

**The Intangible Benefits of Forest Certification in Mexico:
Fame, Discipline, and Hope¹**

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Abstract

This paper presents the results of fieldwork with Mexican actors involved in forest certification during the summer of 2003. Interviews with government officials, NGO administrators, and members of certified forest operations reveal substantial intangible benefits from certification, including widespread social recognition, improvements to forest management plans, better forest management activities, and a reduction in the negative environmental impacts due to logging. Forest certification also generates benefits for government agencies and NGOs involved in environmental management and forest regulation, because it is a measurable indicator of the success of their programs. So far, certification has been advancing because of subsidies from NGO promoters and government regulators and because of the expectation of market benefits, not because of tangible economic benefits currently.

Increasingly, major retailers such as Home Depot and Ikea are making it a point to offer certified wood. Furthermore, they pledge to sell *only* certified wood in the future. These international buyers are active in Mexico, but they do not generally pay more than domestic clients. Although a few forest management operations have already detected improved market

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² I appreciate the support of my community of Mexican and Mexicanist colleagues who provided contacts and ideas for this project. Sixty people gave me their interview time while I was in Mexico, and I thank them. A Florida State University grant defrayed most of my field expenses during the summer of 2003. Finally, I appreciate the patience and insight of five graduate students who accompanied me in a slog through some unfamiliar literatures.

possibilities, this is by no means widespread or guaranteed. Meanwhile, certification advances much more rapidly in the Northern, temperate forests than in the Southern, tropical forests that are simultaneously the most endangered and the most biodiverse. Without improved market possibilities for Southern forests like those in Mexico, therefore, forest certification could evolve into a market barrier, a kind of non-governmental license that forest operators must pay in order to enter markets. Instead of rewarding forest operations that conserve biodiversity and other environmental services for which there is no market currently, forest certification could become a mechanism which forces them to pay for the privilege of demonstrating that they conserve environmental services, which they continue to give away for free.

Introduction

In this paper, I examine the rapid spread of voluntary forest certification in Mexico and the way certification affects people and forests in Mexico. I will argue that certification creates a wide variety of important social and environmental benefits, even though it has yet to generate a significant price premium for the forest owners who adopt it. Furthermore, certification does not remove other barriers to accessing international markets. Under these conditions, certification might become another barrier for market access, a mechanism that forces them to pay for the privilege of demonstrating that they conserve environmental services, but does not provide an economic benefit.

To make that argument, I will define forest certification and provide the necessary background of certification's rapid increase globally, and in Mexico. Next, I will put forest certification in the broader context of market-driven strategies that use voluntary labels to make visible the environmental and social implications of commodities. I will also outline a theoretical debate about the importance of political-economic power compared to discursive notions of quality for understanding how labeling strategies reconfigure markets. The subsequent section, based mostly on recent fieldwork in Mexico, reviews the driving forces behind certification, contrasts the general dearth of economic benefits for forest owners with the many intangible benefits of forest certification, considers whether certification gives forest producers more power in markets, and draws out the theoretical implications of this situation for understanding the importance of quality and power in markets. Finally, a discussion considers some possible futures of certification.

Forest Certification Defined

Forest certification is the process of inspecting particular forests to see if they are being managed according to an agreed set of standards (FSC 2004). Forest certification is an eco-labeling scheme, conceptually similar to organic certification. Eco-labeling strategies attempt to influence production systems by making the environmental implications of production visible to consumers and other observers. In this sense, they differ from nutrition labels and quality seals that identify measurable, physical characteristics in the final product (Teisl et al 2002; Barham 2002). Under most such schemes, independent organizations conduct rigorous audits of farms or forests. If production standards meet certain environmental and social criteria, they grant producers the right to label their coffee as “organic” or their logs and lumber as “coming from a well-managed forest.” (Figure I). Certification is supposed to be a mechanism for sustainable development because it links environmentally-savvy producers with environmentally-conscious consumers.

The most influential forest certification scheme currently operating is the Forest Stewardship Council (FSC). The roots of this institution lie in concerns about tropical deforestation and a movement in Northern countries during the 1980s and early 1990s to ban the importation of tropical wood. Progressive wood consumers and retailers wanted a way to purchase tropical wood from well-managed forests, while environmentally responsible wood producers wanted a way to demonstrate the superior quality of their wood, at least in niche markets. Founded in 1993 with members from environmental groups, the timber trade, and the forestry profession, the FSC’s stated goals are to improve forest conservation, reduce deforestation, and identify well-managed forests as acceptable sources of forest products. The FSC is an independent, international and credible labeling scheme endorsed by a wide range of respected nongovernmental organizations (NGO)s, including the World Wide Fund for Nature (WWF)³, Friends of the Earth, and Greenpeace (FSC 2004; Cashore 2004).

By 2007, the FSC hopes to reach 30% of the world’s working forests and capture 15% of the global roundwood market. So far, its main strategy has been to work with about 700 companies in 14 countries to generate demand. The FSC is the preferred scheme for groups of retailers (buyers groups) in the UK, Netherlands, Belgium, Austria, Switzerland, Germany,

³ In the US, this organization is better known as the World Wildlife Fund.

Brazil, USA and Japan. Increasingly, major retailers such as Home Depot and Ikea are making it a point to offer certified wood. Furthermore, they pledge to sell only certified wood in the future. (FSC 2004; FERN 2004). Forest certification now influences international forest policy debates quite explicitly, with the World Bank justifying the lifting of its self-imposed ban on financing logging projects in rainforests by promising to require third-party forest certification for the projects it funds (World Bank 2002, p. 6). “This unprecedented alliance of major companies, NGOs and a host of other supporters around the world, means that the commercial, social and environmental impact of the FSC Trademark on timber-based products is going to be enormous and unavoidable” (FSC 2004).

The FSC membership adopted a list of principles and criteria that must be followed in well-managed forests (see Table I). Using those criteria, the FSC evaluates third party auditing firms and grants them the right to evaluate forests and grant certification to forests that meet the principles and criteria. Upon invitation from a forest management operation seeking certification, evaluators examine the ecological, social, and professional forestry aspects of forest management. Auditing firms frequently grant certification with certain *conditions* imposed, such as specific improvements to management plans, improvements for working conditions, and environmental impact reduction measures. Annual audits monitor progress.⁴ For certified communities, a public report summarizes the evaluating team’s findings. Certifying agencies also evaluate the companies purchasing wood from the forest, granting those who meet their criteria for tracking wood and keeping certified wood separated from non-certified wood a “chain of custody” certification (Figure II). Together, these audits and continual re-evaluations make it possible for a buyer to have certainty that the certified wood she purchases can be traced back to a well-managed forest (Figure III).

Since its inception, the area of certified forests has increased substantially, growing from a few million hectares of certified forest in 1995 and 1996 to over 40 million hectares of certified forests in 2004, with most of those certified forests in the global north (Figures IV and V).

⁴ Forest management operations with more serious issues may have to meet preconditions before attaining certification.

Forest Certification in Mexico

Mexico contains a large area of biologically diverse forests. The amount of forests in Mexico is similar to the amount in Colombia or India, with forest types ranging from tropical rain forests in the southern lowlands to temperate temperate forests of pine and oak and fir in the highlands. These forests contain a great deal of the world's biodiversity, most notably in pines and oaks (Dinerstein, Olson et al 1995).

Roughly 80% of Mexican forests are communally owned by collective land reform units called *ejidos* and *comunidades agrarias*. About 1000 community forest enterprises operate in Mexico. Some sell logging rights to private logging companies, others own and operate logging and milling operations and can sell logs or boards and sometimes even furniture, depending on the level of their vertical integration, village organization, and the size and extent of the forest area they collectively own (Bray and Merino, 2004).

Mexico is an important nation for understanding the significance of certification in the global "south." In terms of total certified forest area, Mexico is fifteenth in the world and third in Latin America, behind Brazil and Bolivia. Because many of the certified forests in Mexico are relatively small, Mexico ranks quite high in terms of the number of certificates held; fifth in the world and second in Latin America. It also has some of the first forests ever certified and contains almost ½ of all certified community forests (UNEP-WCMC 2004). Forest certification has been growing rapidly in Mexico, with about 13% of the legal cut certified in 2003 (Figure VI).

Theoretical debates: Quality vs. Power

Barham (2002) places eco-labels such as Forest Stewardship Council forest certification in the broader category of values-based labeling schemes. These range from environmental (organic, 'dolphin-safe,' forest certification, fisheries certification), through the social (especially fair trade), and ethical choice (no-animal testing, certificates of origin to avoid "conflict diamonds"). These labels are 'values-based' because "they all carry explicit messages about a product's value in registers that are usually considered to be non-market by economists." By addressing issues of human and ecological sustainability, they represent a kind of social resistance to "free market" capitalism's violation of broadly-held values (Barham 2002, 350). To

her list we could add place-based labels that also indicate aspects of a socially-constructed – and contested – concept of quality (Murdoch, Marsden et al 2000).

Useful theoretical tools for understanding the spread and the significance of forest certification come from the work of geographers and sociologists on alternative food networks and values-based labeling. On the one hand, political economy approaches to food reveal the power of big firms to reshape the way food is produced and consumed. It focuses attention on the increasing power of a decreasing number of firms, and a tendency to homogenize products. We can summarize this as the “McDonaldization” thesis: a decreasing number of increasingly powerful firms shapes the economic geographies of food production, especially gigantic retailers.

For critics, however, political economy approaches are blind to the importance of discursive quality and the multiple motivations that people and firms bring with them to markets. They point to expanding social movements like organic food, fair trade, and forest certification. They say these important counter-tendencies to McDonaldization demonstrate the uneven, contested, and unstable character of globalization. Some writers hope values-based labels can help ‘good’ producers and distributors evade the logic of bulk commodity production (Whatmore, Stassart et al. 2003). The alternative geographies of labeling schemes are often said to *re-embed*⁵ commodity markets in networks involving caring people, specific regions, and agents of nature, such as earthworms and coffee orchards and disease organisms (Winter 2003; Whatmore and Thorne 1997; FitzSimmons and Goodman 1998).

Many scholars in this field see FSC, organic, Fair Trade, and other the labels as the most visible part of larger networks involving ecological systems, producers, standard-setters, accrediting agents, auditors, distributors, and consumers. Together with social mobilization around food scares, these alternative natural resource commodity networks share several

⁵ Krippner (2001), however, critiques current mobilizations of the notion of “embeddedness” as indirectly supporting the concept of the asocial economy posited by classical economists and converted to an ideology by neo-liberalism. From this perspective, it makes no more sense to talk of a “re-embedded” economy than it does to talk of a “re-gendered” society. Economies are inherently embedded just as societies are inherently gendered. Thus we should understand the prior, presumably un-embedded market as one that potentially exemplifies different social values and different social/environmental relationships than does the contested economy of some alternative geography associated with a labeling scheme or an alternative construction of quality.

characteristics that have challenged purely structuralist political economic approaches to understanding markets, human economic rationality, and the geographies of renewable natural resource commodities. Issues such as food safety concerns and consumer demands for “natural” food “are not easily rendered into the vocabulary of political economy, for its overriding concern with corporate power, and the surmounting of (biological) constraints on that power, means that it tends to see nature as essentially ‘passive’ in the face of unfolding socioeconomic processes” (Murdoch, Marsden et al. 2000, p. 112). Such issues push researchers of the economic geography of food to reconsider culture and consumption, a theoretical turn linked strongly to postmodern or poststructuralist trends in social science (Winter 2003). Murdoch, Marsden et al. (2000), for example, argue that food studies must now come to grips with issues of ‘quality’, where quality is no longer seen as merely a physical property of the product, but is also linked to issues such as the environmental, social, local, and/or regional characteristics of supply chains. According to this view, actor-network theory and conventions theory are the most useful tools in analyzing the natural and quality aspects of new food geographies.

Actor network theory (ANT) dissolves dualisms of local/global and nature/society and it identifies the importance of nonhuman actors. According to ANT, “actors are networks rather than human beings and these networks are relentlessly heterogeneous,” involving both human and non-human elements (Murdoch 1997, 332). ANT asserts that nature should be treated symmetrically with social aspects of networks. It exposes the erasures naturalized by a modernist ontology that separates nature and society into two distinct categories. The failure to recognize and repudiate the abstraction of nature sanctions the objectification of nature, and depoliticizes nature (Goodman 1999, p. 34; Murdoch, Marsden et al. 2000).

Conventions theory claims that the actor-network ‘entanglements’ of natural and social entities in the food sector involve an ongoing set of negotiations around particular notions of quality (Murdoch, Marsden et al. 2000, 122). Convention theory puts sociological considerations into economic analysis, asserting that quality—not just price—regulates economic activity. Quality is an endogenous social construct that helps coordinate the economic activity of actors. Quality is not simply a dimension of competition, but an object of collective understanding and negotiation (Renard 2003, p. 88). Organic, fair trade, and other alternative food networks, for example, are said to be reconvening ‘trust’ between producers and consumers and articulating new forms of political association and market governance (Whatmore, Stassart,

Renting p. 389; Whatmore and Thorne 1997). Alternative food networks redefine product quality as something beyond the intrinsic characteristics of a product, but rather encompassing the social and environmental relations of its production and distribution, such that a board from a well-managed forest or a cup of fair trade coffee has a higher quality than an otherwise identical board or cup of coffee.

Murdoch, Marsden et al. (2000, pp 408-9) summarize conventions theory and modes of coordination thus:

1. commercial conventions based on price
2. domestic conventions, based on trust and drawing on attachments to place and traditions
3. industrial conventions, based on efficiency and reliability linked to formal testing and standards
4. public conventions based on well recognized trademarks and brands
5. civic conventions based on evaluations of general societal benefits.
6. others include environmental considerations as an arena of conventions

Conventions theory provides an analytical framework for discussing the institutionalization of the multiple motivations for transactions, such as industrial standards for coffee quality or the equity-protecting price rules of Fair Trade.⁶ Industrial standards for the physical quality of coffee (grain size, acidity, etc), for example, institutionalize motivations reflecting industrial conventions. The equity-protecting price rules and minimum price guarantees of Fair Trade, on the other hand, institutionalize motivations reflecting civic conventions. “Convention analyses move beyond a productionist focus to investigate how actors materially and ideologically engage particular norms, rules, and quality constructions across production, distribution, and consumption arenas. Though this type of approach is firmly political, it eschews the search for a single network ‘driver’, focusing instead on contestations over divergent qualifications and how collective enrollment in particular conventions permits forms of control at a distance (Murdoch, Marsden et. al. 2000)” (Raynolds 2002, 409).

⁶ Using convention theory, for example, several authors argue that Fair Trade is more progressive than other labeling initiatives because it strengthens civic norms over market norms, questioning traditional business mentalities. Most other labels fail to engage alternative patterns of economic coordination (Raynolds 2002; Barham 2002; Taylor 2003).

While Goodman, Murdoch, Whatmore, and others argue that political economy is insufficient to understand the alternative geographies of food and wood, another group of researchers suggest that the cultural turn in the economic geographies of food has directed analyses too far away from differences in social and economic power within the networks (Winter 2003, 505-506). Renard (2003), for example, points out the danger of overlooking power relations when discussing the coordination of conventions. She argues that institutional frameworks channel confrontation among particular interests. Similarly, although Murdoch, Marsden et al (2000) see struggles to make visible the natural and social embeddedness of commodities as a *potential* challenge to the socially and environmentally negative aspects of globalization, they are careful to point out that there are no guarantees that progressive actors will wield the power accompanying the alternative constructions of quality.

Using examples of disputes about what species from what provenances can be labeled “catfish”, for example, Mansfield (in press) identifies the ways notions about the biophysical world play key roles in political economic conflicts. In this case, a government-required label protects US producers of “catfish” from competition with Vietnamese producers of “basa”. The power relations of US catfish producers in the political context of US trade regulation clearly shaped the food networks that evolved. Indeed, there is great skepticism of the ability of market approaches to leverage biological conservation, at least not with social justice.

Political economy proponents are especially critical of ANT because it tend to glamorize networks and obscure the power relations within them. Entranced by the theoretical novelty of their approach, actor-network theorists become blinded by the brilliant unveiling of imbrolios and the fascinating symmetry of human and nonhuman components of the network. But on its own, ANT provides very little insight into the reasons for growth, stagnation, or decline of specific networks. ANT ignores power relations that operate in and through food networks. It can't explain how networks are constructed, and it deflects attention away from the continued dominance of particular powerful organizations in the industrial food model. For political economists, this is a significant error (Marsden 2000; Reynolds 2002).

These researchers argue for a political economy approach, strengthened as necessary with greater attention to post-structural aspects such as the role of nature and diverse human values in the construction of discourses that affect, but do not determine the structures of power in a malleable food governance system (Reynolds 2002; Rendard 2003). Marsden (2000) cautions

that a purely ‘discursive’ analysis runs the risk of 1) substituting a macro-structural determinism with one-sided voluntarism – the idea that outcomes are shaped mainly by the persuasiveness of narratives, 2) reinforcing a kind of structural determinism when the discourses examined are a reflection of the groups who project them. For this reason, it is especially important to study the way the discourses are mobilized by differentially empowered actors beyond the consumer, especially at the production end of natural resource commodity networks. Detailed empirical analysis of the actors and interests involved in evolving food networks are needed, because “These (actors and interests) may or may not be creating new networks which begin to matter” (Marsden 2000).

Too much focus on the consumer or activist facets of fair trade, for example, might cause researchers to overlook the importance of the way small producers and cooperative members engage the discourse and attempt to subvert it. This can be very important for the sustainability of the network since producers might be less committed to conventions than first appears, deciding to abandon fair trade networks in search of higher prices or markets able to absorb larger volumes, for example (Renard 2003). Researchers need to understand relationships such as those between organic farmers and their apprentices in Washington State (Jarosz 2000), or between forest managers and certification promoters in Mexico. In her study of fair trade coffee, for example, Reynolds (2002) uses a political economy approach enriched by insights from actor-network theory, and convention theory. Her object is to show how ideas of trust, equality, and global responsibility are intertwined with commercial interests and industrial conventions in networks composed of actors with unequal power and divergent interests. Such work maintains a commitment to issues of power and politics without adopting an excessively rigid model to explain complex and fluid commodity networks.

Key Questions

The preceding reviews of forest certification and the theories of values-based labeling suggest three key questions:

1.) Driving forces: What explains the rapid spread of forest certification in Mexico? Conventions theory suggests the importance of the non-economic motivations in transactions such as the adoption of forest certification. This suggests the following question: how do forest managers consider factors other than price in their decisions to certify and adjust forest

management in accordance with certification standards? What conventions are being negotiated? What conventions cause actors to promote the network, enter it, and how stable does their adherence appear to be?

2) Effects: Do labeling strategies have discernible beneficial effects in the societies and environments in which the commodity is produced? In other words, what are the empirical effects in the zones of production?

3) Empowerment: Does forest certification, a specific “alternative geography” created by labeling schemes, empower small producers in the South against the logic of bulk commodity production dominated by producers and retailers in the North? Or does the political-economic power of specific commodity chains overwhelm this countercurrent? In other words, is the strategy of linking forest certification to big and powerful firms a pact with the devil that will undermine the progressive possibilities of this model?

Forest Certification in Durango and Oaxaca: driving forces, effects, and empowerment

The qualitative data that might shed light on the driving forces, effects, and empowerment implications of forest certification derive from extensive interviews in Oaxaca, Mexico City, and Durango during the summer of 2003. These data, in turn, build on my experience as a participant in forest certification since 1995; I have been hired to do peer reviews of several certifications in Mexico and I also served on one evaluation team in Durango. My background doing dissertation and post-dissertation research on Mexican community forestry was also useful during a phase of intensive interviewing since I could rely on previous contacts for guidance in a snowball sampling strategy and because I could draw on that background to enrich questions and interpret interviews. The final list of interviews included foresters, members of community forestry enterprises, businessmen, government officials, and employees of NGOs.

1. Driving forces of certification

One set of questions I brought to the field, and one theme of the conversations in which I participated, addressed the rapid spread of forest certification in Mexico. Different actors involved in Mexican forestry have different motivations. Community members and community leaders are the actors who must ultimately decide whether or not to adopt certification, but they are greatly influenced by the information reaching them from the professional forester in their

hire, government officials who approve their logging paperwork or speak to them in public fora, the industrialists who purchase their logs or boards, members of nongovernmental organizations, and the members of surrounding communities (Figure VII).

Price premium. The most obvious motivation for adopting certification would be an attractive price premium. In this case, community members and their leaders would want to seek certification in order to receive higher prices for their wood. Since certification involves significant costs for evaluations, annual audits, and forest management improvements, however, the price premium would have to be high enough to generate a net benefit – a benefit larger than the added costs.

Unfortunately, certified markets provide no, or at best a very small price-premium in the summer of 2003. As the leader of an uncertified *ejido* put it to me, “I have not bothered with certification because I don’t see the benefit. Certified wood sells for the same price.”⁷ He based his decision on the experience he could observe with certified neighboring communities. Tellingly, a Durango businessman who was co-owner of a private forest decided to promote certification of his forest, but without expectation of a price premium. Despite being co-owner of a source of certified logs, he has not bothered to get the chain of custody certificate for the sawmill he owns. “There’s no market for certified wood. There’s no point in certifying the industry at this point.”⁸ Similarly, in Oaxaca, certified communities have not yet found buyers who offer price premiums.

New markets and fear of closed markets. Although they come without a significant price premium, market demand for certified wood has played an important role in the spread of certification in Mexico in several instances. A privately held charcoal producing company, for example, promoted the first certifications in the state of Durango after a potential European buyer expressed interest in certified wood charcoal. Although the market possibility was attractive to this company, more than commercial conventions were involved here. The owner and his delegates saw certification as a way to improve forest management in the region surrounding their charcoal production plant; they were so strongly motivated by civic and environmental conventions that they paid the costs for certification for several of their suppliers,

⁷ “No he puesto tanta atención porque yo no veo el beneficio. La madera se vende igual.”

⁸ “No hay mercado para madera certificada. No tiene importancia certificar la industria en este momento.”

participated in an effort to come up with Mexican certification standards, and aggressively promoted the idea of certification to other wood transformation businesses in Durango and elsewhere in Mexico.

Similarly, a door manufacturing plant in Oaxaca City found European buyers interested in certified wood, and promoted the certification of some of its log suppliers. More recently, the giant do-it-yourself retailer Home Depot, and the transnational furniture manufacturer Ikea have extended their sources to reach certified suppliers in the mountains of Durango. Although these markets do not pay a significant price premium, they are effectively new markets. Charcoal is made from low-quality oak for which other markets don't exist. The furniture parts are made from small pieces of pine that would otherwise be sawmill scrap.

For community members and community leaders, fear of free trade amplifies the attraction of new markets. Mexico's accession to WTO rules and trade agreements with the US, Canada, and Chile have lowered tariffs on wood products and opened the Mexican market to cheaper imports from abroad. Numerous informants described this as an "invasion" of cheap wood and observed that it was now cheaper for Durango City milling and wood transformation industries to buy wood from Chile than it was to get it from the surrounding mountains. In this context, many thought certification would be a way to reach export markets, and several expected it to become a *de facto* export requirement. Others simply hoped certification would empower them in a buyers market and help them find responsible buyers who would pay on time and not attempt to cheat them. In Durango, state authorities promoting certification no longer suggest there will be a price premium in the future. Instead they promote it as an important hedge against a future in which it will be a requirement for access to export markets.

Pride. In my interviews I asked open-ended questions such as "what does certification mean for you?" and the community members and leaders I spoke with quite frequently invoked a sense of pride and recognition in their answers. Because of certification, "supposedly they say the name of Santa Catarina Ixtepeji at national and international levels"⁹ a communal authority from there told me. A sawmill worker and member of a certified *ejido* in Durango also expressed the benefit of pride. "Certification is really great for the ejido! It obliges us to improve even

⁹ "Supuestamente se pronuncia el nombre de Santa Catarina Ixtepeji a nivel nacional y internacional." And of course he is quite literally correct because I have shared that quote in US and Mexican conferences and now through this digital publication!

more, because since only one or two ejidos in all of Durango have certification, that means our community is doing better than the others!”¹⁰ In this sense, domestic conventions motivate communities to adopt certification.

The official recognition that comes from certification also translates into tangible benefits in the interactions forest communities undertake with government and civil society. In Durango, certified communities get preference in permitting procedures, and this can translate into several extra weeks of logging that would otherwise be spent waiting for paperwork to move through an office in Durango city. Furthermore, environmentalists are assuaged. Without certification, environmentalists see truckloads of logs coming out of the mountains and assume the worst. Certification tells them that logging meets a high level of quality, and so there is less risk of suspended logging permits due to environmentalist fears and denunciations.

Identifies improvements. Another set of questions I took to the field addressed the issue of the costs involved in meeting the conditions imposed by evaluators. The communicative exchange of open-ended interviews permitted informants to help me see these costly conditions as simultaneous intangible benefits. A leader from a certified community in Durango put it like this: “We started to sell our wood with the green seal in July, 2002. We haven’t had any added value. The only added value are the conditions”¹¹ Like many other informants, he valued the external review of forest management because it identified areas where his community could improve forest management. An environmental convention motivates communities to adopt certification.

Subsidies from other actors. Industry leaders pursued chain of custody certification in order to pursue market niches, such as moldings for Home Depot, charcoal for European markets, and wooden doors for European markets. But they also saw certification as a way of improving their image with the public and with buyers, even if those buyers don’t demand certified wood. Certification demonstrates an ability to manage paperwork, monitor their supply and manufacturing chains, and it shows a concern for the environmental. “(Chain of custody) certification shows that we are not a Mickey Mouse company,” a Durango businessman told me.

¹⁰ “La certificación es una chingonería para el ejido! Nos obliga a superarnos, porque si son solamente uno o dos ejidos en todo Durango con eso, quiere decir que Santiago está superando mas que otros.”

¹¹ “Empezamos a vender con sello verde en julio 2002. No hemos tenido ningun valor agregado. El unico valor agregado son los condicionantes.” Leader of a certified community in Durango.

For professional foresters, certification demonstrates the quality of their service to existing and potential clients. It also gives them pride and satisfaction in the successful practice of their profession. In addition, it provides an external opinion on forest management that allows them to communicate forest management goals more successfully with community members and leaders.

For government actors, certification offers an extremely useful validation of their efforts at forest regulation; the widely recognized forest certification label institutionalizes public conventions. For example, a funding proposal to the World Bank for a community forestry support project made explicit reference to forest certification as a measurable indicator of program success. Similarly, The Governor of the State of Durango can point to his state's leadership in forest certification in his promotional efforts. When the press or political opposition point at examples of illegal logging, he can point to an impressive number of certified forest operations. It also provides a measurable indicator of program impact and a justification that their efforts to promote development in the forest sector does not finance forest degradation. Furthermore, certification identifies the communities that are doing a good job, and allows environmental enforcement efforts to focus on other forest communities. Finally, many government officials are quite aware that their terms in office will probably end with the current administration, and so promoting certification is a way to leave a legacy that will outlive their terms in office; it provides some stability in the context of constant change to forest law and administrations.

Although a few *comunidades* and *ejidos* pay part of the cost of certification, certification promoters more commonly cover most of the costs of the evaluations and conditions that arise from them. Sources of funding for community certification in Mexico have included the Durango State Government, the PROCYMAF program of the Mexican federal government, the World Wildlife Fund, private industry, and the Commission for Environmental Cooperation (a parallel NAFTA institution). Currently, another federal program, PRODEFOR, pays the costs of certification evaluations. These substantial subsidies offset the lack of a price premium. As a WWF employee puts, "at this time certification survives because of the subsidy from the government. You have to recognize that [PRODEFOR, a government program] pays the certification costs." Subsidies diminish the commercial conventions that, in the absence of a price premium, might otherwise inhibit the adoption of certification.

2. Effects of certification

The interviews I conducted also addressed the effects of certification, especially the conditions imposed. Informants described the process as one that disciplines their forest management and improves it in important ways. For example, evaluation teams always include an ecologist who observes the environmental impact of logging operations and who sets conditions and makes recommendations. Frequently, these include improvements to management plans and mapping, the establishment of procedures for monitoring the effects of logging on soil erosion and species composition, basic ecological baseline studies, and the establishment of conservation areas and biological corridors. Other conditions might include picking up trash from temporary logging encampments, modifications to community business structures such that some forestry proceeds are re-invested in forest restoration and economic diversification, the use of safety equipment for workers, the elimination of hazardous chemicals, such as certain fungicides used to keep sawn wood from mildewing, and the removal of sawdust waste from water courses.

One of the most frequent, costly, and important conditions certified communities face is to improve logging roads. Mexican forest communities and small private forest operations inherited a logging road infrastructure and short-sighted road-building practices from the large concessionaires that held logging rights to most Mexican forests until the 1980s. Therefore logging roads were – and continue to be – built with little planning and little concern for durability or environmental impact. In site visits to certified communities, I observed some of the first culverts ever used in those forests. They were installed as part of an effort to meet certification conditions.

The process of evaluation itself is valuable because the evaluators catalyze new ideas about management. They engage foresters and community leaders in discussions about the forest management practices and environmental impacts, for example. Certification generates a broader vision of forest management, one that includes not only trees but also soil, fauna, water, and environmental services. As a co-owner of a private forest in Durango put it,

Nobody likes it when somebody tells them what they're doing wrong, but afterwards it starts to make sense. It awakens your conscience. We had a vision of the forest as wood, not as soil and environmental services. Those things were in our management plan, but we didn't follow through on them.

Certification also supports community leaders and foresters in communicating the goals of forest management to community members. Actions such as setting aside forestry proceeds for future investment or decreasing the intensity of cut can be quite unpopular with community members, especially where there is a tradition of distributing revenues to community members at the end of each logging season. Foresters and community leaders with a longer-term vision of forestry can use the evaluators report as an authoritative, disinterested, third party voice that strengthens their arguments to take a longer term view of forestry.

Mexican forester and certifier Alfonso Arguelles pointed out the effect of certification on the landscape of conservation policy. Certification helped establish a role for the management of forests as an acceptable form of forest conservation. “If sound forest management had not been accepted as a conservation strategy, there could be logging bans ... even though the only thing of any value many people have is the forest!,” Arguelles told me.

3. Certification as empowerment

Certification provides Mexican forest communities with very little power in the global market place because of two sets of barriers they face: barriers in achieving certification and barriers in using certification to access markets. By 2003, only 72 forest management operations¹² in Mexico had been evaluated, and only 38 had been certified. The other 34 either faced preconditions or they chose not to sign a certification agreement committing them to various conditions. There are an estimated 1000 community forest enterprises in Mexico, so these figures demonstrate that only a minority of communities have been certified so far because only the most advanced ones can meet the requirements without substantial investments in roads, management plans, biological studies, and so on. Lacking a price premium, certification is not attractive enough to pull very many struggling communities up to higher standards. It doesn't generate the funds needed to cover the costs of evaluations, audits, or meeting conditions or preconditions.

Furthermore, the minority of communities who have so far been able to obtain certification have had great difficulty making use of it. The international markets for certified wood require large volumes, high standards of physical quality, and pay prices lower than

¹² These include *ejidos*, *comunidades*, and *pequeñas propiedades forestales*. These figures don't include an unknown number of forest management operations that were screened, but not evaluated.

Mexican rates, especially in geographically isolated markets such as Oaxaca. Certified communities in Mexico have difficulty meeting those standards and prices.

We found a potential buyer (for our certified wood) in Europe and they told us they needed so many containers delivered to the port in Liverpool. But we didn't have that volume. Nor did we have the technology, because they required the wood to arrive with 8% humidity. We didn't have the volume or technology to meet the requirements of that market niche. -Leader from the UZACHI union of communities.

Although the label clarifies many values, and although discursive dimensions of quality matter, they do not overcome the other conventions that coordinate economic behavior. Certified communities still face hurdles of volume, physical quality, and price. Embedding social and environmental conventions in a market through certification does not erase other market conventions. In part, this is because of the way the globalized market is already embedded in a political economy of giant retail firms – the very actors that certification promoters in Washington DC, New York, London, and Bonn have been targeting to induce a demand for certified wood! Political economy matters. A global market dominated by enormous retailers requires large volumes, high quality, and pays low prices. Discursive quality does not trump this kind of power.

Discussion

Forest certification in Mexico disciplines forestry in positive ways. Its rapid growth, however, is based on subsidies from government and non-governmental organizations. In my conversations in the field, several people described certification as a baby, as something still growing and evolving and worthy of nurturing. If forest certification continues its rapid rate of growth in countries like Mexico, it will leverage significant improvements in forest management. Unfortunately, this is far from certain.

A price premium could help extend good forest management deeper into the pool of forest communities in Mexico, and elsewhere, but so far there is little indication that one will evolve. Even if consumers do pay a price premium, the premium might get lost at the retail and manufacturing level and never reach the certified forest manager. Chain of custody certifications guarantee the flow of certified wood to the consumer, but not the flow of a price premium to the producer (Figure III). The missing price premium is especially worrisome because without it, certification will remain dependent on uncertain government and NGO subsidies. Without a

price premium, funds to pay for better roads, improved management plans, and conservation areas must also come from government, NGOs, or from the producers' revenues.

Many certification promoters and community adopters in Mexico hoped certification would help them confront globalization, but forest certification could become a kind of *de facto* market barrier, something buyers require, but do not pay extra to acquire. In a global context where northern forests are disproportionately certified, this scenario could further marginalize forest producers in the global south, including the community forest enterprises of Mexico. This would limit certification – and its substantial environmental benefits – to a tiny minority of producers. In this case, certification will not reward forest owners for maintaining high standards of forestry and thereby providing environmental services to society-at-large.

In the best case scenario, certification will grow to become a mechanism in which society adequately compensates forest managers for conserving the substantial environmental services that forests can provide. In the scenario where certification is a competitive necessity but not a competitive advantage, however, forest owners will be obligated to pay the costs of certification, audits, and management improvements without compensation. They will be held responsible not only for conserving the environmental services of their forests, but also for the certification costs required to demonstrate this conservation.

Fortunately, there are some mitigating policies, specific projects designed to nurture the infant forest certification movement. Incipient advertising campaigns attempt to raise consumer awareness of the FSC label in the US and elsewhere. Through the Small and Low Intensity Managed Forests (SLIMF) initiative, for example, the Forest Stewardship Council is working to make certification more easily accessible to small forest operations, including the smaller community forest enterprises in Mexico (FSC 2004). There are also two small organizations, one in Durango and one in Oaxaca, which are working to help certified forest management operations to overcome the barriers they face in using their certificates. These projects help communities improve physical quality through better sawmill and drying techniques and they promote cooperative sales to increase production volume. Finally, there is an incipient debate about a “fair trade” model for community forestry certification. As it now stands, forest certification primarily engages civic and environmental conventions. A “fair trade” approach would engage the commercial conventions more directly, perhaps by guaranteeing a minimum price for certified wood that covers the costs of evaluations, audits, and best practice forestry

(Taylor 2003). If these programs can stimulate a price premium and lower the barriers to making use of certification, then the substantial benefits of forest certification will extend beyond a small handful of already-successful forest managers and reach a larger number of less successful operations.

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Figure I: FSC trademark



Table 1: Some of FSC's Principles and Criteria

#3: INDIGENOUS PEOPLES' RIGHTS

The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.

#4: COMMUNITY RELATIONS AND WORKER'S RIGHTS

Forest management operations shall maintain or enhance the long-term social and economic well being of forest workers and local communities.

5: BENEFITS FROM THE FOREST

Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.

#6: ENVIRONMENTAL IMPACT

Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.

#8: MONITORING AND ASSESSMENT

Source: FSC 2004

Figure II: FSC and third party auditing

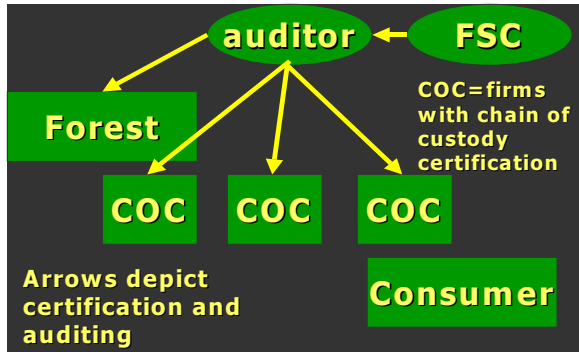


Figure III: Flow of wood between certified forests and wood transformation firms

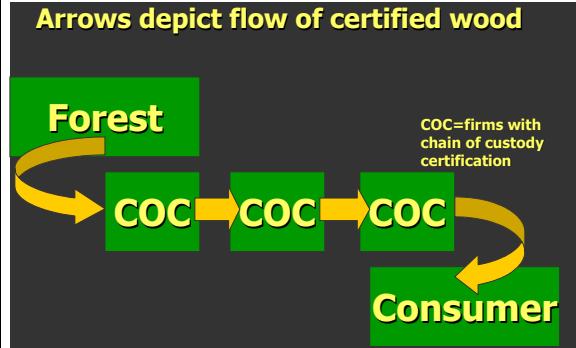


Figure IV: Rate of Increase of FSC Certified Forest (in ha) From December 1995 to February, 2004.

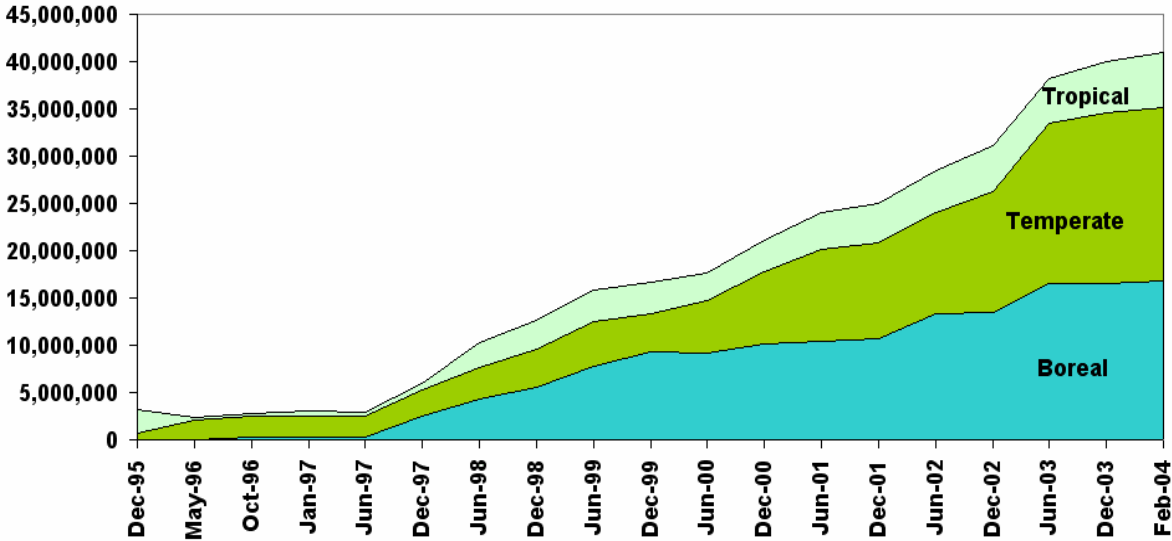


Figure V: Certified Forest Sites Endorsed by FSC, 3, February 2004

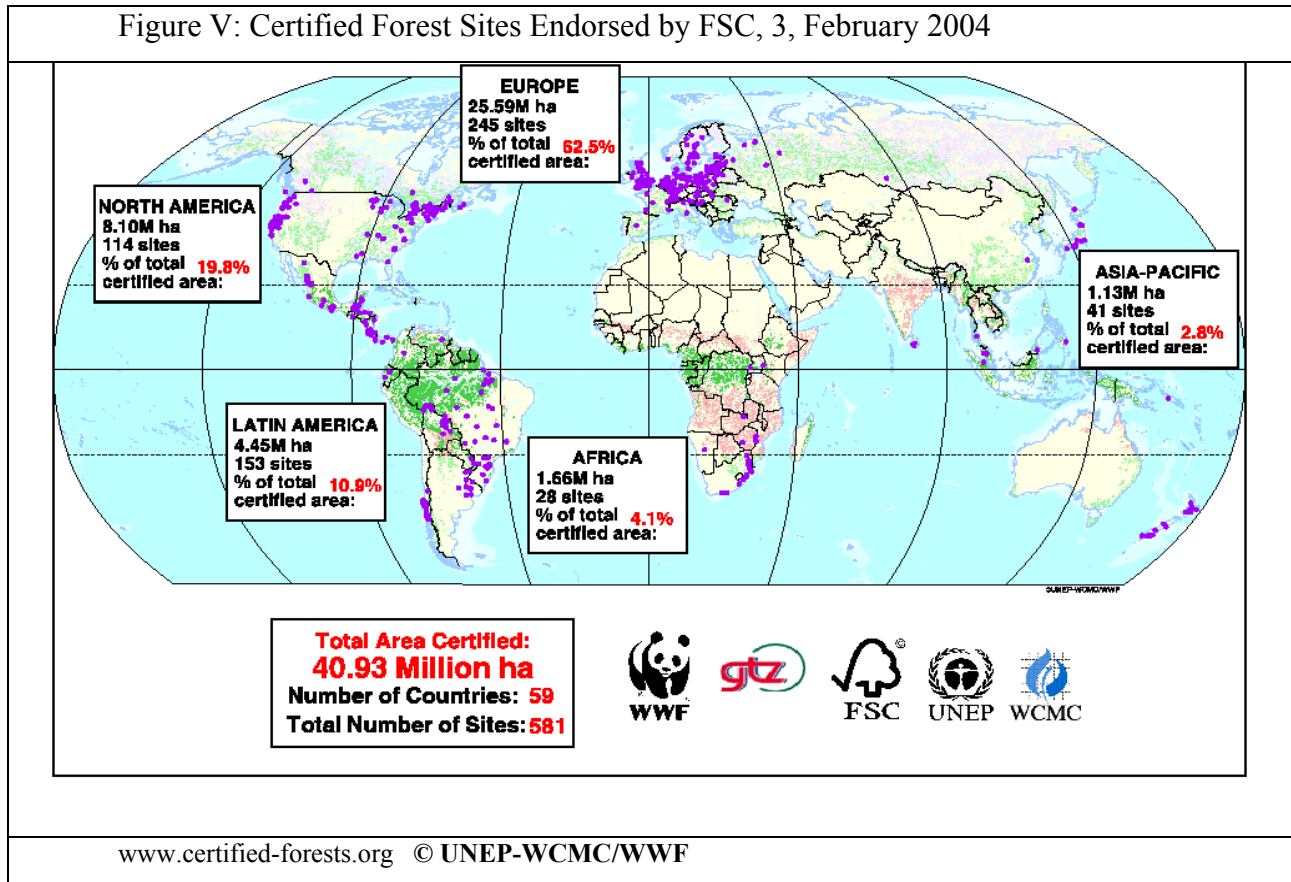
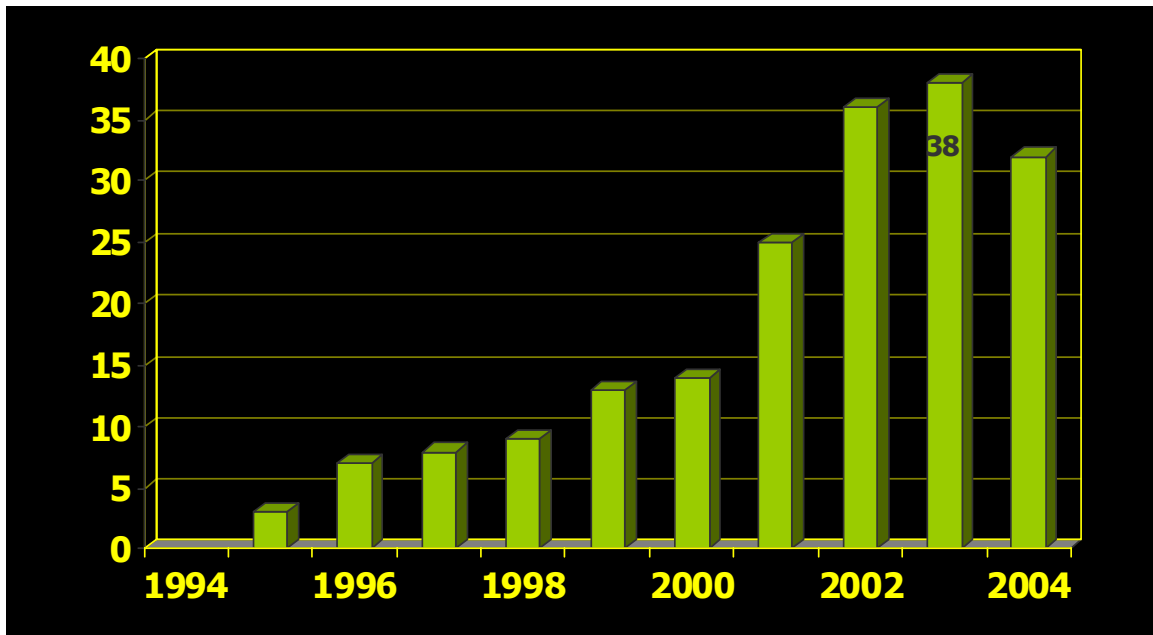


Figure VI: The number of certified forest management operations in Mexico, from 1994



through February 4, 2004.

Figure VII: Actors in certification

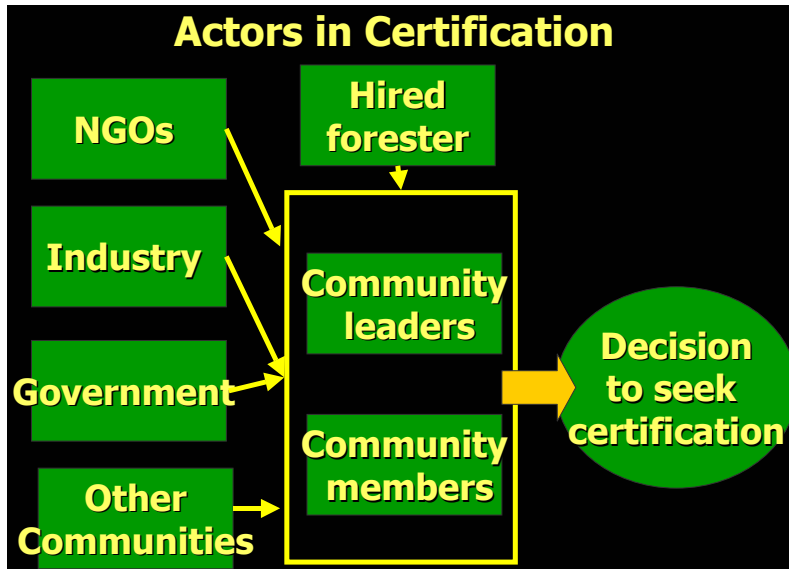


Figure VIII: Cumulative forest management operations evaluated and certified in Mexico since 1994.

