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The regional context of the sourcing of natural resources : the illegal exploitation of forest resources in Eastern Europe - an outline of the problem

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Tekst jest udostępniony do wykorzystania w ramach dozwolonego użytku.

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of the sourcing of natural resources.
The illegal exploitation of forest resources
in Eastern Europe – an outline of the problem**

The state natural resources are a decisive element not only for its economic and military power, raw materials self-sufficiency, or profits derived from the use of specific economic sectors. They also determine some aspects of energy, environmental and social security and therefore the wider domestic and international security issue. Fossil fuels, ores, rare elements, and water resources are facing more and more energy-intensive economy, both a significant tool, as well as a geopolitical aim, and the cause of many ongoing and potential conflicts. Environmental degradation affects the state and structure of agriculture, the level of welfare of the people, the relocation of certain industries within the territory of the state, determines the ecological migration, and ultimately generates the social crises and destabilizes the political situation. Despite many controversies related to combining of environmental and security issues we face around the scientific paradigm in the academic field, that non-military component causes that the interested states, „on the one hand compete for scarce environmental resources, on the other hand they are a source of ecological security risks for other countries by themselves”¹.

These issues are the focal point in the Thomas Homer-Dixon’s theory of conflicts, which identified several environmental elements that affect social processes, where forest degradation is one of the key factors². According to this researcher, ecological changes lead to changes in society, and consequently to internal conflicts (intergroup conflicts), and finally international ones. A similar correlation existing between the environmental changes, internally or interstate conflicts is indicated by such scientists as Peter Gleick, Richard Ullman, Norman Myers, and

¹ K. Pronińska, *Nowe problemy bezpieczeństwa międzynarodowego: bezpieczeństwo energetyczne i ekologiczne*, [w:] *Bezpieczeństwo międzynarodowe*, R. Kuźniar (red.), Warszawa 2012, s. 319.

² M. Pietraś, *Bezpieczeństwo ekologiczne w Europie. Studium politologiczne*, Lublin 2000, s. 75.

Guenter Baechler³. Potentially conflictual and dysfunctional turn out to be not just changes of social relations arising from the unequal access to natural resources, but also corruption on levels of government accompanying the pathologies that allow to achieve benefits from trafficking for the privileged group, as well as weakening of the economic sphere.

However, Homer-Dixon's approach doesn't include – the often overlooked for anthropogenic threats – issues of crime against the environment, especially the activities of organized criminal groups associated with the politics and business sphere. Since these measures are appropriate, referred to as environmental aggressions⁴. Intentionality of these activities makes it possible to extract a parallel sequence emphasizing the human dimension of environmental security. It means that ecological aggression of criminals generates the economic and social losses, resulting in a kind of a feedback through which follows the further criminalization of the population affected by ecological disaster or scarcity of resources relevant to the key areas functioning of society.

Ecological discourse led to the situation that international community has a little one-sided approach and it invests the problem of illegal logging mainly in the developing or lying countries in equatorial zone (traditionally associated with these practices). Brazil, Peru, Ecuador, Bolivia, the region of Southeast Asia (especially Indonesia), countries of South America, West Africa and to a lesser extent Central Africa⁵ (Nigeria, Benin, the Democratic Republic of the Congo, Sierra Leone and Mozambique), are just some of the countries associated with the uncontrolled exploitation of forests and its consequences in terms of desertification, climate changes, or lack of access to drinking water. Conflicts and illegal activities are focused also around the resources of the most expensive types of wood (such as Asian agar, African pink ivory) whereas misappropriation of forest resources often finances military operations carried out by the rebels, the military junta and local warlords (such as civil wars in Sierra Leone and Liberia). Also, drug cartels in South America control national timber industry treating it as another source of easy income.

However, it appears out that the problem also has its European dimension. The processes accompanying the collapse of the Soviet Union created not only the ideal conditions for corruption activities of the business and politics in the post-Soviet area, but also led to the creation of a huge gray economy and the criminalization in social and public spheres. Interests of the organized crime lay in key sectors of the new capitalist economy, including those related to natural

³ J. Barnett, *Environmental security*, [in:] *Contemporary security studies*, A. Collins (ed.), New York 2007, p. 190-193.

⁴ K. Pronińska, *op.cit.*, s. 322.

⁵ More: J. Gilarowski, *Przemiany krajobrazów roślinnych w Afryce Równikowej. Uwarunkowania, konsekwencje, prognozy*, Warszawa 2006.

resources. The illegal exploitation linked with other types of crime like the drug and human trafficking, as well as money laundering. Increasing competition and division of spheres of influence by all kinds of mafias, internationalization in all areas and spheres of their activities, EU integration process in Central Europe and the opening of the markets contributed to an opportunity to take over a lot of money, and led to the growth of the influence and radicalization of measures taken by criminal organizations. In this context, there is the so-called „shadow globalization” defined by Penttinen as: „activities that have been made possible by global flows of information, technology, finance and people, that are taking place in informal and illegal ways”⁶. Although the dealings are not new, their mechanisms to achieve considerable gains that are occurring today are immanent for processes of globalization. Close global markets interdependence and increased demand for raw materials have caused that next to the incidental and local illegal exploitation of forest resources on a small scale existing in the countries of the region – as it did in the previous system, because poverty often forces the local populations to this behaviour – functions also the robbery to a greater extent. Demand from the rich countries of the West contributes to the disproportionate increase in illegal harvesting of resources on an industrial scale.

Eastern Europe has a relatively high percentage of countries forest area and as the peripheral area of the European Union became the source of resources of wood. Post-Soviet countries, such as Ukraine, Belarus, Latvia, Lithuania and Estonia, gradually are deprived of this natural good. The Russian Federation, where the forests cover 49% of the area⁷, is also in the forefront of countries with the largest net loss of forest stand (desforestation hot spots⁸). Russia has the world largest forest resources (809 million hectares⁹) of the surface area, even in comparison Amazonian rainforest. Taiga (boreal coniferous forest) is currently the highly endangered area of uncontrolled exploitation, which is facilitated by its proximity to China and – as mentioned above – export to the EU countries. Therefore, Russia is in third place (after Brazil and Indonesia) in the ranking of the most deforested countries in the world¹⁰, and the loss of primary forest surface will not be compensated by afforestation – similar as in the Kaliningrad Oblast, where above 80%

⁶ E. Penttinen, *Globalization, Prostitution and Sex-trafficking: Corporeal Politics*, New York 2008, p. 7.

⁷ *The Global Forest Resources Assessments 2010*, Rome 2010, p. 13, <http://www.fao.org/docrep/013/i1757e/i1757e.pdf> (21 VI 2014).

⁸ <http://thewatchers.adorraeli.com/wp-content/uploads/2011/10/hotspotdeforestationmap.jpg> (21 VI 2014).

⁹ *The Global Forest...*, p. 14.

¹⁰ <http://www.mapsofworld.com/world-top-ten/countries-with-highest-deforestation-map.html> (21 VI 2014).

of the forests is the result of cultivation¹¹. The explanation for this phenomenon is the structure of illegal timber export, where the Eastern European countries occupy surprisingly high positions.

The EU has one of the largest economies in the world, which characterises in a high demand for natural resources. It is a major global importer of wood and its derivatives, hence along with China, Japan and the United States, the largest importer of illegally harvested timber. In the structure of EU import 33% of the total production based on the raw timber material comes from Eastern Europe, which counts for almost equivalent amount of imports from Asia, Africa and South America, and 23% of this timber is illegal. In turn, up to 28% (15 million m³) of import from Eastern Europe come from illegal logging. Russia being the largest supplier¹², provides the European Union the amount of illegal supply, equivalent to total amount of timber from Indonesia, China and Brazil. Share of illegal logging in the process of harvesting for the EU is estimated at 20-40%, and the major customers are Finland, the United Kingdom, Germany, Italy, the Netherlands and France. In the Eastern European region it breaks down unevenly, e.g. stolen timber from Estonia, where forests account for 55% of the country, is representing 50% of the total raw material harvested there, which puts Estonia in this regard on a par with Cameroon¹³, Mozambique and Equatorial Guinea. However, the Baltic states (Latvia, Lithuania and Estonia) are situated right next to Finland and Sweden in the top five countries with the highest impact of the forest sector on GDP¹⁴, and it's obvious that the three biggest Eastern European suppliers of illegally harvested timber into the EU are Russia, Belarus and Ukraine¹⁵. Moreover, they are the major exporters of finished products based on the contraband, especially furniture, paper, picture frames, or parquet. The major customers in the EU, except the Baltic countries are: Finland, Germany, Sweden, Poland, Italy, Slovenia and Austria – among them importers of illegal tropical timber. Poland imports suspicious and illegal wood from Belarus (29%) and Ukraine (16%).

This problem is so serious for the Kiev government that 15,7% forest area of Ukraine has been subjected to a special ecological management, satellite monitoring¹⁶ and international programs of the forest protection. Western European

¹¹ T. Palmowski, *Kaliningrad – szansa czy zagrożenie dla Europy Bałtyckiej. Monografia społeczno-gospodarcza*, Gdańsk 2013, s. 47.

¹² P. Hirschberger, *Illegal wood for the European market. An analysis of the EU import and export of illegal wood and related products*, Frankfurt 2008, p. 12, http://awsassets.panda.org/downloads/illegal_wood_for_the_european_market_july_2008.pdf (21 VI 2014).

¹³ http://awsassets.wwf.org.au/img/fl_illegal_logging_map_5568.png (21 VI 2014).

¹⁴ <http://www.metla.fi/julkaisut/seuranta/img/Figure11.jpg> (21 VI 2014).

¹⁵ P. Hirschberger, *op.cit.*, p. 14.

¹⁶ T. Kuemmerle et al., *Forest cover change and illegal logging in the Ukrainian Carpathians in the transition period from 1988 to 2007*, „Remote Sensing of Environment” 2009, no. 113,

countries also use on a large-scale wood pellets to industrial combustion and they are its the world's largest consumer. Austria, Belgium, Denmark, Great Britain, Sweden and the Netherlands are the countries that use significant amounts of pellets for heating and manufacturing processes¹⁷. Trade in the internal market of the European Union distributes illegally the acquired material mainly in the form of round wood and timber, but also in the form of plywood, charcoal wood or profiles. The fact that the EU recipient buys this timber does not automatically mean that it consumes only for its own needs. For this reason it is very difficult to verify what country of Western Europe is the largest importer of suspicious and illegal timber beyond the European Union.

The effects of illegal logging are multi-faceted. First of all, negative consequences in the form of „spoiling” the market and unfair competition in relation to the companies with concessions and for the legal national timber production. In addition: the loss of revenue from taxes in the countries of origin of the wood, corruption of the government and political institutions, as well as the financing of terrorism, drug trafficking, arms trade and military operations funded with the money from illegal logging. The negative economic effects concern 350-650 million m³ used in the timber industry, the losses of 9,5 billion EUR per year and about 7-16% lower wood prices in the global markets. According to the World Bank, this generates the market loss of 10 billion USD, plus an additional 5 billion USD in unpaid taxes. Economic Commission for Europe (United Nations Economic Commission for Europe, UNECE) estimates that 10% of this amount is enough to certificate 150 million hectares of forests (FSC – Forest Stewardship Council). Pavan Sukhdev, a senior banker in Deutsche Bank, an adviser of UNEP's Green Economy Initiative and leader of the College of Economics of Ecosystems and Biodiversity (TEEB), estimates that the losses caused by this practice account for 7% of global GDP each year.

However, at present it is difficult to say, in the context of the socio-economic impact of the trafficking mentioned above, about noticeable similarities of Eastern Europe to the countries of the southern hemisphere, but a lot of elements and conditions appear to be similar. First of all, the region maintained by several years in the area of influence of the USSR was and still remains zone of high corruption which was supported by, among others, centralization of management in the prescriptive-distributive economy. At that time political and economic relations between the center and periphery not only allowed to reach prosperity for the local bureaucrats and the related circles, but also have led to present assignment

pp. 1194-1207; A. Pavelko, D. Skrylnikov, *Illegal logging in Ukraine. Fact finding*, Szentendrea 2010, http://www.envsec.org/publications/fact_finding_study_illegal_logging_eng_feb_11.pdf (21 VI 2014).

¹⁷ <http://jherrerosdc.typepad.com/.a/6a010535d08325970c01676802b583970b-800wi> (21 VI 2014).

of responsibility for the social welfare on the local elites, whose wealth and social status are often the result of involvement in the criminal activity. Corruption Index 2012 (CPI) ranks Ukraine at 144 place (*ex aequo* with Cameroon, Syria and Republic of Congo), Belarus at 123 (*ex aequo* with Sierra Leone, Mozambique, Mauritania and Vietnam), Estonia at 32, Latvia at 54 place¹⁸. Russia occupies the 133 position, along with countries such as Comoros, Honduras, Kazakhstan and Iran. The newly adopted EU countries are at the level of corruption characteristic to Brazil¹⁹, which has also a direct bearing on the problem of forest degradation caused by the criminal groups.

The EU countries, as a new economic center for its periphery and Eastern Europe, themselves are by no means free of corruption. In order to counter the disastrous effects of the criminalization and to allow more control over forest resources legal and organizational tools were introduced. Aside from the mentioned FSC certification there are the following: The Forest Law Enforcement or Governance and Trade (FLEGT²⁰) – the EU action plan designed to curb the flow of illegal timber onto the Community market. The economic weakness of the post-Soviet countries and the scale of poverty registered in their respective communities are significant variables affecting on internal, regional and international security. Except corruption, they are both the consequence and the cause of progressive degradation of forests in the region of Eastern Europe. They are accompanied by other forms of eco-violence associated with global net of eco-crimes, among others the illegal transfer of waste. How the studies of the Danish team showed, „the most significant relationship exists between the armed conflict and the low level of economic development of the state and the lack of democracy”²¹. Although the internal armed conflict directly caused by the environmental factor seem to be unlikely in these states, due to an incomplete congruence of this requirement for those countries which are the subject of this analysis, there must be awareness of the destabilizing influence of environmental factors on the economy and all of the consequences of this fact, even political. Moreover, the escalation of crime in that area results in the further weakening of social structures and reveals the lack of democracy. Consequently, the pattern presented by the organized crime groups becomes an attractive alternative to the civil society.

¹⁸ <http://www.transparency.org/cpi2012/results> (21 VI 2014).

¹⁹ T. Marmon, *Corruption in the forestry sector and illegal logging. The problem, its implications and approaches to combating it*, Esoborn 2009, p. 6, <http://www.u4.no/recommended-reading/corruption-in-the-forestry-sector-and-illegal-logging-the-problem-its-implications-and-approaches-to-combating-it/> (21 VI 2014).

²⁰ <http://www.euflegt.efi.int/portal> (21 VI 2014).

²¹ K. Pronińska, *op.cit.*, s. 326.

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