

## Book Review

***Constructing Private Governance: The Rise and Evolution of Forest, Coffee, and Fisheries Certification.* New Haven, CT: Yale University Press. 352 pages. ISBN: 9780300190533, \$30.00 paperback. Graeme Auld. 2014.**

Social and environmental problems continue to emanate from global supply chains despite the array of public regulations designed to govern them. In light of this situation, private regulatory actors such as firms and nongovernmental organizations have launched a plethora of global governance initiatives to complement or substitute for struggling public policies. In *Constructing Private Governance*, Graeme Auld focuses on one class of these institutions: certification programs, defined as organizations that write, monitor, and market standards via on-product labels to consumers (4). Auld uses certification programs to learn about institutional development, namely why institutions emerge and evolve within and across economic sectors. To this end, his book poses three questions (5–11): 1) What explains variation in the initial form of certification programs? 2) What explains variation in how quickly programs transition from being local-to-global governors? 3) What explains the number of programs that arise in a sector and whether they are complements or competitors?

In researching the answers to these questions, Auld uses a theoretical framework based in historical institutionalism and supported by elements common to social movement and game theoretic analyses. The framework unfolds over the course of ten hypotheses (Chapter 2) for which he finds empirical support (Chapters 3–8). Auld argues that market and political opportunity structures interact with attributes of certification program founders to determine a program's initial "form," defined as the issues, actors, and geographical scale a program regulates plus the amount of governance voice it gives to stakeholders (6). Programs are more likely to begin as global regulators in sectors with higher barriers to entry, more international trade, and greater supply chain concentration, and with intergovernmental processes that are more accessible to nongovernmental organizations than domestic ones (H1–4). For programs beginning locally, higher market demand for ethically certified products slows their progression toward becoming global governors (H7). The issues and actors a program regulates are determined by the informational and experiential resources of its founders, and by the themes dominating the intergovernmental processes targeting a sector (H5–6). While Auld does not explicitly theorize the determinants of a program's inclusivity, he does argue that it determines the number and type of programs in a sector. If a first-mover certification program has low inclusivity or lacks the willingness or ability to change, the sector should experience growth in the number of certification programs (H8, H10). The more issues and actor

types covered by this first mover, the more likely these additional programs are to emerge as competitors instead of complements (H9).

These ten hypotheses are used to analyze and ultimately demonstrate the power of path dependence in institutional development. Auld posits that initial political and market conditions along with early decisions on program form create institutionalized incentive structures that generate predictable and self-reinforcing governance outcomes. He supports this claim theoretically by combining Tsebelis's (2002) game theoretic analysis of veto players (actors whose consent is required for institutional change) with Büthe's (2012) typology of certification actors (rule demanders, rule suppliers, and rule targets). Auld argues that a certification program's degree of inclusivity determines the balance of veto power among specific members of these three groups (e.g., donors, program staff, retail firms, producer cooperatives). The more "voice" a program gives these members and the more incongruent their preferences, the more institutional stability will occur.

This logic leads to two of Auld's most well supported and interesting findings. The first is that high market demand leads to slower local-to-global transitions. In the coffee sector, Auld explains how Fairtrade International's consolidation as a global governor was slowed by the early market success of their many national-level programs. Each of these veto players had reason to delay consolidation given the payoffs they received from the status quo. By contrast, in the forestry sector, demand for certified wood was initially low, thus national-level programs had less to lose by risking consolidation and transitioned more quickly.

Auld also argues convincingly that levels of inclusivity predict levels of alternative programs. In the forestry sector, moderate levels of inclusivity led to two programs governing the sector. Producers found the cost of changing the Forest Stewardship Council from within to be greater than those of creating their own program, and therefore exited to do so. By contrast, in the coffee and fisheries sectors, inclusivity levels were much lower, resulting in higher numbers of alternative programs.

Whether these alternative programs are complements or competitors is supposedly determined by the breadth of issues regulated by the first-mover program. While this claim is well supported in the forestry case, the coffee case might benefit from more temporal specificity. Fairtrade International clearly began by regulating a narrow set of issues, but during the period of Auld's research it broadened its scope to address a wide range of social, economic, and environmental concerns. This evolution is not captured in Auld's analysis, and complicates his argument that the major coffee certifiers emerged complements and remain so due to early choices and "hard-to-overcome inertia" (130).

Such trade-offs in depth of detail at the program level, however, are understandable in a *tour de force*—this book's greatest strength is its breadth. In synthesizing most of the published work on the emergence and evolution of forestry, coffee, and fisheries governance, Auld has created a one-stop shop for political scientists and economists wanting to learn about the regulatory dynamics in these important sectors. The book's structure is excellent, with two chapters per empirical case. The first details the sector's production issues, trade patterns, and governance institutions while the second uses process tracing of interview and

website data to create a narrative of the initiation, consolidation, and proliferation of certification programs within it. This broad comparative perspective and inclusion of rigorous theorizing makes the work a major contribution to the literature on certification and one likely to stimulate further contributions. Policy-minded scholars, for example, will want to know more about how Auld's findings impact program effectiveness and sustainable development outcomes on the ground. Understanding whether certification programs actually enable the "citizen trapped in a consumer's body" (19) to improve the human condition is an important pursuit, and one that Auld's book will surely foster.

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## References

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- Büthe, T. (2012). Beyond supply and demand: A political economy conceptual model. In K. E. Davis, A. Fisher, B. Kingsbury, & S. E. Merry (Eds.), *Governance by indicators: Global power through quantification and rankings* (pp. 29–51). Oxford: Oxford University Press.