



## Conflict and security, how they are changing, how they are linked to forests and people / forests and conflict in Cambodia

A paper by

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This presentation focuses on relationships between forests and conflicts and the way these can change over time. It examines the case of Cambodia, where one type of conflict timber scenario has quickly given way to another. It concludes by highlighting some of the main lessons from the Cambodia example that may have a bearing on post-conflict forest management in other countries where timber exploitation has formed part of the war economy.<sup>1</sup>

## **Forests and conflict**

In a range of recent conflicts, warring parties have exploited timber resources to fund their military campaigns or those of their proxies. In Liberia, former president Charles Taylor harnessed the country's timber industry to finance wars both within Liberia and in neighbouring states such as Cote d'Ivoire, Guinea and Sierra Leone.

At the same time, the conflict in Democratic Republic of Congo, which caused the deaths of around three million people, evolved into the biggest resource war in modern history. While the various belligerents primarily concentrated on looting the country's mineral wealth, Congo's rich timber reserves also became a conflict commodity. Indeed, securing the rights to 33 million hectares in logging concessions was one of the incentives for Zimbabwe's entry into the war in the late 1990s for example.

In Burma, timber resources became an important element in long-running armed conflicts between the Burmese junta and minority insurgent groups. Valuable forest areas formed an important bargaining chip in the eventual negotiation of certain ceasefire deals.

At the same time, the number and intensity of local-level conflicts over timber resources in countries unaffected by war is on the rise. These frequently pit forest-dependent communities against companies and public sector institutions such as the forestry service or the armed forces. They are often characterised by competing legal claims and sometimes competing legal frameworks – national legislation versus indigenous land tenure systems, for example. They are further fuelled by corruption and the efforts of state agencies such as the military to levy off-budget funds by contracting themselves out to companies or running their own logging operations.

In Indonesia, for example, it is estimated that conflicts over forest resources lead to death, injury and damage to property on an almost daily basis (Thomson and Kanaan 2003). Many of these arise from powerful companies' clearance of huge areas of forest for pulp production and plantations, and the threat this poses to the livelihoods of local populations (Thomson and Kanaan 2003). Other examples of countries currently experiencing conflicts over forest resources include Brazil and Vietnam.

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<sup>1</sup> This paper broadly follows the definitions of 'conflict timber' types used in Thomson and Kanaan 2003.

Both types of scenario – use of timber to fund wars and direct local-level conflicts over forests have attracted the term ‘conflict timber’. In the limited literature on the issue, the two types of conflict are generally treated as being distinct from one another. In the case of Cambodia, however, a situation in which forests financed military campaigns has rapidly shifted to one characterized by conflicts over forests between local inhabitants on the one hand and companies and state agencies on the other.

## **Conflict timber in Cambodia**

If Liberia exemplifies the conflict timber phenomenon in the African context, Cambodia is the standout case in Asia. After being driven from power in 1979, Pol Pot’s Khmer Rouge regrouped along the Thai border and commenced an insurgency that would last for almost two decades. In the early 1990s, as the end of the Cold War eroded much of its external support, the Khmer Rouge began funding its war effort through exploitation of natural resources, particularly timber. By 1995, overland exports of timber to Thailand were netting the Khmer Rouge leadership between US\$ 10-20 million per month. Campaigning by Global Witness prompted the closure of the Thai border to further exports in May 1995, severely squeezing the Khmer Rouge fundraising capacity.

Timber deals continued to fund armed conflict, however. Even as the Khmer Rouge began to disintegrate, the CPP and Funcinpec parties that made up Cambodia’s fractious coalition government were playing out their own struggle in Phnom Penh. Both emulated the Khmer Rouge example and encouraged their armies to embark on a wholesale assault on the country’s forests. The profits from this logging fed into party war-chests rather than the national treasury and timber revenues duly helped fund the CPP’s coup d’etat in July 1997. These activities established the practice of treating forests as a source of off-budget funding for party finances which persists to this day.

The Khmer Rouge collapsed in 1998 and the fighting between CPP and Funcinpec forces ended the same year. The peace which has followed has not broken the link between timber and conflict however. Instead large portions of Cambodia’s forest have become a new battleground, as forest-dependent communities are confronted with the predations of powerful companies and corrupt officials. Conflicts, often involving violence, are now reported almost every week and are increasing both in number and severity. This, in a country where such incidents were largely unheard of a decade ago.

## **From forest-fuelled conflict to conflict over forests**

The overriding factor in Cambodia's exchange of one set of timber-related conflicts for another is the failure to alter the underlying approach to forest exploitation forged during the civil war. The last chapter of the war and the simultaneous confrontation between the CPP and Funcinpec firmly established timber as the conflict commodity of choice in Cambodia. While the fighting ended, this perception of the forests did not. Forests remain the country's most valuable natural resource and the one most easily translated into cash. The Cambodian leadership has continued to regard logging as a prime means of maintaining the off-budget revenue flows on which its power depends.

Another legacy of Cambodia's recent history – chronic institutional weakness – has facilitated the continuation of this unstated approach to forest management. The Pol Pot regime's comprehensive destruction of all manner of Cambodian institutions was followed by a decade of limited restoration efforts by a government severely weakened by the continued conflict. As Cambodia finally emerged from 30 years of war, there were no dormant forest governance systems to reactivate. The reconstruction had to begin almost from scratch. This institutional vacuum allowed politicians to continue treating forests as they had during the conflict – a source of funds for personal and political use, rather than a resource to be managed in the interests of the population as a whole.

As the civil war wound down, Cambodia's leaders offered de facto control of forests as a reward for defecting Khmer Rouge factions, as well as powerful military commanders on the government side. Over time, improved security allowed mostly foreign-owned logging concessionaires to play a more dominant role in timber exploitation. However, these concession operations were well embedded within the parameters of the political patronage system – the concessionaires were required to pay substantial kickbacks to officials and the actual harvesting was generally overseen by military commanders and timber barons with blood or business ties to the political elite. Following the existing pattern, the concessionaires' operations were characterized by large-scale illegal logging of a highly destructive nature and the diversion of revenue away from the treasury.

Pressure by NGOs and international donors prompted the government to impose a moratorium on logging concession operations in January 2002. The logging ban has reduced the rate of forest destruction and has also created space for a wider debate on forest management options in Cambodia. While a significant step forward, it has not eliminated logging as a source of off-budget income for the ruling elite, who have managed to maintain the revenue flows in three ways in particular. Most conspicuous of these is the allocation of economic land concessions for plantation development on areas of commercially valuable forest. The rights to clear cut the forest and extract the timber are then awarded to the same timber mafia figures who previously worked as subcontractors for the logging companies and who are linked into the political patronage system.

Secondly, illegal logging continues under the control of military units, who pass the profits generated up the chain of command. Such operations are particularly well entrenched in certain protected areas. Recent Global Witness investigations revealed how one wildlife sanctuary is the centre of a military-controlled timber industry that encompasses at least fifty different sawmills.

Third and most pervasive, is the system of institutionalised extortion managed by members of the Forest Administration, police and (once again), the armed forces. These officials facilitate illegal logging operations against payment of bribes which they usually levy through a network of checkpoints. In some areas payments are also extracted via a full-scale shadow taxation regime, in which officials register and monitor illegal loggers as the basis for a more organised system of extortion. Those that actually collect the money, whether foresters, soldiers or police, are required to pass almost all of it up the chain of command. Indeed, the defining characteristic of corruption in Cambodia's forest sector is that it is structured, centrally driven and geared towards lining the pockets of senior officials and commanders.

## **The post-conflict forest sector reform process**

This predatory approach to forest management has proved largely resistant to externally-driven attempts at reform. The international donor community has, over several years, made efforts to promote better management of Cambodia's forests. These have yielded some tangible outcomes and with the logging ban still in place, the scope for effecting a fundamental shift in approach does remain.

The donor-driven reform process has produced a few important measures to strengthen governance; notably the introduction of a new forestry law and a system of independent monitoring. For the most part, however, it has taken an essentially technical approach, manifest in efforts to build the capacity of the logging companies for example. This is predicated on the misplaced assumption that the incumbent logging syndicates have a legitimate claim to the forests and the will and capacity for change. The reform agenda's underlying limitation has been its failure to challenge the orientation of forest management towards the interests of the political elite, rather than ordinary Cambodians.

## **Implications for forest dependent-communities**

The outcome on the ground has been increasing conflict between members of the elite intent on continued exploitation of the forests as a source of off-budget revenue and local inhabitants who depend on forests for their livelihoods. Some of the principal conflict flashpoints are as follows:

### Competition for resin-producing trees

Around 100,000 Cambodians earn part of their income by collecting oleo-resin from various species of *dipterocarp* tree (Tola and McKenney 2003). However, these same *dipterocarp* trees are also the primary input for plywood and veneer factories in Cambodia. Cutting of resin-producing trees is illegal; however, the law is disregarded by the politically powerful timber mafia, who fell the trees with impunity, thus impoverishing local communities. A recent large-scale conflict over resin trees has pitted villagers against a logging syndicate comprising relatives of the prime minister, the minister for agriculture and the director the Forest Administration.

### Leveling of large areas of forest for plantation development

As already noted, plantation development is now a favoured pretext for continued logging. This frequently involves the clear-cutting of forests that are an important source of food security for local people.

At present there is a violent conflict in western Cambodia between a community forest association and a company that is clearing the forest to make way for an acacia tree plantation. The company has obtained rights to an area of land over 30 times the legal limit allowed for such economic land concessions. Its owners are two Cambodian tycoons with very close links to the governing party, along with a Chinese firm. When local people protested the company's activities in November, they were attacked with hand grenades and several were injured.

### Corruption

Extortion by corrupt officials has a disproportionately severe impact on the rural population. Villagers harvesting small amounts of timber, collecting fuel wood and non-timber forest products are forced to pay bribes at the countless checkpoints in forest areas run by foresters, soldiers, police and other officials. This has led to violent clashes on a number of occasions. Human rights organisations are currently investigating the disappearance of a man abducted by military police following a dispute at one such checkpoint in January.

Competition over forest resources quickly escalates into violence because companies and officials representing elite interests know they will not be held accountable to the law. They can use force to overcome objections to their activities in full confidence that their victims will not find redress through the authorities or the judiciary. Conflicts over forests therefore tend to be extremely one-sided, to the extent that using the term 'conflict', with its implication of mutual antagonism, is rather misleading. It is relatively rare, so far at least, to find groups of victims using violence in response, although there are signs that this may be set to change.

From the perspective of the country as a whole, the culture of state-sanctioned criminality does little for Cambodia's long-term prospects in terms of social stability and the creation of a functioning democracy. The looting of forests and other state assets by members of the political elite is seriously undermining

efforts to reduce poverty while perpetuating a system of governance based on impunity and lack of transparency.

## **Conclusions – What are the main lessons of the Cambodia case?**

The use of forests as a political commodity by ruling elites is hardly unique to Cambodia, or even to post conflict countries for that matter. Nevertheless, Cambodia's rapid transition from a war funded by timber deals to a pattern of local conflicts over forest resources remains striking. Lessons of the Cambodia experience that may be applicable to other forested countries emerging from conflict include the following:

- In situations in which timber has been treated as a conflict commodity, there is a particular risk that forests will continue to be used to bankroll political power-plays, rather than national development.
- This is all the more likely if the same groups that exploited timber as a conflict commodity dominate the post-conflict administration.
- Armed conflict, particularly civil war, frequently erodes or destroys institutional mechanisms for ensuring good governance of natural resources. In the post conflict environment there are often few checks on the kind of rapacious mismanagement that sets up local level conflicts.
- It is critical that the international community recognise these risks. In Cambodia, they were not given sufficient consideration and donors opted for an essentially technical approach to reforming the forest sector.
- Far from catalysing a fundamental shift in the culture of forest management, this approach helped legitimise a defective management regime.
- It also diverted attention from the necessary development of measures to combat corruption and a system of forest management that addressed the needs of the rural population.
- It is only since a ban on logging that a broader debate on forest management options has begun to develop.

The international community continues to play a pivotal role in reconstruction efforts in many post-conflict countries, as it has in Cambodia. It is worth noting that these now include others where forest exploitation previously fuelled conflict, notably Liberia and Democratic Republic of Congo.

In war-ravaged countries the overriding impulse of multilateral and bilateral donors is often to do whatever necessary to kick start the economy, not least through export-oriented exploitation of natural resources. The case of Cambodia should sound a cautionary note here. There can be no catch-all prescription for post conflict forest management. However, approaches focused on fostering the right governance structures, revenue transparency and public participation rather than accelerated harvesting stand a much higher chance of

success; not only in delivering poverty reduction, but also in making forests a source of stability rather than the centre of a new set of conflicts.

## References

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