Corruption and Environmental Harm

Presented by
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Does Corruption Harm the Environment?
The CPI & deforestation rates show a rough correlation

An unpublished study by Nalin Kishor, World Bank, comparing 17 countries, yields the following graph:
Deforestation vs. Control of Corruption

Annual Deforestation
Other factors are clearly involved

- Poverty
- Weak governance
- Rate of road construction
- Etc.
Corruption may not be the driver...
But Corruption is often the enabler …

- Corruption goes arm-in-arm with illegal resource use
- Corruption undermines the rule of law
QuickTime™ and a TIFF (LZW) decompressor are needed to see this picture.
Some anecdotal examples of corruption at work

- Cambodia
- Indonesia
- Chiapas
- Liberia
Cambodia

- Part of the Indo-Burma hotspot
- High-level corruption documented by Global Witness
- “GLOBAL WITNESS BELIEVES that corruption, at both a high and low level, is the biggest obstacle to the significant progress made by the government in eliminating forest crimes”
Indonesia

- Well-documented illegal logging, including logging of protected species (ramin, merbau) and logging in protected areas.

- Environmental Investigation Agency (NGO) implicates “corrupt timber barons controlling the trade”.

Montes Azules Biosphere Reserve, Chiapas

- Documented incursions into protected areas and reserves
- Reports of Lacandon people setting up their own timber transport checkpoints because government checkpoints were too porous due to corruption
Liberia

- I’ll leave to Silas Siakor to discuss
Silly question time:

- Why do corrupt systems hurt sustainability and conservation?
- Why should a corrupt system be any worse at conservation than a rule of law system?
Because Political values differ from Economic values

- Mark Sagoff & the Mineral King example
- Corrupt systems are driven by economic, not political forces
Because economic systems have short time horizons

- The forester’s paradox: managing a forest to maximize economic present value leads you to cut on short rotations and produce less wood in the long run, because of the time value of money.
Because illegal systems may have even shorter horizons

- Illegal systems are plagued by uncertainty
- Jarrold’s Inverse Law of Venality: The less time I think I might have, the quicker I must act to get rich.
Because trees have no cash

- In political systems, there are altruistic surrogates for wildlife, the poor, and future generations
- In corrupt systems, these interests have nothing to use for bribes
In Summary

- High levels of corruption often correlate with poor environmental performance
- We have examples from many parts of the world
- Conservation has a better outlook under the rule of law
- Environmentalists and transparency advocates must work together