

Research Statement

Thibaud Henin, Ph.D. Candidate

www.henin.net • henin@uoregon.edu • (541) 286-5541

Introduction

Over the past two decades, firms and non-governmental organizations have increasingly undertaken regulatory activities previously exclusive to governments (Green, 2014). Sometimes independently, other times in conjunction with governments, these private actors have become responsible for setting and administering regulatory standards. This shift in regulatory authority, from governments to private actors, is a phenomenon central to variety of concepts such as “new governance” (Lobel, 2004), “new environmental regulation” (Fiorino, 2006), “the regulatory state” (Braithwaite & Drahos, 2000), and “regulatory capitalism” (Levi-Faur, 2005). My research seeks to understand what motivates actors to pursue these arrangements, their impacts on government regulation, and whether they are effective at solving social and environmental problems.

Current Research

My dissertation is structured as three separate article-length manuscripts centered around the following research question:

Under what conditions can firms adopt transnational private standards – certifications created by groups of firms or NGOs from multiple countries established primarily without significant government involvement – for their products as a strategy to alter government regulations?

Manuscript 1: Lobbying for More or Less Government Regulation? Determinants of Political Strategies for Firms that Adopt Transnational Private Standards

When faced with a proposed change in government regulation, firms can opt to abstain from lobbying or enact political strategies to support, oppose or hedge against the proposal (Meckling, 2015). I posit that firms that adopt transnational private standards are able to use benefits exclusive to adopters (Prakash & Potoski, 2006) as part of political strategies to pull or push government regulation towards their desired outcomes. For example, to avert further government regulation, firms might adopt transnational private standards to persuade policymakers self-regulation is effective. Alternatively, as a means of gaining competitive advantages, they might adopt a standard and seek increased government regulation such that they, but not their competitors, are able to comply. Using a cross-sectoral comparison of the political strategies of firms that have adopted transnational private standards in the laundry detergent and forestry sectors in the United States and European Union, I find that firms’ selection of political strategies is largely explained by the interaction between domestic political opportunities (openness of policymaking processes, relationship between regulators and firms) and market structures (industry growth, foreign competition, and costs of certification vs. value-added).

Manuscript 2: Standards as Strategies: Using Transnational Private Standards to Lobby Governments

In this study I investigate under what conditions firms have been able to use transnational private standards to influence government regulation. Using maximum likelihood regression and duration models, I examine what effect the adoption of sustainability standards in the forest sector has had on government purchasing (i.e. procurement) policies of national governments in 38 mid- to high- income countries from 2000 - 2011. I find that firms in manufacturing industries (e.g. pulp-and-paper, wood furniture) have sought to gain competitive advantages by using private standards to lobby for stronger timber procurement policies. Conversely, firms in the forest management

industry (i.e. those that grow and harvest forests) have used standards adoption to forestall and weaken government timber procurement policies. This manuscript has been submitted for publication and I am currently awaiting its review.

Manuscript 3: Pursuing Protectionism or Promoting Sustainability: Timber Procurement in the UK, Canada and Australia

What if national governments implement sustainability requirements in their purchasing policies not as a part of a commitment to the environment or due to NGO pressure, but as a non-tariff measure to protect domestic industries from trade? In this study of the timber procurement policies and the political activities of firms in the forest sectors of the UK, Canada and Australia, I examine whether these policies were a result of firm lobbying and if their enactment restricted imports from less-developed countries. Through a cross-industry analysis, I find that lobbying by firms conforms with expectations derived from endogenous tariff theories. Firms in import-competing industries lobbied for more regulation, and those in export industries, as well as those located in countries with a greater abundance of forests, opposed regulatory increases. I also find that in the aggregate these policies did not decrease trade flows from less-developed countries, although they did temporarily reduce imports from China. Their greater impact was to ‘level the playing field’ between foreign and domestic firms by increasing the costs of imports.

Future Research

My plans for future research consist of three separate projects related to the international political economy of private governance.

Project 1: Extending the Dissertation to Other Issue-Areas

The Enforcement of Labor Standards in Preferential Trade Agreements as Protectionism: How Textile Industries in the US and EU Have Used Private Labor Standards to Protect their Markets

To determine whether my findings on the use of transnational private standards in the forestry sector are generalizable to other issue-areas, I will investigate the effect the adoption of transnational labor standards by the textile industry has had on labor enforcement clauses in preferential trade agreements signed by the United States and the EU. Trade agreements present both opportunities and threats to firms in the textile sector. On the one hand, it enables them to develop supply chains in countries with lower production costs. On the other, reduced tariffs open their domestic markets to competitors. As firms in high-income countries were ‘named and shamed’ into adopting private labor standards in the 1990s (Hemphill, 1999), they hold a competitive disadvantage compared to firms not subject to such regulations in low- and mid-income countries. Using data on labor clauses in over 200 preferential trade agreements from the World Bank’s Global Preferential Trade Agreements Database, I will test the hypothesis that textile enforcement clauses have been used as a form of protectionism. If I find a relationship between strength of labor enforcement clauses in agreements and the competitive pressures faced by the textile industry, I will subsequently pursue a qualitative analysis of selected cases. By tracing the lobbying activities of textile firms, I expect to find that firms’ adoption of transnational private labor standards has facilitated their ability to coordinate their lobbying for stronger regulation with NGOs (Mosley & Tello, 2015).

Creating Demand and Supply: How Private Greenhouse Gas Accounting Standards Averted Carbon Taxes

Another issue I will examine are the creation and adoption of carbon-accounting and offset standards by firms in high-carbon industries. In the early 1990s, the predominant policy proposal to avert climate change was a carbon-tax. As cooperation among governments at the UNFCCC appeared increasingly likely to yield a climate change agreement, firms in high-carbon-intensity industries changed their strategies from complete opposition to attempting to change the predominant policy discourse towards less costly solutions such as carbon offset markets (Meckling, 2011). Simultaneously, many firms in high-carbon industries (e.g. BP and Monsanto) were instrumental in the creation of greenhouse gas accounting and offset standards necessary for the implementation of carbon-markets (Bulkeley & Newell, 2015; Green, 2013). I plan to investigate the hypothesis that the creation and design of these private standards were instrumental to the political strategy of firms in high carbon-intensity industries to reduce the regulatory costs of government carbon mitigation policies.

Project 2: The Effectiveness of Transnational Private Regulation

The Effectiveness of Private Governance in the Forestry Sector: Impact of Transnational Private Standards on Deforestation

There is an ongoing debate on whether transnational private standards induce change in the behavior of firms, and if so under what conditions, or whether they are solely marketing and lobbying tools (e.g. Castka & Corbett, 2014; Darnall & Sides, 2008; Gamper-Rabindran & Finger, 2013). Using Light Detection and Ranging (LIDAR) data from NASA on the coverage and density of forests across countries, and my dissertation data on the adoption of sustainability standards in the forestry sector, I will investigate whether the adoption of these standards has had an effect on deforestation.

Are Governments Needed? Comparing the Effectiveness of Public-Private and Private Regulation in Environmental Management System Standards

There is significant variation in the extent governments are involved in establishing and administering private regulatory schemes (Abbott & Snidal, 2009; Green, 2014). Some are undertaken seemingly without any government involvement, while others are initiated as partnerships with firms and governments sharing administrative tasks such as setting standards and monitoring compliance. In this study I will examine Environmental Management System standards – rules, procedures and processes firms adopt to measure, protect and improve their environmental performance. To determine whether government involvement improves outcomes, I will compare the performance of firms (within industries) that have adopted the Eco-Management and Audit Scheme (EMAS), a transnational private standard with shared public-private governance, with those that have adopted ISO 14001, a standard predominantly administered by firms (Clapp, 2001).

Project 3: Explaining the Diffusion of Transnational Private Regulation

Using Time-Series Network Analysis to Identify Diffusion Patterns: Literature Review and Proposed Methodology

To identify the causal mechanisms responsible for the diffusion of a given policy (e.g. coercion, economic competition, shared norms, and learning) scholars often use ‘process-tracing,’ or ‘spatial lags’ in regression models (Gilardi, 2012; Simmons & Elkins, 2004). Each of these methods involves different sets of trade-offs. Process-tracing is data intensive, and generated inferences are usually not generalizable beyond the cases observed. Conversely, using spatial lags in regression models can be limiting as not all causal mechanisms are easily operationalized into a quantitative model (e.g. norm diffusion), and simultaneously controlling for alternative mechanisms is often unfeasible due to limited degrees of freedom. I posit that causal mechanisms generate distinct and observable spatiotemporal patterns, and present a new method of identifying these mechanisms using time-series network analysis.

Contagious Procurement Policies: Explaining the Diffusion of Sustainable Timber Requirements in Mid- and High-Income Countries

This study delves further into the global dynamics of transnational forestry standards and government timber procurement policies by focusing on how changes in one country’s policies has influenced the policymaking process of others. I will test the hypotheses that (a) the diffusion of these policies is driven by firms seeking to level the regulatory playing field across multiple national jurisdictions (i.e. the so-called ‘California Effect’) (Vogel, 1995), and (b) whether these policies are being used as non-tariff barriers to protect domestic markets.

Other Works in Progress

From the International to the Local: Using Simulations to Teach Environmental Justice

Discussing issues of environmental justice can be difficult for some students as they may be uncomfortable reflecting on the privileges and/or injustices they have experienced. I propose an approach that first uses a classroom simulation to teach theories of environmental justice across countries then ‘downscales’ the concepts to the individual level. I argue that by initially creating distance between the object of study and their experiences, students are more open to considering sensitive material that challenges their preconceived beliefs.

The approach consists of three steps. First, students participate in a classroom simulation, a variation of a ‘public goods game,’ that is designed to foster discussion on how costs and benefits should be distributed. To begin the activity, the instructor sets up an inequity in wealth (e.g. using candy) among the students. Some begin the activity with a lot of ‘wealth,’ others with very little. Then the students make a contribution to a collective ‘pool’. Failure to reach a specified amount leads to penalties, success to rewards. After several rounds, this intentionally creates conflict as some become upset at their ‘freeloading’ colleagues, while others feel exploited. In post-simulation discussion instructor acts as a mediator as the class deliberates on their experience and what they think is just.

The second step is to tie students’ ideas to different countries’ perspectives on who should pay for climate change mitigation. Students examine data on historical, current, and projected carbon emissions and discuss the applicability of their ideas of justice.

The final step is to examine environmental justice issues at the local level. Students examine data from several US cities (Baltimore, Houston, Flint, Eugene), then privately reflect on their own experiences in a journal entry.

The Ostrom-Young Debate: Can any of Elinor Ostrom's Design Principles be Upscaled to International Environmental Problems?

Throughout their careers, Oran Young and Elinor Ostrom had an ongoing and unresolved discussion on whether any of her design principles of local institutions associated with the successful and long-enduring management of common resources could be upscaled to the international level. Using qualitative comparative analysis and fixed-effects regression models with data from the International Regimes Database (Breitmeier, Young, & Zürn, 2006) I test whether four of her principles are associated with improved performance in 38 multilateral environmental treaties.

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