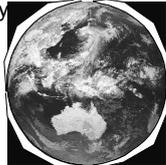


INFLUENCE OF GLOBALIZATION ON FORESTS AND FORESTRY

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Introduction

- Comprehensive process, but mainly seen as an economic globalization
- Economic globalization *ENGINE* of the process of great influence on forest and forestry
- Often merely understood as expansion of Multi-National Corporations (MNCs)
- Optimistic view: rising living standards worldwide
- Pessimistic view: new form of imperialism, cultural levelling & standardisation

Economic globalization Main features

- Growing number of trans-national direct investments in new businesses
- Financial transactions, nowadays amount larger than exchange of goods
- Large diffusion of new technologies on world-wide markets
- Highly accelerated flows of goods and services
- Unique opportunities for small scale local business by liberalized markets

Economic globalization Global direct investments

- Double value since 1985
- Medium-size enterprises enter global business
- Wage-intensive business prevails
- Delocalisation or labour-intensive activities
- High investment in natural resources exploiting activities
- Investments concentrated in the *global triad* (USA, EU & Japan)

Economic globalization Financial transactions

- Increasing financial transaction mostly from main centers
- New transnational opportunities for investments
- Large scale deregulations: increased networking between private institutions
- Increased interdependence of financial markets and mutual dependency

Economic globalization New technologies

- Strong impact of information technologies
- Expanding of “immaterial” goods and markets
- Declining importance of forestry suppliers of traditional basic materials
- Innovation techniques modifying traditional forest management
- Growing public awareness because of better information

Influence on forest & forestry



Influence on forest & forestry

- Forests will play an important role in the global economic scenario (estimated 5,000 commercial products) mainly construction timber, furniture, pulp, paper and firewood – and contribute to some 2 percent of the world GDP.
- Loss of forests and forest land is considered as one of the most drastic events. The controversy is still on if a continuous loss of forest resources worldwide is on a gradual transition from dense forests to savannahs and steppe.
- The strategies about forests are still controversial : on one hand a strong impact on large forest areas to protect and enhance biodiversity and at the same time financial aid for commercial logging in the same areas.
- Growing urban sprawl offers forestry new opportunities outside its traditional rural domain.

Influence on forest & forestry

- Forest are becoming a key element of the territorial dimension of sustainable development.
- Globalization processes are not occurring everywhere in the world with the same features and intensity.
- Despite regional differences forests will be managed to respond to growing needs identified by the international debate platforms, as reflecting a larger public demand.
- Watershed protection, carbon sequestration and biodiversity protection will be included in any sustainable forest management plan with the help of globally applicable criteria and indicators for sustainable forest management, certification and labeling, codes of logging practices and the extension of protected areas.

Impact on forest values Production and trade of wood

- The basic role of forestry in providing the physical supply for wood and wood based products will remain but the overall importance of the sector is likely to decline.
- The results of the scientific research on genetic selection, tree breeding, and rapid multiplication techniques have radically transformed the local uses and greatly increased growth rates and productivity of plantations.
- The tendency towards the further liberalization of world trade, with the reduction of duties affecting traded forest products ensuring the sustainable use of their resources is all the more difficult.

Impact on forest values Production and trade of wood

- The engagement of large MNC's in the forestry sector has increased acquiring new concessions and establishing production facilities in countries where wages are smaller, state subsidies convenient and environmental laws relatively lax.
- Forest resources are passing in growing magnitudes in the possession of few large enterprises.
- Supply and demand will come from a small area of plantations while natural forest will be mainly for environmental and other non-wood services.
- The rapid spread of technical innovation in favor of solid wood substitutes allows the demand of high quality wood to sink.

Impact on forest values Production and trade of wood

Data of some of the main, in the forestry sector operating MNC

	Turnover (Meuro)	Countries with plants	Employees	Managed forests (ownership and concession) (M ha)
International paper	19250	40 ^a	83000	7,8 ^a
Weyerhaeuser	15323	18 ^a	55000	15,4
Stora Enso	12400	40 ^a	45000	3,4
UPM Kymmene	7546	16	33400	2,3

Source: web-sites; data referring to 2004

Forest concessions to foreign companies: Some effects on local development (from the campaign to fight ADS spreading in Cameroon through the workers employed by forest concessionaries)



Impact on forest values Production and trade of NWFP

NWFPs mainly subsistence or informal markets

Trends in global trade of 26 NWFP studied to assess impact of Globalization:

1992 - 2002: value of global NWFP trade remained at 2 billion US\$

(value of all global trade X 2.5 times !)

- but “**winners**” and “**losers**” from globalization

Impact on forest values Production and trade of NWFP

LOSERS

- “raw materials” (ex.:Balata; kapok: rattan cane; wattle-, oak- and chestnut extracts; brazil, shea nuts; lac; gum Arabic;....
- Why ? : - resources have been depleted
- materials became obsolete/ replaced by synthetics
- Trade flows from developing to developed countries
- **Globalization** will further marginalize the importance of NWFP traded as raw material commodities, badly affecting producers in developing countries

Civil society as new actor

3 distinct ways for setting agendas (Weiss, 1999):

- Consultations and lobbying
- Surveillance
- Policy-making and decision-making.

Civil society as new actor - Consultations and lobbying -

- Organisation of international meetings
- Formalised participation to the deliberations of intergovernmental institutions (2,613 NGOs have a consultative status in UN system)
- Role financial sector: the WWF-World Bank Alliance for Forest Conservation and Sustainable Use

Civil society as new actor - Surveillance -

"Mobilization of shame"

- trade negotiations
- illegal logging
- corruption and law enforcement in wood harvesting and trade
- development of a network of protected areas; investments in the "Kyoto forests" (e.g. Clean Development Mechanism)
- protection of community rights



Civil society as new actor - Policy- and decision-making -

Changed role in policy making

- First phase: NGOs = working with governmental institutions as *outsiders*
- Second phase: informed "**insiders**" working unofficially behind governmental officials
- Actual phase: officially participating in deliberations



New instruments

Civil society as new actor - Operative instruments of NGOs -

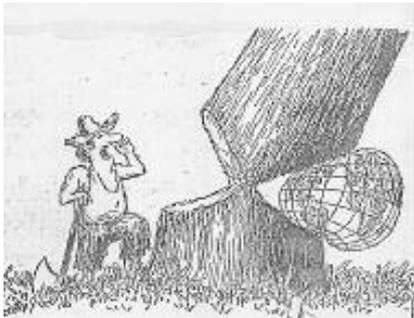
Instruments	Some examples of international NGOs
Networking	World Conservation Union (IUCN); Forests and the European Union Resource Network (FERN); World Rainforest Movement; Taiga Rescue Network; International Forestry Students Association (IFSA)
Research, reporting, mass media information, campaigning	Environment Investigation Agency; Forests Monitor; Global Witness; forest campaigns of World Wildlife Fund, Greenpeace, Friend of the Earth, ...
Ethical codes and standards, certification and labelling systems, procurement policies	World Resources Institute's Global Forest Watch; Forest Concession Monitoring System for Central Africa (FORCOMS); Forest Stewardship Council; Forest Certification Watch; Lembaga Ekolabel Indonesia
Control of credit activities, creation of ethical funds	ECA-Watch international NGO campaign; SinksWatch; CDM Watch; Carbon Trade Watch; Corporate Watch; CEE Bankwatch; Eco Equity; Forest Trends
Supports forest peoples' rights	Forest Peoples Programme; Rainforest Foundation; Down to Earth; International Alliance of Tribal and Indigenous Peoples; Global Caucus on Community Based Forest Management of the Tropical Forests

Civil society as new actor - Growing role -

Among the causes:

- reduced **public spending** and decreased **role of public institutions** in the direct management of forest resources
- **new policy instruments**: e.g. National Forest Programmes explicitly require identification and involvement of stakeholders, including previously marginalised groups, and create space and responsiveness for NGOs.
- remarkable cost-effective use of the **globalisation of the information system**: much more helpful in reinforcing the NGOs network and their political power than for other institutions

Some conclusions



Some conclusions

- Globalization is an entirely man made phenomena and hence can be basically influenced by man too.
- The impacts on forests and forestry are principally neither positive nor negative but depend on the economic, ecological, social and cultural importance that forests have for societies with regards to the benefits.
- The creation of new markets to locally produced forest and wood products seems to be a positive.
- The increasing concentration of the forest sector: national forest policies no longer capable to influence corporate policies of those companies (-).

Some conclusions

- Following the criteria of rationalization and competitive advantage, local and regional economic cycles are being interrupted, and, especially on a regional level, economic relations are being dissolved and in many segments markets suspended.
- International policy - with regard to civil society- may provide the only effective means for ensuring that globalization proceeds sustainable.
- The supply of goods and services in the world cannot be solved without collaborating with large transnational enterprises.
- The national policy has to ensure that globalization does not have effects on forests and forestry that stand contrary to societal objectives within the country.