Peru: Corporate logging devastates forests and local communities

Timber trade in the Amazon region is a multi-million dollar business, for a small number of people. Nearly 60 percent of Peru's territory is covered with tropical forests, and it is the world's ninth country with the largest forested area. The annual rate of deforestation, according to official figures, is around 110,000 hectares. The problem is largely attributed to so-called 'illegal logging,' that is, tree cutting outside officially recognized logging concessions. The illegal logging industry is worth about US$150 million a year. It is a major contributor to money laundering, along with drug trafficking and illegal mining, according to the Financial Intelligence Unit of Peru (1). But what if illegal logging is actually facilitated by the legal framework for forest concessions?

Large-scale logging itself is responsible for enormous environmental destruction and social fragmentation in tropical forests around the world (see article "Forests Plunder" in this Bulletin). Industrial logging, whether legal or illegal, degrades vast areas of forests and is responsible for threats and violence against the communities that depend on them. This wood, which is mostly 'selectively' extracted, ends up in the leading world markets, like the ones in the United States, Europe and China. However, there are key issues to be raised about illegal logging. It also brings the near-extinction of highly vulnerable species whose logging is prohibited —like cedar and mahogany— in indigenous territories and protected areas, as well as exploitation, forced labour and subjugation of indigenous peoples, with complete impunity. The vast majority of indigenous territories are important sources of tree species with high market value, and they have therefore become the target of the logging industry.

One of the pillars of Peru's forestry policy since 2000 is the Forestry and Wildlife Law (No. 27308), which in its first article states that its main goal is to provide a framework for "the sustainable use and conservation of forest resources." The law established the present system of forestry concessions. It was later reinforced by the signing of the Peru-United States Free Trade Agreement that came into effect in 2009. The Agreement includes an Annex designed to promote wood produced by 'Sustainable Forest Management' (2). In July 2011, a new Forestry and Wildlife Law was approved but has not yet been adopted due to delays in finalizing the regulations necessary for its implementation. The new law, however, maintains the same concession system for timber extraction and the presented draft regulations indicate that it will promote forestry investment with clear 'sustainable management' rules (3).

Big export-oriented lumber conglomerates in Peru obtain 35% to 45% of their wood from unauthorized sources, according to a 2012 study by the Environmental Investigation Agency (EIA) (4). The study tracked 112 shipments of illegal cedar and mahogany from Peru, imported by companies in the United States. Seventy of the 112 tracked shipments were made by Maderera Bozovich, a Peruvian company belonging to the U.S. business group Bozovich Timber Products. According to the records of the Peruvian National Institute of Natural Resources, in 2006 Maderera Bokovich handled 34% of cedar exports, destined for the United States, Mexico and Puerto Rico, in

that order. A comparative table in the EIA study, based on more recent data, identifies companies that exported timber between 2008 and 2010 while failing to comply with legal requirements. Bozovich heads the list again. Moreover, in 2005, three fake licenses were discovered for a total of 492 cubic metres of sawn cedar, made out to Maderera Bokovich (5).

It is becoming increasingly clear that in spite of amendments to laws, regulations and treaties, logging in the Amazon region - with or without management plans, with or without legal papers - is far from 'sustainable' for the forests and forest communities. A study published in *Scientific Reports* (6), analyzing official government information, showed that 68.3% of all concessions supervised by the authorities were suspected of serious offences against the law. The nature of these offences indicates that the permits granted to legal concessions are being used to cut down trees in unauthorized areas, thus posing a further threat to more areas of tropical forests, including indigenous peoples' territories and protected natural areas. Many of the offences also involve the illegal extraction of vulnerable species such as cedar and mahogany.

The logger, however, is not the problem. In Peru, the worst forms of forced labour involve exploitation of indigenous people in the Amazon engaged in illegal logging. A large number of logging companies still recruit workers through advances of money, goods or other inducements to join their extractive labour force, trapping them into an artificial debt that they cannot repay. Sadly, this way of workers recruitment leads to a system of debt servitude. A report by the International Labour Organization, including a series of interviews with indigenous leaders, priests, workers, representatives of state institutions and members of different local NGOs, concludes that this system is "one of the worst forms of exploitation and loss of freedom... Furthermore, it is usually associated with non-payment of wages, payment with goods, prostitution of women in the logging camps and truly subhuman working conditions" (7). The unsettled debt can be used to "keep a grip on native labourers for decades or generations" (8).

To make matters worse, in June 2014, President Ollanta Humala launched an appalling 'environmental package' of reforms, comprised in Law No. 30230. The package directly affects indigenous lands. Among other shortcomings, it allows the State to use 'special procedures' to grant lands for investment projects in whatever amounts and locations they require, disregarding the property rights of the legitimate owners (9). In other words, a series of biddings will be granted to large-scale projects, including agro-industrial monocultures, logging, mining, and oil and gas.

Logging companies set their sights on indigenous territories

'Selective' extraction of high market value timber species mostly occurs within indigenous territories (usually among the most traditional communities), or in areas inhabited by indigenous peoples living in voluntary isolation or in recent contact. This invasion has had disastrous impacts, not only by degrading the forests that these communities depend on for their livelihoods, but also by causing violence and subjugation. The payment received by the loggers in the Amazon region per board foot is approximately 2,660-fold lower than the price fetched by worked wood in the United States (10). This way, some distinguished stores in the United States, the United Kingdom or China are able to sell 'fine' hardwood flooring. Meanwhile, in the Peruvian Amazon, indigenous communities face threats and violence for defending their territories from logging companies and the corporate and governmental mafias behind them.

The community of Alto Tamaya-Saweto, in the low rainforests of Ucayali, had their lands officially recognized by the Peruvian State in 2003, but they have still not obtained the respective titles to the territory. In contrast, the State has granted two forestry concessions overlapping the community's

land, and has classified all the communal territory as permanent production forests, that is, forest destined for lumber production (11). In September 2014, four leaders of the Asháninka indigenous people were murdered by timber mafias. This happened despite numerous denunciations made to the authorities by these leaders about the threats they received for defending their territory. One of the leaders, Edwin Chota, was an internationally renowned activist for his fight against logging in indigenous lands. David Salisbury, a professor at the University of Richmond in the United States, had known Edwin for more than ten years and had been advising his community in their struggle to obtain title to their land. In an interview with the BBC, Salisbury stated that “there is still a community there surrounded by loggers; people are fearful, they are prisoners in their own community, because the loggers are talking on the radio and saying they want to finish off the community on the logging frontier, once and for all” (12).

On 23 October 2014, the Shipibo indigenous community of Korin Bari, located near Saweto, filed a lawsuit against the Peruvian Government alleging that it had endangered the lives of those who resist the invasion of their lands, by failing to title indigenous territories. In 2011, houses of the Shipibo community were demolished by logging operators who were building an illegal road across their territory to provide access to timber species of high market value. The cases of Saweto and Korin Bari are not isolated cases. At least 594 communities in the Peruvian Amazon have not been granted legal titles, amounting to about 20 million hectares of forests (13).

Another modality used by loggers to invade indigenous lands is undertaking the title procurement process for a community in exchange for the wealth of their forests. By helping to obtain the titles, loggers take hold of the forest use permits granted to the communities in areas where there are no concessions. A local newspaper denounced in May 2014 the case of the community of Nueva Esperanza, located on the so-called ‘Triple Border’ between Peru, Brazil and Colombia. After experiencing numerous extractive invasions, Nueva Esperanza started the title procurement process in 2009, claiming an area of 204,493 hectares. The process was being managed by a logger who lived in the vicinity of the community. At this strategic point of the ‘Triple Border’ there are 8 mills with state-of-the-art machinery buying timber for export. After approving the titles, its Overall Forestry Management Plan and Annual Operation Plan were almost immediately accepted, authorizing Nueva Esperanza – or rather, the logger, the extraction of 2,345 trees of 22 different species. Of these, 178 are cedar trees. How much wood is really being taken out of this area? It is not known. What is known is that the indigenous peoples are indebted up to the hilt as they have to pay for the title procurement process of their community and for products like motors, chain-saws and batteries, sold to them by the logger at very high prices in return for wood (14).

Whether or not the timber extraction is legal or not, the reality is that the global economic system stimulates timber companies to intervene in any territory where timber species can be found for lining their pockets. Because it is a multi-million dollar business, major private and public powers seek to profit by it. This means that, whether by legal means or not and under ‘sustainable’ management plans or not, the Amazon forests —including indigenous territories, reserves for indigenous people living in voluntary isolation, and protected natural areas— are being increasingly violated. It is the large corporations which control a wood extraction network seeking to satisfy its continuous capital accumulation by selling -under eco-friendly labels and ‘sustainability’ certificates- the destruction and devastation of the forests on international markets.

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