

This regimes. the  
second section  
discusses the

[Business](#), [Industries](#)



This chapter examines essential discussions of the rich repositories and relevant streams of related literature appertaining to this study. It further consists of two main sections: the first provides debates about the definition of illegal logging and a clear understanding of the concept of forest governance.

It also includes the development of trends and analysis of the depth of institutional change. It further conceptualises international timber legality regimes and assesses in more detail the development dynamics of international forest regimes. The second section discusses the theoretical perspective including the analytical framework of the study. It highlights the central underlying theoretical assumptions and arguments appertaining to regulatory instruments that govern and regulate the global supply chain of the timber industry.

1. 1 In Search of Acceptable Definition for Illegal Logging

For many years, illegal logging activities and trade in timber and timber products have become a recognised problem globally and has raised international debates (Brack, 2005; Giurca, 2013; Beevers, 2015). The researcher holds the view that anytime dissuasions about this problem unfolds, series of conceptual and analytical questions often occur to us; such that we are always curious to know precisely what illegal logging is.

The researcher opines that we are primarily concern about the complex implications for global forest policy. Nevertheless, often time, given the magnitudes and nature of the intensity of the impacts of illegal logging, people tend to ponder on what exactly has been done to mitigate the problem. More importantly, the researcher holds the view that when debating illegal logging, and trade in timber, we are especially keen to note

the relevant actors involved in forest policies debates. Also, we tend to understand how policymakers do agree that the problem of illegal logging deserves critical policy attention but dissolves on a consensus about how to solve the problem and how the relevant role of the diverse policymakers should interplay. Unfortunately, there is lack of consensus among scholars regarding agreed upon and universally acceptable definition for illegal logging (Beevers, 2015). Therefore, any attempts to address this problem must first confront the complexity of defining what constitutes illegality (Dooley & Ozinga, 2011).

However, international policy debate places the definition of such in the purview of each country to determine what exactly constitutes illegal logging activities based on their national legal arrangements and existing laws (Brack & House 2003). To enrich our understanding, reduce the depth of complexity, debates and confusion in defining illegal logging, Brack and House (2003); Brack (2005) and Beevers (2015) indicate that illegal logging occurs when timber is extracted, shipped, or transacted in violation of national laws. In Beevers' view, it also involves smuggling and transport infractions, unauthorised processing, defaulting taxes, bribery or violating environmental regulations. According to Beevers (2015), the causes of illegal logging vary respectively according to country and region. He also argues that it tends to be a combination of high demand, fees, conflicting or uncertain land ownership schemes that allow for lack of control over forest resources and widespread corruption, lack of transparency and accountability among governments. For Brack and House (2003) and Brack (2005), the stipulated measures itself applied in logging timber could be

considered as illegal especially when it involves dishonest practices to gain access to forests. Also, they argue that extraction without due permission or unlawful intrusion in protected areas such as national parks or cutting of protected species or extracting timber more than the agreed upon limits can be classified as illegal practices. Brack (2005) argues that timbers producing and exporting countries alike indiscriminately suffer the adverse externalities of illegal logging activities.

This problem has immense detrimental economic, socio-cultural, political and ecological ramifications that affect our global society (Brack & House, 2003; Brack, 2005; Giurca, 2013; Beevers, 2015). Brack and Hause (2003) demonstrate the impact of illegal logging activities by arguing the depletion of the invaluable scarce natural resources and the destruction of forest ecosystems including the loss of biological diversity and loss of carbon sink. Giurca (2013) recalls that many societies today suffer enormous economic difficulty and have experienced a slow pace of growth; faces serious unemployment and accoutred social developmental problems like widespread poverty, poor healthcare systems as well as the lack of basic social infrastructures etc.

In their comparative assessments of the global implications of illegal logging, Brack (2005), Giurca (2013) and Lowe et al., (2016) indicate that many timber producing and exporting countries both developing and industrial nations alike experience the continuing loss in billions of dollars in government revenues yearly. They emphasise the neglect for the rule of law, persistent corruption in many public sectors and the increasingly poor

governance system and natural resource conflicts as being observed mostly in timber producing nations especially in developing regimes. For Davis et al. (2013), more often than not, weak governance is blamed for most of the problems faced especially in developing regions. In the forest sector to be specific, the authors explain that the lack of inclusivity in decision-making processes is related to illegal logging and trade in timber products.

When critically analysing forest policies and politics in response to these crucial challenges, Leipold and Winkel (2016, p. 1) record that ' global forest policy is portrayed as being in a constant crisis caused by a discrepancy between alarming problems (deforestation, unsustainable management) and (only) weak policy'. In line with the issues raised, deforestation according to Marx and Cuypers (2010) is a serious problem that threatens and weakens regulatory governance. The extent of these impacts including the alarming rate at which the problem has escalated and become a global concern has significantly been disturbing and raises many pondering questions about global forest governance (Van Heeswijk & Turnhout, 2013). Many scholars argue the need for structural reform and institutional change in the forest sector regarding the development of a legally binding and regulatory instrument to regulate trade in timber. The authors explain that in the last few years, a significant amount of change has been witnessed in global forest governance mainly when it comes to raising international calls to combat deforestation, achieve conservation and sustainability.

Bergquist and Keskitalo (2016) indicate that such changes embrace the constellation of new categories of multilevel stakeholders including the

involvement of non-state and market actors, civil society as well as local communities and the general citizenry. 1. 2 Understanding the Concept of Forest Governance Studies show that the 1990s can be considered the advent of international policy debates, and attempts to realistically address most of the ecological, economic and social impacts of illegal logging and trade in timber (Brack, 2005; Beevers, 2015). However, most of today's global debates about forest governance can be said to have come about in the early 1980s when a countless number of complex global environmental problems faced our global society (Rayner, Buck & Katila, 2010). The term governance is firstly such a broad and ambiguous concept that has been extensively debated mostly when the issues of space and scale are frequently taken for granted (Bulkeley, 2005). It is often contested when interpretations, applicability, classifications, etc.

centralised policy and public debates (Santiso, 2001). Bulkeley (2005) indicates that the actual meaning of the term is mostly dependent on what is to be assessed and explained, the main objectives to be achieved and the specific method intended to be employed. Jessop (1998) defines the term governance as an act of steering, action or the manner of governing. When considering the confusion and complexity in the use of the term, the author argues that it is often overlapped with term government in most political debates that emphasises constitutionality and legality issues that appertain to the conduct of the affairs of state, the direction of specific institutions or multiple stakeholders. For Santiso (2001), the term governance connotes the implementation of power in the management of a country's economic and social resources for development.

Fukuyama (2013) on the other hand, argues that governance is the ability for the government to make and administer rules and to provide essential services regardless of whether or not that the governance system is democratic. However, for scholars like Williams and Young, the term governance covers a broad range of issue-areas that include legitimacy, participation, pluralism, a free press and human rights (Williams & Young 1994). On the other hand, Rhodes (1996) uses the term governance to depict a self-organising network.

It implies a new institutional arrangement of government that characterises the constellation of a broad category of actors, the interaction of private and voluntary sectors and inter-organisational institutions. Consequent to Rhodes' governance classifications and the conditions of the strains put on governing systems in the forest sector; stimulate what Cashore (2002), Visseren-Hamakers and Glasbergen (2007) view as the establishment of multi-stakeholders. This new arrangement involves the constellation of private sector actors, state and civil society who jointly address the encumbrance placed on the environment. Cashore (2002) (see Table 2. 1) points to the rapid evolvement of the new international governance arrangements refers to as the Non-state Market-driven (NSMD) governance arrangements to govern the use of forest resources. He argues that this framework seeks to explain how non-state market-driven governance system evolves and the condition under which they could gain authority to create or shape policy. Instances of the establishment of forest-related organisations such as the Forest Stewardship Council to promote forest certification, sustainable forest management schemes, and the International Organisation

for Standardisation demonstrate efforts to influence forest policy and decision-making processes. The author argues that all these governance systems emerged as a way to create new political spaces for global forest governance; thereby involving transnational and domestic non-state actors and civil society organisations that are authoritatively shaping the courses of decision-making, a critical issue that has been ascribed to the state as its sovereign.

Table 2. 1: Comparison of NSMD Governance Arrangement Features NSMD

Governance Shares public/private governance Traditional government

Location of authority Market transaction Government gives ultimate

authority (explicit or implicit) Government Sources of authority Evaluations

by external audiences, including those it seeks to regulate Government's

monopoly on legitimate use of force, social contract Government's monopoly

on legitimate use of force, social contract Role of government Acts as one

interest group, land-owner (indirect potential facilitator or debilitator)

Shares policymaking authority Has policymaking authority Source: Cashore

(2002)1. 3 Development Trends and Depth of Institutional ChangeWhen

analysing the numerous benefits streams of forests globally, Rayner, Buck

and Katila (2010), Brack (2005) and Gulbrandsen (2004) argue that forest

has made many contributions to human well-being and sustainable

development. According to the authors, the dimensions of forest

contributions have been articulated during the UN Conference on

Sustainable Development (UNCED) held in Rio de Janeiro in 1992. They

indicate further that the conference introduced a new debate about the need

to develop an internationally legally binding agreement on forest to guide



the global supply chain of the timber industry, combat deforestation and prevent illegal logging and trade in timber or wood products. One significant outcome according to the authors that emerged from the UNCED has been the establishment of a Non-legally Binding Agreement (NLBA). In their views, the NLBI mainly aims to solicit political commitment and actions at all levels in the implementation of sustainable forest management of all types of forest and to harness the achievement of the Global Objective on Forests. Through the United Nations Economic Council (ECOSOC), a new institutional arrangement was set forth and the Commission on Sustainable Development (CSD) was founded under the auspices of the ECOSOC (Rayner, Buck & Katila, 2010; Gulbrandsen, 2004).

According to the authors, the CSD was founded in 1992 to track development progress and to continue on the UNCED mandates.

Gulbrandsen (2004) and Brack (2005) argue that the inception of CSD herald two corresponding initiatives: the Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forest (IFF). Both of these institutions were launched with limited mandates that centre on the implementation of the UNCED Forest Principles. It also aims to foster the goal of ensuring conservation, management and sustainable development of all types of forests. To intensify international debates and put pressures on regulatory systems, Gulbrandsen (2004) indicates that in 2000, the United Nations Forum on Forest (UNFF) came into force. The author indicates that the UNFF main aims were to coordinate the implementation of sustainable forest management efforts at national levels, and to harmonise international forest instruments, and organisations. According to Brack (2005) and Rayner, Buck

and Katila (2010), these efforts raised the pace of international discussions to approve the Non-legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of all types of forests.

Brack (2005) indicates that these institutional development trends raise the question of whether or not to negotiate an internationally legally binding forest convention. Arguably, the Rio Conference did not produce much of the expected consensus on any global forest regime (Brack, 2005; Rayner, Buck & Katila, 2010; Cashore et al., 2016; Gulbrandsen, 2004). A considerable part of the failures can be attributable to a multiple strands of complex arguments.

On the one hand, most consumer countries such as the EU member states, etc. have instigated the massive proliferation and the high demand placed on timber and timber products. According to Brack (2005) and Beevers, (2015), this phenomenon creates market and incentives system for illegal logging and trade in timber. Secondly, from the radical point of view of most developing countries, such a step conflicts and contravenes their national sovereignty. Two separate convening eventually emerged - the 1995 CSD meeting and the 2006 fourth general session of the IFF.

These convening saw the reversion of intentions and declaration of new interests for an internationally legally binding forest convention, especially by those countries that once refuted any establishment (Rayner, Buck & Katila, 2010). However, these efforts were criticised for the lack of consensus and about the questions regarding the authenticity of the benefits of such a

convention. In 1998, the Foreign Ministerial Conference of the Group of 8 countries (G8) was held in the United Kingdom (Brack, 2005). The conference established and approved an Action Programme on Forest (APF) to address the many global problems faced (Brack, 2005; Van Heeswijk & Turnhout, 2013). The APF appealed to many policymakers and multi-stakeholders given its intent recognition of the nature and scope of the impact of unlawful logging activities and trade in timber. It viewed illegal logging as one main global issue that must be addressed collectively (Gulbrandsen & Humphreys, 2006; Cashore et al., 2016; Brack, 2005).

The APF also acknowledged that illegal logging extensively exploits national government of revenues, robs local and forest-dependent communities of essential benefits from forest resources. Brack (2005) also argues that it mostly destroys forest ecosystems, distorts legitimate trade in timber and resource assessment and serves as a hindrance to sustainable forest management. Brack (2005) and Gulbrandsen and Humphreys (2006) indicate that the G8 Ministerial Conference attached significant degree of urgency to its APF. It resolved to robustly address a number of critical issues: (i) to assess the extent and nature of international trade in illegally harvested timbers, (ii) measures to improve market transparency in international timber trading, (iii) assess the effectiveness and gaps in internal and international trade in illegally harvested timber and (iv) to promote collaborative partnership with different countries and organisations in these engagements.

According to the authors, the APF led significant structural reforms and changes in critical policy arenas including the development of public procurement policies by all member states, provision of technical capacity and assistance to timber producing countries as well as efforts to strengthen law enforcement, governance, and trade.