

Forest Plunder in Southeast Asia: An Environmental Security Nexus in Burma and Cambodia

by Kirk Talbott and Melissa Brown

A REGIONAL PERSPECTIVE

GEOGRAPHIC ENORMITY, POLITICAL AND ECONOMIC COMPLEXITY, AND BIOLOGICAL DIVERSITY HELP DEFINE THE ASIA and Pacific theater. Population pressures, ecological degradation and depletion, and the accelerated demand for water, timber, minerals, agricultural land, fisheries, and other natural resources are sending shock waves across remote stretches of the Pacific and upland frontiers of Asia. The root causes of the threats to much of Asia's biological diversity, particularly in the region's more unstable and authoritarian countries, can be generalized in three words: conversion, consumption and corruption. Natural resources are threatened more than ever before as a result of the process of conversion of natural resources into other forms of economic capital. Southeast Asia is experiencing an unprecedented appetite for wood, wildlife, and other natural resource products and services. Local communities are caught in the conundrum of depending on natural resources while being largely marginalized from the politics and practices, often illegal and predatory, of governments and extractive industries that profoundly impact the local resource bases.

In many areas of Southeast Asia, natural resource depletion is reaching critical proportions. The rapid deterioration and loss of much of Asia's forest, soil, water, and other natural resources is balanced, in part, by the rise in many national economic and social development indicators. However, the region's natural resource intensive economies are fraught with consequences that, regardless of potential economic benefits, transcend conventional economic forecasts and unidimensional international and national security thinking and policymaking.

An ominous example of this is the 1997 Indonesian forest fires. Burning has been a common method of clearing forestland across the Tropics. Until 1997, a particularly dry year due to El Niño, the economic benefits of forest burning were seen by many as outweighing the environmental and social consequences. However, the downturn of the Indonesian economy accentuated the deep-rooted problems with an economy based on growth fueled by the accelerated conversion of natural resource assets and a political system with little accountability. It has been estimated that the effect of these fires in the worst hit areas is the equivalent of each man, woman, and child smoking four packs of cigarettes a day. Approximately 20 million people were affected by the smoke created in large part by many well-connected companies that were converting Indonesia's forestlands into agricultural plantations. This juxtaposition of environmental, socio-economic, and political dilemmas is increasingly indicative of a trend throughout the region.

Theoretically, at least, those countries with abundant natural resources can spark development and new forms of investment using large-scale natural resource extraction. Ideally, as natural resources are converted into new capital, the resulting investment and wealth can lead to socio-economic progress and possibly political stability. However, within the context of Southeast Asia's developing economies, income from the capture of natural resources capital conversion does not often flow to official government coffers or local communities.

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The private wealth amassed by political and economic elites breeds corruption and undermines both long-term regional development and the prospects for stable, civil societies as evidenced by the 1997-98 financial crisis rocking Asian economics.

This trend does not bode well for the environment. The fundamental structures of civil society—such as an independent judiciary system, political accountability, good governance, and effective and equitable enforcement of the law of the land—are critical to the sustainable management of countries' natural resources.

The transformation of predominantly rural societies to urban ones has led to dramatic demographic and social changes. Negative human health effects and other impacts of pollution generated largely by industrialization and resource conversion have both high economic and social costs, as demonstrated by the thickness of smog and scarcity of potable water in many areas of the region. The horrendous traffic congestion besetting Jakarta, Bangkok, and Manila is emblematic of these negative costs. Deforestation in the Philippines, Thailand, and Vietnam has led to massive erosion and flooding in several large watersheds. Thousands have died as a direct result of those floods; this number is increased by the spread of disease that results from the rising waters. In addition, deforestation negatively impacts agriculture productivity and fisheries as well as the ecological integrity of watersheds across the region.

The rising environmental costs associated with rapid, unplanned development and subsequent economic troubles of the wealthier Southeast Asian economies might serve as a harbinger against ecological abuse. The lowest income countries in this group of nations, such as Laos, Papua New Guinea, Cambodia, and Burma¹ are economically undeveloped but richly endowed with natural resources such as forests, minerals, and agricultural products. Not coincidentally, the remaining forest stocks in mainland Southeast Asia exist primarily in the poorer countries of the region. However, recent trends indicate that these struggling countries are not only repeating the detrimental behavior of their neighbors, but they are also often doing so to the benefit of and with the support of those countries that have already depleted their own resources beyond recovery. Malaysian, Indonesian, Thai, and Chinese logging companies are among the most active in the current logging plunder in Cambodia, Papua New Guinea, and elsewhere. Burma and Laos are reportedly experiencing rapid deforestation in several regions of the country. However, in these still relatively heavily forested countries, logging rates and patterns are difficult to assess primarily due to the mixture of military involvement in logging and physical isolation.

CAMBODIA AND BURMA

Two institutional biodiversity analyses, the World Resources Institute's *Last Frontier Forests Report*, and Conservation International's *Global Biodiversity Hotspots Analysis*, rank Cambodia and Burma among the top priority countries in mainland Southeast Asia. At the 1992 U.N. Earth Summit in Rio de Janeiro, Cambodia was designated as a potential 'green lung' for the region due to its extraordinary forest cover. At the same time, approximately one half of mainland Southeast Asia's remaining forest is in Burma. The exceptional variety of the Burmese forests supports biodiversity that is close to unparalleled and is home to a range of endangered animal and plant species.

Yet, in both Cambodia and Burma, large tracts of priority conservation areas are being lost every year to the ruling elites. Business arrangements between conflicting groups in both countries have been forged in order to further the gains of the logging industries. These cease-fire arrangements allow hostile political factions to maintain their military capacities and control substantial portions of their former territories, resulting in the plunder of many of the countries' remaining stands of forests. These logging deals undermine good governance and violate market principles and economic policies that promote the development of civil society. They perpetuate and exacerbate the underlying corruption and potential for conflict that already exists at egregious levels in Cambodia and Burma.

In these situations, conflict between countries and between antagonistic forces within countries can be reduced, in part, by the convergence of economic interests from various controlling government, military, and business groups. In Cambodia, Burma and elsewhere in the region, immediate conflict has been reduced as trees were being taken down and profits generated. Competing parties cooperate to extract, process, and trade in valuable timber. Each group thereby maximizes its income from plunder-based enterprises. Nonetheless, these agreements are, for the most part, short-term anomalies in a longer-term state of conflict that often transcends national borders.

While neither Cambodia nor Burma is in danger of losing their forests in the next few years, current regional conditions are leading to a disturbing trend in widespread, environmentally and socially destructive, forest decline. The likely permanent damage to the biodiverse-rich remaining forests of these countries is a potential environmental crisis in the making. In addition, the political and social tensions unleashed by the vast accumulation of wealth generated by a few, through illegal and rampant resource extraction at the expense of many, has high political and regional security costs.

The following sections detail some of the important issues in Cambodia and Burma as they pertain to the spiral of conversion, consumption and corruption

that defines the environmental security nexus in the region.

CAMBODIA

The rate of logging throughout Cambodian history belies the conflict of the times. In the late 1980s, a series of agreements was reached between Hun Sen's communist regime, the Khmer Rouge (KR), the Thai military, and private entrepreneurs that led to a dramatic increase in the rate of deforestation. These adversaries have cooperated for years in virtual battle zones on logging, gem mining, and trade in spite of ongoing warfare. Political convictions and ideological differences have been muted by a joint effort to pillage the forests for wealth. Illegal logging, in conjunction with prostitution and heroine trafficking, is the basis for shadow economies throughout Cambodia. The derived revenues are used not only as financial backing for political causes, but also for building the private wealth of the elite, assuring the cooperation of officials, and maintaining personal armies.

In 1991, with the signing of the Paris peace accords, Cambodia emerged from almost two decades of international isolation. Vietnam removed its forces. The UN helped to establish an interim governing body, the Supreme National Council (SNC), in preparation for democratic elections to be held in 1993. With the agreements, Thailand, Vietnam, and other neighboring countries were able to engage freely and legitimately in business associations focused on the extraction of Cambodia's natural resources.

The upcoming 1993 elections proved to be another bane for Cambodia's forests. In June 1992, the *Far Eastern Economic Review* commented, "Past ravages may pale alongside the full-fledged attack on the forests now planned by the country's four once-warring actions... [each of which]...needs funds to prepare for next May's election of a national government, and the forests provide an easy answer."²

In September of that same year, the SNC issued a moratorium on log exports. As of 1 January 1993, only sawn timber would be legal for export. The resulting logging frenzy caused one Thai businessman to comment "they are chopping away like mad."³ One high-ranking diplomat explained the serious commercial nature of the situation. "This is not ideology. This is money in the pocket. They [the Khmer Rouge, the central government, and military leaders] have got cooperative arrangements."⁴

In 1993, the Royalist United National Front for an Independent, Neutral, Peaceful and Cooperative Cambodia (FUNCINPEC) party won the first free elections. Despite a proposal for a coalition government of national reconciliation that would include it, the KR protested with armed resistance. The estimates of the logging revenue generated by the KR in 1993 were between \$10 and \$20 million per month.⁵ Later that year, the

government declared itself to be a hereditary monarchy, the Royal Government of Cambodia (RGC). Prince Ranariddah, King Sihanouk's son, became First Prime Minister and Hun Sen, Second Prime Minister.

The KR continued to be a major beneficiary of logging revenue until 1996. Even as recently as July 1997, factions of the KR were still in control of lucrative sections of Cambodian forest along the Thai border. For years Hun Sen had been officially denouncing Pol Pot's insurrections, while at the same time covertly sanctioning the actions of the KR by allowing their logging to continue. The Cambodian military had been supporting private sector forestry in many of its military zones, not excluding areas set aside for "wildlife refuges." The Cambodian army, navy, and air force have all been facilitators in both logging and trade. The logging in the areas in which the KR has been active is, like most other regions, controlled by the Cambodian military.

In late June 1997 Pol Pot was captured by Khmer Rouge troops as part of an internal leadership struggle.⁶ His arrest appeared to many to be a harbinger of peace and potentially democracy for Cambodia. However, on July 7, 1997 Hun Sen, as the leader of the Cambodian's People's Party (CPP), violently ousted his co-Prime Minister, Prince Ranariddah. Prior to the coup, Global Witness, a British investigative non-governmental organization, issued a document stating that despite the regulatory efforts of the RGC, the co-Prime Ministers had complete control over the logging industry, legal and illegal. Official timber revenues from January 1996 to April 1997 totaled over \$14 million. During that same time, the UN estimated that a minimum of \$116,646,830 of logs and sawn wood were illegally traded.⁷ Hun Sen's July, 1997 coup marked an abrupt change in the cooperation between the warring factions. Following the coup, Hun Sen's forces purportedly began torturing and killing officials of FUNCINPEC. When UN officials publicized this, Hun Sen called for the removal of the UN staff, and demanded an official apology.

The violent and tumultuous circumstances that have been consistent throughout Cambodia's recent history make it difficult to discern the actual arrangements between participants in the logging industry. However, it is clear that Hun Sen's Cambodia's Peoples Party (CPP), FUNCINPEC and the KR have all used logging as a primary source of income. Mining of Cambodia's forests has been key to the power of the military and political leaders in Cambodia. Timber sales have been a primary source of income not only for the reigning governments, but also for the guerrilla armies that have challenged them.

Former Finance Minister Sam Rainsy, the leader of the opposition party, the Khmer National Party (KNP), points to logging revenues as Hun Sen's primary means of maintaining power.

Every year, logging revenues associated with an anarchic deforestation amount to several hundreds million US dollars but the State collected no more than 10 million US dollars in 1996 and 1997 . . . Besides the official National Budget, Hun Sen, the CPP and the Army run parallel budgets by diverting State revenues (taxes, customs duties, royalties and especially logging revenues) for their own benefits . . . [Hun Sen] never tells the public where “his” money comes from.⁸

Rainsy predicts the demise of the Hun Sen’s regime. ‘With such a poor governance characterised by a total absence of the rule of law and rampant corruption, Cambodia’s economy can only fall apart.’ And indeed, the country has seen zero percent growth in its GDP as

opposed to the 6 or 7 percent experienced in the years before. In addition, Hun Sen’s coup prompted many countries and institutions to suspend or reduce their assistance.

Additionally, there appears to be a saturation of financial corruption within the highest ranks of the Cambodian government. According to the KNP, Hun Sen’s budget system, established with the CPP and the Army, diverts State revenues ‘from taxes, customs, duties, royalties and especially logging revenues’ for their own purposes through parallel budgets. These funds are then used to bolster public support, or at least to temporarily insure cooperation. Military expenditures currently account for two-thirds of the national budget while education, health, agriculture and rural development are allotted only 12 percent.⁹ Hun Sen main-

Frontier Forest of Mainland Southeast Asia

tains his power by appeasing political leaders and business tycoons with logging revenues and concessions.

Approximately 40 percent of Cambodia's territory is designated within forest concessions.¹⁰ The concessions, totaling over 6.5 million hectares, have been granted to Malaysian and Indonesian, as well as Thai, Taiwanese, and other companies. The process of granting the concessions appears to be wholesaling to the highest bidder. Because of the lack of transparency in the logging trade, it is difficult to assess the destination of Cambodia's timber. In addition, the current political climate renders it nearly impossible to get a breakdown of the profits that these sales are generat-

current climate of fear and violence that rules in Burma, however, there is little chance for effective forest management. As is the case in Cambodia, the integrity of the resource base and the prospects for sustainable development and regional security are held hostage to the politics of plunder and to the whims of the military and ruling elite.

Burma is the largest country in mainland Southeast Asia. After sixty-two years as a British colony, Burma achieved independence in 1948. At that point in history, it seemed to have a bright future. For fourteen years it thrived as a parliamentary democracy. Between 1950 and 1960 Burma experienced an average of

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ing. However, it is apparent that many well-placed individuals, representing several competing political factions, are engaged in these deals. Certainly much of the wood is going to Vietnam and Thailand although many suspect that a significant quantity of Cambodia's highest-grade wood ends up in China, Japan and quite possibly Europe.

Recent meetings of the Consultative Group (CG) of donor countries that have provided foreign assistance to Cambodia have sent explicit and increasingly strongly worded warnings to the Cambodian authorities to clean up the logging situation. In July 1996 at the CG meeting in Tokyo, for example, the representative from Germany stated "If no decisive measures are taken in this field, and if considerable amounts of revenue continue to bypass the regular state budget, it will be very difficult for us to convince our authorities of the necessity to support Cambodia with German tax money."¹¹

There is now intense international pressure on Hun Sen to permit and respect the scheduled 1998 elections. As with the 1993 elections, the political factions are most likely turning to Cambodia's remaining forests for financing the election process. History is likely to repeat itself with the cycle of forest plunder exacerbated by the ironic collusion between competing factions in a race to maximize economic returns from logging, thereby undermining the nation's future.

BURMA

Ironically, Burma has a colonial legacy established during British rule based on scientific forest management. The "Selection System" involves a 30 year felling cycle based on a minimum size selection criteria for trees. In many border areas of Burma, ethnic groups have long practiced traditional natural resource management and agricultural and silvicultural systems that promote sustainable use of local forests.¹² Given the

6 percent growth in its real GDP. It boasted high adult literacy rates, a free press, and tremendous natural resource wealth. It was the second largest rice producer in the world. However, by 1987, the United Nations officially recognized Burma as a 'least developed nation.'

Burma's economic collapse was sparked by a military coup in 1962. The forces of General Ne Win deposed Prime Minister U Nu. Ne Win began his reign with several decisive economic actions. He rejected investments from foreign governments. At the same time, he nationalized manufacturing, agriculture, banks, retail businesses, and import-export trade.

A serious disunity of the people compounded the economic decent that followed Ne Win's economic directives.¹³ In 1974, after years of low-level warfare mostly along Burma's mountainous frontier areas along the Thai, Chinese, and Indian borders, the military issued a constitution which called for the unification of the country. While the constitution allowed for seven divisions of Burma proper and seven minority states, Rangoon controlled all of them. The military's denial of ethnic autonomy caused increased fighting that has not ceased. There are estimates that an average of at least 10,000 people, mostly civilians, have died each year.

Ne Win retained his power until 1988 when he resigned in the face of currency instability, famine, and demonstrations. However, the political change demanded by the people of Burma did not come. Instead, Ne Win's abdication gave the military the opportunity to violently suppress the demonstrations of democracy supporters. The new ruling force assumed power as the State Law and Order Restoration Council (SLORC). In response to the internationally publicized demand of the Burmese National League for Democracy (NLD), the SLORC agreed to a free election in 1990. The results overwhelmingly rejected SLORC in favor of the

NLD. The SLORC responded by disregarding the results and violently harassing and imprisoning NLD representatives and other advocates of change.

The SLORC has now been in power for almost ten years.¹⁴ During this time, Burmese human rights abuses have drawn an international spotlight reserved for the most egregious in the world. Accordingly, the United States and some other industrialized nations have enacted trade sanctions against Burma. In addition, despite the instability, the World Bank, the Asian Development Bank, and the International Monetary Fund will not lend Burma money because of the country's current military expenditures, lack of macroeconomic transparency and extensive record of human rights abuses.¹⁵

Several of the larger ethnic groups in Burma have been at war with the military regime for decades. However, beginning in 1989 and through the early 1990s, most of the armed resistance groups signed cease-fires with the SLORC. The cease-fire arrangements are not so much peace agreements as they are business deals. Former guerrilla armies are able to sustain their forces and control their former territories, in cooperation with the ruling regime. At the same time, the cease-fires have opened up previously remote border-area forests to large-scale, non-sustainable commercial timber extraction. As a result, the World Resources Institute has estimated that the rate of deforestation in the large northern state of Kachin has more than doubled since the SLORC came to power. Simultaneously, defense spending is purported to be at least 50 percent of government expenditures.

At the heart of these agreements is the demarcation of border areas that have long been the sites of civil warfare. Pending the cease-fire arrangements, these controversial tracts of land have been effectively divided into government-controlled and ethnic-controlled areas. Timber rights are apportioned accordingly. The SLORC and some ethnic groups are able to exploit the forests of the country's border regions at a faster and more effective pace without the current threat of open warfare. However, the current cease-fires between warring factions in Burma are not an indication that peace will be perpetuated by a common drive for logging revenue. On the contrary, in other countries such cooperation has proven short-term, with long-term consequences. Continued hardship and loss of resources for the majority, coupled with the increasing wealth and corruption of the elite minority, will likely contribute to more unrest.

While enormous profits are being made, fighting between the SLORC and adversarial factions will likely remain diminished. However, these alliances are based, at least in part, on exploitation of the limited resources, such as valuable timber and minerals. The resultant peace accords are tenuous; but they can be expected to become even more so as the timber resources in

Burma's frontiers are depleted. Most timber profits in Burma are funneled into the Union of Myanmar Economic Holdings, Ltd. (UMEH), which is controlled and owned by SLORC members, well-positioned military officers, and the Defense Ministry's Directorate of Defense Procurement (DDP). UMEH is one of the leading joint venture partners of foreign investors in Burma. Its foreign-funded projects include hotels, department stores, and condominiums in Burma's major cities. Revenue from drug exports purportedly are laundered and taxed through these businesses. At the same time, UMEH is a primary source of long-term funding for the military. As such, logging and drug revenues have enabled the build-up of extraordinary military capacity. This, coupled with the financial security of international monetary partnerships, render the SLORC more formidable than ever to opposing factions.

Thailand all but exhausted its own forests in the 1980s. However, the appetite of Thailand's burgeoning middle class for tropical hardwoods still remains strong. Burma has an estimated 50 percent or more of the world's reserves of teak, one of the most valuable species of timber. As a result, throughout the 1980s, Thailand was Burma's primary logging trade partner. Thailand switched from exporting logs to exporting loggers. A common scenario along the Thai-Burmese border is logging machinery on the Burmese side, and timber facilities on the Thai side. Thus, the Thai military is able to reap the full benefits of wholesale log purchases and retail timber sales. Although Thailand's trade prospects with Burma are robust in the 1990s, Burma seems to have been supplanted by China as Thailand's primary trade partner.

Notably, logging activity in the northern province of Kachin along the China border has recently intensified. Almost all of the cease-fire groups are taking part in the exploitation of this frontier region. While some of the tribes cut logs themselves, others only tax the timber as it goes through their areas on route to China. All have enjoyed, however, an unprecedented boom in timber sales since the SLORC's cease-fire agreements have opened the way for a flourishing timber trade.¹⁶ Until the advent of the increased timber trade, considerable tension persisted along the Chinese border. However, relations between Burma and PRC have warmed considerably because of the strong mutual interest to exploit forest and other resources.¹⁷ Chinese companies are currently providing technical and financial assistance in the construction of a network of roads along Burma's northeastern frontier in exchange for the cutting of teak and other hardwoods found along the way.

India, another giant neighbor that has had a long history of political tension with Burma, has improved its relations in part to facilitate trade in Burma's valuable timber, particularly teak. A 1995 trade agreement between the two countries was struck after a February

meeting between India's minister of state for commerce and Burma's former Forestry Minister, Lt. General Chit Swe.¹⁸ The parties discussed the establishment of forest-based industries in the border areas and teak trading directly at border points, instead of first passing through Rangoon.¹⁹

While these business deals seem to be temporarily fostering good relations, the newly bolstered timber trade creates several causes for concern. First, the capital generated by the SLORC is used predominantly to finance its armed forces. The SLORC's military is comparable to that of Indonesia's in what is considered a highly militarized state with a population over four times the size of Burma's.

Secondly, Burma is the source of approximately 50 percent of the world's heroin.²⁰ Logging and heroin trafficking often go hand in hand in Burma. Reports from inside Burma suggest that in some areas, forests are cleared for commercial timber export, then planted with opium poppies. The same roads used for transporting timber from Burma to China are often used for transporting heroin and opium into China. Frequently, logs are hollowed out and filled with heroin and other opiates, often produced in rebel-held areas, for transboundary trade. The lucrative and volatile nature of drug trafficking makes it fodder for potential conflict.

Thirdly, Burma's population as a whole is benefiting only minimally—if at all—from the depletion of its forest resources. There is no accountability for the transfer of the conversational resources and political-military elites are gaining the wealth and power derived from the logging. This sort of corruption at the highest level of government is causing anger and cynicism among the population, comprising a serious potential source of conflict.

Finally, the PRC's commercial, military, and transportation endeavors throughout Burma are of regional security importance. In May 1997 the PRC and Burma officially announced that the PRC would be building a transportation route from Yunnan Province, through Burma, to the Andaman Sea. However, long before the talks and agreements, the PRC had been constructing roads and railroads as part of logging agreements. The PRC claims that trade is the goal of this link between its landlocked southwestern provinces and the sea. However, there appears to be an ulterior motive, as evidenced by the electronic listening posts that Chinese technicians helped the Burmese army to install along the Bay of Bengal and the Andaman Sea. In November 1997, Australian defense analyst Desmond Ball stated: "Those posts are ideally situated for monitoring Indian air movements in the eastern part of the Bay and Bengal as well as intercepting telemetry associated with Indian missile tests over the bay."²¹ India is outwardly concerned about the probability of regular Chinese presence on the coast. At the same time,

Singapore is raising concerns not only about its own security interests, but also about the elevated level of influence the PRC has in Burma.

CONCLUSION

The remaining mainland tropical forests are an important piece of the Asian regional security equation. Logging is central to the downward spiral in the region; corruption among the political and economic elites leads to rogue logging, which in turn fuels a further disintegration of the structures of civil society and good governance. As such, the accelerated deforestation caused by excessive and illegal logging severely undermines the chances for the development of independent judiciary systems, political accountability, and effective law enforcement. Long-term, sustainable natural resource management will not occur without these, the tenets of civil society.

Cambodia stands a good chance of becoming a 'beggar state' as a result of ecological deterioration in the form of drought and flooding, siltation and fish die-offs, and other consequences of large scale deforestation. In something of a precedent-setting decision, the International Monetary Fund froze a \$20 million infrastructure loan to the Royal Government of Cambodia in May of 1996 on the basis of the government's diversion of timber revenues away from the national budget. The country's volatility has been exacerbated since Hun Sen's July, 1997 coup. When the IMF stopped payment on an infrastructure loan again in 1997, Hun Sen responded by threatening to cut down all of Cambodia's forests. Without a functioning government and policy structure that promotes sustainable development, the threats to Cambodia's forests will go unabated.²¹ Loss of forest cover causes not only long term negative social and economic impacts, but it also deprives often marginalized forest dependent communities of food, shelter, fire wood, and water resources. The loss of this natural resource is likely to lead to further impoverishment, competition for increasingly scarce natural resources and increased civil unrest. In a country already torn apart by decades of fighting, continued resource destruction could very easily contribute to renewed violent political conflict as well as long-term impoverishment.²³

Burma, a country that has suffered a great deal from war and repression, stands to lose much if not most of their remaining upland forest resources. Millions of ethnic people, who depend on these forests for livelihoods and development potential, will suffer adverse consequences. The military regime's official forest policy has relatively progressive language concerning community based forest management and conservation. In reality, implementing these policies is impractical at best, given the current climate of political oppression and fear. It is likely that the strict new official logging regulations and participation at international

conferences are token actions for the approval of donor countries and agencies. It has been suggested that officials charged with enforcement of environmental legislation are often deterred by the regime from fulfilling their responsibilities. Military spending continues to significantly increase Burma's external debt while consuming a disproportionate percentage of logging revenues. At the same time, in the face of China's aggressive actions in Burma, the current regime seems to have only selective concern for Burma's long-term national sovereignty interests.

The position of the importer of Southeast Asian timber is fundamental to much of the current predatory logging in Cambodia and Burma. The current cycle of conversion, consumption and corruption in Southeast Asia involves the collaboration of the world's industrial nations. While the more economically developed Southeast Asian countries may be directly responsible for the majority of the logging trade, a significant proportion of the trade in processed natural resource products eventually ends up in the markets of the Europe, the United States and Japan. Burmese and Cambodian wood could appear in the form of affordable hard wood furniture in London, picture frames in New York, or scaffolding for construction in Tokyo, thus globalizing the cycle of supply and demand.

Trade sanctions are one of the most controversial policy tools being implemented. The United States and several European countries recently enacted sanctions against Burma, based primarily on human rights abuses. In the Case of Cambodia, the CG's twenty-one member nations, which meet annually to determine the merits of financial assistance, also have considerable leverage in pressing for forest policy reforms. Controlling damaging logging has been a priority of aid and trade negotiations with Cambodia in the last two years.

Similarly, ASEAN has shown an interest in promoting improved environmental policies in the region, especially in light of the impact of the Indonesian forest fires. Cambodia, Burma, and Laos were extended invitations to join Association of Southeast Asian Nations (ASEAN) in 1996. It was ASEAN's goal to expand from seven to 10 in honor of its 30th anniversary. However, only Laos and Burma were permitted to join. Hun Sen's recent violent political activities were unacceptable to ASEAN and kept Cambodia out.

Burma's entry into ASEAN may be seen as a positive step in encouraging political change through peer pressure. To this end, ASEAN initiated a constructive engagement policy. Thus far, however, it does not seem to have paid significant dividends. According to recent reports ongoing violence and repression is intensifying in many areas of the country. Logging, particularly in Burma's mountainous borders with India and China, appears to be accelerating.

Despite the seemingly unfeasible prospect of forging solutions to these apparently intractable problems, the first, and most important activity for outside au-

thorities is to focus attention on the forestry and natural resource conditions and trends, as well as the political and economic indicators in this still-volatile region of the world. The United States should work with the community of nations, ASEAN, the Asian Development Bank, and others on integrating environmental priorities into regional policies. These efforts should formulate a set of clearer strategies for site-specific approaches to forest conservation in this critical region, based on the realities of development at the national and international levels.

ENDNOTES

1 This paper does not use the adopted name "Myanmar" given to Burma by the SLORC regime in 1988. The name Burma is used in accordance with the Burmese National League for Democracy, the United States Government and many other countries, and leading publications including *The Washington Post*, *The Bangkok Post*, *The Nation* and *The Far Eastern Economic Review*.

2 "Cambodian Assault," *Far Eastern Economic Review* (June 4, 1992): 64.

3 "Thais Most Blamed for Rape of Forests," *Bangkok Post*, 15 November 1992.

4 *Washington Post*, 3 February 1993.

5 Mertens, Brian, "Activists at Loggerheads with Timber Traders," *Asian Business*, (April, 1997):10-11.

6 Far Eastern Economic Review Journalist, Nate Thayer, interviewed Pol Pot in far northern Cambodian jungle after he was arrested and sentenced by a village court in August, 1997.

7 Global Witness, *RGC Forest Policy & Practice: The Case for Positive Conditionality*. (United Kingdom: May 1996): 3.

8 Khmer National Party website: www.kreative.com

9 Ibid.

10 *From Plan to Market, World Development Report, 1996*. (Washington, D.C.: World Bank, 1996.) Map of concessions.

11 Global Witness, *Just Deserts for Cambodia*, (June 1997): 29.

12 Karen National Union, mimeo of fax: *Karen Struggle to Protect Their Environment Amidst War, Poverty and Politics*. (17 July 1996).

13 There are sixty-seven different ethnic groups in Burma.

14 In November 1997 the SLORC changed its name to the State, Peace and Development Council as part of a purge of several Generals and a further consolidation of the regime's power structure. For the purpose of this paper, the original party name will be used.

15 In early 1998, Japan reinitiated some level of foreign assistance to Burma.

16 "The Cutting Edge," *Far Eastern Economic Review*, (December 22, 1994).

17 Jake Brunner, Kirk Talbott & Chantal Elkin, *Logging Burma's Frontier Forests: Resources and the Regime*. (World Resources Institute, Washington, D.C., Forthcoming).

18 Chit Swe was recently removed from his office by SLORC, purportedly for 'extensive' corruption.

19 *Bangkok Post*, (28 February 1995) and Reuter, (10 April 1995).

20 *Burma Debate* 3 (July-Aug, 1996): 12.

21 Bertril Lintner, "Burma Road; China's Economic Push Southward Worries Neighbors," *Far Eastern Economic Review* (6 November 1997) (on-line: www.feer.com).

22 Global Witness

23 Talbott, Kirk, "Logging In Cambodia: Plunder for Power. Cambodia and the International Community: the Road Ahead" (The Asia Society and SAIS, forthcoming, summer 1998).