

Do Private Regulations 'Ratchet Up?

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Outline

- 1 Background on private authority
- 2 Descriptive gap
- 3 Approach
- 4 Case: US forestry
- 5 Future causal research

Private regulation



U.S. Forestry



Private Authority, Act 1: Protest



Private Authority, Act 1: Protest



Private Authority, Act 2: Demand



Private Authority, Act 2: Demand



Private Authority, Act 2: Demand



Private Authority, Act 2: Demand



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Private Authority, Act 3: Supply



“Certification of forest management and chain of custody was pursued at the request of Wisconsin’s paper industry as the industry was under the threat of losing major customers”

Politics



**FOREST
STEWARDSHIP
COUNCIL**



Politics



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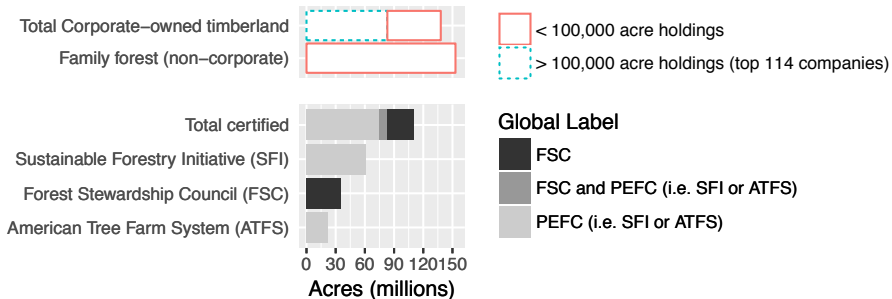


**SUSTAINABLE
FORESTRY
INITIATIVE**

SFI-00001



Figure: United States Timberland



Motivation

Many theories of policy change

- “race to the bottom” (Gulbrandsen 2014)
- “converge” toward “higher” standard (Overdevest and Zeitlen 2014)
- converge to the middle bound by “ceilings and floors” (Cashore et al. 2004)
- “equilibrium” (Fischer & Lyon 2014)
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 - unmeasured
 - select issues
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Little measurement

- high or low “stringency”
 - unmeasured
 - select issues
 - proportional cost and benefit (assumption)
 - perceived stringency (van der Ven 2015)
 - backers (Darnall et al. 2010)
- narrow or broad scope (Auld 2014, Heyes and Martin 2017)

The content of private regulations

Like public policy:

- Impacting
 - cost
 - compliance rate
 - outcomes

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- Impacted by:
 - balance of power among coalitions
 - decision-making process
 - social and industry norms

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[Somewhat] unlike public policy:

- Impacting
 - trust and legitimacy
 - adoption by firms
 - competitor response
- Impacted by
 - market power/industry structure
 - consumer behavior
 - activist and industry groups
- **Measured extremely poorly**

Table: Measures of Policy Content

| | Program Level | Issues Level |
|--------------|--|--|
| Policy Ends | How comprehensive is the scope of issues addressed? | What are the specific requirements (i.e. policy settings) on each issue? (e.g. the specific size of stream buffer zones, specific best practices) |
| Policy Means | In aggregate, across all issues, how prescriptive is the regulation? To what extent (e.g. on what portion of issues) are mandatory and substantive thresholds used? | 1. How prescriptive is the requirement? 2. What specific ways are they applied ?* (e.g. auditing processes) <i>*Beyond the scope of this paper.</i> |

Table: Prescriptiveness of policy instruments

| | Discretionary | Non-discretionary |
|---------------------------------------|---------------|-----------------------|
| Procedural (plan- or systems-based) | Flexible | Somewhat prescriptive |
| Substantive (e.g. a policy threshold) | Flexible | Most prescriptive |

Table: Patterns of Change Among Private Regulations










| | | Relationship Among Standards | | |
|--|----------------------------|---|---|---|
| | | Converging | Parallel | Diverging |
| Directions of Change (in comprehensiveness of scope, prescriptiveness of instruments, or levels of requirements) | Increasing |  |  |  |
| | Opposite or Equilibrium |  |  |  |
| | Decreasing |  |  |  |

Figure: Comparing FSC-US and SFI on Scope and Prescriptiveness

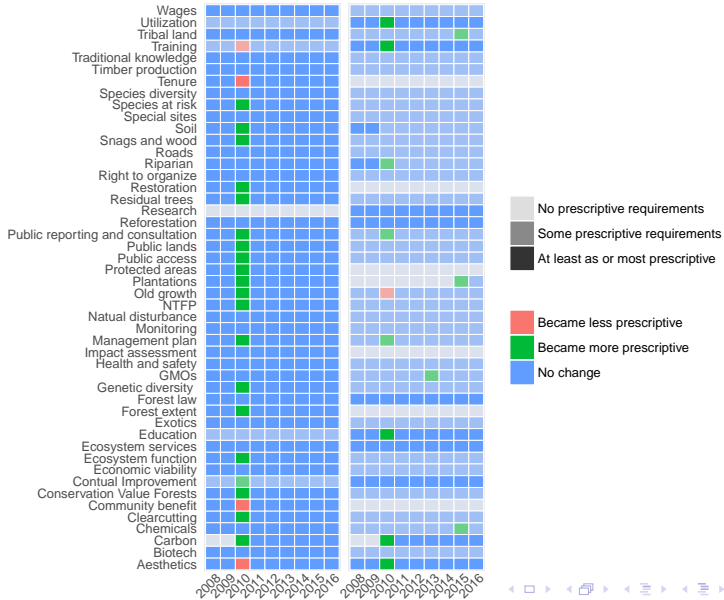


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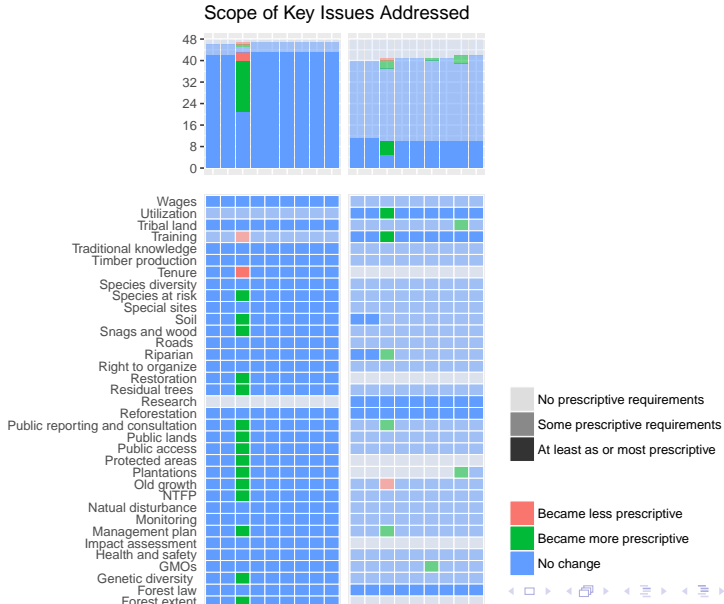
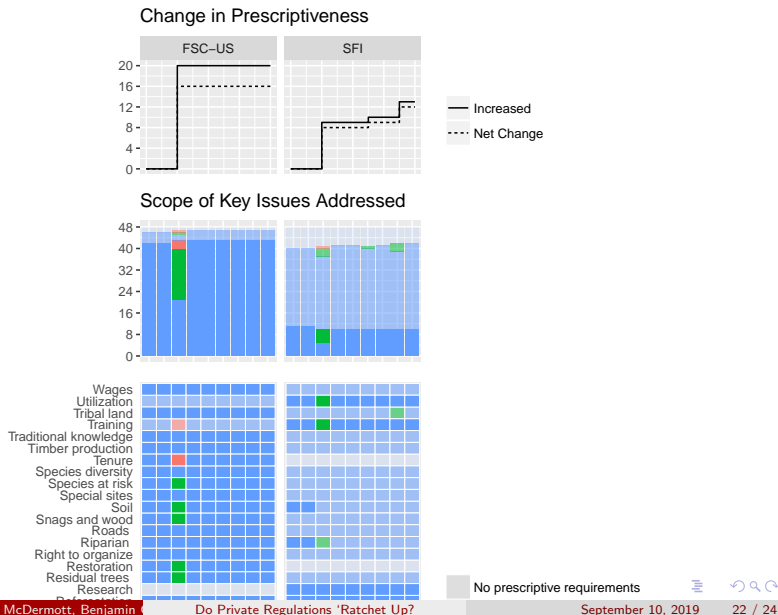


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 - For one program?
 - For certain requirements?
- Responding to decreasing trust and legitimacy?
- “Gradual transformation” due to social norms/policy beliefs/goals

Thoughts?

Literature and framing?

Concepts of policy change?

Focusing causal research/theory?