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## 'Sustainable Forest Management': the 'change' that keeps destroying

This year, 2014, seems to have reached a new 'record' of international declarations in which the signatories commit to drastically reducing, or even halting, deforestation. It is noteworthy that all of them are supported by large transnational corporations linked to the tree plantations for pulp and paper industry and the oil palm plantations industrial processing, as well as institutions linked to financial capital. Besides, some NGOs are also always involved.

The World Wide Fund for Nature (WWF) is one of the most actively involved NGOs. Some 20 years ago, it led one of the first initiatives to "save the tropical forests" that touched on the issue of logging, one of the main causes of deforestation. The initiative is called the 'Global Forest and Trade Network,' a partnership with logging companies "to promote the global trade in 'legal and sustainable' timber products by helping companies to produce and trade in 'credibly certified' wood products" (1). The Network promotes the certification by the Forest Stewardship Council (FSC), in other words, 'Sustainable Forest Management' (SFM), as the right way to go. WWF summarizes this approach as "using companies to drive responsible change" (2). The topic of 'SFM' will be particularly highlighted in this Bulletin.

However, when big capitalist companies commit to any 'change' that is not a core part of their corporate mission, they tend to do so only if they perceive that it poses no obstacle to their primary goal, which is to increase and expand their business to generate higher profits for their shareholders and investors. In fact, none of the declarations and voluntary initiatives on deforestation signed by these companies proposes that their business activities, a direct cause of deforestation, be reduced or curtailed. This is the first major contradiction in these declarations and initiatives. The article on Indonesia in this Bulletin shows how the wording of the declarations and forest conservation policies formulated by companies is very different from their actual practices, which result in continued forest destruction in the wake of their expansion plans.

Another feature of capitalist corporations is the constant search for new business opportunities and their immense ability to turn crises into opportunities. In the particular case of tropical wood extraction and the devastation it causes, the 'SFM' rhetoric – encouraged and supported by agents of capital like international financial institutions, the United Nations through FAO, and governments – has opened up new market opportunities for this 'new' form of 'sustainable' production. Billions of dollars have been made available for 'SFM', particularly by the World Bank.

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According to the International Tropical Timber Organization (ITTO), by 2011 some 131 million hectares of tropical forests were already under some form of 'management plan', with 'SFM' being practiced on 53 million hectares (3). This is a significant area, given that the total area of tropical forests worldwide is approximately 600 million hectares (4). But, are all these plans really capable of protecting tropical forests? Doubts are immediately raised by the simple fact that exports of tropical wood from the countries of the South amount to nearly US\$ 20 billion a year, according to ITTO (5) – by no means a negligible sum. Certainly, companies prefer to adapt to the new logging scenario with 'plans' for 'legal' and/or 'sustainable' extraction, rather than to abandon such a lucrative business where the raw materials, in addition to being ready and waiting to be logged and transported, are still quite plentiful, at least for the time being.

Defenders of 'SFM' argue that this would also be a source of revenue, combat poverty and protect the forests, all at the same time. To investigate these claims, we recently carried out a case study (6) in the Brazilian state of Acre, where the world's first 'Sustainable Forest Management' project was initiated in 1989 with the backing of ITTO. At present, the Acre government continues to promote the 'SFM' model and FSC certification, with the added feature of 'community' management.

### **Some conclusions of our visit were:**

- The project is subsidized by the Brazilian State with bank loans from national agencies like the National Bank for Economic and Social Development (BNDES), and multilateral agencies like the Inter-American Development Bank (IDB), benefiting mainly the timber companies;
- 'Community SFM', in which timber extraction is managed by local communities, is a top-down approach in which forest engineers are in charge of managing the communities' territories and dictate what the communities can and cannot do on their own lands;
- The 'community SFM' proposal does not improve community earnings, which were previously based on non-wood forest products. While a community member receives approximately US\$25 per cubic metre of extracted lumber, companies that export the wood make approximately 100 times that amount at the port of export;
- 'SFM' generates relatively few jobs. Because of the complex nature of the business, management is increasingly controlled by companies that bring in personnel from outside;
- The 'SFM' proposal does not guarantee the conservation of the forests. The forest regeneration claimed by its supporters is called into question by the empirical observations of the communities and by scientists who have carried out studies with the communities;
- The incentive to exploit timber changes the ways communities live and their relationship with the forests. Previously, wood was only extracted for domestic use by local households.

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A further advantage for logging companies that practice 'SFM' is the sale of the carbon stored in the so-called 'standing forest', through the mechanism of Reducing Emissions from Deforestation and Forest Degradation (REDD+). REDD+ was created in 2010, including, among others, the 'SFM' scheme. In Acre we found consulting firms that are attempting to quantify the carbon stocks in the 'SFM' areas. There are even logging companies that claim that a forest where wood is extracted in a 'sustainable' manner might have greater carbon storage capacity than a forest where no extraction has occurred.

The carbon opportunity is mainly in the fact that for those who idealize the REDD+ mechanism expect it to work in the future through the carbon markets, that is, that the supply of forest carbon credits be able to attract investors from the financial capital markets. This further deepens the dominance of the financial markets over the productive economy; involving diverse investment funds that are already investing in lands controlled by companies, in the production extracted from those lands and in the future production sales. Nowadays, financial capital, through its different 'papers' -'assets'- moves at least five times more money than the productive capital. The intervention of financial capital in the carbon market and other 'ecosystem' services represents more speculation and profit opportunities for such capital, especially as forest resources become increasingly scarce. This is the current trend, as everything indicates that oil, mining, timber and other companies will continue advancing into the remaining tropical forests.

Saving the tropical forests depends fundamentally on reducing the pressure on the forests. To do this, only one kind of change can help: changing the current system of production, something that, as we verified, is not addressed in any of the vast number of declarations and commitments to reduce deforestation. If the United Nations reaches an agreement on REDD+, the result will be the creation of ever more areas where the communities will lose territorial control, for the benefit of the carbon business and the logging companies, in areas of so-called 'standing forests'.

It is worth noting that we often hear the assertion that 'SFM' is a demand that originates from consumers, who want tropical forests to be preserved. However, history teaches that the demands of the 'consumer society' are artificially created, mainly by companies interested in securing sales and increasing profits. This is even more so in the case of tropical hardwood products, which are not essential to society, have a high commercial value and are sold with high prices when transformed into luxury items for a small élite of privileged consumers in European, North American and Asian countries.

With the 'SFM', a false solution to the crisis of forest destruction is being imposed, once again, by the World Bank, FAO, transnational corporations, governments and some NGOs, affecting the communities that depend on the forests and benefiting a small group of companies and consultants. Communities still face a long, hard struggle – like the indigenous tupinamba, whose story is presented in this Bulletin, whom defend their territories to manage their forests in a collective and autonomous way. For a very long time these communities have cared for the forests with immense wisdom, knowledge and respect for what actually constitutes a forest, something that never appears in the 'sustainable forest management plans' because their aim is, above all, to generate profits.

#### **Sources:**

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