



# MALAYSIA IMPROVING FOREST GOVERNANCE COURSE

An Introduction to Corruption



## Quick Recap

1. Concerns about unsustainable consumption of forest ecosystem services
2. This is due to multiple factors operating at global and local levels
3. Poor forest governance at centre of forest degradation and deforestation
4. Understanding stakeholders, their power and influence, and engaging them effectively is key

# Outline

1. What is corruption and what are its effects?
2. Why is corruption prevalent in the forestry sector?
3. How do we measure corruption?
4. What types of corruption exist along the timber value chain, and how do we address these?
5. What are the experiences and lessons learned in dealing with corruption?

What comes to mind when you hear the word “corruption”?





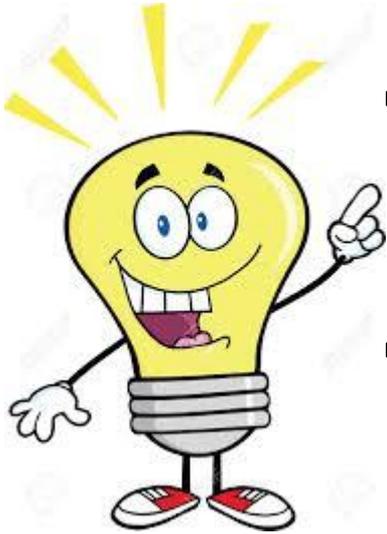
“Corruption is the misuse of (**public office**)  
entrusted power for private gain”

– Transparency International

# Which of the following describe corruption?

1. A private individual stealing wood from a public forest
2. A civil servant using private property to extract bribes from private sector
3. A public official who misuses public forests without deriving private gain
4. A public official who unknowingly uses public forest resources illegally

# Origin of term “corruption”



- Takes many forms and therefore difficult to define
- Latin: corrumpere, meaning to **abuse or destroy**

# Forms of Corruption

BRIBERY

CRONYISM

COLLUSION

EXTORTION

SOLICITATION OF BRIBES

PATRONAGE

POLITICAL CORRUPTION

NEPOTISM

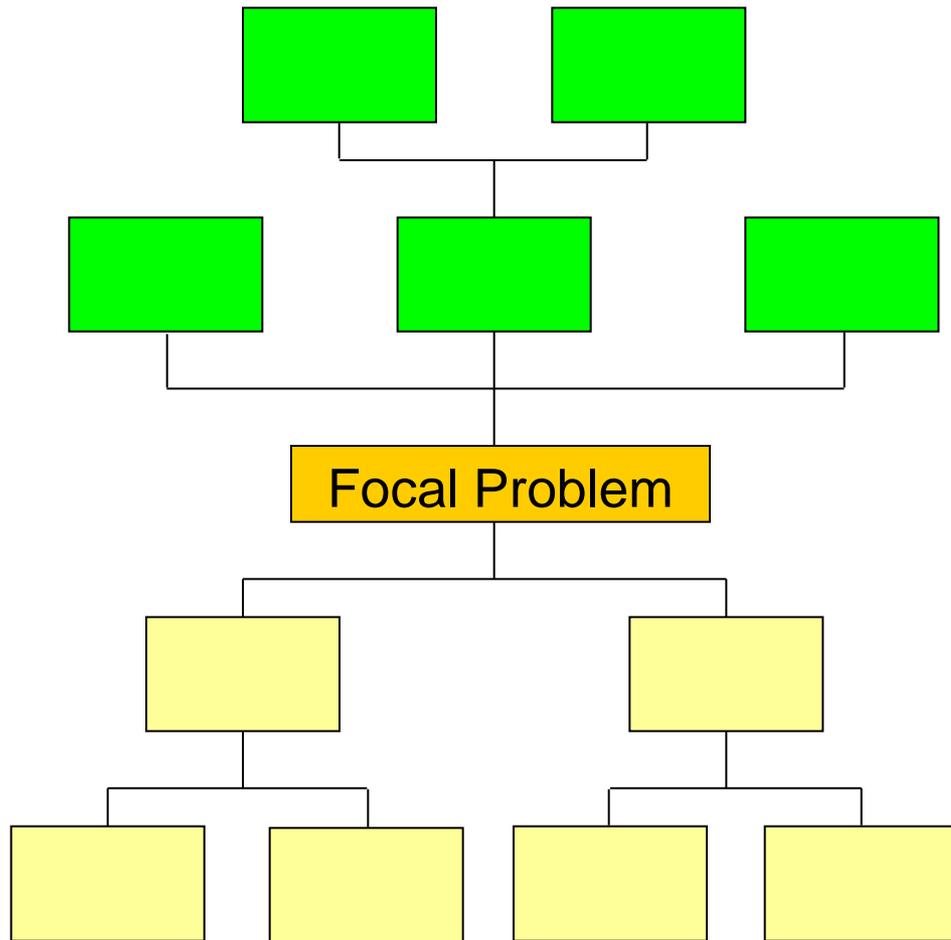
EMBEZZLEMENT

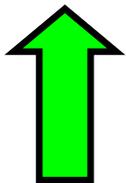
# Scales of Corruption

1. **Petty:** everyday abuse of entrusted power by low- and mid-level public officials in their interactions with ordinary citizens, who often are trying to access basic goods or services in places like hospitals, schools, police departments and other agencies.
2. **Grand:** abuse of high-level power that benefits the few at the expense of the many.



# Developing a Problem Tree

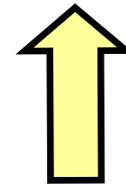


  
**EFFECTS**

Addressing the effects identifies possible indicators

Turning the problem into a positive statement gives the purpose or goal

**CAUSES**

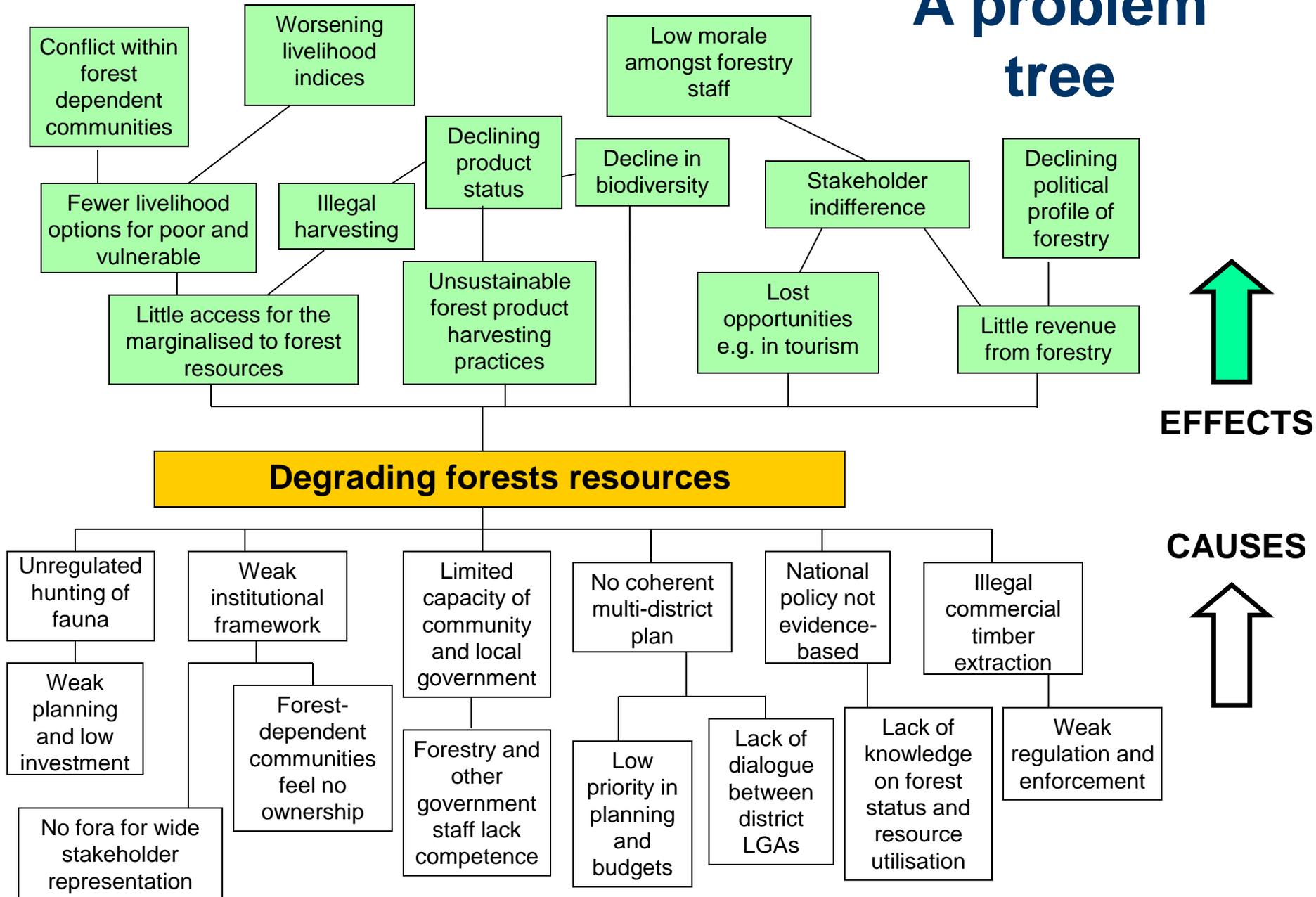


Addressing the causes identifies possible outputs and activities

# Problem Analysis

- Identifies the underlying causes and both short and longer-term effects of a focal problem.
- Helps us to see the problem at different levels and from different perspectives.
- Makes it easier to identify potential entry points for intervention, and practical and realistic solutions.

# A problem tree



## Group Task: Problem Tree

1. Develop a problem tree around the focal problem of CORRUPTION
2. What are the causes and effects of the problem?
3. What action could be taken to address them?

# Effects of Corruption in Forestry

- Degrades the environment
- Threatens rural communities' livelihoods
- Robs the public of billions of dollars each year
- Undermines professionalism
- Leads to 'cultures of silence' and victimisation

**Why is the forestry sector prone to corruption?**

# Why is the forestry sector prone to corruption?

- State control – easily hi-jacked
- Colonial permit system – easily hi-jacked
- Limited transparency & accountability
- Demand exceeds supply
- Profits/rents very high
- Costs borne by society and vulnerable
- Timber hard to hide – need to co-opt many

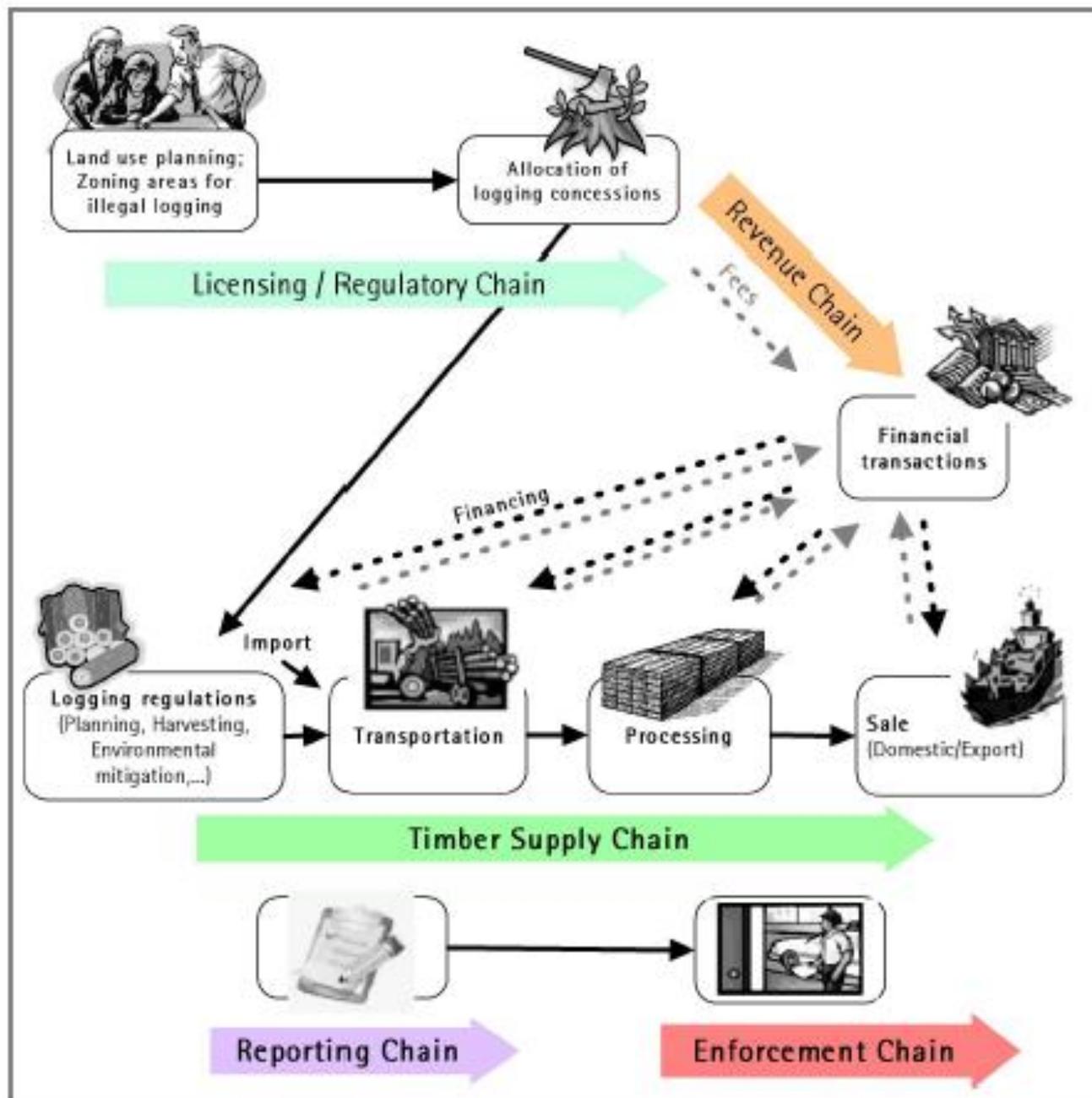


Figure 2. Governance and commodity chains

# Types of Corruption in Forestry Sector

- Bribes and political influence may be used either to facilitate logging without appropriate permits or to gain access to forests through questionable land concessions
- Enforcement officials are bribed to turn a blind eye to trucks carrying logs
- Corrupt transactions may similarly occur in order to process and trade the logs once they have been harvested, in a form of 'timber laundering' similar to money laundering

# Corruption in Forestry Sector

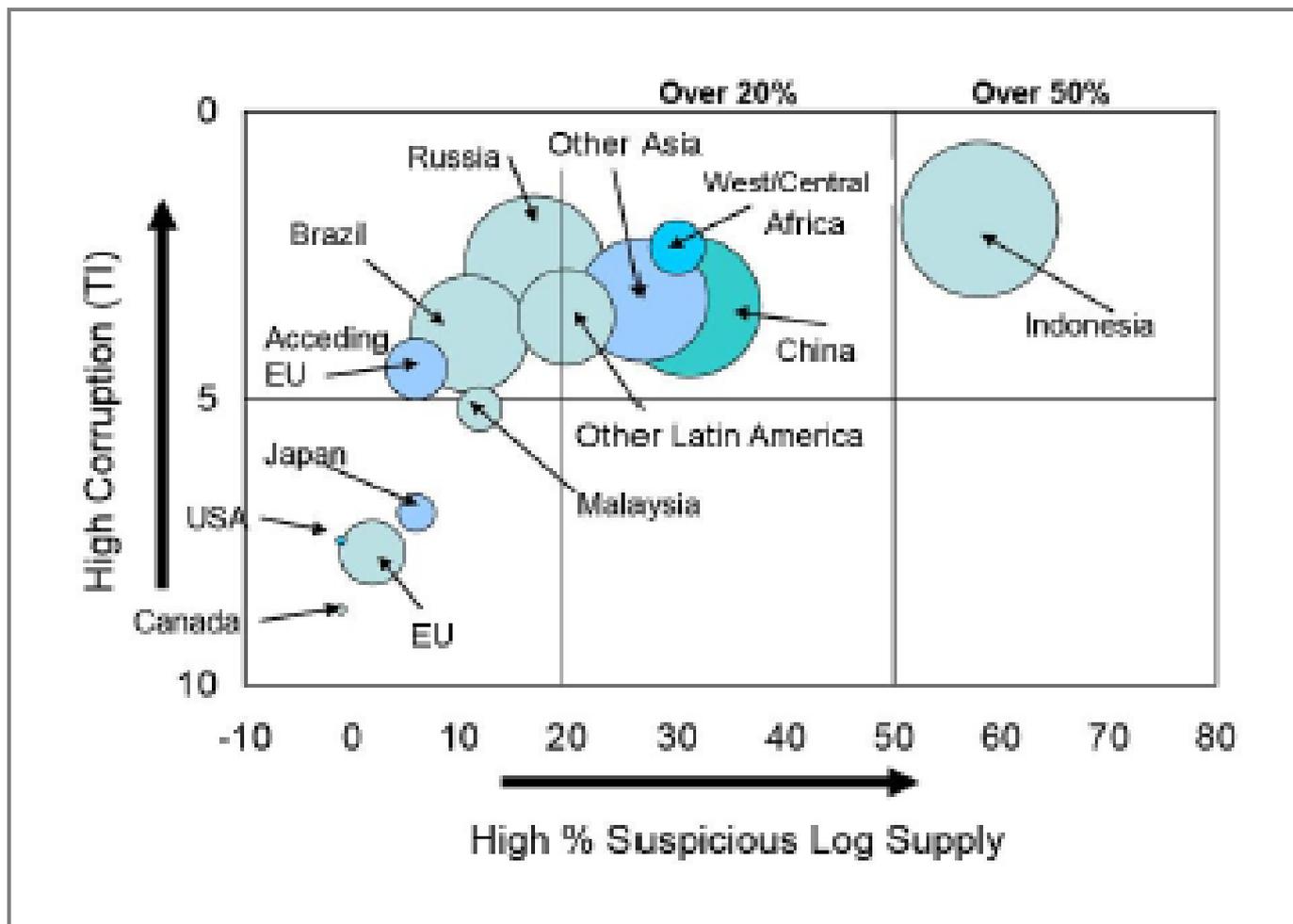
- Timber certifiers can be paid off to turn a blind eye to illegally sourced logs.
- When violations are found, judicial corruption may prevent prosecution and accountability, leaving citizens without legal recourse
- Financial transactions also can be corrupted as a way to hide paper trails of sales and to keep the timber trade flowing.

# Measuring Corruption

- Quantifying corruption is almost impossible - payment of bribes, gifts, favours and services to friends and family etc., are not publicly recorded.
- Relying solely on qualitative measures, such as attitudinal surveys and public questionnaires, is also so problematic, as the *perception* of corruption is highly subjective and closely related to the cultural context.

# Measuring Corruption





**Figure 1. The negative relationship between good governance and illegal logging<sup>2</sup>**

The size of bubbles represents volumes of suspect roundwood, including imports.

# What can we do about it?

- FLEGT VPA – transparency annex
- FLEGT VPA – monitoring & accountability
- Transparency report cards – Global Witness
- Investigations –EIA & Global Witness
- CSO-led monitoring