

## **FOREST MANAGEMENT CERTIFICATION AS A MARKET INSTRUMENT IN INDIGENOUS COMMUNITIES IN OAXACA, MEXICO**

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Abstract:

The aim of this study is to evaluate the role of forest certification as a market instrument. The empirical reference for this study is the indigenous communities of the Sierra Juarez of Oaxaca. The evaluation uses the methodology of multicriteria analysis.

The background to the forest management certification process is recent, a result of the institutionalization of sustainable development discourse derived from the Rio Summit in 1992. It was presented as an economic instrument to promote sustainable management against the advance of deforestation and its environmental effects (global and local): desertification, biodiversity loss and climate change. The implementation of the certification system has grown steadily, especially among wood pulp consumers in Europe and USA. At the international level there are two organizations that have promoted this type of process: the Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification (PEFC).

In Mexico, the forest certification process began to develop in the middle of the 1990s. Forest management in Mexico has special characteristics with important implications for the evaluation of certification as a market instrument, but also in other related programs to mitigate the effects of climate change. Among the important features are the following: a) 80% of forests are social property, b) most of these forests are inhabited by indigenous peoples, especially of Mesoamerican cultures; their institutions and social organization have persisted and are constantly being modified in the face of outside pressures; c) the forests have great biodiversity, contributing to the country's being characterized as megadiverse, and d) the social praxis developed by these indigenous communities in the forests has generated significant local knowledge for sustainability.

The hypothesis tested in this paper is that low levels of deforestation in certified communities of the Sierra Juarez of Oaxaca are not related to –the certification mechanism. The communities' sociocultural characteristics and the productivity of their companies, combined with the dynamics of marketing forest products in Mexico, are all impediments to use forest certification as market incentives. The use of the dual market-certification mechanism does not take into account theoretical and methodological considerations that clearly make the multicriteria methodology of ecological economics more appropriate.

This analysis has several implications. In the area of public policy, it is interesting to analyze the role of institutions, including the Mexican state, for developing a forest certification process without reference to the logic of the market. In the academy, this incompatibility highlights the inability of trying to harness market power to promote sustainability, and therefore points to the limitations of orthodox economics. It is also interesting to identify the other languages influencing the valuation of nature, such as those proposed by ecological economics.

The exploration of these implications from the theoretical and methodological proposals of ecological economics are contributing to the critical analysis of other forestry projects aimed at mitigating the effects of climate change, such as payments for environmental services and Reducing Emissions from the deforestation and degradation (REDD +)