches are modelled after the International Organization for Standardization (ISO) 14001 Environmental Management System,⁶¹ although only a few companies have explicitly incorporated ISO 14001 guidelines into their operating procedures.⁶² Critics argue that these industry processes are less effective because they focus on process rather than performance and because they involve industry associations certifying their own members, rather than third parties under the FSC initiative.⁶³ Currently only the FSC carries an eco-label.

The future of certification is uncertain, although interest on the part of Canadian forest companies and their competitors is increasing. This interest is in large part owing to FSC efforts to actively target demand-side players such as wood product retailers, home builders, and paper purchasing companies, in its efforts to have these groups require certified forest products. Working in conjunction with its environmental group founders, the FSC first focused on facilitating the creation of buyers groups in the UK, Germany, Holland and elsewhere.⁶⁴

These efforts were followed by the creation in the U.S. of the Certified



Source: James Sullivan, 'FSC Update,' presentation to the Forest Stewardship Council's Second Annual Conference, Oaxaca, Mexico, 10 November 2000. (For latest updates by country, see FSC's website: www.fscoax.org.)

Figure 3.2: FSC-certified forest land

Forest Products Council (CFPC) in 1997, which provides its members and other businesses with information on purchasing wood from sustainable sources.⁶⁵ The CFPC has also been instrumental in supplying information and informing certification choices for such U.S. lumber retailer giants as Home Depot, which, following sustained pressure by the San Francisco based Rainforest Action Network, announced in August 1999 a plan to 'give preference' to certified wood.⁶⁶ While the Home Depot announcement does not specify the FSC program, only the FSC would currently comply with the Home Depot guidelines, revealing early success in using a manipulation strategy to achieve legitimacy.

By late winter of 2000, the Rainforest Action Network successfully obtained similar commitments from two of the United States' largest home builders, Centex Corporation and Kaufman & Broad Home Corporation, and Swedish Furniture giant IKEA – all of whom have made commitments similar to Home Depot's.⁶⁷ And by the summer of 2000, the WWF had organized the Global Forest and Trade Networks, designed to broaden perceived 'clubs' of buyers groups and retailers so

that 'pressures span the industry from forest owner to architect, manufacturer to retailer.'⁶⁸

Still, this issue is far from resolved, and FSC has yet to see its campaigns attempt to alter significantly consumer purchasing habits (largely because they are focusing foremost on creating a supply) from the initial consumer responses noted above. While consumers indicate they will be willing to pay more for certified forest products,⁶⁹ the limited research on actual consumer behaviour raises the possibility that consumer behaviour might be different. Currently there are inconsistent price premiums, and often only for niche markets.⁷⁰

Efforts on the part of FSC to facilitate buyers groups have arguably had the largest influence on British Columbia, Canada's largest forest products exporting province.⁷¹ Firms such as MacMillan Bloedel (now Weyerhaeuser) and Canfor have indicated their intention to become FSC certified once regional standards are in place⁷² and Western Forest Products is in the midst of attaining FSC certification in this province.⁷³ Moreover, the B.C. Forest Alliance, an association of mostly forest companies designed to promote the B.C. forest industry locally and abroad, became a member of FSC in 2000, and the Industrial Wood and Allied Workers Union has also applied for membership.

Certification schemes have provoked a reaction from federal and provincial governments who have jointly outlined twelve principles to which certification agreements should adhere.⁷⁴ These principles state that any certification system be complementary with government forest policies (which would de facto include the practice of clear-cutting) and, supporting liberal norms, that they be 'consistent with trade law and international principles.' Provincial and federal governments are also concerned that certification might be perceived as a 'non-tariff barrier.' The Dutch government's consideration of only allowing imports of certified wood augmented such fears.

The attraction of certification and labelling schemes is in large part owing to their fit with liberal environmentalism. These schemes aim to internalize environmental costs by including them in the cost of certified products. If educated by the eco-labelling processes, consumers would presumably favour such products, and the market would provide economic incentives to live up to the labelling criteria. The forest products market would then operate with prices that more adequately reflect the costs of environmental protection. Moving from the level of the forest management unit to the national or international level could raise problems for sovereignty, as we discussed earlier.⁷⁵ Nonetheless, the

appeal of this consumer-driven solution to sustainable forestry stems from its potential to by-pass the sovereignty issue by operating in the marketplace independent of government regulation and authority.

The solution reveals potential contradictions when it comes to sustainability goals. For example, the disjuncture between processes for developing criteria and indicators between governments and certification and labelling schemes by organizations such as the FSC suggests that leaving the latter to forestry companies may not achieve goals of sustainability as dictated by science or even by politically agreed on criteria. Some environmental groups remain sceptical, given past experience with eco-labelling.⁷⁶ The Forest Stewardship Council has attempted to sidestep controversies over the term 'sustainably managed' and the C&I process, focusing instead on 'well-managed' forests. In the end, the success of certification may be elusive if it ignores sustainability measures that come out of C&I processes. Whether such market-driven schemes can sufficiently achieve sustainability or other environmental values, including linkages to broader ecosystem concerns such as biodiversity and ecosystem sustainability more generally, remains to be seen.

Conclusion

Canadian forest policy faces increased international scrutiny because of U.S.–Canada forest trade disputes, international sustainable forestry initiatives, and international environmental groups' boycotts and certification campaigns. Because these sources of pressure on Canadian forest policy have themselves become intertwined, trade disputes now include environmental provisions, and international negotiations on forest protection which appear to be limited to solutions that comply with liberal trading norms. Furthermore, environmental groups' strategy of certification and boycotts is dependent on a globalized forest economy where they can pressure consumers in one country to have an impact on industry decisions in another country.

The cumulative impact of these international pressures on Canadian forest management and policy is mixed. The fundamental nature of long-term harvesting rights in return for 'sustained yield management' (the tenure system) and the use of non-competitive methods for setting stumpage rates has not changed. This is despite almost two decades of disputes with U.S. companies who argue that Canada should alter its timber pricing policies along U.S. lines and move towards a competitive bidding system. The explanation for this policy rigidity is the 'policy leg-

acy' of the tenure system, with communities, revenues, and forest jobs all dependent on a fifty-year-old forest management system. However, the softwood dispute has affected policy at the nominal level of timber pricing, which has increased considerably in British Columbia – the central target of U.S. forest companies. Short-term agreements to resolve the U.S.–Canada softwood lumber dispute did serve the purpose of limiting the B.C. government's ability to reduce stumpage rates and even gave the province pause in its efforts to streamline its Forest Practices Code.

Owing to the lack of an international forestry convention, international forestry agreements and processes produce even less direct impact on Canadian forest management practices and policy. The norms and ideas raised in international forums, however, have increased the range of policy ideas considered and implemented by provincial and national governments. Finally, certification and boycotts launched by environmental groups put pressure on individual forest companies to change. Boycott campaigns also contributed a central ingredient in the policy environment that allowed the B.C. government to implement its eco-forest agenda in the early to mid-1990s.

What might we expect in the future? The complexity and fragmentation of international sustainable forestry issues will arguably continue to characterize international discussions as long as a world forestry convention remains elusive. Given Canada's dependence on world forest trade, Canadian forest policy will continue to come under international scrutiny. If Canada wants to shape and direct the type of pressure, it has no choice but to vigorously participate and be proactive in international discussions. Discussions will be carried out within the norms of a liberal trading regime and an increasingly globalized world forest economy. The need for creative solutions to navigate these pressures, and to evaluate whether goals of both sustainability and a healthy forest economy can be easily met within the constraints identified, characterize the challenge ahead if Canadian forest policy is to achieve its competing goals.

NOTES

- 1 Canadian forest products' share of world forest trade is 20 per cent ('Sustaining Forests, Taking Global Action,' in *1995–1996 State of Canada's Forests* [Ottawa: Minister of Natural Resources, 1998], chapter 2. Forest products constitute 2.9 per cent of the Canadian gross domestic product. Forest prod-

- uct exports constituted 14.8 per cent of total Canadian exports in 1997 and contributed \$32.1 billion to Canada's balance of trade (Natural Resources Canada, *Natural Resources Fact Sheet* [Ottawa: Natural Resources Canada, 1997]).
- 2 Steven Bernstein, 'Ideas, Social Structure, and the Compromise of Liberal Environmentalism,' *European Journal of International Relations* 6(4), 2000, 464-512.
 - 3 Natural Resources Canada, *Natural Resources Fact Sheet*.
 - 4 Natural Resources Canada, *The State of Canada's Forests* (Ottawa: Government of Canada, Natural Resources Canada, 1997).
 - 5 The contribution of Canada's forests to its tourism industry is difficult to ascertain. No such data have been compiled.
 - 6 Brian Hocking, 'The Woods and the Trees: Catalytic Diplomacy and Canada's Trials as a "Forestry Superpower,"' *Environmental Politics* 5(3), 1996, 448-75.
 - 7 Paul Stanton Kibel, 'Reconstructing the Marketplace: The International Timber Trade and Forest Protection,' *NYU Environmental Law Journal* 5, 1996, 1-63.
 - 8 Pierre Marc Johnson, and Andre Beaulieu, *The Environment and NAFTA: Understanding and Implementing the New Continental Law* (Washington, DC: Island Press, 1996).
 - 9 One possible exception to liberal environmentalism is the Convention on International Trade in Endangered Species. This convention does provide clear binding rules on the trade of species threatened with extinction. However, the convention is limited in scope and is not part of any agreement on forestry policy. Nevertheless, it may indirectly influence forestry policies, as do similar agreements on climate change and biodiversity. Indeed, part of the debate in international forestry discussions revolves around the relationship of forestry agreements to existing environmental or other related treaties.
 - 10 Kibel argues that 'whether through direct subsidies, low stumpage fees, or lax enforcement of environmental laws, political collusion between government and logging interests adversely impacts native forests. By keeping the production costs of logging low, such collusion has increased the industry's profit margin while simultaneously exerting downward pressure on the market price of timber and wood-based products' ('Reconstructing the Marketplace,' 21).
 - 11 Benjamin Cashore, 'Flights of the Phoenix: Explaining the Durability of the Canada-U.S. Softwood lumber dispute,' *Canadian-American Public Policy* 32.

- 12 Large forestry companies were given long-term rights to harvest a particular area. In exchange, the companies were required to manage the land on a long-term, 'sustained yield' basis. Companies were also required under these arrangements to operate mills and create employment (Benjamin Cashore, 'The Role of the Provincial State in Forest Policy: A Comparative Study of British Columbia and New Brunswick,' Masters thesis, Carleton University, 1988, 57).
- 13 The argument that higher stumpage rates would lead to a reduced harvest rate is a controversial one. This is because the harvest rate in British Columbia is determined by the government under a 'sustained yield' policy, and stumpage rates do not play a direct role in these calculations. However, the manner in which the government defines 'sustainability' has been highly criticized by environmental groups. See Lois Helen Dellert, 'Sustained Yield Forestry in British Columbia: The Making and Breaking of a Policy (1900-1993),' (York University, Faculty of Environmental Studies, 1994).
- 14 Charles S. Pearson, 'Testing the System: GATT + PPP = ?' *Cornell International Law Journal* 27, 1994, 353-575. Henri Smets, 'The Polluter Pays Principle in the Early 1990s,' in *The Environment after Rio: International Law and Economics*, ed. Luigi Campiglio et al. (London: Graham & Trotman/Martinus Nijhoff, 1994), 131-47.
- 15 Judith Goldstein, 1986. 'The Political Economy of Trade: Institutions of Protection,' *American Political Science Review* 80(1), 1986, 161-84; Gary N. Horlick and Geoffrey D. Oliver, 'Antidumping and Countervailing Duty Law Provisions of the Omnibus Trade and Competitiveness Act of 1988,' *Journal of World Trade (Law-Economics-Public Policy)* 23(3), 1989, 5-49.
- 16 U.S. law dictates that if a government program is available to more than one industry, by definition it cannot be countervailable. See William Lay, 'Redefining Actionable "Subsidies" Under U.S. Countervailing Duty Law,' *Columbia Law Review* 91, 1989, 1495-1518.
- 17 This time the Department of Commerce argued that although de jure stumpage programs were not available to a single industry, they were de facto. And recent changes in policy loosened up the definition of 'subsidy' to include de facto measures.
- 18 For a detailed analysis of B.C. stumpage policy over time, see Benjamin Cashore, George Hoberg, Michael Howlett, Jeremy Rayner, and Jeremy Wilson, *In Search of Sustainability: British Columbia Forest Policy in the 1990s* (Vancouver: UBC Press, 2001).
- 19 James P. Groen, 'British Columbia's International Relations: Consolidating a Coalition-Building Strategy,' *BC Studies*, no. 102, 1994, 25-59; Cashore 'Role of the Provincial State.'
- 20 Raymond Vernon, Debora L. Spar, and Glenn Tobin, *Iron Triangles and*

- Revolving Doors: Cases in U.S. Foreign Economic Policy Making* (New York: Praeger, 1991).
- 21 Sharon Chow, 'Letter to Congressman Ron Wyden,' Victoria, B.C., Sierra Club of Western Canada, Joe Foy, Letter to Congressman Ron Wyden, Vancouver, B.C., Western Canada Wilderness Committee, 1992.
- 22 Ron Wyden, Letter to Ambassador Burney, Washington, DC, U.S. Congress, 1992.
- 23 The final calculation of subsidy was determined to be 6.51 per cent. Unlike 1986, only the top four exporting provinces were subject to the countervail proceedings, with other provinces exempt from any potential tariffs. A subsidy was calculated first for each province and then applied to a national average. British Columbia's subsidy was calculated at 7.95 per cent; Alberta's at 1.25 per cent; Ontario's at 5.95 per cent; and Quebec's at 0.01 per cent. Donald G. Balmer, 'Escalating Politics of the U.S.-Canadian Softwood Lumber Trade, 1982-1992,' *Northwest Environmental Journal* 9(1 and 2), 1993, 85-107.
- 24 Balmer, 'Escalating Politics.'
- 25 Charles M. Gastle and Jean-G. Castel, 'Should the North American Free Trade Agreement Dispute Settlement Mechanism in Antidumping and Countervailing Duty Cases Be Reformed in the Light of Softwood Lumber III?' *Law and Policy in International Business* 26(3) 1996, 823-96.
- 26 Gordon Hamilton, 'Don't Lower Stumpage, U.S. tells B.C.,' *Vancouver Sun*, 11 April 1997, D1; John Schreiner and Peter Morton, 'Changes to B.C. Forest Code Fail to Please U.S. Environmentalists,' *Financial Post*, 11 June 1997, 7.
- 27 Canadian Press, 'B.C. May Lower Stumpage,' *Canadian Press Wire Service*, 19 Jan. 1998. Gordon Hamilton, 'Desperate B.C. Boosts Overseas Log Shipments,' *Vancouver Sun*, 5 Feb. 1998, D1, D18. Gordon Hamilton, 'Forestry Assistance Too Late, Report Says' *Vancouver Sun*, 5 March 1998, D1, D14; Justine Hunter, and David Hogben, 'Stumpage Cuts Trigger Rehiring in B.C. Forests: The Premier's Initiative Brings Negative Reaction from U.S. Lumber Industry,' *Vancouver Sun*, 29 May 1998, A1-A2.
- 28 Gordon Hamilton, 'With Cuts, B.C. Stumpage Would Be Double Quebec's,' *Vancouver Sun*, 31 Jan. 1998, H1, H2.
- 29 MacMillan Bloedel Ltd, 'A White Paper for Discussion: Stumpage and Tenure Reform in B.C.' (Vancouver, MacMillan Bloedel, 1998), 3.
- 30 See 'It's Time to Cut B.C. Logging Costs Says Outgoing Fletcher Challenge President,' *Financial Post*, 10 Dec. 1998. President Whitehead is quoted as saying, 'Under the present stumpage system, there's no way the U.S. would agree with cuts (to stumpage), so what I'm saying is you've got to cut the

- costs to make B.C. competitive ... The only way to do it is a transparent way: We've got to change the system to market bid. What I'm saying is to take some of this TFL and sell it off to be fee simple land.'
- 31 COFI president Ron MacDonald argued that the Softwood Lumber Agreement should be scrapped only after a new 'free market' solution is in place. His comments were in response to B.C. Premier Glen Clark's charge that, owing to constant scrutiny by U.S. forest companies and difficulty with the current quota system, he might just scrap the deal. MacDonald said that 'unless B.C. was to first adopt a free-market stumpage system (similar to the U.S. in which private landowners sell cutting rights to mills at market-sensitive rates) and address the issue of raw log export restrictions - two issues where the Americans claim B.C. is favouring its forest industry - the U.S. government would likely respond with a countervailing duty on all Canadian lumber exports.
- 32 See Gerard Young, 'Report Stirs Forest Industry Debate: Push to Tie Stumpage Rates to Market Draws Fire from Both Sides,' *Victoria Times-Colonist*, 6 April 2000, A3; and Gordon Hamilton, 'Campbell's Forestry Solution Ranges Wide: More Access to Timber, Less Regulation, End to FRBC Included as Liberal Leader Unveils Plan for B.C. Industry,' *Vancouver Sun*, 14 Jan. 2000, D1.
- 33 Gordon Hamilton, 'Industry, Business Condemn Wouters' Forestry Report: Eco-Groups Say the Long-Awaited Review Takes the First Cautious Steps Toward Lower Annual Harvest,' *Vancouver Sun*, 5 April 2000, D1.
- 34 Northwest Ecosystem Alliance, 'Conservationists Sue Feds over Trade Agreement: Lawsuit Alleges Softwood Lumber Agreement Fuels Deforestation, Undermines Species Recovery' (Seattle: Northwest Ecosystem Alliance, 1998).
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- 36 Allan Dowd, 'Canadian Lumber Firms Unite for Trade Battle,' *Reuters*, 16 Jan. 2001. From www.pacificenvironment.org.
- 37 Canadian Council of Forest Ministers, *National Forest Strategy, 1998-2003/Sustainable Forests: A Canadian Commitment* (Ottawa: Canadian Council of Forest Ministers, 1998).
- 38 Brian Hocking, 'The Woods and the Trees: Catalytic Diplomacy and Canada's Trials as a "Forestry Superpower,"' *Environmental Politics* 5(3), 1996, 448-75.

- 39 Philippe Sands, *Documents in International Environmental Law* (Manchester: Manchester University Press, 1994).
- 40 Tropical forests contain an estimated 70 per cent of the world's plant and animal species; see Andrew Hurrell, 'Brazil and the International Politics of Amazonian Deforestation,' in Andrew Hurrell and Benedict Kingsbury, eds., *The International Politics of the Environment* (Oxford: Clarendon Press, 1992), 398–429. Estimates of tropical deforestation are subject to dispute, but recent statistics show it may be increasing despite signs of slowing down in the early 1990s (Ken Conca, 'Environmental Protection, International Norms, and State Sovereignty: The Case of the Brazilian Amazon,' in Gene M. Lyons and Michael Mastanduno, eds., *Beyond Westphalia? State Sovereignty and International Intervention* (Baltimore: Johns Hopkins University Press) 1995; Environmental News Service, 'Amazonas Suspends New Rainforest Logging,' from listserve environnews@envirolink.org 1998; Food and Agricultural Organization, *State of the World's Forest 1997* (Rome: FAO) 1997. A good estimate (by the FAO, 1997) is that deforestation the world over between 1980 and 1995 amounted to 200 million hectares, compensated by only 20 million hectares of forest plantations initiated during that time (primarily in the North).
- 41 David Humphreys, 'The Global Politics of Forest Conservation since the UNCED,' *Environmental Politics*, no. 5, 1996, 231–56.
- 42 However, Ross argues that given the low aid budget of the ITTO (\$46 million in 1989–1991, for example), it possesses neither the authority nor the resources to significantly affect logging practices in the tropics. Michael Ross, 'Conditionality and Logging Reform in the Tropics,' in Robert O. Keohane and Mark A. Levy, eds., *Institutions for Environmental Aid* (Boston: MIT Press, 1996, 167–97).
- 43 David Humphreys, 'Hegemonic Ideology and the International Tropical Timber Organization,' in John Vogler and Mark Imber, eds., *The Environment and International Relations: Theories and Processes* (London: Routledge, 1996) 214–33.
- 44 Peter Hajanal, *The Seven Power Summit: Documents from the Summits of Industrialized Countries 1975–1989 and Supplement* (New York: Kraus International, 1989).
- 45 Gareth Porter, and Janet Welsh Brown, *Global Environmental Politics*, 2nd ed. Boulder, CO: Westview Press, 1996).
- 46 Ibid., Humphreys, 'The Global Politics of Forest Conservation'; Marc Williams, 'Re-articulating the Third World Coalition: The Role of the Environmental Agenda,' *Third World Quarterly*, no. 14, 1993, 7–29.
- 47 'Report of the First Session of the CSD Intergovernment Panel on Forests.' *Earth Negotiations Bulletin* 13(3), 11–15 September 1995; 'Summary of

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- 49 Steven Bernstein and Benjamin Cashore, 'Globalization, Four Paths of Internationalization, and Domestic Policy Change: The Case of Ecoforestry in British Columbia, Canada.' *Canadian Journal of Political Science* 33(1), 2000, 67–99.
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- 51 Scientific Panel for Sustainable Forest Practices in Clayoquot Sound, *Progress Report 2: Review of Current Forest Practice Standards in Clayoquot Sound, British Columbia*. The Scientific Panel for Sustainable Forest Practices in Clayoquot Sound, 1994.
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- 54 Personal interview with senior official, National Resources Defense Council, Washington, D.C., June 1994.
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- 63 The American Forest and Paper Association is currently deciding whether to move to the use of third-party certification.
- 64 Hansen, 'Certified Forest'; Jean-Pierre Kiekens, 'Certification: International Trends and Forestry and Trade Implications' (Brussels: Environmental Strategies Europe, 1997).
- 65 Certified Forest Products Council, 'Joining the Certified Forest Products Council' (Certified Forest Products Council, 1998).
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- 67 Rainforest Action Network, 'Nation's Top Homebuilders Vow to End Endangered Wood Use: Huge Win for Environmentalists as Pressure Brings Dramatic Turnabout' (San Francisco: Rainforest Action Network, 2000); Gordon Hamilton, 'B.C.'s Green Tag Revolution: Give Our Customers Guilt-free Wood Products, Demanded Home Depot and IKEA,' *Vancouver Sun*, 19 May 2000; Andrew J. Hannigan, 'Centex Ends Use of Endangered Wood,' (2000); Barrie McKenna, 'U.S. Home Builders to Ban Old-growth Wood: Canada's Lumber Exports Would Be Hit Hard by Kaufman & Broad's and Centex's New Policies,' *Globe and Mail*, 31 March 2000; 'Home Builders Give Preference to Certified Wood: Announcements Head Off Nationwide Protests,' *Forestry Source*, May 2000.
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- 70 Hansen, 'Certified Forest Products.'
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