



Accept No Substitutes

[I've posted before on the competing systems of forest certification](#), in particular the fight between the Forestry Stewardship Council (FSC), which is really the gold standard, and the Sustainable Forestry Initiative (SFI), an industry-driven effort that has substantially weaker standards and many have accused of greenwashing. SFI has improved its standards in recent years, but [often retreats into vagueness and opens up huge loopholes for environmentally destructive practices](#).

Now, the right wing has come to SFI's aid, [issuing a “study” that is bizarre on its face](#):

Sustainable forest management can come at a price.

That's the finding of a recent study of the three major sustainable forest maintenance certifications. Researchers found that landowners who manage their woods in accordance with the certification standards could experience reduced economic returns.

The study [was] released by George Mason University's EconoSTATS and Forisk Consulting today...

“There are significant economic costs in these cases that were examined,” said Wayne Winegarden, contributing editor to EconoSTATS.

The study found that implementing one certification program — the Forest Stewardship Council (FSC), most hailed by environmentalists — can lead to the lowest economic returns for landowners.

Researchers used a combination of simulated models and interviews with stakeholders to conclude that implementing FSC standards in Oregon could reduce profitability by 31 percent to 46 percent over 46 years. They compared program results in Oregon and Arkansas to simulate the forestry industry in both the Pacific Northwest and the South.

The researchers recommend that suppliers use products certified by the American Tree Farm System (ATFS) or the affiliated Sustainable Forestry Initiative (SFI) instead.

This is from Greenwire, and subscription is required. More [here](#).

I suppose that if a forestry corporation decides to ignore sustainability standards and the sorts of labor and community benefits practices that are part of FSC certification, then yes — it will have higher profits. If, say, a company pays its workers good wages with benefits, then it will have lower profits than if it doesn’t. If you chop down all the forests, then you could get higher returns, especially if you use a high discount rate. And that tells us — exactly nothing.

But what this “study” actually demonstrates is how little these things cost, if the reporter, who appears to have been spun so hard that [she doesn’t know her right from her left](#), has stated the conclusions correctly. Let’s see: in 46 years, using FSC standards would reduce their profits by 46%? That’s all? FSC must be a really great deal! It’s not clear what the “study” really means by 1% per year, but suppose that without certification, profits are 5%. If you lose 1% of profits, that means that the profit is 4.95%. Horrors! (This isn’t precisely right because of compounding, but you get the idea). So far, I have been unable to locate the “study” itself, and it would be interesting to see what the peer reviewers said, if in fact there are any. (Or could this be another Reinhardt/Rogoff debacle?).

I also tried to find out a little about Wayne Winegarden, the “contributing editor” at EconoSTATS. So I Googled him, and sure enough: [the first thing that pops up is that he’s a columnist for the far right-wing website townhall.com](#), where his pieces comprise mostly of Tea Party-style agitprop. Okay, so he’s a right-winger: in and of itself, that doesn’t necessarily mean that his model is bad. But when someone’s theoretically scholarly work just so happens to conform perfectly to his ideological priors, then deep and profound suspicion is warranted.

This danger of ideological infection of results emerges with particular salience here because recently [Winegarden has argued that FSC represents a “monopoly” that should be broken up by “competition.”](#) No one likes monopoly, but this fundamentally distorts the situation. FSC isn’t “selling” anything. It’s a certification organization. The entire point of certifications is to give consumers information. If you have a million different forms of certification, that destroys competition because consumers do not have a unified benchmark to compare — and if I were in a cynical mood, I would say that that is precisely what SFI wants. Talking about “competition” and “monopoly” in this context reveals a distorted worldview that undermines the research –possibly fatally.

As far as I can tell, the “study” is not online (UPDATE: found it, [here](#)). I have not seen the peer review reports, if it has even been peer reviewed. It could be perfectly legitimate. But even taken at face value, it does not appear to be serious. Instead, at this stage it appears to be something close to an op-ed written by a right-winger who wants to trash FSC and enhance SFI. And it should be treated as such. Despite another slick PR effort, SFI still cannot undermine FSC’s role as the most credible forest certification effort.

This is again what might be called a Kinshasa Situation, because it reminds me of Muhammed Ali’s famous taunt to George Foreman during the Rumble In The Jungle: “Is that all you got, George? Is that all you got?” If this is all SFI has, then it deserves Foreman’s fate. Of course, it’s got more money, so it might be able to avoid it.

UPDATE: As noted, I found the “study.” So far, it’s not encouraging. Basically, it concludes that since FSC will prevent more forest harvesting than SFI, then that means that FSC certification will lead to less harvesting and thus lower profits. Well, yeah. The report also concludes that both systems “advance responsible forest management activities in the US” but have no basis for concluding this. That makes it look like an advertisement for SFI. So far — and it is a tentative conclusion on my part — this does not look like a serious product.