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## 5.2 The changing operational context of environmental organisations

### Studying WWF's forestry models

This sub-chapter looks more closely at how different economic contexts affect an environmental organisation, WWF, and its operations in Russia. WWF established its first office in Moscow in 1994 and began bringing Western funding and expertise into the country in order to lighten the economic pressure on natural resources in Russia. The main focus of its efforts includes the preservation of old-growth forests and endangered species (see chapter 4.2). In 1997, WWF established an office in Vladivostok in the Russian Far East. The two offices, operating on opposite sides of Russia's vast territory, have identical philosophies and objectives for forest conservation. However, they work in very different economic contexts.

Our aim is to show how the spatial orientations of economic relations affect economic and institutional contexts in different parts of Russia (see chapter 2.2.). The Russian forest sector is export-oriented both in Europe and Asia, but different consumer markets influence Russia's supply chain in different ways. As we show in this sub-chapter, timber markets in Western Europe and Northeast Asia have differing levels of environmental sensitivity, and thus influence logging practices in Russia to different extents. WWF's efforts in European Russia to green the logging industry find much support from the nearby environmentally sensitive markets. On the contrary, the lack of environmental values in most Northeast Asian markets presents WWF with a more difficult situation. By analysing several WWF case studies from both sides of Russia, we show how the two different timber markets – that of Western Europe and that of Northeast Asia – influence the operations of WWF offices in the respective regions. We explore how the market context affects WWF's operations and how successful they have been.

When the borders of the former Soviet Union began opening in the early 1990s, nearby foreign markets began to draw an increasing flow of Russia's natural resources. The two regions of our analysis – Western Europe and Northeast Asia – represent two different ways in which this flow has been developing. In the West, in general, environmental consciousness is global in outlook, and the environmental movement of the West has begun to infiltrate Russia, greatly affecting its nature protection initiatives. China's market economy is well developed, but environmental consciousness remains caged within the country. While European interests are pushing Russia towards environmental reform,

China and the Russian Far East have meshed to create a breeding ground for political corruption, a wild economy, illegal logging and unchecked environmental degradation. China's deforestation and flooding problems led in the late 1990s to a government ban on logging throughout the country. Its domestic timber production fell nearly to zero and Russia quickly became a source of raw materials for China's industry.

We look at Russia's borders not only as passive geographical entities but also as intermediaries that influence the country based on political, economic and social activities in its neighbouring states. These borders, which witness an outflow of timber from Russia, impact Russian forestry in different ways. The main impact comes from the type of market existing across these borders. As shown in the previous sub-chapter, while Russia acts as a timber supplier for both Western Europe and China, consumers with varying values influence this supply chain in different ways. The environmental sensitivity of the Western European markets influences Russian institutions to change forest management and forestry. On the contrary, Russia's border with China has encouraged corruption, illegal logging and a wild market with no control over wood prices. Chinese NGOs do not go to Russia on greening missions, nor do the Chinese consumers make demands on timber production or forest conservation in Russia. This border influences the type of forestry we see in the Russian Far East. We analyse these processes and their effects on WWF's regional specific operations.

We also use the concept of non-state market driven governance (Cashore et al. 2004) to demonstrate how WWF tries to green the Russian supply side of the transnational wood flows to Europe and Asia. For our cases, the most important type of this governance is that under the Forest Stewardship Council. FSC outlines various criteria and standards of sustainable forestry that have gained legitimacy nearly everywhere in the world. Companies that become FSC certified have an advantage in selling to sensitive markets that are willing to pay more for timber with the FSC stamp of sustainability. We study WWF's efforts to import FSC to Russia, both in the European part and the Far East, as an example of non-state market driven governance. We analyse how FSC and sustainable forestry are gaining legitimacy with industry at unequal rates on different sides of Russia. By analysing a total of five initiatives to protect Russian forests by influencing its forestry sector, we illustrate WWF's efforts in European Russia and the Far East. We have chosen WWF's highest-profile efforts in both regions of the country and apply a qualitative case-study comparative approach (Yin 1994).<sup>4</sup>

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<sup>4</sup> The study is based on field work in which we visited each of the five localities and conducted a total of 85 in-depth interviews with representatives of NGOs, local and regional governments, industrial enterprises, research institutes and the public.

According to figures published by WWF, Russia contains nearly 21 percent of the world's entire timber reserve, and nearly 25 percent of the remaining untouched, virgin forests on the planet (WWF 2000). WWF assigns a planetary value to these forests, and so they have expended great amounts of money and effort in their protection. In this process, they have come to play an important role in Russian forestry politics. WWF, together with the World Bank, has been aiming to bring the worldwide total of FSC-certified forests up to 200 million hectares by 2005. This includes the goal of 100 million hectares in the earth's taiga forest zone, most of which lies in Russia (Tatarinov 2000).

WWF's primary strategy for achieving its goals is cooperation with and education of major stakeholders in the Russian forestry sector. WWF aims to serve as an expert on sustainability for the Russian government, business, science and public, and claims that the FSC system of forestry would be beneficial for all these parties. Model forests are its most highly publicised ventures. For their establishment, WWF seeks out an interested stakeholder (such as a forestry corporation in the Pskov Oblast or the regional government in the Republic of Komi), partners with them, and attempts to create a local FSC model of sustainable forestry. The model forest projects import logging technology and selective-cutting techniques from Sweden. Ultimately, WWF hopes to spread the information and hands-on expertise gained from these projects to other parts of Russia. Thus, model forests serve as expensive and high-profile seeds of Scandinavian forestry, which WWF wishes to plant in Russian soil.

While there have been various attempts to establish such model forests in Russia (see e.g. Kolström & Leinonen 2000), two WWF model forest projects currently exist in the country. Both of them are located in European Russia. These are the Pskov Model Forest in the Pskov Oblast and the Priluz'e Model Forest in the Republic of Komi. We studied both of these projects. Located close to the Estonian border, forestry in the Pskov Oblast is export-oriented and also largely dependent on foreign buyers. Priluz'e is located west of the northern Ural Mountains, far from Russia's borders, and, therefore, companies mainly provide wood for domestic timber markets. Nevertheless, WWF has been somewhat successful in legitimising FSC among forest stakeholders in the region. Western European governmental and non-governmental sources fund both of these projects. By analysing WWF's partnerships with industry, government and the public in both localities, the influence of European expansion on north-western Russia can be discerned.

In the Far East, we focus on three of WWF's demonstration projects in Primorsk Krai. The first and most extensive effort has been the Dalnerechinsk *leskhoz*, where WWF has funded an inspection brigade called Kedr (Russian for "cedar") to patrol the forests and roads in search of illegal logging operations. WWF has been trying to create a model territory where brigades could eliminate

criminal networks in forestry. This case demonstrates a very different approach by WWF in response to rampant illegal wood flows. WWF's main partners in this project are state law enforcement agencies. The other two demonstration projects include one with the large Russian logging company Terney Les, and the other with the many smaller producers working in the Chuguevskii *leskhoz*. Terney Les is a unique company in the Far East, with advanced standards of technology and social benefits for its workers. Furthermore, it sells exclusively to the Sumetuma Corporation in Japan which, unlike China, currently represents a more environmentally conscious market. This case demonstrates the importance of markets in influencing timber producers in Russia. In the Chuguevskii *leskhoz*, WWF has joined logging companies, non-timber forest resource companies and hunting groups into an association that will attempt to receive a joint FSC certificate. Both of these model projects include a concerted effort by WWF to find consumers in Northeast Asian countries that are interested in certified sustainable products. The work of WWF's Vladivostok office illustrates the current barriers in building sustainable Asian trade.

## Bringing FSC to European Russia

As shown in previous chapters, the environmental movement of the West expanded into Russia alongside business interests after the collapse of the Soviet Union. Of the NGOs, WWF has become an especially important conduit for bringing Western environmentalism to Russia. Model forests represent WWF's most significant attempts to influence forestry and Russian forest producers. WWF's two presently active model forests, Pskov and Priluz'e, are both very lucid examples of WWF bringing the culture of Western environmentalism to the regions of Russia close to the European Union. They both highlight FSC as a sustainability tool that allows forest production to be readily influenced by forest consumers, specifically those of Western Europe. They also show how WWF's achievements in European Russia directly stem from the proximity of an environmentally sensitive market in Western Europe.

The first model we investigate, the Pskov Model Forest, features a close partnership between WWF-Russia and a subsidiary of the multinational logging firm Stora Enso. This company was formed as a fusion of the Swedish Stora and Finnish Enso Group in 1998 (see [www.storaenso.com](http://www.storaenso.com)). This company has logged in Russia for many years and took a hit from a conflict with the environmental movement in the mid-1990s (Tysiachniouk and Reisman 2003; Vorobiov 1999). Greenpeace vilified the company in the media for logging Russia's old-growth forests. With its environmental image tarnished, Enso's Russian subsidiaries were forced to halt logging of old-growth forests (see chapter

5.1). In response, a new export-oriented logging subsidiary STF-Strugy was established in the settlement of Strugy-Krasnie in the Pskov Oblast in an attempt to meet FSC standards of sustainability and recapture the international timber markets. In this way, it tried to transplant Western standards of sustainable forestry into Russia.

While STF-Strugy received an FSC certificate in April 2003, at first these standards and techniques frequently conflicted with the Russian forest code and accepted industry norms. The company was repeatedly fined by the *leskhoz* for violations. Not being the PR powerhouse that WWF is, STF-Strugy failed to resolve these conflicts. In 2000, WWF came to the region and partnered with the company. In essence, two global actors, WWF and Stora Enso, descended on a small, ordinary Russian locality and modified the region's commercial environment to comfortably suit European businessmen. WWF created an action plan based on scientific research for the company, and coordinates each move with government officials, while STF-Strugy carries out the logging as the action plan specifies.

WWF launched a campaign to network with all the stakeholders and educate them in sustainable forestry, the ultimate goal being to convince them that STF-Strugy must be allowed to log according to FSC. For the government, WWF held seminars and workshops, sent written information about FSC and organised a few trips to Sweden so that government officials could study logging sites similar to those that WWF and STF-Strugy wished to establish. Pskov Model Forest's demonstration plots became a key instrument with which to educate forest stakeholders. By logging different forest plots with different technologies and techniques, the model forest showed different volumes of wood production with different repercussions for the secondary forest. Furthermore, WWF established a small grant programme that would pay for any research or creative project that pertained to the Pskov Model Forest. This strategy is very effective in the Russian context, because while forestry research is actually very advanced, there is often little funding directed toward implementation. Thus, WWF's small grant programme became a unique opportunity for government officials in the Ministry for Natural Resources, several of whom carried out forestry research funded by WWF.

Before WWF, STF-Strugy had also conflicted with the local public. Throughout the country, Russian citizens are directly dependent on forests, including the wild mushrooms and berries found therein. For this reason, a general public mistrust of forestry exists. According to a social expert hired by WWF, the sight of a truck carrying logs meant that "things are going badly in the forests" (Interview 33). In addition, community members were especially suspicious of a foreign company which they felt was sending their forests abroad. In working with the community, it became WWF's job to soothe public

opposition to forestry as such by illustrating the difference between conventional Russian forestry and FSC sustainable forestry. In effect, through an extensive PR campaign, WWF argued that by switching to the new FSC way of doing things, the Russian economy, environment and society would benefit. In the rhetoric, WWF tied these opportunities to lucrative and environmentally sensitive Western timber markets. WWF used television programmes and newspaper publications, and organised seminars and workshops.

In all projects that require the involvement of the Russian public, WWF uses the local intelligentsia (the educated class) as a tool for linking with the rest of the population. Pskov Model Forest's small grant programme focused on scientists, teachers, educators, a museum curator, and librarians. These people are often community leaders and help shape the rest of the community. For this reason, a social expert working with WWF called such citizens a "golden fund" which will "help to form public opinion" (Interview 33). Teachers and educators help to spread knowledge and ideas, and shape the mindset of the succeeding generations. WWF brought its model forest, its money and its panda symbol into the classroom by funding teachers' environmental education initiatives through the project's small grant programme. This includes such programmes as recycling, nature calendars, computer education and a Children's Club of Friends of WWF. With the benefits of FSC forestry and Western logging technology in school curricula, they seek to become part of the local culture. This is WWF's ultimate goal throughout Russia: to establish Nordic-style sustainable forestry as a permanent feature of Russian environmental culture.

One of WWF's main strategies with the small grant programme was to take activities that already exist and enhance their quality while steering them toward environmental awareness and support for the Pskov Model Forest. Grants funded ecological summer camps and environmental clubs, and even turned a traditional community festival that involved a tradition of saying good-bye to winter into one with an environmental slant. One interesting advertising strategy saw WWF sponsor a local school's soccer team. The team was called Panda, and the uniforms contained the WWF panda logo as well as the emblem of the Pskov Model Forest. Each game they play promotes nature and everywhere the team goes they bring information about the Model Forest. WWF further impressed the local population by bringing the famous football team Zenit from St. Petersburg to play with the Panda team. Many people expressed excitement about this game, which also had a theme and a symbol for nature. In short, WWF used the project's extensive funds to establish the Panda logo as a lasting visual fixture and the phrase "sustainable forestry" as a lasting linguistic fixture in the Strugy-Krasnie community. The model forest, and its demonstration plots, became a renowned and one-of-a-kind tool for environmental education.

FSC criteria demand that the local community should have a voice in forestry decisions. Raising public interest in the model forest, which WWF accomplished, laid the groundwork for official public participation. The model forest created a local forest club that theoretically brings all forest stakeholders together into a productive dialogue. The forest club meets once every three months, and attendees include representatives of STF-Strugy, *leskhoz* workers, administration, forest scientists, WWF staff and all interested local citizens. WWF publicises the forest club as a model of democracy and citizen involvement in forestry as it ideally, although not practically, happens in the Western Europe and North America.

WWF brought an invaluable capacity to its partnership with STF-Strugy. By acquiring partners and support for the Pskov Model Forest, WWF laid the foundation for popular acceptance of STF-Strugy's foreign logging practices and the introduction of FSC in general. Many logging companies, both Russian and foreign, that work in northwestern Russia primarily export to Western European markets. Thus, the commercial stage for FSC legitimacy already existed in the region. WWF simply had to find a willing commercial partner and spread information to all stakeholders. In the Pskov Oblast, the *leskhoz*, the public and Russian scientists quickly accepted FSC forestry as sustainable and economically beneficial. Pskov governmental structures also support the project, but not to the extent shown in our next case study. Priluz'e Model Forest demonstrates different levels of support for FSC among different stakeholders. However, it most importantly confirms that the influence of European commercial opportunities, and the accompanying environmentalism, can penetrate far into Russia's interior.

Since 1997, WWF had planned to create the Priluz'e Model Forest in a region of Russia less suited to westward exports than the Pskov Oblast. While Pskov gives timber producers the advantage of proximity to foreign markets and the infrastructure to export, the Komi Republic lies just west of the northern Ural Mountains and represents a far more common situation in forestry in Russia's vast interior. Nevertheless, the Priluz'e Model Forest, situated in the Priluz'e *leskhoz*, received an FSC certificate of sustainability in 2003. While the model forest separated from WWF in 2002 and renamed as Silver Taiga, the story presented here concerns the period of WWF's efforts.

WWF's main partner in the Priluz'e Model Forest was the Priluz'e *leskhoz*, which is a governmental structure. The aim of this project was not to certify the leased land of one company, as the Pskov Model Forest is trying with to do STF-Strugy, but rather to certify the forest management of the entire *leskhoz*. In a sense, the *leskhoz* acts as a local representative of the forest landowner – the federal government. Although the Priluz'e *leskhoz* has received an FSC certificate, wood produced by leasing companies in the *leskhoz* will not bear the FSC

mark. For this to happen, individual companies must certify the entire chain-of-custody. The certification already obtained gives these companies a head start and may promote their interest. In this way, the Priluz'e Model Forest has been somewhat successful in bringing international standards to Russian forestry. There is some criticism of the project's on-the-ground forestry improvements, many coming from the director of the Priluz'e *leskhoz*. However, the achievement of FSC certification is an important benchmark in the incorporation of Russian logging into European timber flows.

With the government, FSC has gained a great deal of legitimacy from this project. WWF's Priluz'e Model Forest has received extensive support from the local, regional and national levels of government. In our interviews, government officials showed themselves to be quite passionate about the model forest and its potential for bettering the region's economy. The head of the Priluz'e's administration said, "We really need the model forest to get the certificate" (Interview 34). Furthermore, Komi's government shows a sense of personal ownership over this forest. The head of administration in the Priluz'e region said, "we look at the project like our own child" (Interview 34), while officials at the republic level claim that the model forest is a government initiative. Another official said, "In this project, everything started with the power structure, with the government" (Interview 35). WWF cooperates with many departments of the republic's government, including the economic, judicial, forest and transport authorities. Several of these authorities have representatives working closely with model forest employees to develop FSC certification standards for Komi. Our respondent felt that these government officials are dedicated to the project. Besides the small grant recipients, government officials receive no pay for this work. Government officials in Komi have shown much more excitement about the project than those in Pskov, as the following interviewee shows:

I sometimes wonder what their interest is, besides scientific interest. There cannot be much material interest. We usually meet in the working group for 2-6 hours, sometimes the whole day. Everybody is listening, adding, suggesting, and arguing. Sometimes fights occur. (Interview 36)

As in Pskov, WWF's small grant programme helped build government support. Several government officials at the republic level received grants for forestry research and expressed a deep satisfaction for this opportunity provided by WWF. The model forest also took some government officials to Sweden in order to show them FSC-certified operations. Such efforts quickly brought government support to the project in the form of scientific knowledge, leniency with

forestry norms and participation in the model forest's strategy development and planning group.

There are, however, certain ways in which the Priluz'e *leskhoz* cannot compare with STF-Strugy as a model forest partner. For the past ten years, federal budgets have notoriously underfunded *leskhoz*es. Forest management such as revitalisation, fighting forest fires and controlling illegal logging, for which *leskhoz* workers are responsible, remains very weak due to extremely low salaries. *Leskhoz* workers are also responsible for thinning forests in order to produce higher yields. These hardships reflect on the performance of the model forest. In January 2002, a restructuring of the forest sector further hurt forest workers, and the head of the Priluz'e *leskhoz* then considered certification unlikely. While the *leskhoz* did in fact receive certification the following year, this respondent worried about its permanence:

Maybe we will get the certificate now but ... next year we will have real difficulties. They can take it from us and it will be much harder to get it back the second time (Interview 37).

The *leskhoz* is an unstable and unreliable partner for WWF's work, as the Russian government has been destabilising the administrative structures. STF-Strugy, however, as a subsidiary of a large multinational corporation, has allowed the Pskov Model Forest to run more smoothly than Priluz'e. Nevertheless, both projects received FSC certification and show the transformation of the Russian forest sector in two disparate parts of European Russia.

For the social aspects of FSC certification, WWF acted much as it did in Pskov. At first, this project encountered similar barriers from the public, including widespread suspicion of forestry in general. The head of the Priluz'e Model Forest's public outreach explained that people assume all logs carried by trucks come from the same plot, leaving nothing (Interview 39). WWF overcame this perception by preaching the Western gospel of sustainable forestry, especially its social facet, which would benefit the public. The information was circulated through libraries and schools, discussion clubs were created and the media was used to create television shows, newspaper articles and art shows dedicated to preserving nature. Through the small grant programme WWF funded Ph.D. research into forest economics for local students and helped revitalise old Soviet structures for producing non-timber forest resources. Community relations represented an extensive aspect of the Priluz'e Model Forest.

In order to involve the public in forestry, WWF created a club similar to Pskov's forest club. It is called Shuvge Parma ("the sound of wind through the taiga forest"). The meetings of this club include various members of the local public, *leskhoz* workers, scientists and power structures. One difference between

this and Pskov's forest club is the size of the Priluz'e *leskhoz* and the fact that it contains dispersed villages, all of which are involved in Shuvge Parma. Shuvge Parma is, therefore, mobile and travels to different villages throughout the region, holding meetings and promoting public participation. A successful example of public participation started by this club is the case of virgin forests in the territory of the model forest. Here, WWF was able to mobilise members of the population to protect a virgin area that had already been leased by the large company Luza Les. WWF first had to explain the concept of old-growth forest, but it was easily accepted by much of Komi's rural population, which is generally against industrial harvesting of any kind. Luza Les had already begun building an access road to log this plot of old-growth forest, but WWF successfully educated and linked with influential members of the local population (i.e. *intelligentsia*) to oppose the company. In the end, Luza Les gave up most of the plot, while a compromise allowed them to log four small sections.

One aspect of how WWF tried to align the Priluz'e *leskhoz* with FSC's social standards demonstrates the constraints of working with a *leskhoz* as the main partner. WWF held public meetings in which citizens could highlight areas where they gather berries and mushrooms, and the model forest created a map of important gathering spots. In theory, this map would be used by companies when choosing their logging plots. On a lesser note, the map has become only a tool of the *leskhoz* for advising companies about those plots where they may encounter resistance from the local population. In this way, certification of a *leskhoz* does not directly transfer to logging operations.

The model forest has had an effect on the environmental thinking of *leskhoz* workers and implementation of educational and demonstration programmes has begun. Yet, while WWF's relationship with the government is close and very effective, the *leskhoz* is not the main entity cutting the trees. Therefore, it has been a real challenge to promote changes in companies oriented toward domestic Russian consumers.

## WWF in Asian Russia

WWF's role in the Russian Far East has primarily been determined by the region's lawlessness. For this reason, WWF-Vladivostok has partnered with state law enforcement agencies, where the main objective is to create a stronger system of control. We see a marked difference from WWF's work in European Russia, where WWF's goal is to include Russia in the markets of Western Europe, while in the Far East, in WWF's view, the criminal networks and wild wood flows must be tamed before anything resembling a steady timber industry can result. WWF-Vladivostok also concentrates heavily on market creation

strategies. WWF seeks out buyers in Northeast Asia that are interested in FSC products and links them to interested exporters within Russia. This effort involves expert economists, various publications, and cooperation with WWF programme offices in China, Japan and Hong Kong.

WWF's work in the Far East began in the mid-1990s with the goal of preserving the dwindling tiger population in eastern Primorsk Krai. In conjunction with other foundations, it created a state inspection team called "Tiger", which would seek to prevent poaching and confiscate tiger skins and other body parts. This new structure operated under the Federal Ministry for Natural Resources, and represented WWF's initiation into the law enforcement sector of the Far East. WWF soon found, however, that the destruction of forests through rampant illegal logging posed a much greater threat to the tiger, as well as to the region's environmental and economic sustainability. The main focus of WWF's Vladivostok office is not only to preserve the tiger but also to disrupt criminal networks and break the mafia's control of the region's forest sector.

WWF says that it faces a complicated and powerful illegal logging industry in the Far East, which often includes government, *leskhoz*es and big business as well as impoverished peasants selling illegal logs for survival. The then-governor of the Primorsk Krai was cashing in on the region's illegal wood harvest. He established a municipal enterprise, Stelz (a corruption of the English word "Stealth"), responsible for selling wood confiscated from illegal logging operations. An accompanying administrative order stated that all such confiscated wood could only be sold through Stelz, and no other company. According to the Russian forest code, all confiscated wood belongs to the *leskhoz*, thus this order contradicted Russian law. However, there was no protest from *leskhoz*es, who were often in cahoots. Several thousand cubic metres of undocumented wood have since been found in Stelz's wood storages, and several invoices held by the enterprise were shown to be counterfeit. Needless to say, Kedr received little support from the government at this time.

Nearly all wood harvested in the Primorsk and Khabarovsk Krai, both legally and illegally, goes through one of two main storage and transportation hubs – Dalnerechinsk and Lesozavodsk. These two settlements see corruption and crime linked with illegal logging and export of logs to China. The transactions that bring Russian timber through their storages concern large volumes, low prices and quick cash. Local government structures are said by the WWF respondents to be fully aware of these illegal transfers yet they fail to inspect or enforce. Virtually all of our respondents, including environmental activists and independent journalists, claim that the head of Dalnerechinsk's administration has connections to the region's organised criminal structures.

This insufferable economic and environmental situation stems directly from China's willingness to accept logs without histories. China itself banned logging

in 18 of its provinces, simultaneously with the vast volumes of illegal timber coming from Russia. China's civil society remains undeveloped, with opposition to the government confined to sporadic and small-scale activities (Ho 2001). Yet, proximity to China not only allows this form of wild economy but encourages it. In the Far East regions of Russia farther from China, timber harvests are remarkably lower due to more difficult transportation. The Primorsk and Khabarovsk Krai offer huge forests of valuable wood with unfettered export opportunities, given China's proximity and demands. Environmentalists admit that the social and economic consequences of this economy outweigh environmental damage in gravity.

WWF-Vladivostok's main effort to disrupt this timber flow has consisted of the Model Forest Inspection Brigade called Kedr in Primorsk Krai. Before its dispersal in 2002 due to legislation change and turning into a private security company, Kedr was a group of four men in a jeep, equipped with communication technology, computer databases and guns, who checked logging trucks for the wood's legal documentation. Kedr existed as an individual brigade within Tiger, but dealt specifically with illegal logging. Initially, Tiger brigades, including Kedr, were affiliated with and supervised by government structures, but all funds, equipment, training, legal counselling and salaries came from WWF-Vladivostok. WWF created Kedr as a model that enforcement agencies could, in theory, reproduce. The effort began region-wide in Primorsk Krai, but WWF has since seated the brigade in one locality, Dalnerechinsk, in order to create a more effective, focused model. As mentioned before, Dalnerechinsk wood storages are hotbeds of crime, with 80 percent of the wood handled there claimed to come from illegal harvests (WWF 2000). The Dalnerechinsk leskhoz has become something of a WWF model forest in the Far East.

In day-to-day operations, Kedr's main partners were the law enforcement agencies of Primorsk's regional government. Kedr existed as one brigade within Tiger, which in turn existed under the Federal Ministry for Natural Resources. Kedr was a new type of structure for the Russian government. WWF attempted to create a state entity suited to the Far East situation, one that would have combined eclectic responsibilities from different law enforcement and judicial agencies scattered throughout the regional and Federal levels of government. The structure of Russia's regional government and its legislation did not provide a comfortable environment for Kedr, and therefore it had to work with an array of other agencies in order to do its job.

For instance, when Kedr went on raids, it brought officials from the local militia. The two agencies worked together, with the police using their authority to stop logging trucks, and Kedr used its legal training to identify violations in the truck's documents or wood. Kedr advised the militia officers to take appropriate actions according to the specific violations of the forest code, which WWF's hired lawyer explained to them. Logging trucks, legally, needed not to stop and undergo inspection under Kedr's orders. Militia, on the other hand, had this right, but with legislation so incredibly confusing and constantly rewritten, they did not know the nuances of the forest code. Kedr also could not write protocols itself. Other departments of the police force, including the Ministry of Internal Affairs (MVD), Regional Management of Internal Affairs (RUV), State Inspection of Transportation Safety (GIBDD) and the Highway Police (GUYEE), joined Kedr on its raids. Kedr partnered with all of these agencies, and tried to improve their qualifications in law enforcement. Kabanetz, both a former state and private forest worker and current leader of Kedr, said, "Our dream is to make those agencies which have to work, actually work" (Interview 39). Kedr had less intimate relationships with other state agencies, including the Department for Investigating Organised Crime (UBOP). Kedr gave information and statistics to this department, which then used it for analysing criminal networks.

In addition to corrupt power structures, Kedr's operations on the logging roads were fraught with hindrances and complications. Documents and forest tickets were photocopied, incorrectly filled out, or filled out with erasable ink and reused. Enterprises logged more than allowed, logged beyond prearranged borders, or logged prohibited species such as cedar. Organised crime networks engaged in blackmail and threats to acquire felling tickets or even logs already in transport. In 2001 when the administration of Primorsk Krai required a new transportation certificate to accompany all timber shipments, the certificates quickly became a new currency on the black market. One fresh certificate sold for US\$300 and they soon became useless as tools of enforcement. In the summer of 2001 their use was discontinued. Nevertheless, companies without documents often bribed checkpoint employees or used scare tactics. Logging trucks were accompanied by cars with armed individuals who negotiated with transport militia. Other tricks to avoid fines and regulations included borrowing logging trucks from other regions, hiring drivers who were not involved in the logging company, and shaving one strip off logs so that they became "processed" wood and were no longer liable to the controls of transporting unprocessed logs.

Despite the difficulties, Kedr achieved many things. The storages of Dalni-rechinsk were more than halved and the timber flow to China decreased. The radical environmental group BROK discounted the role of Kedr in these positive

statistics, but rather saw a rapid degeneration of the region's forests as the cause (Interview 40). BROK's leader claimed that as roadside forests disappear, companies must push their operations farther into the forest and compete for the dwindling worthwhile timber. This, according to BROK, was the reason for the decreased flow of illegal timber, and not the watchdog activities of Kedr. Yet, despite BROK's publications, the public of Primorsk Krai turned Kabanetz, Kedr's leader, into something of a star. One respondent said that Kabanetz was called a "TV star" because he was so well known by the public (Interview 41). Kedr also gained a reputation of total honesty and incorruptibility. With bribes circulating en masse through first and second sectors of the Far East, Kabanetz in particular became known as a very dedicated and reliable worker for justice (Interview 42).

Nevertheless, the governments of the Far East came to support Kedr's efforts and were reproducing the brigade. In December 2000, the government of Primorsk adopted Kedr's model and created 14 new brigades, each based within a *leskhoz*. Another brigade called Sobol (Russian for "sable"), was created in the nearby Jewish Autonomous Region. WWF published a handbook for the inspectors. The book outlines the proper procedures as well as the rights of enforcement officials to prosecute forest violations. WWF is helping these brigades, as newly formed state structures, to "catch up with new laws and regulations and be confident to do the right things when dealing with violators" (Interview 43). These brigades will operate mainly on roads, as Kedr did, and with similar mobility, communications technology and authority as part of the forest enforcement forces of the state.

Two model projects in Primorsk Krai, Terney Les and Chuguevka, are WWF's attempts to introduce FSC certification into the timber markets of the region. One is in conjunction with the company Terney Les, a gigantic Russian logging company operating in Primorsk Krai. WWF is helping this company to write environmental policies for production and update its practices in order to FSC certify the timber that it produces. With Chuguevka, WWF has the same goal of FSC certification, but the situation is much different. Chuguevka is a large territory in the Sikhote-Alin ridge of Primorsk Krai and hosts a wide variety of natural resource production. This includes timber, non-wood forest resources and hunting. WWF's goal with this model project is to designate the national park "Call of the Tiger" as the centrepiece of the territory, with surrounding sustainable production under one joint FSC certificate.

Although this closely resembles their model forests in European Russia, WWF is hesitant to call their work in the Far East a "model forest". The reasons for this hesitation lie within the wild economic situation there. WWF is less willing to invest large sums of money in the region, given the uncertain possibilities of achievement, and thus feels that the label model forest would be "too

loud” (Interview 44). WWF is extremely concerned with its image and focuses funds on probable successes. It is using the experience from its model forests in Terney Les and Chuguevka, but as they say: “We want to achieve our goal here with less blood” (Interview 44).

These projects are in their initial stages, but they have seen forward movement. This is especially true of Terney Les, which had largely modernised its operations before partnering with WWF. On a joint expedition both Greenpeace and WWF activists were surprised at the environmental soundness and quality of the logging operations of there (Interview 45). This company, which our respondents compared with some of the more advanced logging enterprises in the West, exports timber exclusively to the Japanese company Sumetuma. Terney Les processes some of its timber, even commercially “worthless” tree species such as aspen and birch. Leftovers are consumed in the settlement of Plastun for heating. All the employees of Terney Les live in this settlement and, according to a member of WWF, salaries are decent and people like their jobs (Interview 42). A company with this record, when compared with the more prevalent criminal standard of forest production in the region, is suitable for a WWF model project. Terney Les even has a plot of valuable virgin forest currently under lease, which will, if protected by WWF, only add to the flavour of their nature-protection triumph. Since this virgin plot is used by an indigenous Udege community living nearby, WWF sees a special value in resolving this conflictive situation. Working with Terney Les will give WWF a better chance of securing FSC’s foothold in the region’s timber industry.

WWF’s partner in business in Chuguevka differs considerably from Terney Les. Chuguevka has no gigantic company to link with and no virgin forests to save from the saw. WWF, however, sees many advantages to working with all producers in this territory. Roads and fire-fighting infrastructure, which WWF itself has funded in the past, will allow for more efficient forestry, since Chuguevka landscapes are very resilient and grow back quickly after logging. Moreover, while many involved in the logging issues of the Far East see larger companies as harbingers of a stable, normal timber industry, others see small companies as inherently more green because of their local orientation:

I think these small companies are more sustainable and more oriented toward the local well-being. Local people chair the companies and live in the community. They are not planning to cut and leave. Their motivation is actually partly ecological because they are local people and live in this forest (Interview 33).

Overall, in Chuguevka, WWF has united various producers into an Ecological Association of Nature Users in order to unite and organise the FSC effort.

WWF's partnership with this association involves advising companies on sustainable harvesting techniques. WWF helps introduce ecological principles into production, has donated a computer to the club, and continues to advise and organise meetings.

WWF mainly helps the association through work taking place outside of Russia. In cooperation with WWF branches in Japan, China, South Korea and other environmental NGOs of East Asia, WWF-Vladivostok has embarked on a market campaign to locate all Northeast Asian buyers interested in environmentally friendly products. This involves working with the Internet, writing letters and, put simply, amassing a network of green consumers with which the producers of Chuguevka can be linked. WWF disseminates this information to Chuguevka's producers at the meetings of the association, and through publications such as one pamphlet, in Russian and English, entitled "Market Opportunities for Certified Forest Products in North-East Asia".

With WWF in Russia, this method of greening the market is unique to WWF's Vladivostok office. The need for this activity clearly comes from the necessity of taming the wild wood flows. Such a concerted effort would not be necessary in European Russia, where international European NGOs have already created a demand for certified Russian timber. Introducing FSC, as WWF does throughout European Russia, is in itself a form of market manipulation in that WWF is helping companies in Russia to meet Western European market demands. In the Russian Far East, this type of environmental market remains hindered, ultimately, by the chaos left in the wake of the Soviet Union's collapse.

## **Market-driven governance as a strategy in the WWF efforts**

Globalisation has changed the spatial position of the Russian forests and, simultaneously, introduced both intensified utilisation and a measure of protection (cf. chapter 2.2). Since the opening of the border, companies both inside and outside Russia have tried to cash in on the country's vast forest resources. Simultaneously, the opening of the border has allowed transnational environmental organisations to enter the country's industrial and political arenas in order to protect those resources. Without the international intervention and the networks created by organisations such as WWF, Russia could easily become a worldwide exporter of raw materials and roundwood. Without the enormous funds pouring into Russia from abroad, transnational wood flows would be wilder and more devastating for the Russian environment. We have seen such

negative tendencies in trade subside to some extent in European Russia, and at least show some promising signs in the Far East.

Our case studies demonstrated the effectiveness of WWF's influence on export markets in Russia, and how this influence varies within different regional market contexts in these two areas. The Pskov and Priluz'e Model Forests have been successful due to the forest sector's desire to sell to sensitive Western European markets. With corporate and NGO networks extending across the border, decisions made by environmentally conscious European consumers penetrate and influence Russia.

Our cases in the Far East show an economic situation where illegal operations have gained momentum over the preceding decade, and have been taken over by organised criminal networks. Illegal logging remains profitable for them and in demand in the neighbouring countries, especially among consumers across Russia's border with China. We did, however, see some signs of change in the values of Far Eastern forestry. WWF has effectively partnered with legitimate companies and begun creating model areas. Unlike in Europe, the incredible scope of illegal logging has created a business environment where relative sustainability may still be unsustainable. Yet, at the same time, companies interested in greening their production through FSC certification are much more praiseworthy given the pervasiveness of crime. FSC's value in Europe is widespread, but in the east WWF must engage in extensive market research to find green buyers. The two regions present WWF with two different nature protection situations and WWF employs strategies and acts accordingly.

The concept "non-state market driven governance" by Cashore et al. (2004) is of interest for analysing the in-depth look at FSC's legitimacy in Western timber flows. Cashore showed various ways in which NGOs legitimise FSC in North America and Western Europe and promote an interest in certification. His three strategies of legitimising FSC include "converting" – an active process whereby NGOs convince stakeholders of FSC legitimacy; "conforming" – changing FSC principles to better fit producer interests; and "informing" – spreading information to candidates likely to prefer FSC certification (Cashore et al. 2004). The promotion of FSC certification in European Russia consists mainly of "converting". Here, FSC's value stands on a foundation built by various transboundary NGOs over the last 30 years. Greenpeace and WWF, the leaders of the West's environmental pack, have tag-teamed the ideologies and methods of wood production in the West, with a differing radical and a more centrist approach, respectively. WWF's vast networks and information campaigns tend more toward Cashore's definition of "informing". Greenpeace's protests and market campaigns of the 1990s have already done much of the "converting". Nonetheless, WWF's model forests do demonstrate a good deal of convincing work. The demand for sustainable wood in Europe and the associ-

ated desire of European companies to import FSC to Russia create an immediately apparent legitimacy. Greenpeace and WWF “converted” Russian stakeholders by simply highlighting this reality.

In the Far East, a “conversion” strategy would be less effective due to the prevalence of markets lacking values of sustainability. This continues despite non-state market pressure from WWF and other NGOs. While various boycotts in Europe created an interest in FSC, the few companies working with WWF in the Far East have agreed to seek certification without excessive Greenpeace-type protests. Cashore sees the boycott as one of the most effective methods of conversion. But we mainly saw “informing” in WWF’s Far East promotion of FSC certification. Thus, Cashore’s assumptions would lead us to predict otherwise – that WWF’s work in Asia would be joined by a loud and radical element of environmental activism to forcefully change the unsustainable tendencies of the region’s markets. The fact that WWF informs rather than converts in Russia’s wilder markets seems counterintuitive. As we saw, WWF’s market research consists of finding companies interested in environmentally sustainable trade and linking them together. It is the difficulty of the Far Eastern marketplace that parties interested in sustainable trade are fewer and farther between than in the Western Europe. However, they exist, and WWF is creating networks among them.

We find many other ways in which Cashore’s findings do not transfer smoothly to the Far East context. We see this in the description of Cashore et al. (2004) of certain characteristic forestry situations that would increase or decrease the ease of promoting FSC legitimacy. For instance, Cashore states that FSC will more easily take hold in export-oriented regions than in those focusing on a domestic timber market. Concerning westward wood flows from Russia, the Pskov and Priluz’e Model Forests uphold this hypothesis. Companies working in the Priluz’e *leskhoz*, most of which do not export to Europe, have been slow to support WWF’s project. Pskov, on the other hand, hosts a subsidiary of a multinational timber corporation which expressed an interest in FSC before partnering with WWF. Cashore’s assumption does not hold when applied to the Far East, where export does not automatically entail sales to greener markets. The timber industry’s dependence on China actually hinders the legitimacy of FSC in that region of Russia. His theory is not applicable to this region of FSC germination.

In another hypothesis, Cashore predicts that FSC promotion is weakened when land ownership is more fragmented. Although in Russia the federal government is the only land owner, many small companies leasing pieces of the forest can correspond to fragmented ownership, both in the Priluz’e *leskhoz* in European Russia and the Chuguevskii *leskhoz* in the Far East. The result in Priluz’e matches Cashore’s hypothesis, in that FSC gained little legitimacy with

companies. Most of these companies are small and are thus oriented toward local markets where FSC has little worth. The Chuguevskii *leskhoz* in the Far East has a similar situation of fragmented forest ownership. However, these smaller companies are now showing a much greater interest in FSC than many of the larger companies logging in Primorsk. Through WWF's efforts to unite the companies and strive for joint certification, FSC has gained legitimacy rather effectively. Once again, Cashore's assumption does not apply to the Far East. Despite the values of the Chinese timber markets, WWF's concerted effort to seek out the sustainable niches of the timber market has created a belief among Chuguevskii leaseholders in FSC's legitimacy.

The strategy of market intervention is representative of the way in which WWF adapts its projects and efforts to specific contexts. Similarly, WWF's Russian branch as a whole has adapted the organisation's worldwide strategy of "political localism" (Wapner 1996: 10-16) to fit the context of each Russian region in which it works. Wapner sees this worldwide strategy as an empowerment of the poor through local and low-impact forms of economic development and nature conservation. Priluz'e Model Forest's non-wood resource production fits this description, as does the strengthening of civil society through discussion groups and public forums both in Pskov and Priluz'e. Due to Russia's specific breed of post-Soviet public disempowerment, WWF changes its strategy and channels environmental awareness and involvement in their projects through a community's intelligentsia. This is not always true empowerment of the individual, nor is it political localism at the most basic level, but rather commonly a popular acceptance of a WWF project.

In the Far East, WWF's Kedr demonstration project includes no public participation. Wapner (1996: 83-88) found that comparing this case with a WWF project in Zambia highlights several interesting aspects of Russia's unique economic and social situation. The latter is more typical of WWF's worldwide strategy of political localism, in that WWF enlists the help of locals to stop illegal poaching within a nature preserve. Previously in Zambia and now in Primorsk, WWF's conservation efforts create a conflict with local communities, in that people are often economically forced to poach, in the case of Zambia, or illegally log, in the case of the Far East. In Zambia, WWF resolved this conflict with a programme called Administrative Design for Game Management Areas (ADMAGE), which trains and employs local citizens in anti-poaching brigades. With Kedr in Russia, WWF selected a professional forester with experience in business and government to head the forest protection brigade. In this case, Russian forest legislation is so complicated and in such a constant state of flux that WWF felt a background in Russian forestry was necessary for the members of Kedr. Consequently, WWF hired a lawyer specializing in the Russian forest

code to constantly update Kedr's members. This shows how WWF adopts its strategy to fit the Russian context.

Furthermore, WWF adapts its strategy to differing contexts in different regions of the country. When Russia's borders are seen as institutions, we find very different societies developing in response to China and close to Western Europe. The different levels of environmental sensitivity across Russia's Asian and European borders lead to radically differing economic opportunities. We saw how WWF's inspection brigades and market research campaign in the Far East are a direct reaction to the economy of Russia's border with China. In the West, however, with environmentalism firmly established, WWF gains a head start in working to align Russian companies with green markets.