

Conclusion: Change and Stability in BC Forest Policy

As the previous chapters demonstrate, the 1990s witnessed an exceptional level of policy activism in the forest sector. Our aim has been to describe and explain what came of the reform initiatives launched by the NDP governments since they took power in 1991 and to draw from our findings lessons that would advance the development of public policy theory. We have focused on two fundamental questions: How much change? And why? In pursuing these questions, we have been guided by several core convictions.

First, we knew that to understand the dynamics of public policy in an issue as complex as this one, we would need a disaggregated approach, one that would focus attention on developments within particular issue areas or subsectors. It made sense to organize the book around separate analyses of tenure, Aboriginal issues, pricing, timber supply regulation, land use, and forest practices. This approach has the added benefit of allowing us to examine the relations among subsectors and between the subsectoral and sectoral levels. Second, we believed that providing a clear description of what did and did not happen requires careful attention to the measurement of policy content. In so doing, we distinguished four aspects of policy content: goals, objectives, instruments, and settings.

Third, we knew that a full understanding of policy developments would not be possible without examining all aspects of the policy cycle. We set out to evaluate developments in each subsector at five different stages: agenda setting, policy formulation, decision making, implementation, and evaluation. Although we anticipated some difficulties in deciding where one stage ended and another began, we believed that deployment of this model would sharpen the account of policy evolution. In particular, we knew that it would be impossible to gauge the full extent of policy change without carefully examining the implementation stage.

Finally, recognizing the need for a broad explanatory framework, we adopted the policy regime framework, which views policy as determined

by interactions among public and private sector actors, all pursuing particular interests within shifting institutional and ideational contexts. Policy outcomes are seen as determined by interrelated changes in regime components (actors, institutions, and ideas) and background conditions (including, for example, economic conditions, public opinion, and other exogenous factors). Changes in these regime components and background conditions promote change in policy. But forces promoting change also need to overcome the inertia of the existing policy framework, resulting from long-institutionalized courses of action or resistance from powerful regime actors who benefit from the status quo. The general shape of policy outcomes is determined by the relative balance between these forces for change and stability at any given time.

In this concluding chapter, we begin with a brief summary of the forces for change emerging across the forest policy sector in the 1990s as well as the obstacles those forces confronted. We also summarize the results of the analysis of policy dynamics in each subsector. We then move to an explanation of the similarities and differences across subsectors, including an examination of the relationships between them. And in the final section, we survey some general trends buffeting the sector as we move into the new century, suggesting that the policy reforms of the 1990s failed to create any long-term stability in the sector.

Regime Dynamics: Sectorwide Forces for Stability and Change

In the late 1980s and early 1990s, an apparently powerful combination of changes in regime components and background conditions led us to expect substantial policy change across the sector. First, environmental groups became stronger and more sophisticated.¹ They built new alliances with scientists, First Nations, and activist allies across the border in the United States and abroad. As a result, environmental groups fundamentally altered the composition of the provincial forest policy community. Second, new ideas about ecological sustainability and biodiversity emerged, challenging the liquidation-conversion paradigm that has historically dominated the forest sector in the province.² Third, new institutional innovations in shared decision making and American-style legalism, along with the growing popularity of more decentralized, community-oriented forms of forest management, seemed to threaten the dominance of the model of executive-led bilateral bargaining that characterized earlier forest policy making.

In addition to these changes within the forest policy regime, profound shifts in background conditions altered the balance of regime forces. In the realm of public opinion, the “second wave of environmentalism” that swept across the developed world in the late 1980s had major impacts on politics in BC, especially on the overlapping issues of wilderness

preservation and forest policy. The burst in salience of these issues in public opinion gave environmentalists a valuable resource with which to influence politicians.³

The election of the NDP in 1991 transformed the government from one openly hostile to environmental initiatives in the forests to one dedicated to bringing about “peace in the woods.” The NDP pursued a bold package of policy reforms designed to appeal to urban environmentalists as well as the party’s more traditional supporters in the labour movement. Anxious to hold and expand support among environmentally conscious, urban middle-class voters, Harcourt and his team listened carefully to the party’s green caucus as well as to its traditional labour supporters. The result was a platform containing a long list of forest reform proposals. These reforms included pledges to double park land, end land use conflict, settle land claims, increase forest employment, introduce legislation to regulate forest practices, encourage value-added manufacturing, and establish a royal commission review of the tenure system and other aspects of policy.

Finally, forest products markets also began to shift in directions conducive to policy change. Downward pressures on timber supply in the US Pacific Northwest contributed to escalating prices for BC products, creating a major period of boom for the industry by 1993.⁴ Given past evidence supporting the hypothesis that the industry’s political clout declines during periods of prosperity, there was thus reason to believe that the NDP initiatives would confront less effective opposition from industry.

This constellation of shifts in regime components and background conditions suggested a policy sector ripe for significant change, as these forces combined to create a powerful new environmental challenge to the power of the old development coalition. Consisting of the forest industry, forest unions, and the Ministry of Forests, this coalition had long centred on a common interest in defending the liquidation-conversion policies at the heart of sustained yield and integrated resource management initiatives introduced after the Second World War.

Although this environmental challenge was formidable, it still confronted daunting obstacles. First, the timber-oriented forest policies established by the province after the Second World War set the province down a policy path that would prove difficult to alter.⁵ Second, actors benefiting from the status quo retained considerable power resources. Although some industry leaders had begun to see the need for farsighted compromise with these new environmental forces, many industry officials and the major forest industry associations opposed or had serious reservations about much of the new government’s agenda. The companies’ control over numerous levers affecting overall economic health, and thus their ability to influence the new government’s reelection prospects, meant that their arguments would continue to receive a careful hearing in

Victoria even with an NDP government in office.⁶ In addition, company leaders' positions on many policy questions were echoed by the IWA, long one of the NDP's strongest backers. A situation marked by company influence on Social Credit governments was being transformed into one marked by IWA influence over the NDP.

Third, the strengths of the environmental coalition were matched by some weaknesses. Most important, from the outset this coalition encompassed a diverse assortment of groups. Some groups focused on protecting precious areas, others pushed aggressively for a dramatic diminution of extractive activity across the forest land base. Moreover, there was no single idea (or idea set) that would serve to unify the fragmented assortment of advocates for change and help them win support for new initiatives from the broader public. Although there was no shortage of interesting ideas floating around, most addressed only small portions of the problem set perceived to be afflicting the sector. As noted, the main challengers coalesced around the concept of sustainability, but many of the ideas advanced in attempts to elaborate its meaning were ambiguous, poorly formulated, or untested. To phrase it in terms of one of John Kingdon's metaphors,⁷ because there was no single unifying idea, it seemed unlikely that the policy story would take on the features of a bandwagon rolling through the sector and across the decade.

Finally, although by 1991 the pro-change environmental coalition had managed to undermine the legitimacy of the development coalition, the technical nature of many facets of the policy domain meant that policy-making authority – particularly authority over policy implementation – would remain in the hands of a community of experts who, by and large, supported the status quo. Environmentalists and other critical outsiders had sharply increased their capacity for effective oversight of many dimensions of forest policy. Nonetheless, thorough and lasting policy change would require major measures to open up complex policy development and implementation processes dominated by professional administrators and foresters in government and industry. These measures would require reconsideration of many traditional assumptions about the accreditation of expertise as well as government acceptance of arguments about the need to subsidize informed public participation in various parts of the sector. The NDP seemed positively disposed to a range of policy reforms, but its willingness to promote deep process changes was in doubt.

At the beginning of the 1990s, then, some significant change-inhibitors were at play alongside some obvious change promoters. The complexity of this recipe reinforced our initial expectation that change dynamics were likely to vary across subsectors. We realized that any attempt to sort out just what combination of forces shaped policy outcomes would require careful subsector-by-subsector analysis of policy dynamics along with full

consideration of how developments in one subsector affected those in the next.

Characterizing and Explaining Change at the Subsector Level

As expected, we found considerable variation across subsectors in the extent and nature of policy change. The task of comparing across subsectors is complicated because no general measure of change can be applied across areas. Inevitably, the characterization of change requires that the case be examined in historical context or compared with other potential outcomes revealed by proposals of various actors in the dispute or by the policy experience of other jurisdictions.

Table 9.1 broadly characterizes the four different components of policy content in each subsector (goals, objectives, instruments, and settings) and presents a general assessment of the degree of change. In two cases, timber supply and tenure, there has been virtually no change at all, despite substantial pressures. We found clear evidence of change in four cases: land use, forest practices, jobs, and pricing. In each of these cases, however, change was severely constrained. We have witnessed nothing like a paradigm change, where fundamentally new goals or objectives have emerged. In one other case, First Nations, the likelihood of fundamental change seems substantial but has not yet been fully implemented.

Table 9.2 shows the position of different actors in each subsector policy community. Some subsectors are far more open to a diversity of interests than others. Not surprisingly, the Ministry of Forests and the forest industry are at the core of almost all of the subsector policy communities. The more open the policy community to other interests, the more likely we are to have witnessed change.

The land use subsector produced the clearest evidence of change. Here we found a significant response to the environmental coalition's protected areas agenda, with major changes to goals, objectives, instruments, and settings. The most important indicator of this level of change has been the government's commitment to double park land to 12 percent of the province, an objective that it has essentially attained. The huge area added to the parks system during the 1990s should undoubtedly be highlighted in assessments of the Harcourt and Clark governments' substantive accomplishments. Indeed, because of progress in this subsector, BC will continue to receive favourable notice from those searching the globe for signs of late-twentieth-century green policy advances. More process-oriented evaluations will no doubt also reflect positively on the shifts in land use planning approaches engineered by the architects of CORE and the LRMP process.

However, the limits on the degree of change in this subsector are also evident in slow progress on both ecosystem representation and the estab-

ishment of Special Management Zones as “truly special.” Nonetheless, by moving toward multiple zone categories, the government did endorse the notion that the land use components of biodiversity conservation policy must involve more than just designation of protected areas.

Land use is also the area where the policy community has proven to be the most open and diverse. Environmental groups not only had an immense role in placing wilderness protection on the government agenda but also became a vital part of the policy formulation process through their roles at the CORE and LRMP tables. The degree of policy change in this subsector is testimony to the resourcefulness of the BC environmental movement. It effectively capitalized on its public support and on its influence within the NDP. As well, we have noted the evidence supporting the wisdom of the movement’s efforts to build alliances with groups and individuals based outside the province. The outer limits of the environmental coalition’s influence, however, are clearly revealed in the more limited success on ecosystem representation and Special Management Zones.

In the forest practices subsector, important shifts toward more emphasis on environmental protection also took place. Goals and objectives shifted toward greater concern with environmental values, there was a dramatic transformation of the formalization of policy instruments as the Forest Practices Code was enacted with rigorous planning requirements and tough enforcement penalties, and settings in some areas were tightened. However, the magnitude of change was limited by the government’s decision to cap the impact of the Code on allowable harvest levels at 6 percent. This cap, which spawned various subsidiary numbers games, is a very appropriate indicator of the limited degree of change in this subsector. Despite indications that the Code marks a dilution of the old timber-extraction policy goal, and despite indications that costs have shifted onto the industry, we do not see these changes as indicating fundamental change.

The policy community in the forest practices subsector was also expanded considerably but not nearly so much as in the case of land use. Environmentalists were effective in shifting the government’s agenda. Later, when the government sought to relax the Code, the environmental coalition managed to limit the amount of retrenchment. It was not, however, able to penetrate the process at the formulation stage. Nevertheless, a more prominent role for the Ministry of Environment, Lands and Parks in formulation and decision making did shift the balance of interests represented in the core policy community somewhat. And the new Forest Practices Board opened the implementation and enforcement of the Code to greater public scrutiny.

The changes that did occur were the result of a powerful combination of domestic opinion pressures, a new and more environmentally oriented

Table 9.1

Summary of changes in policy content

Subsector	Goals	Objectives	Instruments	Settings	Overall characterization of changes
Land use	Peace in the woods	12 percent protected areas, worker compensation	Shared decision making, regional land use tables (CORE, LRMPs), LUCO, and multi-category zoning	Specific protected area/SMZ decisions in the CORE and LRMP areas	Significant
Forest practices	Appropriate balance of forest values	Greater environmental sensitivity, limited by 6 percent cap	Planning, regulations – significant increase in formalization	Change moderated by 6 percent cap	Moderate
Tenure	Create property rights facilitating economic development – no change	Promote economical operation of forest industry facilities – no change	Variety of lease arrangements, no significant change in 1990s	No major changes; minor reforms (for example, community forests)	No change, some experimentation
First Nations	Respect changing legal definitions and requirements of Aboriginal rights and title – fairly new	Provide mechanisms for consultation and management of lands and forests subject to claims of Aboriginal title – new	New treaties, interim measures agreements	Variety of land title and commandment arrangements/established – new	Significant but covering only modest areas of forest at present; extension to larger areas expected in medium term

Timber supply	Promoting economic development	Update analyses in a more rigorous and transparent process	Yield regulation, cut control – no change	Some change within regions but no change provincewide	Marginal
Pricing	Forest sector health – no change	Profitability, jobs, government revenues – no change	Administered pricing – no change	Tripling of stumpage, reduced to a doubling	Moderate
Jobs	Peace in the woods through compensation – significant change	Forest renewal, value added, worker and community support – significant change	Spending through FRBC and JTA	Significant increase in spending	Significant

Table 9.2

Policy community differences across subsectors

Subsector	MOF	MOELP	Business	Environ- mentalists	Labour	First Nations	Communities
Land use	Core	Core	Core	Core	Core	Core	Core
Forest practices	Core	Core	Core	Core	None	None	None
Tenure	Core	None	Core	Periphery	Core	Periphery	Core
First Nations	Core	None	Core	None	None	Core	Periphery
Timber supply	Core	Periphery	Core	Periphery	Periphery	Periphery	Core
Pricing	Core	None	Core	None	Core	None	Periphery
Jobs	Periphery	None	Core	None	Core	None	Core

government, favourable market conditions, and the internationalization of environmental pressure tactics. But the 6 percent cap is a powerful reminder of how forces at the heart of a critical subsector (described in more detail below) can spill over to constrain the magnitude of change in other subsectors within the same broad policy area.

In the jobs subsector, we documented significant change in the government's role in the forest sector labour market. The government asserted a much more active role in pursuing the objectives of forest renewal, the promotion of value-added industries, and worker and community support. Using the spending instruments established with the creation of FRBC and the Jobs and Timber Accord, the government substantially increased the state role in subsidizing forest industry jobs. Whether these initiatives have any lasting impact on the sector remains uncertain. FRBC's future seems tenuous, while the Jobs and Timber Accord has withered on the vine.

As a new subsector, a distinctive policy community emerged in the jobs area. New organizations were created, including Forest Renewal BC and the Jobs and Timber Accord advocate. Labour, industry, and government actors all played key roles in this community. Despite having a position on the FRBC board, environmental groups did not play as central a role here as they did in land use or forest practices.

Developments in the jobs subsector reveal some important regime dynamics. These initiatives involved a major extension of state power and capacity. State control over the land base gave it the raw legal authority to assert this power, while NDP control over the reins of government gave it the will to extend its power. But these changes would not have been possible had favourable background conditions not deflected what would otherwise have been formidable industry opposition. The structural change in product markets in the early 1990s dramatically increased product prices and thus the total pool of rents available for distribution. Combined with the persistent threat of American retaliatory trade action, the background conditions promoted industry acquiescence. In 1997, the background conditions changed when the industry went into crisis. As a result, the balance of power between industry and the state shifted, and more industry-friendly policy changes were introduced.

The timber pricing subsector witnessed moderate change. There has been no change in the general goal of the subsector of promoting forest industry health. There has also been no change in the hierarchy of three objectives at work: industry profitability first, jobs and wages second, and government revenues third. The policy instrument of administered pricing has also been remarkably durable. Significant change did take place only in instrument settings, in this case stumpage rates, as the 1994 changes tripled stumpage charges. Changes in 1998 reduced rates signifi-

cantly, but they were still twice as high as when the NDP government came to power in 1991.

The narrow pricing policy community, consisting of the Ministry of Forests, forest companies, and labour unions, has proven to be resilient. The changes that did take place were largely initiated to preserve this closed subsector's historical compromise, one in which objectives were limited to those promoted by members of the development coalition. Shifts in background conditions – the forest business cycle – can affect which of these three groups' objectives is promoted by policy at a particular time. When the forest sector is booming and profits are healthy, policy can afford to serve objectives lower down on the hierarchy, as happened in 1994, when stumpage hikes redirected rents to labour and government revenue. When the forest industry slumped later in the 1990s, a correction was necessary to ensure at least some level of profitability. Spillovers from other subsectors were also important in limiting change. The lack of change in tenure policy undermined proposals to move toward market pricing, and the central place of the timber supply subsector has kept changes to new goals, such as pricing for environmentally sensitive logging, off the agenda.

In the First Nations subsector, the potential for significant change is very high but thus far has been limited to small portions of the province. Very significant changes have occurred in provincial and federal policies toward First Nations in the 1990s, particularly with regard to the pursuit of Aboriginal title through a formal treaty process. There are clear signs that these changes are beginning to spill over to affect forest tenure and other aspects of provincial forest policy. In addition to investing a large allocation of government resources (and a large allocation of its political capital) in the treaty process, the NDP government also pioneered interim measures agreements as a device for expanding First Nations control. Although the full implications of the recent court decisions supporting the continued existence of unextinguished Aboriginal title in the province remain uncertain, outcomes here will likely continue to include the transfer of some lands to Native control and the adoption of co-management provisions for larger areas. Both responses will obviously have major impacts on tenure and other dimensions of forest policy, while altering the lineup of policy actors active in the sector.

The First Nations policy community is distinctive, consisting at its core of the federal and provincial governments along with the relevant First Nations representatives in each treaty area. Because of their control over harvesting rights in areas subject to land claims, forest companies also play an important but subsidiary role. Environmentalists and labour play only a minor role through alliances with First Nations governments. The changes that have taken place thus far are largely a result of a successful

strategy of venue shifting by First Nations. Frustrated by the political process, First Nations have made episodic appeals to the judicial arena, where the courts have gradually altered and expanded traditional interpretations of the definition of Aboriginal title. These judicial decisions have dramatically strengthened the political resources of First Nations, who without favourable jurisprudence would be limited to the strategies of moral appeal and economic disruption.

The timber supply subsector has experienced only marginal change. The subsector's core goal of promoting economic development has remained intact. The mix of problem definitions and statutory objectives guiding policy became even more complex and contradictory, but no new goals emerged, even though the Timber Supply Review was officially listed as a policy initiative that would contribute to meeting the goal of sustainable development. There has been no change in the basic instrument of timber supply regulation, the yield regulation model. In terms of the policy settings of the levels of allowable annual cut, some tenures have seen significant reductions, but overall these reductions have been balanced by more aggressive cutting in low value and low quality stands to leave the provincial AAC virtually unchanged.

The timber supply policy community has been relatively closed and surprisingly resistant to change. Traditionally, the community consisted of the Ministry of Forests, particularly the chief forester and his staff, and relevant licensees. Efforts by environmentalists to penetrate the community have by and large been frustrated, despite the quantum leap in the transparency of AAC determinations. This more open process was cold comfort for those who wanted a different outcome and not just a different process. The outcome of the first round of the Timber Supply Review (TSR1) frustrated the environmental coalition's deeply held belief that a more rigorous application of the existing yield regulation model, combined with the input of more realistic data about regeneration and accessibility, would necessarily result in dramatic reductions in timber supply.

Environmentalists have had difficulty engaging with the technically complex discourse of timber supply planning. Moreover, they have had an uphill battle in the struggle against the weight of history. Although the postwar liquidation-conversion paradigm seemed to envision an inevitable falldown to a lower, more durable harvest level, the social, economic, and political resistance to reducing allowable cuts has been intense. Given the dependence of many areas of the province on the steady flow of affordable fibre to mills, it has proven extremely difficult to alter the trajectory of the inherited policy path. These powerful constraints on change in the timber supply subsector have radiated outwards to limit the changes possible in other subsectors.

The tenure subsector also experienced no significant change. Here, we witnessed “arrested” policy cycles resulting in long-term policy stability. Goals and objectives remained focused on property rights to facilitate industrial development. Over the years, the complex instruments of different forms of lease arrangements have been renamed, and some of their conditions changed, but what is most remarkable is the lack of change in the 1990s. The one exception to this pattern is community forests, where there were some innovative pilot projects late in the decade. Although potentially significant as a model for future changes, these community forests currently account for less than 0.1 percent of the province’s forest land.

The tenure policy community has traditionally consisted exclusively of the government and the forest companies, though unions have occasionally had their say about arrangements that link licences to commitments to particular mills. Beginning in the 1970s, this community began to break down and lose some of its legitimacy, but advocates for change have made no substantial progress. Proposals for tenure change have repeatedly made it onto government agendas, and options formulated, but at the decision-making stage of the cycle, policy makers have chosen to maintain the status quo.

This lack of change results in large part from the institutionalization of past tenure policy decisions, which has entrenched in law the right of licence holders to compensation in the event of significant alterations to their tenure arrangements. Significant changes in any new direction seem blocked by resistance from powerful forces. Proposals to dramatically expand community control are thwarted by the businesses that benefit from current arrangements. Proposals to privatize forest land, or at least dramatically expand the security of tenures, have been met with outrage by environmental and community advocates. As in the case of the timber supply subsector, the stability of the tenure subsector has also weighed down the forces for change in other subsectors.

This disaggregated review of the BC forest policy sector reveals a mixed pattern of change and continuity. The core sectors of tenure and timber supply have witnessed the least change. There has been substantial environmental progress in land use and to a lesser extent in forest practices. Environmental values have acquired a more central place in BC forest policy, but they have not displaced timber production as the dominant value. The jobs subsector witnessed a dramatic increase in the government role in the labour market, though the long-term efficacy of those reforms is doubtful. The pricing subsector witnessed some change, at least in the form of settings. The First Nations sector may be on the verge of significant change, but thus far change has been limited. Each subsector has a unique pattern of changes in goals, objectives, instruments, and settings. As a result of the structure of the sector, and the linkages and spillovers

between sectors, the subsectors experiencing the least change acted as a powerful drag on the forest sector as a whole.

Explaining the Subsector Similarities and Differences

How can this complex pattern of change and stability be explained? Explanations of the policy changes that did occur confirmed the importance of shifts in regime components and background conditions. In terms of regime components, new actors were clearly fundamental to the changes that took place, in particular the rise of the NDP to power and the increasing resources and sophistication of the environmental movement. The election of the more environmentally oriented NDP was fundamental to all the changes that took place here. In forest practices and land use, outcomes must in large part be attributed to the NDP's strong commitment to change. In pricing and jobs, the NDP's use of the state to support the labour component of its coalition ensured change. The 1991 election was preceded by a major resurgence of the environmental movement, resulting in more sophisticated groups with more resources. Environmentalists were able to elbow their way into the forest practices and land use policy communities, resulting in a significant expansion of the interests reflected in policy outcomes. First Nations groups also increased their resources and their ability to represent themselves effectively in various arenas.

These actors pursued strategies consistent with the expectation of the framework outlined in Chapter 1. Within a given institutional context and ideational context, actors adopt the strategies most likely to advance their interests. For example, believing that a greener forest policy would help expand their popularity in influential urban and suburban ridings, the NDP wanted to enact and implement many of the environmental initiatives in its 1991 election platform. But we also noted how actors, when they believe existing institutions and ideas to be biased against them, actively try to reshape their contexts to promote their interests.⁸ Governments, of course, have the most direct control over institutional structures, and the NDP created several new institutional arrangements to facilitate changes it viewed as politically profitable. Forest Renewal BC, CORE, and the Forest Practices Board are all good examples.

But nongovernmental actors also have an interest in shifting institutional venues. When the government showed an interest in devolving some land use decision-making authority into the hands of regional stakeholders, environmentalists worked hard to participate effectively in the new forums. Frustrated by the distribution of interests within the narrow confines of provincial politics that dominated BC forest policy, environmentalists undertook an extraordinary strategy of shifting the venue from the provincial government to the international marketplace. This strategy

has proven to be enormously successful, largely because it hit the industry where it counts: at the bottom line. With their profits and market share threatened, the industry was forced to accede to a greening of forest policy. In the first half of the 1990s, this situation facilitated the adoption of the Forest Practices Code and progress in the Protected Areas Strategy. Toward the end of the decade, escalating international market pressures in fact pushed companies to go beyond provincial regulations and adopt more environmentally sensitive forest practices. Similarly in their efforts to achieve Aboriginal title, the influence of First Nations had proven relatively limited within the confines of the federal-provincial treaty process. So they shifted the policy venue to the courts, where new interpretations of the meaning of Aboriginal title strengthened First Nations when they went back to the bargaining table. Not all strategic innovations have proven profitable however. When environmentalists tried to import American-style legalism, for example, the effort floundered because of the discretionary nature of Canadian law.

In addition to changing venues, actors also pursue idea-based strategies such as attempting to reframe problem definitions in a manner more amenable to their interests.⁹ Idea-based strategies have been critical to the success of the environmental movement in BC. Most important their relentless assault on the canons of the liquidation-conversion paradigm undermined the legitimacy of the old-style policies.¹⁰ Drawing inspiration from developments south of the border and in the international realm, environmentalists introduced British Columbians to the concepts of sustainability, biodiversity, and ecosystem management. The NDP government framed its policies in the rhetoric of sustainability, renewal, and multistakeholder consensus, glossing over the persistence of conflict as it pursued approval of its policies.

The policy changes that we have described were clearly influenced by the emergence of new regime actors and strategies, but they would not have been possible without significant changes in background conditions, particularly changes in elections, market conditions, and public opinion. As noted, the changing electoral landscape was fundamental in that it brought a new, greener party to power. The shift in market conditions was also critically important. Consistent with the proposition stated in Chapter 1, the boom period of the early 1990s reduced the power of business to defend itself against cost increases in all four of the subsectors where change has been apparent. The fact that policy retrenchment followed the downturn in business conditions in 1997 provides further support for this proposition.

The shift in public mood within BC to greater concern with environmental values in the forest also strengthened the demands of environmentalists by forcing election-minded politicians to take heed. This fact

provides some support for another proposition stated in Chapter 1 – that significant changes in policy that go against the interests of business groups (or other dominant actors) are unlikely without a burst in the public salience of new values. The increased salience of environmental values clearly contributed to changes in the land use and forest practices subsectors. Moreover, the internationalization strategy pursued by environmentalists depends on greater attention to environmental values among international consumers of BC forest products. However, the explanatory power of the proposition is somewhat limited by evidence from the pricing and jobs sector. In these cases, change was not the result of shifts in public opinion as much as it was of the specific objectives of the government in power, in the context of extremely favourable market conditions. In the Westminster system, significant policy change can occur without broad-based public pressures.

Spillovers among policies at the sectoral and subsector levels also promoted change in some cases. The government's environmental agenda in forestry threatened jobs, creating powerful pressures for change in the jobs and pricing subsectors. Changes in the pricing subsector permitted expanded government revenues facilitating the initiatives in the jobs subsector. Changes in federal and provincial policies toward Aboriginal land claims have also begun to change the BC forest sector, and those claims are likely to bring about more significant change over the next decade.

Although forces promoting policy change had a clear impact on a number of subsectors, they also encountered resistance from a variety of forces. The analysis returned time and again to three closely interrelated explanatory concepts: path dependence, critical subsectors, and the structural power of the forest industry. First, path dependence plays a significant ongoing role across the sector. Past decisions become institutionalized, leaving a broad array of government and nongovernment actors committed to maintaining the inherited policy path.¹¹ These policy legacies come to represent major constraints on policy change. Perhaps the best example is timber supply, where decisions made when the sustained yield paradigm was established after the Second World War set the province on a path that has been and will continue to be extremely costly and disruptive to reverse.

In some instances, the effects of this resistance were not evident until the decision-making stage. In tenure policy, for example, alternative ideas were widely debated in the 1980s and 1990s, but attempts to translate these ideas into policy were blocked by a set of forces closely associated with the legacies of crucial tenure policy decisions made earlier in the century. In other cases, the effects of policy legacies were evident in successful efforts to exclude alternative ideas at the beginning of the policy cycle. In the timber supply subsector, for instance, a tight policy

community dedicated to maintenance of traditional policy assumptions and problem definitions managed to keep alternatives off the agenda.

The second major impediment to change arises from the constraints rooted in the relationships among subsectors. The analysis provides considerable evidence of how influences associated with certain subsectors spill over to impede or limit change in others. These findings suggested the concept of the “critical subsector,” or as it was put earlier, the notion that decisions and policies taken in such a subsector will invariably prevail over contradictory proposals under consideration in other subsectors, thus imposing a unified direction on the sector as a whole. This notion seems to apply particularly to the role of the timber supply subsector. Those responsible for timber supply policy not only resisted demands for change from the forest practices and land use subsectors but also managed to exert a constraining influence on the extent and type of change taking place in those and other subsectors. The influence of the critical timber supply subsector was evident in the decisions to impose caps on the allowable cut impacts of the Code and the Special Management Zones. As Chapter 7 makes clear, fundamental changes in that sector are also powerfully constrained by the nature of the tenure system.

The third fundamental constraint to change is the structural power of business. At the heart of the market economy are business decisions on investment and divestment: where to build mills, what type of mills to build, at what capacity, with what kind of labour and technology, and so on. To build and maintain these facilities, forest companies need to make an adequate level of profit to attract capital. This fundamental requirement places profound constraints on the degree of change even the most activist government can achieve. In Canada’s parliamentary system, majority governments do have a great deal of freedom to enact policies of their choosing during their mandates. But all governments have a fundamental interest in reelection, which means that deliberations on the costs, risks, and benefits of policy options are always strongly influenced by worries about maintaining business confidence. With bold schemes such as Forest Renewal BC, the NDP government did test the limits of what the industry would tolerate. In other respects, though, the government was definitely constrained by concerns about damaging investment and employment levels as well as its reelection prospects.¹²

These three constraining forces – path dependence, critical subsectors, and the structural power of business – are closely related. The structural power of forest companies in the province is a large part of the foundation of the liquidation-conversion juggernaut. In turn, the powerful inertia of the policy path established at a much earlier stage of provincial forest policy history promotes continued industry power. In general terms, the entire development coalition – forest companies, their workers, those

workers' communities, and the state – all have a strong vested interest in the continuation of the tenure, pricing, and harvest control policies put in place to guide and facilitate the liquidation-conversion project. In specific terms, all these interests depend on a continued flow of reasonably priced old-growth fibre to the province's manufacturing facilities. As the capacity embodied in these mills and other parts of the industry expanded, more and more investors, workers, and community supporters came to share this dependence. Their intense feelings about the importance of not killing (or disturbing) the goose that lays the golden eggs tends to be shared by government actors who see their jobs, political health, and cherished programs depending on continued flows of stumpage and taxes into provincial coffers. The breadth of the constituency favouring continuation of the liquidation-conversion project, and the intensity of their commitments, are at the root of the forest industry's power. Explanations of this power that give primacy to the effects of corporate wealth ignore the extent to which the economic lives of people across the province depend on a continued flow of fibre to and through harvesting and manufacturing facilities.

In addition, business power is closely related to the operation of the critical subsectors. It is surely no accident that the two subsectors identified as having a powerful constraining influence on other subsectors – timber supply and tenure – are those most directly related to controlling the core business activities of the sector. Tenure determines the property relations, while timber supply determines the flow of fibre, which in the end is what produces the profits, wages, and tax revenues that make the companies, workers, communities, and government so dependent on this particular policy path.

All these primary change impediments can be linked to secondary ones. The success of actors seeking to continue on an established policy path, for example, will depend on their ability to restrict membership in the policy community, stigmatize (or otherwise exclude) alternative ideas, and maintain the legitimacy of key institutional arrangement and assumptions. The analysis of factors obstructing or limiting change highlighted a number of features of the political strategies involved, including the reminder that the technical complexity of some policy areas works to the advantage of those opposed to change.¹³ Again, this situation was particularly evident in the timber supply case, where environmentalists failed in their efforts to frame the issue to garner the same sort of public attention they were able to attract to land use and the more evocative aspects of forest practices. Similarly, the bewildering complexity of the province's tenure policies has also frustrated issue expansion in that subsector.

Environmentalists and advocates for forest policy change have thus confronted a daunting set of obstacles. Could environmentalists have

extended their policy gains beyond the land use and forest practices subsectors (and won greater gains in those subsectors) if they had played their strategic cards differently? We doubt it. The environmental coalition invested its political resources wisely, demonstrating considerable ingenuity and resiliency in its response to the obstacles enumerated here. The institutional and ideational obstacles faced by BC environmentalists come into sharp relief when we compare their situation with that faced by their counterparts across the border in the Pacific Northwest. The American institutional system gives environmentalists much more promising opportunities for venue shifting to the courts or to national publics. In the United States, once the courts swing into action, it is possible for a relatively small group of well-funded and litigious environmentalists to put a serious spanner in the industry's works and thus to increase their bargaining power.¹⁴ Environmentalists have adapted well to British Columbia's bleaker institutional terrain, using a combination of high-energy activists and effective appeals to a wider international audience.

The environmental coalition would clearly have fared better, however, if after successfully undermining the old liquidation-conversion paradigm, it had been able to win broad support for a new and compelling forestry vision. The concept of sustainable development became extremely popular in the late 1980s, but it lacked sufficient specificity to mobilize broad support. Abbreviating it to "sustainability" held promise for some advocates, but any concept that can be used to support protection of both ecosystems and forest industry jobs creates obvious problems for those promoting fundamental change. Perhaps the most compelling alternative paradigm to emerge has been "ecosystem management." As its name suggests, ecosystem management has as its primary objective the maintenance of ecosystem integrity, usually defined as sustaining ecosystem structure, function, and composition. Commodity outputs are allowed to the extent that they are not incompatible with maintaining ecosystem integrity in this sense. This concept has found its way into federal forest policy in the US Pacific Northwest,¹⁵ but to date in BC its influence has been minimal outside of the area considered by the Clayoquot Sound Scientific Panel.

Why did the idea of ecosystem management gain a foothold in the Pacific Northwest but not in BC forest policy generally? In the United States, the idea took hold because it satisfied the demands of a rigid legal framework – a combination of the Endangered Species Act, the National Environmental Policy Act, and the species viability regulations under the National Forest Management Act – that gave environmentalists the tools to force it on reluctant policy makers. The nature of American landownership, where business interests could still be realized on vast private lands, also reduced resistance to the adoption of ecosystem management

principles on federal lands.¹⁶ In Clayoquot Sound, the provincial government was willing to accede to the idea because of the intense political pressure the government faced in that area and because the government believed it could easily be contained to that one location in the province.¹⁷ In the broader BC forest sector, ecosystem management failed to take hold because it was too threatening to powerful business interests and their advocates within the government.

In summary, the variation across subsectors in the degree of change is explained by the relative balance of change promoters and inhibitors in each subsector as well as the links between the critical and other subsectors. In timber supply, the pressures to reduce the cut immediately confronted the power of the industry and all of its supporters in unions and communities throughout the province. Tenure change has been impeded by a combination of the government's reluctance to give up control over forest land, resistance from economic actors that benefit from current arrangements, and a populist attachment to public ownership. In both cases, the technical complexity of the issues made it more difficult for environmentalists to mobilize domestic public support or international market pressures for change.

In jobs and pricing, the government had substantial room to manoeuvre. It seized these opportunities by expanding its capacity to pursue its policy goals. But even here the magnitude of change was limited by government's dependence on the health of the forest industry. When the business cycle turned down in the late 1990s, policies in both the jobs and the pricing sectors were reoriented in an effort to restore profits. In land use, clearly measurable goals along with strong and persistent public support and environmental group pressure promoted significant change. In forest practices, strong environmental pressures for change confronted the critical timber supply subsector head on, and change was carefully limited to a particular percentage reduction in allowable cut. With Aboriginal title, significant change may be in the offing as a result of the enhanced legal status of First Nations.

The policy regime framework introduced in Chapter 1 has helped illuminate the complex relations between change and stability. Actors typically make the best use of their resources in pursuit of their interests. But not all actors are equally endowed. Business groups have a special advantage because of their position in the economy. Activist governments can use their powers – with control over land, quite formidable in the BC forest sector – to advance their political interests, but they are constrained by the need to maintain business confidence. In this sector, significant policy change has not been possible without significant changes in background conditions. In all the cases of change, important shifts in background conditions were a crucial factor: greener public

opinion in the land use and forest practices subsectors along with favourable market conditions in these two as well as the jobs and pricing subsectors. It is possible to create change without a burst of salience in public opinion if there is a government dedicated to change and favourable market conditions.

This framework also helps demonstrate the limitations on change created by the weight of history and the structural power of the forest industry. Significant change is possible. More wilderness can be preserved, and forest practices can be more environmentally sensitive, so long as they do not exceed a threshold that threatens the investment climate. More fundamental change is only possible if the fundamental dynamics of the system are transformed. Two such possibilities loom on the horizon. Because they directly alter the incentives of businesses and the government that depends on those businesses, the international market campaigns, if escalated, could promote a sharper departure from the status quo. Changes in Aboriginal title, brought about by externally produced changes in property rights, also portend more profound change.

The Future

As the decade of the 1990s came to a close, forest policy in BC was in turmoil. The government's search for sustainability, whether measured by environmental, social, economic, or political indicators, had failed. Squeezed between the rising floor of costs and the declining ceiling of product prices and weak markets overseas, the BC forest sector lost \$1 billion in 1998. Just as business began to improve, the threat of major conflict with First Nations was pushed into the limelight by the decisions of several bands to begin logging their traditional lands without government approval. Meanwhile, the certification movement picked up steam as more major industrial customers – including Home Depot, Ikea, Lowes, and 84 Lumber – pledged to purchase only certified products. And in a move that rocked the province, American forest giant Weyerhaeuser took over MacMillan Bloedel, a major institution in BC forestry that had moved beyond traditional industrial forestry to a more ecologically sensitive set of harvesting practices. The softwood lumber dispute with the United States also continues to fester, increasing the pressures to make timber pricing more sensitive to market signals.

The widespread sense of crisis present at the dawn of the new century clearly reveals that BC forest policy has not achieved any semblance of equilibrium. Given what we have learned in our review of the 1990s, we see four major dynamics shaping the future. First, the issue of Aboriginal title is likely to be an even more dominant issue in the coming decade. Because it involves direct control over who owns the land, the question of title is fundamental to forest policy. It is conceivable that a model can be

developed that will not bring about major changes in ownership and policy, but it seems more likely that significant changes are in the offing.

Second, the goal of ending the “war in the woods” is likely to continue to be elusive because of the deep gulf between the main protagonists. The development coalition has acceded to modest policy changes in some areas. But by the very nature of the conflict, responses to these pressures in the forms of forest practices codes and land use delineations never get to the heart of the critique of large-scale industrial forestry that many environmental groups fundamentally hold. The more profound policy change favoured by environmentalists would be met by fierce opposition from the development coalition.

The depth of this discord was revealed again by the most recent attempt to forge some sort of policy consensus out of the noisy conflicts of the late 1990s. In July 1999, the Clark government ordered the Forest Policy Review, appointing underemployed Jobs and Timber Accord advocate Garry Wouters to lead the review.¹⁸ The review process began by issuing a “vision paper” supported by eight more detailed discussion papers. The vision paper proposed a compromise: in exchange for granting industry more secure tenure rights on a fixed area of land, industry would voluntarily give back harvesting rights that could then be distributed to create new conservation areas or new community forests, or to address Aboriginal land claims. During the final months of 1999, Wouters conducted a number of invitation-only consultation workshops throughout the province, followed by more public meetings.

The final report was issued in April 2000. Its recommendations included:

- establishing a competitive log market within six months and replacing administered stumpage pricing on the coast
- eliminating the rules requiring timber licences to build and maintain local sawmills
- establishing new forms of tenure and expanding interim agreements to allow First Nations and forest communities a more active role in forest management
- dismantling the Ministry of Forests by creating two agencies, one dealing with commercial timber issues and the other with forest stewardship
- creating clear rules regarding compensation to tenure holders
- dismantling FRBC and replacing it with regional funding agencies
- establishing a comprehensive independent commission to review how the AAC is set.¹⁹

As expected, a chasm divided the responses of environmental groups and forest industry officials. Ron MacDonald of the Council of Forest Industries was quick to argue that the report “doesn’t recognize the

importance of the forest industry” because it failed to call for an immediate designation of the working forest and an increase in the AAC.²⁰ David Emerson, president and CEO of Canfor, similarly argued that not enough attention was paid to achieving industry success. The IWA complained that the report’s recommendations “pile more burdens on an already overburdened industry.” COFI was trumpeting its own policy review. Its *Blueprint for Competitiveness* stressed the familiar themes of greater security of tenure and a more “flexible” approach to regulating forest practices. Underlining the connection among timber, jobs, and government revenues, the industry offered to “kickstart” the slumping provincial economy if the AAC could be raised from 70 million to 100 million cubic metres.²¹

On the other side, environmental groups criticized the report for not going far enough, with the David Suzuki Foundation’s Cheri Burda noting that, although the recommendation to review the AAC was welcome, the review failed to offer any fundamental departure from existing forestry practices.²² Environmentalists presented a package of reforms calling for a move toward ecosystem management as the basis for forest operations, a dramatic expansion of community-based tenures, and a significant decrease in the allowable annual cut.²³

Given the wide gap between the principal protagonists, it is hard to see how Wouters could ever have found a compromise. Several prescriptions that “expand the pie” of total benefits available have the potential to attract support from both sides. Value-added production promises to create more income and jobs with less impact on the forest resource. Intensive zoning promises to reduce the amount of land required to produce a given level of harvest. But finding a middle ground even in these more promising areas is proving to be a challenge due to the fundamentally conflicting goals and objectives of the two competing coalitions of interests. The industry coalition wants to have a globally competitive industry, with the protection of environmental values as a secondary goal. The environmental coalition makes ecosystem integrity the central goal with timber harvesting secondary. Both sides claim that the two goals can be achieved simultaneously, but a comparison of the allowable harvest levels being recommended by the two sides highlights the gulf separating them. Peace in the woods will remain an elusive goal.

The third fundamental dynamic comes through the electoral arena, in which partisan politics is likely to reverse directions on many of the green initiatives pushed by the NDP. The BC Liberal Party, the presumptive government-in-waiting, has been clear that its focus will be primarily on economic development and refining the environmentally oriented regulatory initiatives of the NDP. Liberal leader Gordon Campbell has outlined a forest policy platform that echoes the main criticisms of forest

industry officials documented throughout this book. Campbell has committed a Liberal government to increasing the allowable cut, giving serious consideration to dismantling Forest Renewal BC, and compensating forest companies for NDP initiatives. Campbell's modest environmental concerns are found in his call to reduce regulations under the Forest Practices Code and, borrowing a phrase from industry, to move toward a "results-based" code. He echoes Wouters' call for a market-based stumpage pricing system. Given deep-seated public attachment to the forest resource, Campbell's platform stops short of calling for the privatization of Crown land and the removal of raw log export restrictions.²⁴ Jim Fulton of the David Suzuki Foundation labels this platform "a blast from the past," but it is probably the direction in which the next ten years of public policy is headed.²⁵

As our analysis of the 1990s shows, the party in power is central to any explanation of policy outcomes. The election and reelection of the NDP was essential to moving forest policy in a greener direction and enlarging the resources of the state to help workers and communities affected by these changes. A Liberal government would no doubt try to change the direction of many of these policy initiatives to reflect its support for business and a smaller role for government.

A Liberal government in pursuit of this agenda would certainly face obstacles. It goes without saying that these would not include business resistance or many of the forces of friction that we have linked to path dependence. On the other hand, those opposing the reversal of NDP policies would have some strong cards to play. For example, if a Liberal government is not sufficiently accommodating to Aboriginal claims, it is likely to confront a string of court injunctions on resource development. The public strongly opposes privatization of Crown forest land as well as any significant increase in corporate management authority on public land. There is also robust support within the BC public for new protected areas and maintaining strong environmental standards in the Forest Practices Code.²⁶ Land use decisions and the regulatory framework of the Code are now part of the policy legacy constraining change. Although there is public support for reducing regulatory red tape, if environmentalists could frame those changes as threatening environmental standards in the Code, their opposition would have powerful backing from the BC public. Perhaps more important than these domestic constraints are the newly emerging realities of the international marketplace.

The final major dynamic affecting the future of the forest sector is perhaps the most profound: debates over sustainable forestry policy in BC will increasingly be fought in the private sphere – through market and firm-level arenas, where environmental groups have so far enjoyed considerable success. Many environmental groups are increasingly

engaging in strategies that focus directly on firm actions rather than using government to force change. The two most prominent examples in recent years are the threats of boycotts that have brought industry groups into direct negotiations with environmentalists in a major wilderness dispute and the drive to certify forest products.

After the success of the Clayoquot Sound campaign, environmentalists refocused on the Central Coast. Greenpeace and affiliated groups launched a major campaign in 1997, which has picked up considerable steam as an increasing number of major customers of BC forest products have expressed concern. Despite the ongoing stakeholder process under the auspices of the Central Coast Land and Resource Management Plan, the six major companies active in the region began secret negotiations with leading environmentalists to explore the possibility of an agreement on contested areas. When the negotiations were revealed in press accounts, however, bitter opposition emerged from actors who were not at the table, including local communities, First Nations, and even government.²⁷ Two companies defected from the negotiations, and environmentalists began a new round of escalating threats.²⁸ Despite these setbacks, in July 2000 the parties agreed to a truce, under which companies would defer logging in contested areas, and environmentalists would refrain from targeting the companies that signed on to the agreement in their international campaigns.²⁹

The other major avenue for the privatization of forest policy is the certification movement. Several different certification schemes are now in competition, with the most influential being the Forest Stewardship Council. As described in Chapter 3, the FSC is an environmentally oriented organization that develops regionally applicable standards for forest management and then accredits organizations to certify whether a company meets those standards. A coalition of environmental groups has lined up commitments to only purchase FSC-certified products from an impressive number of major buyers.³⁰

Although the FSC is new and regional standards for BC haven't even been developed yet, the organization is already having an immense impact on corporate behaviour. Because the FSC directly targets the financial incentives of firms, it has the potential to bring about changes in the behaviour of BC forest companies that government regulators were unable to achieve. And because it shifts the venue of forest practices regulation from government to private standard-setting bodies, it has the potential to revolutionize the governance of the forest sector. We have quoted Forest Minister Zirnhelt's famous remark "Don't forget the government can do anything." We have also quoted Merran Smith of the Sierra Club of BC, who in late 1999 told a *New York Times* reporter, "The government is irrelevant; it is the marketplace [that matters]."³¹

Of course, both statements are exaggerations, but we certainly can see the momentum shifting.

BC forest policy now appears highly unstable and potentially unsustainable. Whether the stresses and strains apparent in the current crisis are sufficient to overcome the powerful constraints on fundamental change revealed throughout this book, however, remains to be seen. The war in the woods is likely to persist as the battle rages between the defenders of the status quo and the advocates of change. Meanwhile the province's search for the elusive holy grail of sustainability will continue.