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Global Shifts

Business, Politics, and Deforestation in a Changing World Economy

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Notes

Chapter 1

1. Statement made during a webinar of Innovation Forum, September 22, 2017, <https://www.innovationforum.co.uk/articles/accelerating-action-on-deforestation-in-commodity-supply-chains>.
2. See Bartley (2007) and Synnott (2005) for detailed accounts of the emergence of private governance in the forestry sector.
3. For more information about the Standards Map Database, see Fiorini et al. (2019).
4. The twelve certification organizations are 4C, Better Cotton Initiative, Bonsucro, Cotton Made in Africa, Fairtrade, Global G.A.P., Organic, ProTerra, the Roundtable on Sustainable Palm Oil, the Roundtable on Responsible Soy, the Rainforest Alliance, and UTZ. For more details on these programs and their certified production areas, see Willer et al. (2019, 14–29).
5. This is based on a conservative estimate. According to the International Trade Centre and its partners, the globally certified area in the commodity sectors depicted in figure 1.2 range from a minimum of 19.7 million hectares and a maximum of 26.4 million hectares. The reason for this large range is that many producers are certified by more than one certification organization, and there is not enough reliable data on the share of multiple certifications.
6. Zero net deforestation allows for forest conversion in one area as long as an equal area is replanted elsewhere. It is a weaker criterion than zero deforestation, which allows no forest clearance or conversion at all.
7. The methods behind the deforestation data shown in figure 1.3 have changed over time. Therefore, caution needs to be exercised when comparing old and new data, especially before and after 2015. See <https://www.globalforestwatch.org/blog/data-and-research/tree-cover-loss-satellite-data-trend-analysis/>.

8. See <https://www.theconsumergoodsforum.com/environmental-sustainability/forest-positive>.

9. See <https://jaresourcehub.org/resources/webinars/>.

Chapter 2

1. Note that market uptake is not a sufficient condition for outcome effectiveness because programs with high membership levels but lenient standards and weak enforcement rules, so-called greenwashes (Prakash and Potoski 2006, 63), are unlikely to induce meaningful behavioral changes beyond a business-as-usual scenario.

2. In the global value chain literature, the term governance refers to the practices and organizational forms through which a specific division of labor between lead firms and their suppliers in global industries is established and managed (Gibbon, Bair, and Ponte 2008, 319).

Chapter 3

1. The members of the original Cairns Group consisted of Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Hungary, Indonesia, Malaysia, New Zealand, the Philippines, Thailand, and Uruguay.

2. In 2018, the EU lowered the proportion of land-based biofuels in the Renewable Energy Directive to 7 percent (EU Commission n.d.).

3. The developing country members of the Cairns group are Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand, Uruguay, and Vietnam.

4. The model that is used for attributing deforestation to expanding cropland, pastures and forest plantations is implemented at national level (with the exception of Brazil and Indonesia, where it is run at microregion and province level, respectively). This implies that the deforestation attribution risks mixing direct and indirect drivers of deforestation (i.e., commodities produced directly on deforested land and commodities indirectly causing deforestation by expanding on other land uses, pushing these into forests) and that the deforestation attribution reflects national averages, and does not account for differences in geographical sourcing between importing countries. The estimates of deforestation embodied in imports should therefore be interpreted as a measure of deforestation risk. There are some slight differences between the trade data total and attribution data total. These primarily result from inconsistencies in the input trade data used for the physical trade model, where a country's exports of a commodity were larger than its domestic production and imports (measured in primary equivalents), resulting in negative values for apparent consumption for some specific combinations of countries, commodities, and years. These values have been excluded

and for this reason, the trade data total is slightly higher than the attribution data total (Pendrill, Persson, and Kastner 2020).

5. There are many overlaps between these concepts. See Abbott et al. (2012b); Alter and Raustiala (2018), Orsini, Morin, and Young (2013), and Zelli and van Asselt (2013) for detailed discussions.

6. This includes due diligence regulation for global supply chains in consumer countries and mandatory sustainability standards in producer countries that are at least partially directed at global markets.

7. <https://www.sustainabilitymap.org>.

8. The members of the Amsterdam Declarations Partnership are Denmark, France, Germany, Italy, the Netherlands, Norway, and the United Kingdom. Initially focused on the trade of deforestation-free palm oil, the Amsterdam Declarations Partnership has been extended to cover other forest-risk commodities, including soy and cocoa.

9. The calculations are based on a basket of tropical commodities (bananas, cocoa, coffee, cotton, oil palm, soybeans, sugarcane, and tea) and the main transnational sustainability schemes in these sectors.

10. There is institutional diversity among the group of Southern standards. In addition to the state-led, top-down model, there are also civil society-led bottom-up approaches and other programs that defy simple geographical categorizations into Northern and Southern standards (see Langford 2019; Sun and van der Ven 2020).

11. In their framework, Biermann et al. (2009) distinguish between three types of fragmentation: synergistic, cooperative, and conflictive. The first type (synergistic) is excluded here as there is no single, core institution in this issue area.

12. See Pacheco et al. (2018) for a notable exception.

Chapter 4

1. “Sustainable markets” is a term used by practitioners and refers to the uptake of private standards in a given sector (see Lernoud et al. 2018). Here, “sustainable” is put in quotation marks to emphasize that the uptake of a standard does not equal sustainability. For example, the adoption of weak standards or standards that lack implementation has no or only very limited effects on sustainability.

2. <https://www.forest500.org>.

3. <https://www.supply-change.org>.

4. <https://www.sustainabilitymap.org>.

5. Forest 500 considers a company to be exposed if it produces, procures, or uses a commodity as part of its core business.

6. The different supply chain segments considered are producers, processors, traders, manufactures, and retailers. In addition to companies, Forest 500 also ranks financial institutions, which are excluded here. For a detailed description of the company selection and assessment methodologies, see Global Canopy Program (2016, 2017).
7. According to Henders, Persson, and Kastner (2015), who investigate land use change between 2000 and 2011 in seven major forest-risk countries, the cattle sector accounts for 2.7 million hectares of annual forest loss, followed by soy (0.5 million hectares), timber (0.4 million hectares), and oil palm (0.3 million hectares).
8. See Chagas et al. (2018, 60–61) for a detailed discussion of the media coverage assessment methodology.
9. The study does not include media outlets from China or India.

Chapter 5

1. In Indonesia, plantation companies are mandated by law to provide 20 percent of their land to plasma smallholders, although many companies do not comply with this requirement (Jelsma et al. 2017, 282).
2. Apical belongs to the Royal Golden Eagle Group.
3. Annual Communication of Progress reports can be accessed at <https://rspo.org/members/acop>.
4. Statement made by the vice president of sustainability relations of Golden Agri-Resources at the Innovation Forum webinar on 16 March 2017 (<https://innovation-forum.co.uk/analysis.php?s=business-and-deforestation-are-companies-going-to-meet-their-supply-chain-commitments>).
5. For a detailed description of the RSPO's certification process, see <https://rspo.org/certification>.
6. Documentation about the conflict settlement process in the case of IOI Group can be downloaded from the RSPO's archives at <https://rspo.org/members/complaints/status-of-complaints/view/80>.
7. For a detailed analysis, see Sun's (2022) recently published book, *Certifying China: The Rise and Limits of Transnational Sustainability Governance in Emerging Economies*.

Chapter 6

1. <http://www.gcftaskforce.org>.
2. <https://www.kabupatenlestari.org/en/>.

Chapter 7

1. <https://blackrocksbigproblem.com/#bigproblem>.
2. <https://www.globalforestwatch.org/>.
3. <https://satelligence.com/>.
4. <https://www.overstory.com/>.

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