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Corruption,  
Organised Crime  
and Extinction  
in SE Asia

The relationship between palm oil plantations, corruption and graft in SE Asia and plummeting Orang Utan numbers.

Palm oil growth rate is huge.

Conflict in SE Asia between land for palm oil and endangered wildlife

Opportunities for Government / Organised Crime corruption

Driven by consumers – Indonesia, EU, China and India use just over half the palm oil produced

# What is palm oil?

Edible oil derived from the fruit of a number of species of palm trees, primarily *Elaeis Guineensis*. It has many uses:

- Cooking
- Cosmetics and cleaning products; and
- Production of biofuels (WWF, 2018)

# Statistics

Cheap to produce, and the most efficient source of vegetable oil, and is “in about half of all packaged products sold in the supermarket” (WWF).

Production rose 15.2mt (1995) to 72.2mt (2020)

c90% is currently produced in Indonesia and Malaysia

# Orang Utans

Orang Utan ("old man of the forest")

1631 Jacob Bontius was first European to hear of Orangs – told "they can talk, but choose not to, otherwise they will be made to work"

97% of DNA sequence is shared with humans



# Orang Utans

Arboreal, spending almost all of their time in trees.

Generally live alone, only coming together to mate.

Highly intelligent, adept at using tools, seemingly adapting their tools for the task at hand.

Extremely strong – an adult male is stronger than 9 adult humans

Can live up to 30-40 years in the wild

Biggest threat to Orangs other than loss of habitat is the illegal pet trade. Mothers are shot and infants sold on the black market

There are three species of Orangutan and all are listed as **Critically Endangered** on the IUCN Red List

# Orang Utans



Bornean Orangutan (*Pongo pygmaeus*) lives in several different areas in Borneo.

It is the most numerous of the three species.

In 1999, there were approximately 200,000 Orangs on Borneo, but by 2016 this had dropped to a little over 80,000

Suitable habitat for Orangs (IUCN):

1973	97,000 square miles
2010	59,000 square miles
2025	38,000 square miles

Pace of deforestation is increasing, as more and more is cleared for the production of palm oil.

# Orang Utans



Sumatran Orangutan (*Pongo abelii*) lives in the northern part of Sumatra. Identified as separate species in 1996.

It is rarer than its Bornean cousin, with only 13,000 to 14,000 individuals left.

Forest clearance is a large threat –clearance for palm oil plantations, and illegal logging trade.

As part of the preparation for clearance, animals are shot, and any offspring that survive are sold illegally as pets.

2016                    7,700 square miles of forest left

Land use reforms in the Aceh Province (in the North) will see a steep decline in liveable forest, and Orang numbers.

# Orang Utans



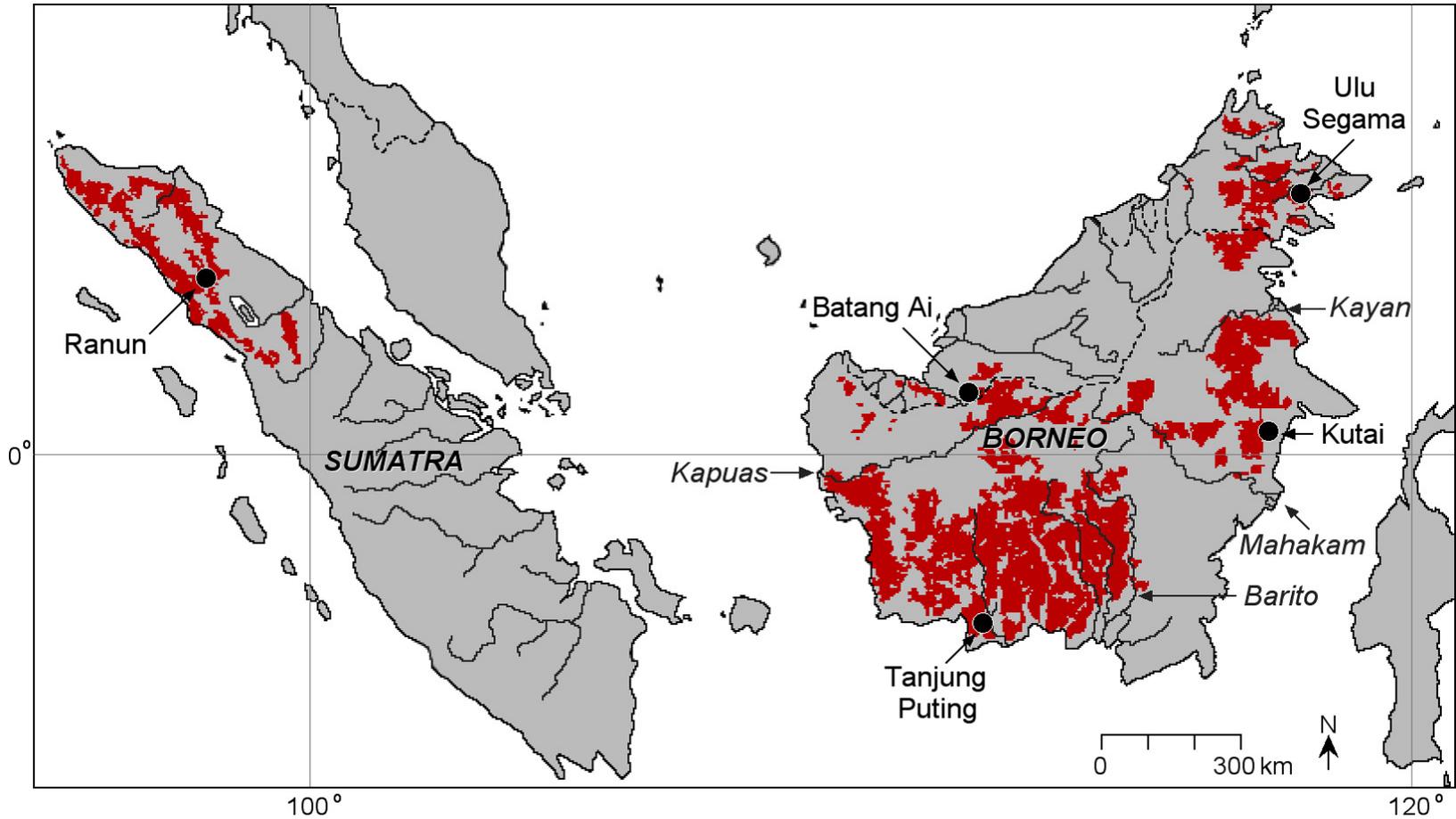
Third, newest, and rarest species of Orang is the Tapanuli Orangutan (*Pongo tapanuliensis*) which was only shown to be a separate species to in 2017, and numbers only 800 individuals

All live in a 380 square mile patch around Lake Toba in the middle of Sumatra.

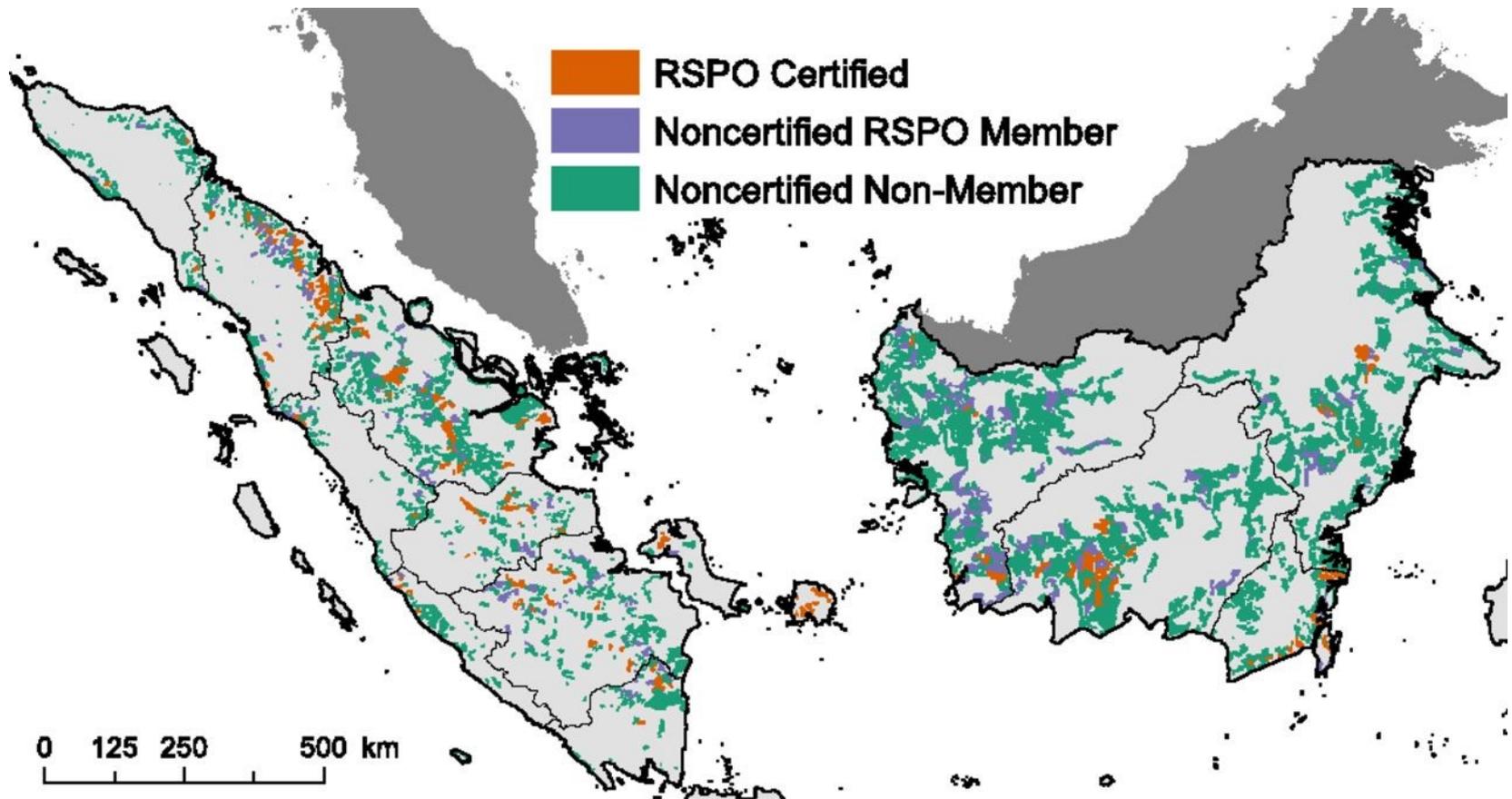
IUCN:

“Significant areas of the Tapanuli Orangutan’s range are seriously threatened by habitat conversion for small-scale agriculture, mining exploration and exploitation, a large-scale hydroelectric scheme, geothermal development, and agricultural plantations.”

# Orang Utan Range



## RSPO-certified and noncertified oil palm plantations.



Kimberly M. Carlson et al. PNAS 2018;115:1:121-126

PNAS

# Corruption

Malaysia 51/198 (Transparency International, 2020)

Every autumn, KL has [toxic smog](#) caused by fires clearing forests for new plantations in Indonesia – 400km away

2017 – land worth \$70m transferred from Federal Land Development Authority (Felda) to private company for free

2018 – Felda “embroiled in a seemingly endless saga of malpractice, corruption and breach of trust and duty cases”

2019 – investigation into [alleged corruption](#) by Sarawak Land Consolidation and Rehabilitation Authority general manager and senior officers

# Corruption

Indonesia 85/198 (TI)

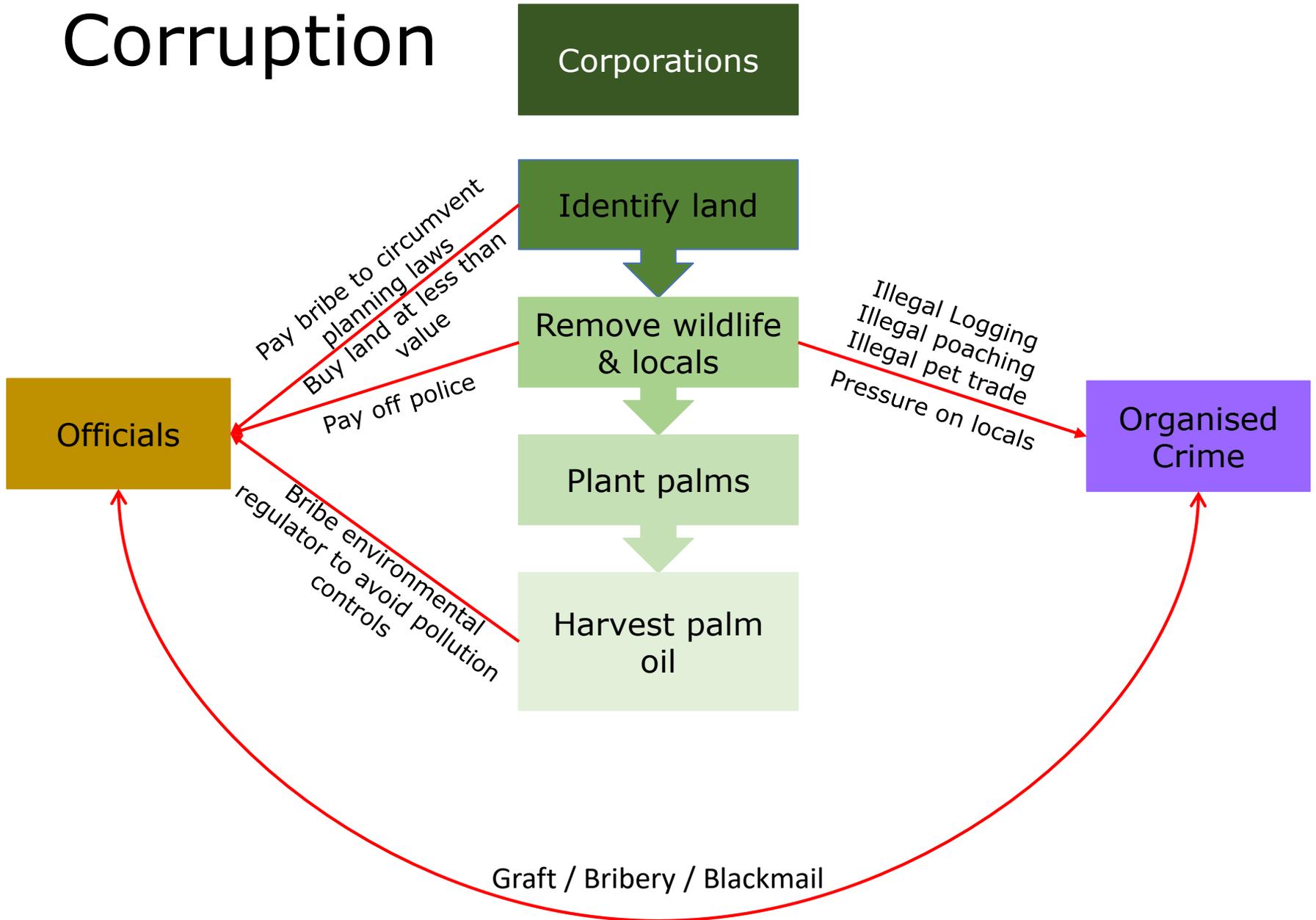
2015 Eldeeb et al verified that “that deforestation in Indonesia is caused by corruption and supported by crude palm oil production”

2018 – Three palm oil executives and four Central Kalimantan legislators arrested over \$16k bribery relating to water pollution by palm oil plantations

2019- [Gecko Project](#) reported “that district chiefs have systematically exploited their control over land amid a near-complete lack of oversight, to make millions of dollars by selling permits to major plantation firms”

2019 – KPK (Anti-Corruption body) audit showed “81% of Indonesia’s oil palm plantations flouting regulations”

# Corruption



# Why should we care?

## *Practical / Economic*

Orangs are the “gardeners of the forest” (WWF) and play a vital role in seed dispersal and in maintaining the health of the forest ecosystem

This is vital for people and other animals

By conserving the orangutan’s habitat, we’re also benefiting local communities and other species – 40% of Borneo’s plant life exists nowhere else on earth.

Indonesia has the sad record of leading the world in the number of threatened mammals (135 species) – almost a third of all of its native mammals.

# Can we ban Palm Oil?

Industry generated £50bn in 2015, and is predicted to generate £73bn by 2021 and grow at 7% per year to top £100bn by 2025.

Malaysia has the 69<sup>th</sup> highest GDP per capita at \$11,000 and Indonesia is 121<sup>st</sup> with \$3,900 (UK is 23<sup>rd</sup> at \$42,000)

Industry employs 1.7-2m people globally

Malaysia and Indonesia would need to find alternative sources of income.

Alternatives to palm oil (soy, peanut, sunflower etc) all bring their own problems

# How much time is left?

Based on current rates of decline (which are actually likely to accelerate if nothing changes), these are the predicted extinction dates of species in the wild:

Sumatran Tiger	2025
Sumatran Rhinoceros	2026
Mahakan / Irawaddy Dolphin	2029
Sumatran Orangutan	2029
Borneo Orangutan	2030
Javan Blue-banded Kingfisher	2030
Tapanuli Orangutan	2030
Sumatran Elephant	2042
Borneo Pygmy Elephant	2075

# What should we do?

As consumers, make an informed choice.

The “wildlife friendly” versions may be dearer

Palm oil is sometimes called different things – more than 300 at last count. Most common euphemisms:

Palm olein oil

Palm stearine

(Sodium) Palmate

(Sodium) Palmitate

Consumer power works!

Think about plastic – after decades of producing cotton buds with plastic sticks, Johnson & Johnson (and everyone else) took less than two months after the BBCs Blue Planet to replace them with paper sticks

The power to save these species is in our hands

# What should governments do?

“End corruption” is a trite response, and corruption in public office extends far beyond Indonesia and Malaysia, and far beyond deforestation and palm oil.

KPK (Corruption Eradication Commission) in Indonesia is regularly battling the government – KPK deputy chair arrested in 2015 as a direct result of declaring the parliament-approved candidate for the chief of Indonesian Police as a suspect in a corruption case.

MACC / SPRM (Malaysian Anti-Corruption Commission) has a new chair (2019) as the last one resigned after ongoing corruption probe of the MACC by the coalition government.

# What should governments do?

This year (July) former PM Najib Razak convicted of seven counts of corruption as part of the 1MDB scandal.

35 charges have still to be ruled on.

Convictions and charges related to misappropriation of \$10.6m from a former subsidiary of 1MDB

The former FELDA Chairman (Shahrir Abdul Samad) is also part of the 1MDB investigation, and his application to have the charges struck out was rejected in February 2020.

# Conclusion?

Palm Oil, Orangutans and SE Asia are just examples used for this presentation.

One 2018 UN Report suggests that Environmental Crime is the “largest source on income for Militias”

A 2019 report from Michigan State University shows that environmental crime by OC groups nets billions of dollars and is a direct threat to sustainable development.

The Organised Crime and Corruption Reporting Project (OCCRP) is a useful source if you are interested in following up on this area of law. [www.occrp.org](http://www.occrp.org)



Thank you

