CERTIFICATIONS AND CHANGING FORESTRY IN THE REPUBLIC OF KARELIA: AN ACTOR-NETWORK APPROACH

BY

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THESIS

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ABSTRACT

Today, the Republic of Karelia forms part of the western border of European Russia, and is home to the Green Belt of Fennoscandia (GBF), a highly biodiverse landscape of forests and watersheds. The Karelian Government is especially invested in the forestry industry owing to the rurality of the region and the economic necessity of these enterprises. Taking an Actor-Network-Theory approach, this thesis looks at changes in Russian forestry overall, with a particular focus on their social implications. Qualitative examples from the Republic of Karelia, a densely-forested western region, will be utilized to show how the Forest Codes of 2007 and the process of certification have drastically changed the actors and networks available in forestry and their surrounding communities. Originally forestry settlements were a simplistic chain of networks, tying industry and the community to the forest. With privatization and a growing interest in the certification process, local actors are now enrolled in a complex web of transnational actors and networks, which are themselves shifting and transforming.
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Introduction

Historically important to both Sweden and Finland, in 1920 the region of Karelia was established as Finland’s border with Russia when the then-new nation state cemented its borders with the Peace of Tartu (Anssi Paasi 1997). This treaty was intended to strengthen and build Finnish statehood, yet it remained incredibly porous in regards to travel and trade. Soviet Karelia was established in the 1920’s after the Russian Revolution and was considered “West Karelia” by most Finns, versus the Finnish spaces east of Lake Lagoda. Originally named the Karelian Autonomous Socialist Soviet Republic, the Republic of Karelia saw an influx in Finnish immigrants, traversing the border for work and an enchantment with communist ideals. This started a succession of events, leading to the eventual Winter Wars (1939-1940) and the subsequent Continuum Wars (1941-44) in which the Soviet Union quickly annexed the east of the region causing the displacement of more than 400,000 Finnish and Karelian peoples (Anssi Paasi 1997). The boundary dispute was concluded and cemented with the Treaty of Paris in 1947 (Anssi Paasi 1997). This divided the region, leaving Finland only the western areas (now the maakunnat, or provinces, of North and South Karelia).

This was a favorable result for the Stalinist Soviet Union, both for political reasons (a hefty land grab which would not only strengthen a still-fledgling Soviet Union ravaged by war and famine, but would also act as a military foothold in the Arctic) and for economic
reasons: Karelia boasted rich natural resources in the way of timber. Today, the Republic of Karelia forms part of the western border of European Russia, and is home to the Green Belt of Fennoscandia (GBF), a highly biodiverse landscape of forests and watersheds. The Karelian Government is especially invested in the forestry industry owing to the rurality of the region and the economic necessity of these enterprises. Nearly 56% of residents in Karelia are dependent on the forestry industry (Ulybina 2010, Kortelainen and Kotilainen 2003).

Taking an Actor-Network-Theory approach, this thesis looks at changes in Russian forestry overall, with a focus on their social implications. Qualitative examples from the Republic of Karelia, a densely-forested western region, will be utilized to show how the Forest Codes of 2007 and the process of certification have drastically changed the actors and networks available in forestry and their surrounding communities. Originally forestry settlements were a simplistic chain of networks, tying industry and the community to the forest. As this thesis will show, with privatization and a growing interest in the certification process, local actors are now enrolled in a complex web of transnational actors and networks, which are themselves shifting and transforming.
**Actor-Network-Theory**

Actor-Network Theory (ANT) describes the agency and power of actors (objects, animals, materials, humans…) in their creation of networks. This creation occurs through interaction; we live, according to ANT, in a world of radical interconnection. For Latour (2005), such interactions—associations or *entanglements*—enable distinct, disparate *actors* to become an *actant*—not a character, something separate from and superimposed upon a background, but an integral element—in the corresponding network. Crucially, ANT ascribes equal power and agency to the human and the non-human. Non-human agency derives from a material's ability to modify a state—for example, the tools used in constructing a house, or a mug used for drinking. The non-human, for Latour, is not merely a backdrop, and nor does it simply determine human space by delineating its borders. Rather, the non-human, just like the human, influences and interacts with what surrounds it. The world is thus co-created and fundamentally contextual: nothing can be taken in sterile separation from its *milieu*. The world is a network of networks, and each network is comprised of countless actants.

Latour (2005) writes that an actor is anything that can alter a situation. Each actor in a network is engaged in a wide array of unstable relationships in which actors consistently influence each other. As actors enroll new actors into their networks, the spaces between them become places of power, creating agency. This space transcends literal geography, as technology allows for distances to be traversed transformatively, such as a video or phone call. Power and the integrity of a network is a process. Power is gained, lost, and regained following the actor’s successful ‘translation’ (Callon 1986) (Latour 2005). This ‘translation’ is a four-step process (Callon 1986):

1. the identification of a problem and following dependency,
2. proposing and filling roles for resolving the problem,
3. the enrollment of an actor into a network and securing their role as an actor, and
4. the mobilization of respective entities that represent the network collective.

The networked relationships between actors, then, should not be considered universally stable, long-term, or obvious. We may catch a glimpse of such momentary associations—in studies of innovation, in breakdowns or accidents; in fiction—but ANT cautions us against taking the part for the whole. As Latour has noted (2005, 2014), when objects are not in use they fade into the background—despite their integral roles.

Historically, in political and economic analyses of forestry, the forest itself has tended to fade into the background (Busch and Juska 1997). The non-human is, of course, silent, and thus easy to overlook. Cloke and Jones (2002)—who borrow heavily from Latour and ANT in their determination of the non-human agency of trees and the forest—remark that trees exude agency by being non-passive and transformative in their environments. Trees are able to exist, flower, fruit, and season without human interaction. This ability allows trees to rearrange space and relay the temporal. However, in the case of forestry and forestry enterprises their role as an actor is much more complex. Indeed, the forest is integral in creating the very networks necessary to sustain the rich and multi-layered human concept of forestry. The industry, human society, political offices, and legislation that develop around forestland create a network which empowers the forest and grants it the agency to shape other actors and their corresponding networks.
**Forests and Forestry in Karelia and Russia**

Forest management in the Russian empire began in 1798 under Emperor Paul I. The principles established at that time would set the tone of modern discourse concerning forestry and the ownership of forestland (Filipchouk, Strakhov, et al 1998). For much of its history, the region of Karelia was covered with dense taiga, and was ill-suited for the nascent forestry industry, which relied on infrastructure such as roads and sophisticated machinery. The first developments were sawmills, which were sparsely scattered across the region. This geographical territory was not heavily utilized for forestry until Soviet Karelia was established in the 1920’s. After the establishment of Soviet Karelia, regional leaders dictated and directed forestry initiatives. The period of rapid industrialization following the implementation of Lenin’s New Economic Program (NEP; 1921-8), and the switch, under Stalin, to central planning, allowed for further investments in Karelia’s forestry resources and their ability to serve domestic and export needs (Piipponen 1999). This not only established plans to fulfill domestic needs but also offered economic opportunities: the Soviet Union needed the hard currency that came from exporting to neighboring European countries (Piipponen 1999). North and Solecki (1977) note that as of 1977, the Soviet Union contained nearly 60% of the world’s softwood forests. It was, according to North and Solecki (1977), one of the few countries capable of fulfilling global lumber demands. The inefficiency of the forestry industry, however, seriously hampered the growth of timber as a primary Soviet export. At most, forestry exports and products (chip board, paper, pulp) represented 3% of the Soviet Union’s GDP by 1977.

In the case of Stalin’s Five Year Plans, forestry was an area that was consistently neglected and mismanaged. While it was suggested that the USSR further modernize and prioritize forestry production, timber was largely considered a less secure export investment than
natural gas and oil due to global market demands (North and Solecki 1977). Despite some regions of the USSR failing to meet their production quotas, the forests of the north-west continued to be overcut, providing the greatest amount of timber fell. In 1972, the region of Karelia alone was responsible for 13.9% of sawn timber exports, 10.2% of round timber, and 14.9% of paper — second only to Arkhangel’sk (36.4%, 9.6%, 48.0%, and 35.6%, respectively) (North and Solecki 1977).

Following the collapse of the Soviet Union in 1991, the economic reforms of the transitional period saw Russia move from a central-planning system to privatization. In the case of forestry, Russia lost both land and exporting power as close ties with the newly-independent former Soviet republics were severed. Standards of living fell significantly during this period, and those working within forestry and isolated areas of industry were particularly affected (Filiptchouk, Strakhov, et al 1998, Ulybina 2014). The shift to privatization caused the loss of more than 90,000 forestry jobs. The ongoing decline in numbers of forestry workers was remarkable: from nearly 2 million employees in 1976 to barely 800,000 in 2006 (Ulybina 2013). Further, it was not only jobs that were lost in the transition out of the centrally-planned economy. The Soviet state had provided a number of safety-nets, allowing the forestry industry to build a social infrastructure for local communities. With the move to privatization, this too was lost (Ulybina 2013).

Russia itself boasts 23% of the world’s forest resources (Shvidenko and Nilsson 2003). Nearly 70% of Russia is forested area, growth that is considered “the lungs of Europe” (Richardson et al, 2009). The Republics of Karelia and Komi, along with the western regions of Arkhangel’sk, Murmansk, and Vologda, contain nearly 10% of these reserves (Piipponen 1999). The forests of North Western Russia consist primarily of coniferous species, mostly pine and
spruce (Litvin 2001). Official figures released in 2013 state that some 14.5 million hectares of the Republic of Karelia’s 14.9 million are forestland. 69% of this is considered fellable forest, consisting mostly of marketable softwood and boreal timber (Official Karelia, 2013).

According to Mayer et al. (2005), raw and processed timber materials from Russia are priced at just 10% of European prices. The reason for this is structural. The price of wood in European countries include the infrastructure necessary to produce lumber products (roads, processing, etc). In the case of Russian wood, these things are seemingly not included in the market price value. However, entry into the World Trade Organization has allowed for lower taxes and tariffs on forestry products making for easier trade. The fall of the ruble in 2014 allowed for unprecedented growth in uncut lumber as well, by further lowering the market price of Russian timber. Unprocessed lumber and logs form a large part of Russia’s timber exports, amounting to nearly 2820.60 million USD in 2015 (Trading Economics 2016). China and Finland are both countries that import considerable amounts of logs from Russia and process domestically (Mayer et al 2005).

Forestry enterprises in Russia practice clear-cutting in succession, uniformly cutting lumber by species within an area. This has led to cutting around old-growth forests and low-value species such as aspen, causing intense losses of highly-sought after species of timber. Clearcutting promotes a monoculture and even-age forest stand, wiping out a plethora of same
species and same-aged trees. Clearcutting is also responsible for a loss of top soil (hindering growth) and extreme impacts to the dependent eco-system, such as wildlife and watersheds. This mechanism of forestry allows for low levels of regrowth and forest regeneration and has been considered a blatant act of deforestation and attributing to climate change.

Mayer et al (2005) note that these forestry patterns will continue to create a loss of average forest maturity and the diverse patchwork integral to maintaining a healthy forest ecosphere. They further note that Russia loses 3% of its forestland reserves annually to overcutting (Mayer et al 2005). As the demands for wood products increase in Russia’s neighboring countries, so does the increasing legislation and domestic concern with conservation and biodiversity preservation (Mayer et al 2005). Effectively, those countries that import Russian lumber are outsourcing their environmental damage. The further deforestation and hyper utilization of forestland again confirms its agency within networks; those intertwined through subsisting, managing, and legislating will find themselves renegotiating their roles with the process of its regeneration. This is not only true for Russia, but for any economy reliant on natural resources.
Koivuselka: An Example of the Challenges of the Post-Soviet Period

Located 150 km from the Karelian capital of Petrozavodsk, lies the remote forestry village of Koivuselka (or Koivuselkä). It is located 40 km to the north-east of the shores of Lake Ladoga. Koivuselka was established as forestry settlement in 1949 but is now owned and operated by the private forestry enterprise called Shujales. Highly productive in the 1960’s, Piipponen (1999) notes that the forestry settlement harvested 700,000 m³ of round timber annually. However, since the transition to privatization and change in the lumber industry’s mode of transportation (the rurality of Koivuselka means it lacks transportation infrastructure) the fate of the village is ambiguous (Piipponen 1999). Loss of infrastructure and decline in production caused an exodus of laborers and the surrounding population. In a matter of ten years, nearly half the population had fled Koivuselka.

The lack of work and denizens has meant that industry has stopped investing in Koivuselka. The services in the village have either ceased entirely or become contracted to other private corporations. The significant loss of these services is demonstrated by Piipponen (1999), who notes that after privatization only one source of groceries and a food kiosk remained. The municipality became in charge of the usual social services provided by the state: schools,
kindergartens, administration. But the most traumatizing effect of transition on Koivuselka has been housing. Housing was built for temporary living situations to support forestry laborers; when privatization occurred, these homes were in such dilapidated conditions that they were not attractive candidates for becoming privatized themselves. They remained in the custody of the previous forestry enterprise, which while removing itself from the workings of the village, also removed itself from their maintenance.

Denizens of Koivuselka base their livelihood on agricultural initiatives and forestry products, such as berries and mushrooms. With crumbling infrastructure and the absence of maintenance, Koivuselka lacks running water and toilets aggravating the very real pressures of poverty and rurality (Piipponen 1999). While Koivuselka is an extreme example of forestry settlements in the transition era, it’s a very real example of the effects of privatization. The remainder of this thesis examines the post-Soviet period of privatization in more detail, and the several additional transitions and actors that followed the collapse of the Soviet Union.
The major body of forestland management was until very recently the Federal Forestry Service, which originated in the 1990’s along with the eventual Forestry Code of 1997. Prior to the further reforms of the 21st century, the Federal Forestry Service was not only responsible for drafting legislation but coordinating regional and international cooperation (Piipponen 1999). The first Forestry Code, put into place in 1997, established that despite the rapid advance of privatization, forestlands were expressly the property of the state. According to the code, lands that were rich in resources, called lesnoy fond or 'forest resources’, were to be controlled and operated by the Russian Federation. While these places remained available for public use (recreation, mushroom hunting, spiritual enjoyment), there were now a number of regulations governing the utilization of their resources (Filiptchouk, Strakhov, et al 1998). If an enterprise was looking for raw materials in an area of lesnoy fond, they were now required to apply— and pay—for rights-of-use, to acquire short-term or long-term leases, or to appeal for a concession. The Forestry Code Reform brought new challenges but failed to eradicate previous ones. Illegal logging, theft, and corruption were still prevalent forms of forestry misuse (Kozyreva 2008). As forestry enterprises worked with outdated technology and dilapidated infrastructure, they faced increasing challenges with securing the raw materials necessary for production.

In signing such a lease, an enterprise agrees to conform to the regulations set out by the regional bodies of the Federal Forestry Service. Lease-holders tend to be subject to strict contractual terms, in which they are obligated to preserve the surrounding ecosystem and waterways (Filiptchouk, Strakhov, et al 1998, Nysten-Haarala 2013), as well as demonstrate their willingness to engage with and invest in local communities. The Forestry Code thus promoted the rational use of forestland, emphasized the importance of careful forest management, and
biodiversity (Ulybina and Fennell 2012), and provided some social protections for workers and communities.

The Forest Code of 2007 radically changed the way forestry in Russia operated. Definitions of forest-use expanded, allowing for the clear-cutting for developmental opportunities. 2007 legislation markedly rerouted from conservation and protection to instead a utilitarian approach; intended to kindle the forest industry and entice forest industry investors. This has been one of the most criticized aspects of the reform alongside the cementation of auctions (Karpachevskiy 2008). The Forest Code of 2007 allowed for little to no input from lay persons and environmental NGO’s in its movement to expand the view of forest-use, changing previously held forest classifications, and recategorizing protected forestland as an exploitable resource. Alongside this was the mortgage of forestland, which has previously been unheard of, due to natural resources being specifically owned by the federal government. The regulation bodies and power that once remained regional, shifted to federal, including their profits, furthering the hurt felt by smaller forest municipalities. The Forest Code defines the larger government organs as in control of most forest functions, but only vaguely, if at all, mentions the subject’s and region’s administrative responsibilities (Hitchcock 2011). Beginning in 2008, the previous forestry management units (leskhoz) were divided into lesoparks and forest districts (lesnichestvo), a move which heavily diluted the Federal Forestry Services' power and ability to manage. By consolidating and ratifying the majority of forestry management units, the 2007 reforms stripped the organs of forestry industry of their previous ability to control and monitor forestland activities (Karpachevskiy 2008). The change-over of forest use compensation to federal instead of regional meant that regional bodies depended on subventions from the federal budget. Despite this, monetary arrangements and the networks of leskhozy continue to exist,
albeit in a vague and weakened form (Ulybina 2010). The lesnichestvo, however, are no longer able to carry out forest maintenance (such as wood salvaging and sylvicultural) (Karpachevskiy 2008).

As of 1999, auctions became an increasingly common means of attaining rights of usage. Until this point, auctions were a relatively rare phenomenon, with leases and short-term contracts effectively the only ways to acquire access to forestland (Piipponen 1999). Auctions were previously unheard of because of a lack of ability to quickly disseminate information through rural areas and a lack of interested parties (Piipponen 1999). Auctions meant for a faster and less ensnaring process for incoming transnational corporations, which Russia was hoping to entice. This increase in auction sales offered enterprises—both local and international—a means of circumventing the lengthy and highly-regulated governmental processes stipulated in the Forestry Code and overseen by the leskhoz, the State Forest Committee, and the government of the republic. In 2004, the Ministry of Natural Resources attempted to end the problem of illegal logging and corruption by amending the procedures that allowed for purchase of land-use leases. The attempt to focus more on auctions as a way of procuring leases was intended to allow for more transparency versus the previous closed competition method that relied heavily on informal networks. Although the amendments were made to allow for more transparency, there was little actual enforcement. Forest-use leases could range from a period of 49-99 years, and was not allowed to be sold to other enterprises within this time, this however was commonly bypassed by use of informal networks and enterprise merging (Tulaeva 2014).

Auctions continued to increase in popularity till the new Forest Code of 2007 essentially wiped the ability to purchase leases through other means. The Forestry Code of 2007 and its shift to auctions as a primary source of obtaining leases was also explained as a means of ensuring
less governmental corruption and bribery (Ulybina 2014). The Forest Code of 2007 transferred lease agreements from a regional endeavor to the larger organs of the oblast. This left enterprises (especially small and medium sized ones) scrambling to use their informal networks to acquire leases in 2006, before the legalization of the code. Auctions are now conducted and organized by oblast-level natural resource committees and leskhoz, regional governmental bodies and the regional-specific leskhozy performing nothing more than administrative functions. The newer method allows for a break-down of barriers by those competing for forestland, access is strictly monetary and is bought at the highest-price. In order to win an auction, a bidder need only offer the highest amount of money. There is no requirement to demonstrate any commitment to preserving and investing in ecosystems, be they social or environmental.

The new forestry code has been seen by the public, international actors, and activists as increasing entrepreneurial business practices and behavior, allowing regional discretion for protections but not the means. The top-down policy also further alienates the disenfranchised forestry communities that are reliant on their surrounding forest land for sustenance (firewood, mushrooms, berries, hunting) (Ulybina 2012, Karpachevskiy 2008).
Impact in the Karelian Forest: Reforms

In Soviet Karelia, the existence of the coniferous forest allowed for the surrounding community to thrive. Soviet Karelia’s marked transition into a region of heavy forestry industry meant more than the mere fulfillment of quotas. Forestry management, enterprises, legislation, and social infrastructure were all derived from the forestland; meaning the forest as an actor maintained and created a complex system of networks. The forest’s resources dictated the availability of other resources, namely Karelia’s social infrastructure. After the fall of the Soviet Union, this infrastructure become the responsibility of private industries (Ulybina 2013, Carlsson, Olsson and Lundgren 2000). These industries were barely sustaining what remained of the local community. Employment dropped significantly (by almost 50%), forcing an exodus of skilled foresters and their families (Kozyreva 2008).

As we have seen, the 1997 Forestry Code allowed for short-term user rights or forestry leases of the lesnoy fond. In order for their bids to be competitive, enterprises had to take the place of the former state by providing social infrastructure. Bids were judged not only on financial terms, but also by an enterprise’s community work (such as donating to or providing kindergartens, housing, and food), or the business’s longstanding relationships with the local communities (Ulybina 2013, Kozyreva 2008). This system ensured a complex network of actors. The forest supports the industry, which in turn both supports the local community through employment and differing kinds of infrastructure, and relies upon that local community in order that their bids for land and livelihood might be successful. The whole system is bound together in reciprocal interconnection. This means that a community supported by forestry is necessarily beholden to the several regional offices directing regulations of the forest, who then are answering to the Federal Forestry Service in Moscow. The Federal Forestry Service has been
criticized as “out-of-touch” with the actual practices of sustainable forestry and their local communities. In the Republic of Karelia specifically, Gomskomles represented the highest regional authority. Before the Forest Code of 2007, forestry management and regulation was distributed across 38 state enterprises. The management of lesnoy fond reserves was executed by specialists and experts, lezkhoz (forestry service), that are to be reevaluated every 10-15 years. Other actors on the margins of policy were the forest districts (lesnichestvo), forest management compartments (uchastki), regional forest management (leskhozy) and forest tending plots (obkody). This system has however changed with the Forest Code of 2007, which has consolidated higher-up departments and diluted the use and power of regional ones, disenfranchising municipalities while empowering higher state organs (Karpachevskiy 2008). Before the 2007 reforms, the oblast committee, regional actors (such as the leskhozy), and Karellsprom, an incorporation of smaller-medium sized Karelian forest industries, organized auctions; these smaller enterprises are no longer represented in the process. Previously, closed competitions and negotiations relied heavily on the informal networks of actors and transfer of social capital (Tulaeva 2014). Forest industry actors were represented by their societal contributions. This drastically changed in 2007 with the new Forest Code. Auctions have completely replaced the previous system that ensured some sort of social obligation for the forest settlements and further alienated medium-size or small-sized forestry enterprises from taking root or continuing in Karelia.
Social Implications and Consequences for Forestry Industries

During the Soviet period, the centrally planned economy mandated a high level of state involvement in all aspects of socio-economic practice. With no concrete distinction between state and industry, the forestry industry was, effectively, a stand-in or proxy for the regional administration, providing social services and municipal infrastructure. Communities came to rely on industry to provide kindergartens, schools, libraries, health-care centers, shops, and forms of cultural and social enrichments (Matilainen 2013, Kortelainen and Kotilainen 2003). Cities that were otherwise rural and contained just one major provider of employment were especially likely to fall into this dependency structure (Kortelainen and Kotilainen 2003).

During the transition period, however, when the state and industry were decoupled, the new private enterprises did not take on the social responsibility of the state-administrated industries. In 1993, municipalities were pushed by federal mandates to overtake the social infrastructure in forestry localities (Nysten-Haarala 2013). The public sector was expected to shoulder these responsibilities and provide the social services which were lost, but most local administrations and municipalities lacked the experience, expertise, and economic security to do this. These new burdens also demand a fair amount of revenue which was no longer supported at a federal level. The new municipalities were expected to take on a social infrastructure with little to no support from the federal budget and a lack of regional tax revenue due to their rurality (Nysten-Haarala 2013). As Södor and Järvelä (2007) note, the liveliness of communities is dependent on access to housing and support of families via schools.

Forestry companies are usually the largest investors in the regions in which they operate. They are also, owing to the rurality of these regions, often the largest employer. The loss of central planning meant that forestry industries became responsible for securing their own
markets and investment capital. As enterprises began to privatize, some mills were able to offer their employees the option of purchasing shares in the company. For example, 80% of the Kondopoga mill in The Republic of Karelia is owned by its employees. These mills are more likely to continue to provide some social responsibility programs, despite the official transfer of these responsibilities to municipalities in 1993 (Matilainen 2013). However, the transition period saw a fair amount of forestry industries cease altogether their involvement in the communities which they had previously supported. This was due to a need to become more profitable and efficient following privatization: indeed, Piipponen’s (1999) survey of Karelian forestry industries in 1997 found that 77% claimed to be unprofitable.

Kortelainen and Kotilainen (2003) point to the marked contrast of transnational organized mills and those supported and owned by their local community. The transition period may have ended the expectation of industry--community support and relation, but the Kondopoga mill maintains an almost paternal relationship to its surrounding community. The mill is responsible for social clubs, various city infrastructure, and youth initiatives. It is also the highest employer in the area, generating 90% of the tax revenue for the city (Kortelainen and Kotilainen 2003). Kondopoga’s paternalistic care for its community is not only due to its employee-owned structure but Kondopoga Mill’s management have ascertained that “there are no alternatives” within the present social and political climate (Nysten-Haarala 2013). Kondopoga’s business contrasts significantly with the Svetogorsk mill, which pushed for the municipalization of social welfare. Foreign investors in Svetogorsk implemented transnational ideas of business and market standards, focusing instead on efficiency and forestry stewardship, rather than focusing on the surrounding community. Svetogorsk mill is still highly productive and, like most forestry industries in Karelia, the largest employer of its city. Despite trying to maintain a distance
between itself and the city administration, the Svetogorsk mill is still responsible for heating homes and some types of waste water management (Kortelainen and Kotilainen 2003).

Transnational and after-transition domestic enterprises with foreign investors are more likely to make short-term lease agreements. These companies are not considered “local”, as their goals are concentrated on exporting concerns and economic efficiency rather than maintaining the surrounding community and workforce (Södor and Järvelä 2007). Rental agreements and sub-leases before the Forestry Code of 2007 usually stipulated that enterprises play some role in maintaining the surrounding community, whether through the correct use of forestland, or through the provision of social infrastructure (Matilainen 2013). This particularly limited the opportunities for external investors to gain access to natural resources. Consequently, potential new investors or enterprises have found that social obligations or voluntary donations to the surrounding community are imperative in securing actual contracts (Kozyreva 2008). Second generation companies have inherited the expectations of companies dating from the time of transition, and are thus subject to higher scrutiny. It is has been asserted that those enterprises with especially large social responsibilities will eventually be forced to fall in line with the world market, meaning that their work maintaining roads and schools will lose priority (Södor and Järvelä 2007). The symbiosis of the forestry enterprises and their workforce and community is strained.

Those enterprises with longstanding community relations carried over from the Soviet era were better capable of obtaining agreements with the leskhoz. However, following the division of the leskhoz into lesoparks and forest districts (lesnichestvo) in 2007, the ability to “force” enterprises into socially supporting their community has been diluted. The former forestry management units were the actors most responsible for the community networks ostensibly
centered around the forestry enterprises. The disabling or neutering of these management units creates points of stress and tension, not only between the community and the forestry industry, but also in terms of the community’s relationship with its surrounding forestland. The leskhoz’s overseeing of forestry operations and enablement of leases and contracts ensured that some social and environmental obligations were met. Now that one crucial element of the network has been disabled, what remains is a loose collection of individual actors, previously mediated, incapable of connecting in a way that is constructive. We have the breakdown of a network: a system that has been radically disrupted, and yet is still expected to function in the same way that it always did.
Certification and Corporate Social Responsibility

Corporate social responsibility is the investment of an enterprise into social and environmental well-being that usually transcends normal procedure. Before privatization, Russian enterprises were in the unique position of providing CSR via their symbiotic relationships with their communities. The case of forest localities is especially striking because of their rurality and extreme examples of dependency. Belyaeva (2013) outlines corporate social responsibility in Russia as a business model developing only within the early 2000s.

The BRICS (Brazil, Russia, India, China, South Africa) countries, an association of countries with emerging powerful national economies that are becoming powerful players in global markets, have had conflicting views on the importance of CSR. India and China have been especially vocal in their belief that CSR is an unnecessary Western construction (Belyaeva 2013). Corporate social responsibility is now expected if a company is to pursue global markets and an avenue for maintaining a competitive edge, meaning that those not participating not only lose competitiveness but face barriers in forming economic relationships. In 1993, the Forest Stewardship Council as an organization came into fruition with 126 participants, including NGO’s, retailers, indigenous people, and forestry unions. FSC is a multi-level and multi-actor network, headed by a general assembly located in Germany and split into three divisions: environmental, social, and economic (Tysiachniouk and Henry 2015, Schepers 2009). The major stated goals of the FSC are to protect biodiversity, to promote economic and environmental sustainability, and to benefit the local community (FSC 2015). In the case of CSR via certification, the World Trade Organization endorsed the FSC, meaning that uncertified enterprises faced being locked out of global trade relationships (Schepers 2009). In the recent domestic case of Russia, forestry certification has become an expected practice for companies
who wish to acquire short-term land leases through auction (Ulybina and Fennell 2012, Keskitalo et al 2009). Belyaeva (2013) notes that the necessity of CSR in global markets essentially demands companies to invest in environmental and social initiatives. Drivers in Russia for certification have largely been the Western market and profit. Western regulation, specifically the European Union, calls for timber products to be sourced sustainably and legally. Certifying Russian forestry enterprises both provides demonstrable legitimacy and also plays into the increasingly popular notion of “eco-branding” (Ulybina and Fennell 2012). Consumer eco-consciousness has driven a market for transparency and sustainable practices. This “eco-branding” allows for a larger profit through strengthening the price of the timber (eco-sensitive items are expected to be more expensive) and a renewed intense demand. While “eco-branding” allows for a more conscientious consumer, there are problems of legitimacy that arise in the certification process. One example is the “chain of custody certification”, through which an enterprise that is certified for processing can use both uncertified and certified wood. FSC and PEFC, along with some smaller certification programs, allow for chain of custody certification. These products are still branded as certified, granted that enterprises follow some of the provisions outlined by the certifier in acquiring “sustainable” lumber. FSC’s stipulations are flexible versus the arduous certification process that requires enterprise take on specific cutting requirements, a social clause, and manufacturing regulations; it only requires that wood is not sourced from High Value Concentration forests, forests with GMOs, plantation forests, and wood harvested violating civil or indigenous rights. FSC’s chain of custody certification enrollment alone has risen 280% in the years 2007-2012, versus merely 65% of actual FSC certification (Schepers 2009, Bartley 2014).

The Russian perspective on CSR is peculiar in that, unlike other emerging BRICS
economies, Russia has recent historical precedent for honoring worker’s rights and health, and allowing for community enrichment. While Russia is following the trend of global enterprises in “socializing” business, its understanding of CSR remains different from other non-Western countries. The Russian attempts at CSR are negotiable, flexible, and non-systematic (Belyaeva 2013). The rising necessity of CSR in creating global relationships unfortunately means that there is a rising chance of it becoming a superficial process. The interconnectedness of actors due to changing technology allows for markets and enterprises to face extreme scrutiny in the face of environmental and social missteps; however, the effects of and attempts at CSR are likely to be exaggerated when presented to the public (Belyaeva 2013).

While forestry certification builds on CSR initiatives, it also acts as a tool of multigovernance. As stated earlier, the market is enabling (and in some cases, forcing) actors to take part in CSR in order to establish economic partnerships. Forest destruction from illegal logging was one of the largest factors leading to the original creation of certifications in the 1990s. The United Nations’ inability to approve an international forestry convention led to the market-based answer of certification schemes, which have been perpetuated by environmental NGOs (Bartley 2014). Certification schemes are a form of private governance; they are regimes that are not in debt to state policy, regulation, or enforcement. The reach of their governance includes both forest management itself and the perpetuation of consumer and investor demand (Schepers 2009, Nysten-Haarala 2013). The increasing interconnectedness of business and society has meant there’s been distinct change from “government” to “governance”. Transnational corporations have historically been difficult to regulate at regional levels, perpetuating the necessity of private governance through certification schemes. Globalized markets also mean that some governments have decided to not regulate corporations in the
international sphere, and instead allow market norms to shape—and effectively decrease—domestic regulations (Schepers 2009). While industry and its resulting relationships were strictly tied to the development of the nation state, globalization has created a growing trend in governance spanning transnational space. Transnationalization plays a key role in the resulting interplay of various actors, and the integration of political and economic forces which have made common supranational rules, regulations, and institutions a seemingly necessary component of a globalized market (Bartley 2014, Keune and Marginson 2013). Schepers (2009) states that the change-over to private governance is due to government and nation states decreasing funds intended for regulation efforts, the inability of nation states to effectively regulate transnational corporations, and deterritorialization caused by globalization.

Certifications as transnational private governance link actors—from certification boards to the on-the-ground locals and their resources experiencing the effects of certified forestry enterprises. The transnational forestry certification regime has the power to shape discussions about how forests should be utilized; however, Schepers (2009) argues that nation states can easily override these discussions by challenging them. Schepers (2009) further states that those countries with large timber industries are influential in shaping the international expectations of businesses through their negotiating power and ability to challenge the rule-making process. The state is responsible for allowing access to certification schemes and other transnational CSR initiatives. If the state challenges these perspectives, businesses will have to evolve and change to fit into the countries they intend to serve. This points to certification being indicative not of decreased government involvement, but rather a mix of public-private governance relations and instances of transnational private governance (Schepers 2009, Ulybina 2010, Bartley 2014).
CSR and Certification in Russia

Since privatization, Russia’s forestry enterprises have sought environmental certification for their timber and lumber products. These certification schemes are developed at a transnational level and disseminated and promoted by environmental non-governmental organizations. During the transition period, environmental NGOs found the Russian forestry sector—comprised mostly of rural communities that were unfamiliar with non-state governance—especially difficult to work with (Tysiachniouk and Henry 2015). In 1998, WWF and Greenpeace began to promote the idea of forest certification. Russia was slow to take up such certification schemes, in spite of its recent history of socially responsible business (unlike other BRICS). Certification was met with scrutiny and suspicion from industry, not only for being ‘foreign’, but also for being unrelatable. Meanwhile, the state remained suspicious of certification, as it seemed incompatible with established forestry management practices. There was little feedback from forestry settlement denizens and forestry workers or enterprise involvement, especially in the region of Karelia’s forestry sector which had in the past (1995-2006) been the subject of multi-organization-led boycotts for harvesting high concentration value forests (Tysiachniouk and Henry 2015). Russia has a difficult relationship with non-governmental agencies and this has been amplified recently with Putin’s “foreign agents” legislation. NGOs that receive funds from international means are suspected of promoting a foreign and hidden agenda regarding the Russian economy (Henry 2010). Indeed, in Karelia, companies until recently have been penalized by the Russian state for following certification standards of biodiversity, and have instead found themselves marking certain forested areas as ‘unexploitable’ versus facing consequences from the state or their certifier for their logging practices (Keskitalo et al 2009)(Tulaeva 2014).
The enrollment of several large forestry enterprises has promoted the use of certifications, with more than 300 different types of forestry enterprises in Russia certified as of 2012 (Ulybina and Fennell 2012). Tysiachniouk and Henry (2015) remark that one of the obstacles to NGOs “winning over” the Federal Forestry Service has been the vagueness of forestry legislation and the level of involvement expected. However, certification is a financial investment and the process is particularly arduous, meaning that most enterprises have to work with NGOs to complete the necessary paperwork. This is largely the reason enterprises have preferred the “chain of custody certification” which allows for less paperwork and less accountability than full-fledged enterprise certification (Nysten-Haarala 2013).

While globally more prevalent, the PEFC (Programme for the Endorsement of Forestry Certification) is not as widely used in Russia as FSC. The PEFC scheme champions biodiversity, low usage of pesticides, and abolishes GMOs. It, like the FSC, is a non-profit made up of various international stakeholders. The PEFC is stationed in Switzerland and governed by a general assembly, board, and secretary general. However, the scheme lacks a stringent social responsibility aspect. It focuses instead on indigenous rights to forestland. The most popular certification scheme in Russia currently is the Forest Stewardship Counsel (FSC). FSC is considered less strict than some competing certification schemes, PEFC included, and is less antagonistic to Russian legislation (Tysiachniouk and Henry 2015, Keskitalo et al 2009, Kotilainen et al 2005) For Russian enterprises, the “social” aspects of FSC certification have tended to be negotiable (Keskitalo et al 2009). While the FSC is less antagonistic to Russian domestic policy than PEFC, there are instances of certification overriding Russian legislation and policy. These instances are usually social (although in some cases they concern actual forestry care, specifically biodiversity). Forestry enterprises in Russia discuss terms with local forest
authorities when certification standards infringe on legislation. An example of this is the recognized status of the Karelian Pomor people. Russian legislation does not allow Pomors protected indigenous status, while FSC does (Matilainen 2013, Nysten-Haarala 2013).

Negotiation and informal networks are common in Russian business, however, international companies have found the process uncomfortable. These negotiated requirements are therefore more stringently followed by transnational corporations than their Russian counterparts who have already accumulated social capital (Nysten-Haarala 2013). Informal networks make domestic enterprises better able to negotiate and navigate their requirements, they in turn are less afraid of the consequences that come with negating or not following-through with the intricacies of their casual contracts.

Certification allows for a certain level of protection, as certified enterprises are less likely to be boycotted or “named-and-shamed” by environmental NGOs. The consumer- and NGO-led boycott of more than five organizations including: Greenpeace, SPOK, Taiga Rescue Network, and the Socio-Ecological Union shunning forestry products from the Republic of Karelia was effective enough to cause serious concern within the Karelian forestry sector. Smaller and medium sized operations are now more likely to acquire certification, if only for the ability to stave off boycotts or economic pressures from the market. After extensive campaigning by environmental NGOs, certification as a form of CSR has become an international norm; as a result, it has become imperative that Russian industries follow suit if they are to remain competitive in a globalized market. As a result, following the Forest Code of 2007 the Federal Forestry Service now expects forestry companies to be certified in order to be eligible for auctioned short-term user rights and leases (Ulybina and Fennell 2012, Keskitalo et al 2009). The Forestry Code 2007 did not discuss biodiversity in any depth, and as a result,
companies have been at a loss regarding what strategies to employ. As of 2012, the FSC takes the position that certification and agreement are the only means of ensuring the responsible use of old-growth-forests in Russia (Forest-Karelia 2012). However, a 2016 study in the Republic of Karelia did not find a marked difference in sustainability between those enterprises that were certified versus those that were not (Forest-Karelia 2016). This is partially due to some instances where sustainable practices are also the most economically advantageous, such as partial felling (a process of consciously cutting timber in a way that allows shelter for regeneration purposes and maintaining uneven-aged stands) (Ulybina and Fennell 2012). Non-certified enterprises could well be employing sustainable practices without directly intending to do so. It is not yet clear that the certification process has any real impact on biodiversity and the preservation of ecosystems.

The social impact of certification has been more significant, as the process directly involves local actors in areas which, historically, have had weak social and civil engagement, and have often been involved in conflicts with forestry enterprises. These conflicts can occur over ideological questions—should we value conservation and preservation over sustainable resource extraction? What role should enterprise play in a community?—or over the direct impact of forestry and logging on local communities. According to Ulybina (2010), as of 2007 there were nearly 70 leaseholders of varying sizes in the Republic of Karelia. Logging can take place within a kilometer of a village, meaning enterprises can easily infringe on vital community practices, such as berry picking, firewood procurement, and mushroom hunting. These practices are not only necessary for community vitality but also for livelihoods and economic security (Keskitalo et al 2009). In the early 2000’s, the Republic of Karelia faced a large increase in leased forestland which created a competitive market for firewood, devastating the local
community (Tysiachniouk and McDermott 2015). The certification process has helped resolve conflicts like these by opening up lines of communication between enterprises and their local communities, as the following example will show.

In 2006, the Republic of Karelia’s Investlesprom embarked upon the certification process, and was expected to identify key members of the surrounding community for input on social values. The FSC certification process requires forestry enterprises to engage productively with their local communities, and to consult carefully to discover the sorts of engagement and investment they may need. The local communities remain the least significant stakeholders in forestry enterprises; however, the process of certification ensures that their voices are heard.

Supported by the FSC and a Russian NGO, the Centre for Independent Social Research (CISR), Investlesprom started investing in the public through small grants, which were utilized for folk festivals, local initiatives, and a museum. They also implemented a social fund which allocated money for community development based on the amount of hectares leased, and provided the community with reasonably priced firewood (Tysiachniouk and Henry 2015). These operations eventually ceased, but they had the lasting effect of creating and strengthening ties between community and enterprise. Locals were empowered to communicate and assert their needs—particularly helpful in cases of conflict resolution—and gained a level of agency which they had not had prior to Investlesprom’s social engagement program (Tysiachniouk and McDermott 2015, Tysiachniouk and Henry 2015). Any ANT-influenced analysis must, however, exercise caution when talking about the social. The social is not a monolith; as Latour warns us, we must not take the term to "designate a domain of reality or some particular item”—it is not something solid and empirically measurable, but rather “a movement, a displacement, a transformation, a translation, an enrollment… a type of momentary association which is
characterized by the way it gathers together into new shapes” (Latour 2005, 65-5). The word 'social', then, can represent a shifting array of things that are also shifting, and whose needs may at times be at odds with one another. The process of association is not founded in anything solid or permanent: even the connections between actors in a network are subject to change. “Relating to one group or another is an on-going process made up of uncertain, fragile, controversial, and ever-shifting ties.” (Latour 2005, 28) If any social programs are to be successful, they require continual consultation and communication with the recipient communities to ensure that needs, wishes, and values are being met and respected. A community is not a homogenous entity, as we have seen; it is, instead, a sort of social ecosystem, and one that requires the same careful attention as do environmental ecosystems.
Discussion and Conclusion

The privatization of the forestry industry has had numerous effects on dependent communities. The abrupt cessation of the previous paternalistic relationship between enterprise and village has led to some villages struggling for survival. The previous structure of state forestry management had allowed for some infrastructure and community engagement, but with the new reforms and the increasing number of larger lumber companies with transnational ties, it is unlikely that forestry villages as they were known will continue to survive. The social aspects of certification help alleviate some of the grievances by instating new forms of governance. Although these services are market-driven, they are seemingly effective means of promoting and centering the social welfare of forestry communities. In the case of some settlements in the Republic of Karelia, municipalities are still not strong enough to enforce top-down initiatives or to construct and complete necessary infrastructure (Nysten-Haarala 2013).

The actors and networks have changed dramatically since the shift to privatization, but also since the ascent of certification. Forestry enterprises had looked to remove themselves from their communities, sometimes even bringing in foreign and remote logging contractors as opposed to hiring locally (Ulybina and Fennell 2012). The demands of providing infrastructure and ensuring community welfare were considered incompatible with economic progress. Networks between forestry enterprises and communities were strained, and in some cases severed completely. Forestry villages were expected to develop new relationships with and expectations of their municipalities, but this proved problematic due to lack of experience and of monetary funds. However, both enterprise and municipalities continue to rely upon the network of the forest for sustenance.

The Forestry Code of 2007, and the subsequent changeover to auction-only (versus the
leasing regulations and options of the 90’s) securing of natural resources, has seen a further shift in the connections. The loss of the leskhoz has been exacerbated by the switch to auctions. The 2007 Code’s stipulation that leases and user-rights are guaranteed through auction further dilutes the relationships between forestry enterprises, the forestland, and the community. This strictly monetary method of obtaining land usage effectively absolves the enterprise from any social responsibility (Ulybina and Fennell 2012)--a situation which has caused citizens in the Republic of Karelia some concern regarding their ongoing claim to uses of the forest. Despite land being federal property, enterprises who have leased land do not always recognize the right of the community’s continued use for sustenance (Ivanova 2014). The “social component” of certification allows for these problems to be identified and foregrounded. As companies become increasingly dependent on the certification process, both to procure resources and to market their products, the constraints that have been placed upon forestry communities are more likely to undergo Latour and Callon’s previously discussed process of translation. Their dependence on the forestlands may offer them a means of being heard, and recognized; of no longer being forced into the background. While there is some concern that the citizens of forestry settlements are becoming further removed from their surrounding forestland, with technology and certification practices they are now able to become transnational actors (Latour 2005). The direction towards governance in a transnational sphere means that forestry communities can claim a voice in the global community, directing certification efforts both globally and locally. The Russian negotiation tactics used in business and navigating forest certification could very well gain traction in how other actors evaluate the certification process. As Russia holds nearly 23% of the world’s forest resources, its voice is influential in the discourse surrounding forestry certification and practices (Shvidenko and Nilsson 2003). For local communities conflict
resolution and communication have been the most advantageous outcomes of the introduction of certification processes. Communities who are better acquainted with the practices of forestry enterprises and NGOs can better harness the process of *translation*, through naming and categorizing the problems, and identifying suitable actors necessary for resolution. Forestry enterprises have also now become more apt to ask NGOs for input regarding certification, sustainable practices, and social responsibility.

The community consultation element of the certification process may be the key to its success in preserving these social ecosystems. By listening carefully to the specific needs of communities, the certification process enables them to come forward and to become actors in an emergent -transnational- overwhelmingly corporate network that often silences or backgrounds local communities—after all, their contribution to the forestry network is neither directly material nor directly economic. Ironically, certification protocols set up ostensibly to ensure sustainable use of non-human ecosystems may have instead facilitated the protection of *human* ecosystems through social responsibility clauses. But, as all things are interacting, and may at any point shift or reconfigure, this may yet prove to be a catalyst for real, sustainable change in the forests of Karelia.
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