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BUILDING THE IRON CAGE:

Institutional Creation Work in the Context of Competing Proto-Institutions[1]

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A unique contribution of institutional theory is the insight that organizations need legitimacy as well as technical efficiency to survive and thrive in their environments (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). The institutionalized norms, practices, and logics which structure organizational fields exert isomorphic pressures, forming an "iron cage" which constrains organizational actions. Organizations are seen as legitimate when they conform to field structures and operate within the iron cage (DiMaggio & Powell, 1983). Much work in institutional theory has focused on the diffusion of institutional structures and the forces which support institutional isomorphism.

Yet not all institutional environments are highly institutionalized, and not all actors are equally constrained by institutional arrangements. A great deal of work in the last two decades has shown that institutional entrepreneurs may arise to question institutional arrangements (DiMaggio, 1988), resisting them strategically (Oliver, 1991; Ang & Cummings, 1997), disrupting and deinstitutionalizing them (Ahmadjian & Robinson, 2001; Oliver, 1992), and reconstructing them to suit the desires of different actors (Anand & Peterson, 2000; Hargadon & Douglas, 2001; Zilber, 2002).

Much of the prior work on institutional entrepreneurship has tended to focus retrospectively on the path of a single institutional innovation as it gained support in an emerging or existing field, often displacing an existing set of institutional arrangements (e.g., Greenwood, Suddaby & Hinings, 2002; Maguire, Hardy & Lawrence, 2004; Munir, 2005). Throughout this work, competing or independently evolving innovations which may also have been candidates for institutionalization are generally not discussed. Yet, institutional change does not always occur as a solution pre-formed, to a problem that may not previously have been acknowledged.

Instead, disruptive activities by activists or insurgents may erode the legitimacy of one set of institutional arrangements without providing widely accepted arrangements to replace them.

When fields have been sufficiently disrupted by deinstitutionalization work, there exist no legitimate institutionalized templates for field members to mimetically adopt to gain legitimacy. The iron cage of institutional structures has been breached, and the means to attaining legitimacy is uncertain. In such uncertain circumstances, Beckert (1999) has argued that institutional entrepreneurs will arise to promote institutional arrangements that favor their interests. They will seek to rebuild the iron cage with new institutional arrangements (patterns, forms, practices, logics) that can be considered legitimate by those both inside and outside of the organizational field, therefore protecting the field from further disruption. An actor within an organizational field could then adopt those arrangements to reduce the likelihood that its legitimacy could be challenged by those either within or outside of the field.

Yet there is no guarantee that only a *single* institutional entrepreneur will arise. Frequently, there is significant disagreement among field constituents as to which arrangements should be adopted, or how new arrangements should be designed. Several groups may engage in parallel institutional work, and find they are competing against and impacted by other actors sponsoring different arrangements. Yet, we know little about the processes by which new institutional innovations emerge, compete and resolve into shared logics and practices over time.

In this research, we investigate the processes by which competing candidates for institutionalization, or proto-institutions (Lawrence, Hardy & Phillips, 2002), coalesce into shared practices and logics. We study these processes in the context of the British Columbia (BC), Canada coastal forest industry from 1992 to 2006; an industry which had faced significant social and environmental criticism, and whose institutional arrangements had been delegitimated

by insurgents. We identify the institutional work undertaken by leaders competing to promote their preferred institutional arrangements within an uncertain institutional environment.

We find a process of co-creation of institutions involving multiple members of the organizational field, who compete and collaborate through multiple iterations of institutional development until a common template becomes diffused. This co-creation process moves beyond heroic conceptions of institutional entrepreneurs that effect institutional change by sheer will. Instead, we find ongoing negotiations, experimentation, competition, and learning, that resolves over time into shared conceptions of problems and solutions in organizational fields. This co-creation institutional work occurs simultaneously with continued disruption work, and involves concurrent development of maintenance mechanisms designed to hold institutions in place as they diffuse.

We thus offer several contributions. First, we show that institutional creation work can be a process of collaborative co-creation and/or competitive convergence, involving experimentation undertaken by multiple actors. This process leads to a solution that embeds the interests of multiple parties. In a collaborative process, shared templates emerge from consensus, negotiation and active co-creation. In a competitive process, templates emerge from competitive convergence, in which actors translate some elements of others' templates into their own in response to feedback from potential adopters. Secondly, in these collaborative co-creation and competitive convergence processes, we find that institutional disruption, creation and maintenance may occur simultaneously as actors try to discredit prior institutional templates, create and promote their own, and develop the means to diffuse and maintain their preferred templates at the same time. Furthermore, we identify the effects of institutional detritus – the bits of logics, practices and identities remaining from the previously stable context and the

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process by which it was disrupted (Schneiberg, 2006). We find that institutional entrepreneurs remain constrained by some deeply held identities and logics, which they are only able to get beyond using collaborative co-creation processes.

The chapter proceeds as follows. First, we discuss the character of institutions and the growing literature on agentic institutional change. We briefly review literature on institutional work, including institutional creation, disruption and maintenance, then focus attention on prior work which pertains to institutional creation work in disrupted environments and competition over institutional arrangements. We then present our empirical study, discussing the methodology, and reviewing our findings. Finally, we discuss our findings in the context of the literature on institutional work.

LITERATURE REVIEW

The Purpose of Institutions

Institutions have been defined as "humanly devised constraints that structure political, economic and social interaction (North, 1990:97)". They result in "socially constructed, routine-reproduced, program or rule systems (Jepperson, 1991: 149)" that "provide stability and meaning to social life" (Scott, 2001: 48). Institutions reduce environmental uncertainty by establishing the standards and behaviours required for legitimacy within an environment. Because "organizational decision makers have a strong preference for certainty, stability, and predictability in organizational life" (Oliver, 1991: 170, citing DiMaggio, 1988; DiMaggio & Powell, 1983; Pfeffer & Salancik, 1978; Zucker, 1977), strong institutional frameworks provide significant benefits for organizations. In highly institutionalized organizational fields, institutional arrangements are supported by cognitive, normative and regulative pillars, meaning

they are taken for granted as natural, normatively valued beyond their technical usefulness, and reinforced by coercive mechanisms which sanction deviants (Scott, 2001). Institutions include rule systems, laws, accepted practices, and common knowledge.

Institutions are at the same time highly constraining. They affect patterns of social relationships and domination which determine who holds power and access to valuable resources (DiMaggio & Powell, 1983; Fligstein, 2001). These institutional arrangements are also self-reinforcing in that they reproduce power positions and motivate dominant elites to maintain institutional arrangements in order to preserve their positions of privilege (Greenwood & Hinings, 1996). The same institutional arrangements put other actors at a disadvantage and reduce their ability to effect change (Fligstein, 1991). Highly institutionalized environments have thus been described as "iron cages" which constrain actors and drive isomorphism within organizational fields (DiMaggio and Powell, 1983).

Enduring institutions are well noted in the literature; however, much of the recent literature adopting the institutional perspective has focused on institutional change. Earlier work identified exogenous forces for institutional change, including political, legal or administrative shifts (Fox-Wolfgramm, Boal & Hunt, 1998; Hoffman, 1999; Oliver, 1991), technological changes (Barley, 1986), or changes in markets or stakeholders demands (Greenwood & Hinings, 1996; Oliver, 1992). Other work has focused on institutional entrepreneurship as a mechanism for institutional change (Beckert, 1999; Greenwood, Suddaby & Hinings, 2002; Maguire, et al., 2004; and many others). Much of this work has described nearly heroic institutional entrepreneurs, or "modern princes" (Levy & Scully, 2007), challenging an organizational field and molding it to suit their interests (Greenwood, et al., 2002; Hargadon & Douglas, 2001; Hensmans, 2003). However, the ability of a new institution to become sufficiently diffused and

taken for granted depends to a large degree on the willingness of incumbent actors to adopt the change. This presents institutional theory with a paradox of embeddedness, since it is not obvious how embedded actors are able to effect change to the very institutions they take for granted (Holm, 1995; Seo and Creed, 2002).

Recent work sheds light on the mechanisms of endogenous institutional change. In studying Big Five accounting firms, Greenwood and Suddaby (2006) found that when elite firms identified substantial contradictions, either through exposure to neighbouring fields or as a result of clear misalignment within their own field, the firms became less embedded. This lower level of embeddedness provided these firms with increased awareness of and motivation for change.

Complementing this work, other research has proposed a competitive, dialectic struggle between opposing viewpoints that, once resolved, forms the basis for new variation in a diffusion model of institutional change (Hargrave and Van de Ven, 2006). Building on the social movement literature (McAdam & Scott, 2005), actors are seen to engage in framing contests, construct cooperative and competitive networks, manipulate institutional arrangements or incentive structures, and collectively mobilize in order to effect change (Wijen and Ansari 2007; Hargrave and Van de Ven, 2006). These battles between insurgents and counter-movements of incumbents (Hensmans, 2003) disrupt existing arrangements, yet ready-made solutions may not be available, leaving much institutional work to be done.

Once an environment has been disrupted and its conventions deinstitutionalized, legitimate and appropriate templates for behaviour in a field may be unknown. This may be especially true when new actors or newly powerful actors differ significantly from former elites in their conceptions of what is appropriate. The result is an uncomfortable state of uncertainty for organizational decision makers (Oliver, 1991; DiMaggio, 1988; DiMaggio & Powell, 1983).

Contributing to this uncertainty are competing logics and the detritus of institutional materials left over from previous institutional work including political networks, alternative systems, and community associations (Schneiberg, 2006).

Institutional Creation Work in Disrupted Environments

In this chapter we are particularly interested in the work done by actors to create institutions within these disrupted environments. As Lawrence and Suddaby (2006) described, institutional creation work involves defining rule systems and vesting them with the ability to confer property rights, constructing normative networks of actors possessing defined identities in relation to the new rule systems, and developing support for those rule systems through advocacy, theorizing and educating. Actors develop proto-institutions: "new practices, rules, and technologies" which "may become new institutions if they diffuse sufficiently" (Lawrence, Hardy & Phillips, 2002: 281). When actors are promoting a particular set of institutional arrangements as a solution to some problem in the field, we refer to that set of arrangements as a proto-institution. Proto-institutions are candidates for institutionalization, if only enough members of the field will adopt them. Where multiple proto-institutions have been proposed for the same purpose, it is not clear which proto-institution, if any, will become dominant. It is important to note that, since institutional arrangements confer property rights and status, the competition over proto-institutions implies a competition over power and dominance within an organizational field. The opposite is also true. Having more power in an organizational field implies that an actor can impose or influence the adoption of a set of institutional arrangements that will privilege its interests.

Competition to define legitimate practices has received limited attention in the literature. Galvin (2002) described how medical professional associations competed with regulators and

advocacy organizations for influence in the medical field, implying increased ability to influence institutional arrangements. Galvin's study stopped short of examining the fine-grained dynamics of competition among those advocacy and professional organizations. Washington (2004) examined the competition between the National Collegiate Athletic Association (NCAA) and National Association of Intercollegiate Athletics (NAIA) in college athletics, finding that the NCAA extended its membership criteria to the very groups that the NAIA was better serving in order to fend off NAIA's competitive threat. In Reay and Hinings' (2005) study of the Alberta government's move to exclude physicians from health care decisions by forming regional health networks, physicians attacked the normative legitimacy of the health networks to the government's principal constituency (the public), and used the support mobilized to negotiate an influential role for themselves within the new system. Perhaps the most thorough empirical description of institutional competition is found in Garud, Jain and Kumaraswamy (2002) study of Sun's efforts to promote its Java open programming standards to a broad group of users. Competitors Microsoft and Hewlett Packard responded by introducing and/or supporting rival standards, counter-mobilizing users, and discrediting Sun.

While each of these studies sheds some light on how actors compete for the right to set field-structuring rules and standards, they do not delve into the processes by which standards emerge and are changed through the competition. In this chapter we seek to address how institutional actors create new institutional arrangements, and adapt them as they compete for dominance in disrupted environments. How do actors compete and collaborate in constructing their collective iron cage when the basis for choosing among proto-institutions is unknown? We address this research question via a longitudinal study of sustainable forest management standard development in the forest industry. In this context, actors (including forest companies,

environmental groups, governments, and others) promoted a variety of proto-institutions, including certification and labeling schemes, regulations and land use processes. We describe our methods, and then present our findings.

METHODS

To investigate proto-institutional competition we conducted a longitudinal study leveraging a detailed, multi-source data set situated within the British Columbia, Canada (BC) forestry context. Since the BC setting is also influenced by transnational conflict over standard setting (McNichol, 2006), we also attend to global influences. While our study focused on the 1992 to 2006 time period relevant to the study of the proto-institutions, our analysis was informed by a deep knowledge of the context from prior work dating back to 1985. The intensity and duration of the institutional disruption provided an ideal context for the study of the creation and competition of proto-institutions in disrupted contexts.

Data

The data for this research is based on an extensive qualitative database of interviews, organizational documents, news articles, press releases, and third party reports.   The semi-structured interviews averaged 90 minutes and include interviews with 52 forest company participants, 10 environmentalists, 3 government officials, 4 forest-dependent community members and 3 certification body officials.   The interviews were conducted between 1996 and 2007 with the majority completed in 1999-2000, in close proximity to the events under study (Miles and Huberman, 1984).

In addition, 147 press releases from companies and Environmental Non-Governmental Organizations (ENGOs), over 50 news articles pertaining specifically to the proto-institutions under study, and extensive news summaries detailing the BC forest industry from 1992 to 2006

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were gathered. Secondary reports were also consulted including annual federal government reports on Canadian forests, firm annual reports, NGO reports, and other academic studies conducted in the context.

Analysis

The first step in the data analysis was to create a narrative describing competing proto-institutions and their development over time (Langley, 1999). The narrative, which was constructed from the raw data and secondary sources, was supplemented by extensive comparison tables and a timeline describing the milestones in the development of the proto-institutions.   This narrative provided a strong foundation and served as an important reference and analytical tool throughout the duration of the project.

As a second step, we sought evidence of proto-institution construction and adaptation and the factors that influenced it.   We noted that proto-institution sponsors (the group that initially created the proto-institution) developed and adapted features for their proto-institutions, and promoted them to target groups. We noted additional patterns of interaction between competing proto-institution sponsors and among proto-institution sponsors and the broader set of actors in the organization field. We sought evidence of how the core features and target supporters of each proto-institution changed over time, and we looked for causal influences of those changes.

For the third step, we traversed the entire data set, coding passages to illuminate the behavior of the actors in the context as they promoted or supported specific proto-institutions. Guided by Lawrence and Suddaby's (2006) discussion of institutional creation, maintenance, and disruption work, but maintaining sensitivity to emerging themes in the data, we iterated between theory and data to identify behavioral themes and their interrelationships, and processes of proto-institutional competition. Since we noted that the proto-institutions were constantly evolving, we

chose to focus mainly on institutional creation work, though we noted that maintenance and disruption work occurred concurrently. When possible, multiple data sources were leveraged in order to triangulate and validate our interpretation of the data (Jick, 1979).   This process was repeated, moving from the behaviors of individual actors to the behavior of classes of actors, identifying similarities and differences. This method resulted in an analysis of how proto-institutions became co-created through the institutional work of multiple actors in the BC forestry context.

FINDINGS

To present our findings, we first provide an overview of the BC Coastal forest industry and the emergence of the competing proto-institutions. We then describe the institutional work undertaken by a variety of actors to construct and promote their favoured proto-institutions in the context of others' competitive and collaborative actions.

The BC Coastal Forest Industry: A Disrupted Context

Forests cover about 500,000 square kilometres of BC, and until recently, forestry was the primary industry, accounting for about half of BC exports, and nearly 300,000 jobs. Most (95-97%) forests were harvested using clear cutting, a broadly accepted method which removed all trees from a logging site. In BC during the 1980s and 1990s, a proliferation of environmental groups began demonstrating against both the BC government and forest companies, building on international concerns about the negative environmental impacts of deforestation in the Amazon basin.[2] Environmental groups claimed that clearcutting was rapacious, that the government and forest companies were in bed together and could not be trusted to safeguard the environment, and

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[2] Environmentalists later labeled BC the "Brazil of the North".

that the public had a right to be involved in forestry decision-making, since forests were a public, even planetary, resources. Forestry firms and the BC government initially considered the environmentalists to be an ill-informed fringe group and either ignored them or had them arrested. However, the conflict escalated and was internationalized over many years of protest campaigns culminating in the summer of 1993 with the arrest of over 700 protesters[3].

By the mid-1990s, leading ENGOs adopted a new strategy by targeting international customers of forest products to persuade and coerce them into changing their purchasing behaviour. These customers, "fed up [with] buying B.C. lumber that seems to come with a protester attached to every two-by- four..."[4], in turn put pressure on BC forest companies to practice sustainable forest management. Both forest companies and their customers were highly motivated to find a workable solution to this dilemma.

While the dominant harvesting practices were considered illegitimate by many outside the industry, and actors were motivated to change, a broadly acceptable system of sustainable forest management (SFM) did not exist. Worldwide, retailers and ENGOs were "clamoring for a transparent, credible and uniform system" of demonstrating legitimate forest management to fill the void (McNichol, 2006: 369). International certification schemes began to emerge in the 1990s, targeted at providing credible information to purchasers and guidance to forest companies. Yet there was little consensus on appropriate harvesting practices, and the certification schemes themselves became a focus for the conflict.

For an SFM system to be broadly accepted in the BC context, it had to meet the varied objectives of a number of stakeholders. For environmentalists it had to 1) delineate a set of SFM practices *(SFM practices)*, 2) ensure the protection of the most ecologically sensitive forests

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[3] *Vancouver Sun*, May 22, 1999, A13
[4] *Vancouver Sun*, May 5, 2000, A1

(protected areas), and 3) provide a permanent role for stakeholders in decision making processes associated with forest management *(open process)*. Collectively these can be referred to as satisfying *social legitimacy criteria*. To satisfy the forest industry and gain firm acceptance, a system of SFM had to 4) increase access to national and international markets through universal recognition and acceptance *(market access)* 5) impose the least costs in terms of compliance *(ease of implementation)* and 6) reduce uncertainty by maximizing industry's control over forest practice and harvest area decisions *(industry control)*. Collectively, these can be referred to as *firm acceptance criteria*. There are clear conflicts in these objectives, such as the industry's desire for control vs. the ENGOs' desire for an open process. Further, more stringent forest practices and greater protection of ecologically sensitive areas generally reduce the ease of implementation for forest companies. Despite these opposing objectives, all actors shared the higher order objective of finding a system of sustainable forest management that reduced the conflict around forest practices for all stakeholders (forest companies, ENGOs, governments and customers) and could be considered legitimate by all.

Emerging Proto-Institutions

The field was left with fragments of institutional detritus: a dominant logic of clear cutting among forest companies which was contested by others, incomplete and controversial systems of SFM, a shared history of conflict and distrust between environmentalists and forest companies, and the ENGOs' widely accepted rhetorical claims that the public had to protect forests from untrustworthy forest companies and governments. Into this disrupted environment, several different proto-institutions were introduced as candidates for systems of SFM. These were introduced in a relatively short period of time by four different types or groups of actors: activists, industry associations, the BC government, and elite organizational field members.

The *Forest Stewardship Council (FSC),* a largely environmentalist-driven organization which emerged from the Earth Summit in Rio de Janeiro in 1992, was the first to announce a certification standard, though the regional standards for BC were not finalized until 2002.[5] Forest industry associations around the world responded to the threat of FSC certification by initiating industry and government-based forest certifications, including the American Forest and Paper Association's *Sustainable Forestry Initiative (SFI)* certification and the Forest Products Association of Canada-initiated *CSA* SFM standard (controlled by the Canadian Standards Association)*,* introduced in 1994 and 1996 respectively. The BC government introduced the *Forest Practices Code (FPC)* in 1996 to ensure sustainable forest management and therefore respond to the ongoing conflict in the BC forest industry. Finally, elite actors in the field also proposed programs to ensure sustainable forest management. MacMillan Bloedel, the leading forest company, initially proposed a variable retention program and promoted it to other forest companies. Later this program was adapted into an *Eco-System Based Management (EBM)* program, and it was promoted by elite forest companies and elite ENGOs in the organizational field. Table 1 provides an overview and captures the important features, sponsors, key adopters and supporters, and perceived disadvantages of each proto-institution.

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Insert Table 1

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INSTITUTIONAL CO-CREATION IN COMPETITIVE CONTEXTS

We initially summarize our findings here, then present them in detail. In our analysis of the institutional creation work undertaken by actors in the BC coastal forestry context, we found

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[5] FSC standards involved 10 international principles plus a number of regional criteria that were to be negotiated through a multi-stakeholder process involving four chambers of environmental, social, economic and indigenous actors respectively.

a process of co-creation (shown in Figure 1), in which the sponsors of each proto-institution developed an experimental set of features designed to achieve specific objectives. They consulted and promoted the proto-institution with an elite set of potential supporters. These supporters usually suggested or negotiated features in the proto-institution in exchange for their support, in what we are calling a *collaborative co-creation process*. When sufficient support had been obtained, the sponsors and supporters of the proto-institution positioned and promoted their proto-institution to the entire institutional context, and simultaneously disrupted competing proto-institutions. To promote the proto-institutions, they employed logics that were shared by at least some members of the disrupted environment, and that fell into one of three categories: 1) they had been institutionalized within the industry prior to disruption by ENGOs, 2) they had become a shared part of the new institutional context through the disruption process, or 3) they were linked to discourses which had become institutionalized in the broader societal field. By using these logics, developing supportive networks and setting up coercive mechanisms, proto-institution sponsors were establishing the cognitive, normative and regulative foundations to maintain their proto-institutions. As other proto-institutions were also introduced, each of the competitors observed how members of the organizational field responded to them, tried to influence these responses by disrupting their competitors, and then adopted the features that were valued by the market in a process of *competitive convergence*.

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Insert Figure 1

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The process of institutional creation work we present in Figure 1 was not linear, but iterative: the initial development of a proto-institution usually included some elements of

collaborative co-creation and competitive convergence, and these processes continued regularly throughout the years of competition. Sponsors of proto-institutions regularly engaged in disruption of competitors, and promotion of their own proto-institutions. During initial development, they also established the maintenance mechanisms that would, over time, hold their proto-institutions in place. They enhanced the proto-institutions over time with feedback from the institutional environment.

Despite its iterative nature, we describe the model in a linear fashion for clarity. We first describe the initial development, promotion and disruption activities and then the collaborative co-creation and competitive convergence activities and finally the maintenance mechanisms.

Initial Development

To come up with an initial set of features for its proto-institution, each sponsor identified its own objectives and the objectives of other actors in the context that would be likely to support or oppose the proto-institution. For industry sponsored programs (CSA and SFI), the dominant objectives were of course to maximize the firm acceptance criteria of industry control, market access and ease of implementation. However, the programs also had to perform well enough on the forest practices, protected areas and open process dimensions to achieve the social legitimacy necessary to maintain market access. For ENGOs and the FSC program, on the other hand, the social legitimacy aspects were dominant, while the firm acceptance aspects were secondary. For the BC government's FPC, all stakeholders had to be satisfied in order to have a successful proto-institution. Because of the forest industry's importance to the BC economy, the industry acceptance criteria were slightly favored by the government. For the elite actors sponsoring the EBM proto-institution, social legitimacy and firm acceptance criteria had to be jointly maximized since both leading firms and leading ENGOs were involved.

The sponsors of each proto-institution initially consulted with their targeted stakeholders in order to understand what features would be acceptable. FSC had the most intensive consultation process, involving representatives from social, environmental, economic and indigenous peoples groups from the outset, yet it did not consult with the government, and economic representation was limited to marginal players in the industry. Similarly the BC government held consultations with forest companies and environmental interests before introducing the FPC. MacMillan Bloedel consulted with ENGOs, the public, the government, and academics, consultants and other industry representatives before it launched variable retention, and later used that research to help convince others to join the group of organizations sponsoring EBM. This group of elite ENGOs and forest companies further conducted joint research on social, ecological and economic factors, negotiated rules, and then proposed them to a multi-stakeholder group charged with approving any agreements. SFI's and CSA's consultation process focused inwardly on their own forest industry members and on government. Each also had to react to the competing FSC standard, however, necessitating the inclusion of the same components, albeit with greater process-, rather than outcome-based standards.

Figure 2 illustrates the competitive position of each of the proto-institutions based on its performance on the six objectives, and further details are available in the appendix. EBM and FSC maximized the social legitimacy criteria, while SFI/CSA maximized the industry acceptance criteria and performed much lower on the social legitimacy criteria. EBM performed slightly better than FSC on ease of implementation and industry control, but potentially poorer on market access due to its local scope; international customers' purchasing criteria were more likely to specify FSC than EBM. Implementation of FSC was challenging for industry members, due to extensive stakeholder involvement including lengthy approval processes and ongoing

changes. The BC government's FPC, trying to be all things to all people, was accepted by none.

It provided limited social legitimacy performance by protecting new parks, specifying some

more sustainable forest practices, and initiating ongoing stakeholder consultation processes, but

provided very limited market access benefits and yet still offered industry little control.

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Insert Figure 2 about here
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Promotion

　　　　Proto-institution sponsors and supporters expended considerable effort promoting their

proto-institution. We conceptualize these promotional activities as constructing and reinforcing

the cognitive, normative and regulative institutional pillars that form the structure of institutions

(Scott, 2001). In doing so, these actors not only added new institutional material but drew on the

institutional "detritus" remaining from the disruption of the institutions in the forestry field

(Schneiberg, 2006).

　　　　Cognitive. According to Scott (2001), the cognitive pillar is associated with

comprehensibility, taken-for-grantedness and a logic of orthodoxy. Actions associated with the

cognitive pillar are taken simply because they are considered right and natural. Since the BC

forestry field had been so thoroughly disrupted through years of conflict, there was only limited

orthodoxy with which to work. However, some of the sponsors linked their proto-institutions to

orthodox logics from other fields. For example, the FSC justified the involvement of multiple

stakeholders in the development of SFM standards by drawing upon a widely accepted logic that

the public should be involved in decisions regarding publicly owned land. While dominant in

other areas of public discourse, this notion represented a radical departure from the way forestry

had previously been accomplished. Furthermore, FSC borrowed the logic associated with

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indigenous peoples' land claims, which were surfacing as a significant political issue in the mid-1990s, to justify extensive involvement of environment-friendly indigenous peoples in land use decisions. Finally, FSC used a market logic to encourage or coerce forest company customers to support FSC (or face consumer boycotts), and to encourage or coerce forest companies to adopt FSC (or face diminished market access). Similarly, the BC government used the orthodoxy of government regulation in the service of protecting public goods when supporting the FPC. The Canadian Standards Association was selected as the organizing body for CSA certification because it was trusted to administer multiple standards across many other categories, suggesting its right to produce the CSA SFM standard would be taken for granted.

   Normative. The normative pillar refers to social obligations and moral standards that actors are obliged to follow (Scott, 2001). ENGO supporters set the normative context for FSC, attracting public support through advertising campaigns demonizing the destruction of BC forests. This logic was left over from the disruption of the forestry field. ENGOs promoted the FSC standard as the only certification system able to meet acceptable moral standards. In one advertisement in Time magazine, Pierce Brosnan, who played British secret agent James Bond, urged consumers to be "an action hero" and purchase only FSC certified wood[6]. The FSC used the resultant public support to appeal to the social and environmental responsibilities and obligations of a cross-section of firms including large retailers, publishers, construction firms, furniture makers and homebuilders to gain support for its certification. A spokeswoman for a large retailer stated: "we have a responsibility as the market leader" (with respect to sustainably harvested wood), and "we take that very seriously."[7] Another spokesperson for a different retailer admitted that while he did not know where the Great Bear Rainforest (a disputed area),

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[6] *Vancouver Sun,* January 15 pp. D1, D12
[7] *Seattle Times,* November 22, 1999.

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was on a map, "it's certainly a name that means a lot to a lot of people."[8] The BC government

and forest companies also used normative framing: they claimed that adopting the FPC and EBM

was "doing the right thing" to protect the environment. EBM attached itself to the BC

government's multi-stakeholder consultation process, so that the initial announcement of EBM

came from multiple stakeholders in agreement, suggesting moral appropriateness.

All sponsors constructed supportive networks for their proto-institution to build a

normative community. For example, one ENGO assisted two leading forest companies in

applying for and obtaining FSC certification for their forest operations[9,10]. MacMillan Bloedel

arranged meetings with other leading forest companies to discuss the conflict with ENGOs, gave

away its research into variable retention harvesting practices and supported competing firms in

improving their ability to employ variable retention. When that did not work, the firm was

instrumental in establishing the group that sponsored EBM, inviting other elite firms and ENGOs

to participate. The ENGOs in this group also met with other ENGOs to encourage them to

accept the EBM process. Similarly, the forest industry association sponsors of CSA and SFI

urged industry solidarity on forest certification using normative logics.

Regulative. Finally, the regulative pillar pertains to laws, rules and the resulting sanctions

that actors are subject to should they deviate. The logic is one of instrumentality (Scott, 2001).

Each of the proto-institutions sponsors reinforced the regulative pillar by using coercive forces to

gain support. For example, the government-backed FPC and EBM carried the weight of law

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[8] Michael McCullough. Building supplies giant won't buy wood from `Great Bear Rainforest', The Vancouver Sun, Aug 9, 2000. pg. A1.
[9] April 25, 2002 press release from WWF. http://www.wwf.ca/NewsAndFacts/NewsRoom/Default.asp - accessed July 19th, 2006.
[10] November 14, 2003 press release from WWF. http://www.wwf.ca/NewsAndFacts/NewsRoom/Default.asp - accessed July 19th, 2006.

while the American Forest & Paper Association and the Forest Products Association of Canada coerced its members to obtain certifications by establishing it is a membership criterion.

More generally, once firms join any voluntary certification program or standard, they submit to the coercive pressures inherent in the standard and its monitoring (Prakash and Potoski, 2006). Even in cases where firms are not initially coerced into adopting a particular proto-institution, once they became members, proto-institution sponsors are able to apply sanctions including publicly communicating member's violations and revoking membership. The FSC provided an example of this when it removed from membership a firm that was not performing to the standards the FSC and its supporters deemed appropriate[11].

FSC and its ENGO supporters quite aggressively used coercive forces, co-opting customers of forest products in order to apply market pressure to influence forest companies into adopting standards. For example, the FSC campaigned to get printing firms to adopt FSC certification, resulting in over 25 printers receiving FSC chain of custody certification between 2003 and 2005[12]. This put implicit pressure on providers of pulp and paper products to provide FSC certified supplies so that printers could provide FSC certified products. ENGOs demonstrated at large retailers such as Home Depot and Lowe's in order to influence the retailer's purchasing policies in favour of FSC certified wood[13].

Disrupting Alternatives

In addition to promoting their preferred proto-institutions, creators and supporters engaged in activities to discredit alternative proto-institutions. The most active actors in this endeavour were the ENGOs who actively targeted the "environmentally destructive forest

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[11] Forest giant's operations get ISO approval: Interfor receives certification after passing an independent audit by KPMG Quality Registrar. The Vancouver Sun. Vancouver, B.C.: Jan 22, 2000. pg. D.3
[12] Canadian printers lead the way in FSC, August 4, 2005, FSC Press Release
[13] *Vancouver Sun,* August 17, 1999, p. D4.

practices endorsed by industry-backed"[14] and "bogus" certifications including the CSA and SFI. They claimed the FPC was "soft" regulation and that the government was "in bed with the forest companies". Both the FPC and the CSA were said to be examples of "putting the fox in charge of the henhouse," and SFI was similarly criticized.

Actors also used legal means to challenge alternative proto-institutions. For example, in October 2004, the Sierra Legal Defence Fund, on behalf the Sierra Club of Canada and the National Aboriginal Forestry Association, initiated eleven appeals of forest certifications issued by the CSA, claiming the certified companies did not meet CSA's own standards.[15] While public critique came mostly from activist organizations rather than firms or governments, privately, forest companies expressed serious concerns about the requirements of FSC, the FPC, and EBM, referring to the "unfinishable agenda" of ENGOs.

Disruptions of alternative standards by the sponsors and supporters occurred throughout the process of creating proto-institutions. The supporters also engaged in promoting proto-institutions and disrupting alternative standards as they contributed to the collaborative co-creation of a particular proto-institution. The next section describes the co-creation process.

Co-Creation – Competition and Collaboration

Over time, the leading proto-institutions became more like each other, while the FPC failed as a standard of sustainable forest management.[16] Sponsors of proto-institutions revised and refined the proto-institutions for two reasons: first, to respond to competitive moves, and second, at the behest of existing or potential supporters, who offered their conditional support.

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[14] Environmentalists Release Report Warning "Buyers Beware" of Bogus Forest Certification Schemes, Greenpeace PR, 26 Mar 03
[15] http://www.sierraclub.ca/national/programs/biodiversity/forests/campaign.shtml?x=750, accessed May 1, 2007.
[16] Note: the FPC succeeded as an institution, since it was a set of regulations that forest companies in BC had to follow to ensure access to public forests, and 95% of the forests in BC are public. However, FPC had no legitimacy as a signifier of sustainable forest management.

The more dominant players in industry, environmental groups and government took strong leadership roles in the shaping of proto-institutions, leveraging their ability to influence others to gain concessions in the institutional arrangements.

Competitive Convergence

As actors promoted their proto-institutions, they adapted their strategy and product offering to match the emerging competitive environment. This involved blending elements of the accepted strategies of other proto-institutions, while balancing the stringency of requirements against their ease of implementation. For example, a CSA representative originally expressed the opinion that labeling programs result in a "hodgepodge of competing claims"[17]. However, as the FSC labeling system began to gain acceptance, the CSA shifted gears and in 2001 adopted its own forest products labeling program[18]. SFI and CSA each enhanced their stakeholder consultation processes and implemented some performance-based measures as a result of FSC's strengths in that area (Von Mirbach, 2004: 21).

The SFI responded to criticisms that it only served industry interests by constructing an independent board to manage the program[19]. FSC was similarly criticized for being too close to ENGOs; it countered with public relations messages distancing itself from them. Both SFI and CSA responded to FSC's transnational approach (featuring global principles for international recognition and local customization for stakeholder support) by gaining the support of the Programme for the Endorsement of Forest Certifications, a European certifier of certifiers.

This competitive convergence is not unique to the BC context. As McNichol (2006: 372) described, "Competing alternative programs that originally appeared to thwart the FSC's efforts

[17] 1996, State of Canada's Forest Industry.
[18] 2001.07.20 CSA Press Release, http://www.csagroup.org/news/releases/default.asp - Accessed July 19th, 2006
[19] http://www.sfiprogram.org/aboutsfi.cfm - Accessed May 5th, 2007

have slowly morphed, seemingly paradoxically, to embrace and embody (at least on paper) many of the same rules and norms within their operations".

Collaborative Co-Creation

Proto-institution sponsors also responded to the demands of supporters both in the initial design of proto-institutions, and in subsequent adaptations. As the proto-institution was implemented, supporters were able to judge its effectiveness with respect to their criteria and put pressure on sponsors to make changes. For example, when the BC government's stance shifted to become more industry-friendly, the government adapted the FPC to the needs of industry by simplifying its implementation, changing it from a process and results-focused standard, to a results-only standard to be self-monitored by the industry[20]. The development of the EBM and FSC standards represented similar collaborative efforts among multiple stakeholder groups.

When FSC was faced with customer complaints that FSC-certified products were not available in sufficient quantities to achieve the targets ENGOs demanded of customers, FSC responded with a number of changes. First, they allowed small woodlot owners to band together to save time and resources in achieving FSC certification. Next, they also relaxed the percentage of FSC certified wood required for labeling in a manufactured product. Finally, FSC partnered with two forest companies (Tembec and Domtar) to encourage additional supply. In short, many actors had to negotiate features with supporters both in the early phases of proto-institution development, and later on to adapt the proto-institution. Supporters thus helped to co-create the proto-institutions by negotiating features in exchange for their support.

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[20] BC Government Forest Practices Home Page - http://www.for.gov.bc.ca/tasb/legsregs/fpc/ - Accessed May 5th, 2007.

Establishing Maintenance Mechanisms

The final form of institutional co-creation work we found focused on constructing institutional maintenance mechanisms to facilitate the persistence of proto institutions. Starting at initial creation, each of the proto-institutions studied included planned or actual mechanisms for their own maintenance both to ensure the proto-institution "stuck" among early adopters, and to stabilize the proto-institution once it became more widely adopted. The mechanisms worked by reinforcing the regulative, cognitive, and normative pillars of the proto-institution.

Sponsors and supporters created these maintenance mechanisms in a variety of ways. First they changed or established incentive structures and coercive mechanisms that reinforced desired behaviors. They constructed normative networks and reinforced solidarity among existing ones to establish a community of shared meanings which would reproduce the institution. Finally, sponsors and supporters continued to link proto-institutions to existing logics in the field through ongoing promotion and maintenance efforts.

Specifically, the industry associations modified their membership rules to require members to obtain their preferred certifications.[21] This coercive pressure had the added effect of creating a normative network that built and enhanced solidarity among industry members, particularly with respect to SFI. The solidarity not only acted as a normative foundation for compliance, but was likely responsible for the FSC's inability to generate sufficient timber supply in North America, which lead to a relaxation of FSC standards (Gale 2004). Auditing and monitoring functions also served as common regulative maintenance mechanisms. The BC government's Ministry of Forests actively monitored companies' compliance with the FPC. Each of the standards mandated that its requirements be embedded in a forest company's

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[21] Members of the American Forest Products Association were required to obtain SFI certification. Members of the Forest Products Association of Canada were required to obtain at least one of CSA, SFI or FSC certification.

standard operating procedures, and certification bodies required ongoing re-certifications. The FPC, EBM and FSC also relied on deterrence to maintain proto-institutional compliance by emphasizing that ongoing conflict could only be avoided if companies followed the rules.

DISCUSSION

We have described the institutional creation work associated with "building the iron cage" in disrupted and competitive contexts by examining the efforts of actors who developed and supported competing proto-institutions. We have described five categories of activities including initial development, promotion, disrupting alternatives, co-creation and establishing maintenance mechanisms. These activities are found to operate in no fixed order and in a highly iterative manner. Institutional work does not proceed in a linear fashion from disruption to creation to maintenance, but instead involves all three of these activities at the same time and during substantially overlapping time periods.

We find that institutional creation work involves two co-creation mechanisms which each operate to ensure proto-institutions embed the interests of multiple actors in the institutional context. The first mechanism is *collaborative co-creation* where adjustments are made to proto-institutions in response to the demands of potential supporters. The second mechanism is *competitive convergence,* where proto-institutions are adjusted in response to feedback from potential adopters of the proto-institution on both creators' own proto-institutions as well as on competing proto-institutions. Actors create experimental proposals for adoption and discuss and promote them with potential supporters. They adapt them to accommodate supporters' needs, promote them more broadly and simultaneously work to disrupt competing institutions. The proto-institutions are refined by competitive convergence, where successful features of other proto-institutions are imitated, and by collaborative co-creation, where through extensive

discussion and collective decision making among multiple supporters of a proto-institution, a common meaning system emerges, facilitating proto-institution adoption. Finally, proto-institution sponsors create mechanisms to maintain their proto-institutions, both while they are in the development stage and going forward. We have thus addressed our research question concerning how institutional actors create new institutional arrangements, forming a new iron cage, and how they adapt these arrangements as they compete for dominance in disrupted environments. We have shown that the iron cage is the work of many craftspeople that knowingly, and unknowingly, competitively and collaboratively, work together towards the development of a dominant logic and taken for granted practices.

Institutional Creation Work in the Context of Competition

Prior studies frequently describe institution creation work in the absence of competition, highlighting institutional entrepreneurs with singular visions and relatively unconstrained agency pursuing specific projects. While it has been understood that these institutional entrepreneurs must build support for their institutional change projects, prior work has not emphasized the tradeoffs inherent in such promotion work.[22] Support comes with a price, and usually involves an adaptation of the proto-institution to embed something that will privilege or protect the interests of supporters. Even non-supporters' interests constrain an institutional entrepreneur's actions if those interests have attracted sufficient attention.

Interests among groups often conflict; proto-institution creators are thus unable to satisfy the demands of all people. Since actors have several competing proto-institutions which they can adopt, they are able to leverage their influence to demand revisions and thereby co-create institutions with proto-institution sponsors. The set of features in any proto-institution that is

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[22] Though such tradeoffs seem similar in nature to Selznick's (1949) notion of co-optation.

sufficiently diffused is likely to reflect the relative power positions of each actor in the institutional context. In our study, ENGOs were able to generate sufficient support to require inclusion of features like stakeholder consultation and forest practices in every proposed proto-institution. The ENGOs' influence significantly changed the nature of mainstream decision-making in forestry. Yet they had not, as of the time of writing, been able to completely dictate the nature of new proto-institutions because forest companies continued to maintain a strong power position in the BC coastal forestry context.

More generally, regardless of which proto-institution wins the contest for dominance (if any do), institutional creation is not likely to be a winner-take-all game. The mechanisms of collaborative co-creation and competitive convergence ensure that the interests of various actors will be embedded in the winning proto-institution to the extent that those actors are able to command support and resources for their institutional projects.

Thus, instead of the institutional design work featured in the institutional entrepreneurship literature, we see a much greater emphasis on collective action (Hargrave & Van de Ven, 2006: 882), involving "political action among distributed, partisan, and embedded actors" which we see as playing out through collaborative co-creation and competitive convergence mechanisms. Each actor (with influence), striving for their own interests, will add their own design features to the iron cage. Through the mechanisms of co-creation and convergence, the final institutional arrangements are likely to embed the interests of all the key players, at a particular point in time, into a tightly woven structure. The complexity of the iron cage structure (due to the multiple embedded interests) makes the cage durable and constraining in the face of efforts to change it; each component of the cage supports the interests of some relatively influential members of the organizational field. While the empirical research

demonstrates that institutional change is possible and the iron cage is not impervious to attack and destruction, this process of co-creation illustrates some of the reasons behind the constraining force of the iron cage.

While we believe that collaborative co-creation and competitive convergence are both likely to occur and operate together in disrupted environments, based on the analysis of our empirical context, we speculate that they may lead to different outcomes. In processes of collaborative co-creation, actors with different agendas and meaning systems work together to construct the institutional arrangements, and in doing so, they develop the *common* meaning systems that characterize stable organizational fields (Scott, 2001). Collaboratively created proto-institutions are much more likely to diffuse to the actors that have developed the shared meaning systems to support them. Co-creators can then adjust the way they frame the solutions to align with the meaning systems that dominate within their own networks, to diffuse the innovations further, assisted by the social capital they have within their own networks. The iron cage becomes stronger, and the institution diffuses among a larger group of actors.

On the contrary, we believe that where competitive creation dominates over co-creation, it is much more likely that the field will segment into niches, each supporting a particular set of arrangements. Through competitive convergence, the same features may exist across different proto-institutions, but they may have different interpretations within niches, and niche participants may disagree violently with the interpretations of other niches. Furthermore, the logics of competition and conflict themselves will limit the willingness of actors to adopt other proto-institutions across niches, even when they have similar features. For example, while FSC and EBM similarly protect forest practices and ecologically sensitive areas and are equally onerous to implement, the inclusive development process of EBM made it much more acceptable

to the forest companies than FSC, and not less acceptable to the ENGOs. Forest companies have been constrained by their previously institutionalized beliefs about environmentalists (and vice versa), and thus had trouble understanding ENGO demands even while they understood they needed to respond to them. Forest companies believed that ENGOs had an "unfinishable agenda" that would permanently create uncertainty for them, and so any solution developed predominantly by ENGOs was distrusted. Accepting FSC would be "giving in" to environmentalists' demands. Similarly, the ENGOs' belief that you couldn't leave the "fox in charge of the henhouse" prevented them from accepting CSA or SFI, even as these systems became more convergent with more stringent proto-institutions.

These competitive logics are examples of detritus left over from the prior periods of institutional stability and disruptive conflict (Schneiberg, 2006). While Schneiberg (2006) spoke of the leftover institutional material from paths not taken, this paper also identified the leftover institutional material from paths taken, then disrupted.

These bits of detritus, like the institutions once associated with them, can be both enabling and constraining. As a number of authors have suggested, the institutional material can be enabling because it can be overlain onto new innovations, facilitating their acceptance (e.g., Aldrich & Fiol, 1994; Hargadon & Douglas, 2001; Rao, Monin & Durand, 2003). Further, the detritus can be used by institutional entrepreneurs as a starting point around which they can build support (Schneiberg, 2006; Marquis and Lounsbury, 2007). Conversely, the detritus can be constraining because even in disrupted contexts, certain institutional materials will still have significant influence among some groups, and institutional entrepreneurs must find a way to navigate through the leftover logics, practices and relationships that continue to exist in the

institutional context, since these contradictory logics are resources which can be used to contest the legitimacy of innovations (Suddaby & Greenwood, 2005).

Implications for Theories of Institutional Change

Our findings have implications for theories of institutional change. We address the criticism of the many stories that exist in the literature of heroic institutional entrepreneurs, who, either as individuals (e.g., Hargadon & Douglas, 2001; Maguire, Hardy & Lawrence, 2004), or as organizations (e.g., Garud, et al., 2002; Greenwood, Suddaby & Hinings, 2002; Hensmans, 2003), bring about institutional change through sheer force of will and who are somehow undersocialized and unconstrained by institutional arrangements. Instead, we share with other authors an image of interest-driven actions by actors in an institutional context who are not undersocialized, but who may be both constrained by some logics and enabled by others because of the existence of competing logics and a diversity of institutional materials (Schneiberg, 2006; Greenwood & Suddaby, 2006).

Yet, we also identify that there are multiple actors that are navigating the diverse institutional debris, and several of them may be acting independently and concurrently as institutional entrepreneurs. These actors craft strategies to effect institutional change; however they pursue their projects while other actors are simultaneously pursuing different projects. Through the mechanisms of collaborative co-creation and competitive convergence, the proto-institutions they develop are significantly modified by each other's presence, and as a result, much more reflective of the interests of multiple actors in the field. Proposed changes are experimented with and the demand for various features is assessed in a market for acceptance of the institutional arrangement. In short, institutional change is emergent, resulting from the

interests of multiple actors embedded in the new institutional arrangements, reinforcing the arrangement's durability to future changes.

This study also deals with the divergence between some examples of institutional change that suggest that institutional entrepreneurs must overlay new institutional arrangements with existing features (e.g., Aldrich & Fiol, 1994; Hargadon & Douglas, 2001), and others that describe actors who reject and vilify existing institutional logics (e.g., Hensmans, 2003). Extending the work of Schneiberg (2006), we show that in disrupted organizational fields both examples are valid. The detritus from past institutions *and* the institutional material from the conflict itself exist in the context, along with societal logics to which field members are exposed. Actors draw widely from the institutional material littering the path, either applying it or vilifying it, recognizing that elements will resonate with some groups more than with others. Through co-creation processes, actors may find a way to integrate competing and diverse logics. Through competitive convergence processes, actors may find a way to build enough elements into a proto-institution that appeal to those with competing logics that the proto-institution becomes accepted. Yet diffusion may be prevented if actors are unable to shed their past identities as enemies. We thus find that even in very disrupted institutional environments, the detritus of past arrangements and battles constrains the acceptance of institutional change projects, but also enables them due to a richer set of material available to institutional entrepreneurs.

CONCLUSIONS

We have focused attention on the competition among proto-institutions in disrupted and competitive field contexts, identifying the institutional work undertaken by actors to create, promote and refine their proto-institutions and respond to competitive moves. This research fills

a gap in the study of institutional emergence by focusing on the study of institutions in the making, arising within heavily disrupted organizational fields. Proto-institutions in competitive contexts are adapted and refined until they begin to converge on acceptable institutional arrangements. This process of collaborative refinement and competitive convergence explains how the interests of influential actors both inside and outside the organizational field become embedded in institutional arrangements. The process of competition or collaboration surfaces their demands, and the support those demands are able to attract determines whether or not they become embedded in convergent solutions. We also observed that institutional creation, disruption and maintenance occur simultaneously during institutional competitions, and that some new institutional creation is driven by a desire to preserve the power positions of incumbents in organizational fields.

We expect that this co-creation process by multiple actors of different types is much more common than the current literature suggests. Furthermore, it may be rising in importance over time, as more actors, and more non-traditional actors, involve themselves in new arenas, especially through the rise of social and environmental sustainability issues. We submit that the co-creation of institutional arrangements represents a promising area for future study.

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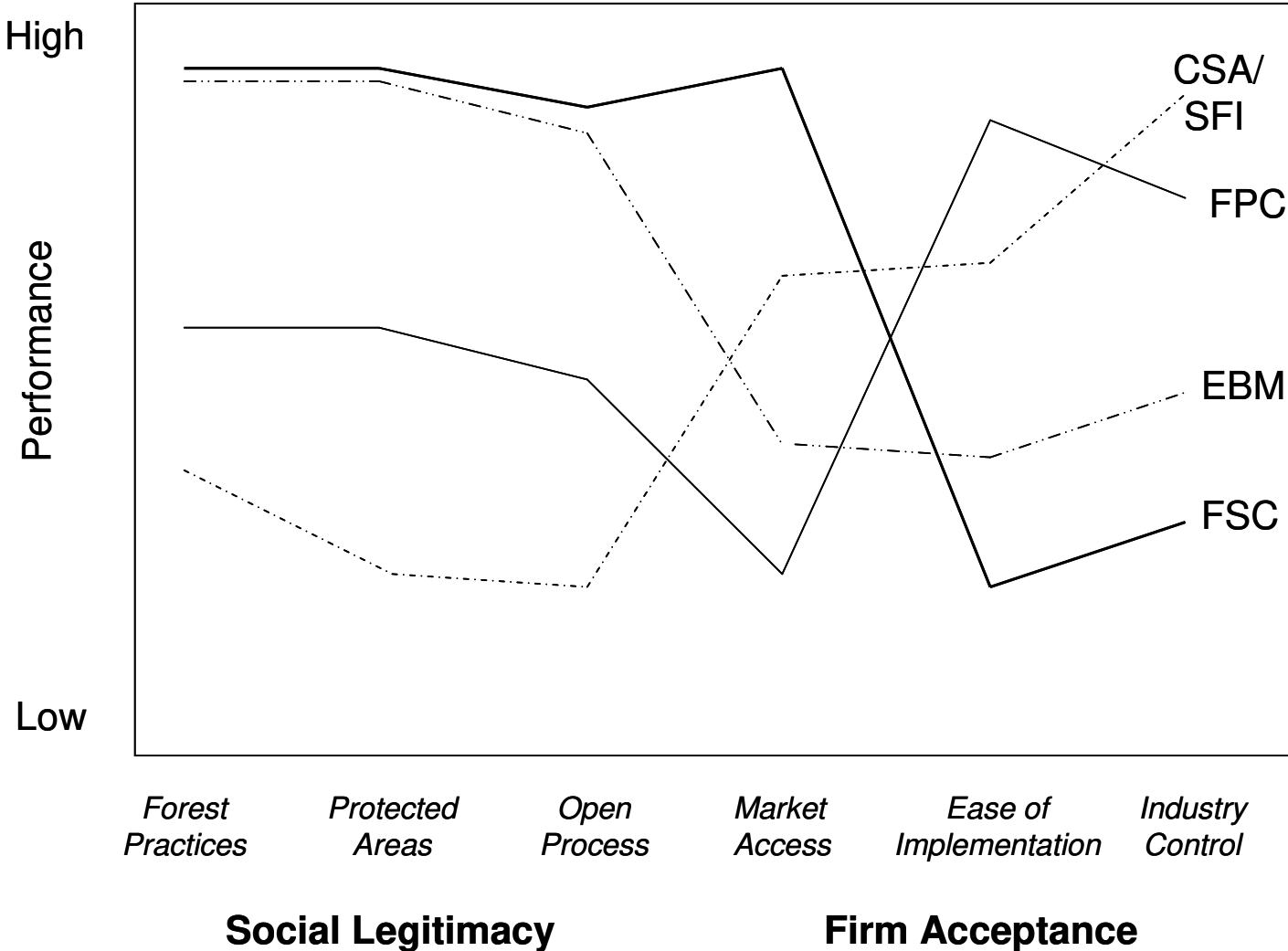
Table 1:
Overview of Proto-Institutions

	FSC	Industry Certification (SFI and CSA)	FPC	EBM
Full Name	Forest Stewardship Council	Sustainable Forest Initiative and Canadian Standards Association	Forest Practices Code	Eco-System Based Management
Year of Founding	1993; 1996 in BC; BC standards ratified in 2002.	1994, 1996	1996	2003
Features	Chain of custody; labeling; practices & processes; (minimum threshold, outcome- & process based).	Chain of custody; labeling; practices & processes; (minimum threshold, outcome-based).	Regulations of harvesting, land-use decision making, stakeholder engagement.	Practices/processes – harvesting, land-use decision making, stakeholder engagement.
Sponsors	ENGOs and NGOs; Forest company customers; Traders.	Industry-prompted	BC Government.	Elite forest companies and ENGOs.
Key Supporters/ Adopters	Leading ENGOs; social groups; indigenous peoples; customers of forest companies; peripheral forest companies.	Most forest companies and forest industry associations; peripheral NGOs.	All BC forest companies (compliance regulated).	Leading forest companies and ENGOs; Ratified by a multi-stakeholder process and the BC government.
Perceived Disadvantages	Seen to be associated with ENGOs. Hard to implement.	Industry driven.	Considered largely irrelevant to conflict.	Not internationally recognized. Hard to implement.

Figure 1:
Model of Institutional Co-Creation Work in a Competitive Context
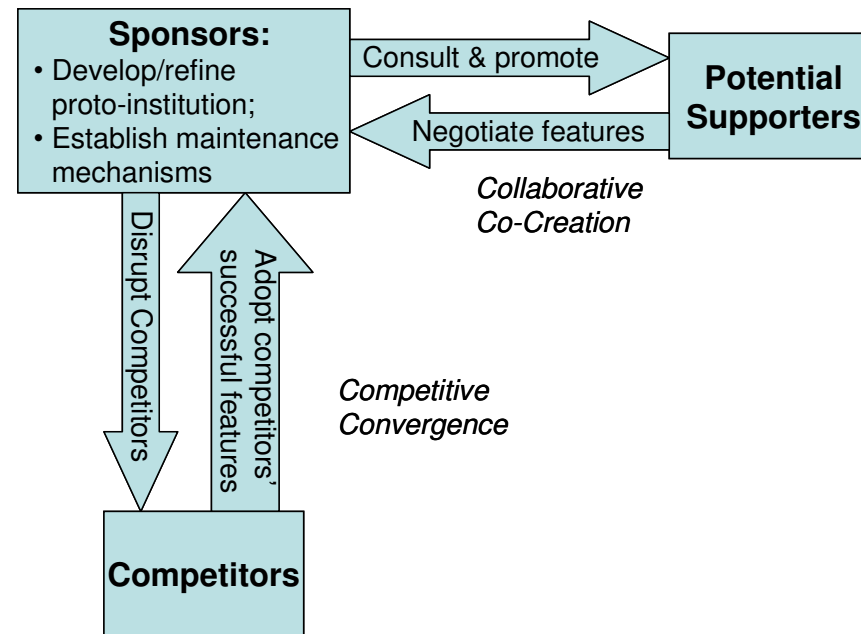
Figure 2:
Proto-Institutions' Performance on the Six Objectives

Appendix 1:
Detailed Assessment of Each Proto-Institution

	FSC	FPC	SFI	CSA	EBM
Principal Target Supporters	ENGOs; customers of forest companies; Consumers.	Forest companies; ENGOs; the public.	Forest companies; customers of forest companies.	Forest companies; customers of forest companies.	Forest companies; ENGOs; Government; customers of forest companies; other stakeholders.
Geographic Focus	**Transnational**	**BC**	**US**	**Canada**	**Coastal BC**
Value Proposition	*Consensus-based to protect environmental, social and economic values; Locally customized; Specialized markets for wood; Stops pressure.*	*Strengthened government regulations to protect the environment and answer critics.*	*US forest company rallying point to define certification on industry terms, to answer some critics and present an alternative to FSC.*	*Industry-friendly certification to answer some critics and present an alternative to FSC.*	Forest Cos: *stops pressure;* ENGOs: *protects eco-systems; provides an open decision process;* Gov't: *stops pressure, resolves stakeholder conflict;* Other stakeholders: *protects interests.*
Social Legitimacy (Forest practices, protected areas and process)	**High:** Universally recognized by ENGOs as strong acceptable standard.	**Low:** Considered baseline by ENGOs.	**Low:** Viewed as insufficient by ENGOs.	**Low:** Viewed as insufficient by ENGOs.	**High:** Strong broad local support suggests effective at reducing disruptions.
Market Access Benefits	**High:** Internationally recognized – satisfies most stringent purchasing policies.	**Low:** Not part of customer purchasing policies	**Moderate:** Approved by Programme for Endorsement of Forest Certifications	**Moderate:** Approved by Programme for Endorsement of Forest Certifications	**Low to Moderate:** A British Columbia-specific arrangement.
Ease of Implementation	**Difficult:** Significantly different forest practices required and subject to ongoing stakeholder input.	**Moderately difficult:** at first, easier with structures in place.	**Relatively simple**	**Relatively simple**	**Difficult:** Significantly different forest practices required and subject to ongoing stakeholder input.
Industry Control	**Low:** The stakeholder consultation process is ongoing and firms are subject to revisions. Industry interests are weakly represented.	**High**: Reproduces prior industry/ government control of process.	**High:** The industry initially set these standards and continued to wield significant influence.	**Moderate to High:** This standard has more.	**Moderate:** Ongoing stakeholder input.