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ABOUT THE SERIES

This policy brief is a series of research documents summarizing the knowledge of area contextualized to Southeast Asia and Malaysia, in particular from ongoing research work by the Center for Technology, Strategy & Sustainability (CTSS) at the Asia School of Business. The author of this issue is **Thessa Vasudhevan**, **Independent Research Consultant**.

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Executive Summary

Looking back in time helps us see that things have not always been the way they are, and with that knowing, we can imagine different possibilities to guide our present policy choices for alternative futures. Human-forest relationships have not always been rooted in extraction and dispossession. There were (and in some communities, still are) customs of respect restraint that auide relationships with the natural world. These customs have largely disappeared from Malaysia's collective imagination and governance norms over more than a century of policy choices, and elite decision making, that were made in the context of extending control over, and accumulating wealth from, the exploitation of the natural world.

Today, the world is reeling from these choices, as is Malavsia. But we still have the opportunity to change course in how we relate to, and govern forests. These critical ecosystems and spaces are important not only for biodiversity preservation and climate action, but as culturally inscribed places and living lands that humans have long had a connection with. This paper offers an attempt to reimagine more just and sustainable futures, grounded in ethical policy choices that safeguard people and forests - not elite accumulation and extractive economic growth.

PART 1: COEXISTENCE OF HUMANS AND FORESTS

For thousands of years, forests in Peninsular Malaysia were part of everyday life, nourishing human communities who practised settled and rotational farming, foraging, and spiritual customs grounded in reverence and restraint.

Customary land practices and deep knowledge of living lands recognised reciprocal relationships between humans and nature.

PART 2: COLONIAL INCURSIONS AND EXPANDING EXTRACTION

Colonial rule reframed forests as commodities. Through foreign land regimes and laws, scientific forestry, and distanced forest governance, administrators criminalised customary access to land, and separated people from forests. Logging, plantations and mining took precedence in the colonial economy. Access to forests controlled, and communities marginalised.

PART 3: POST-INDEPENDENCE REVVING UP EXPLOITATION FOR 'DEVELOPMENT'

Malaysia retained and deepened inherited colonial frameworks that exploited forests, deploying them through state-led schemes of land development, prioritising industrial agriculture and timber commodities. Patronage politics and elite capture of forest resources accelerated deforestation. Forest governance served political gains, not communities nor environmental justice.

PART 4: THE MIRAGE OF SUSTAINABLE DEVELOPMENT

Today, "green" initiatives—like industrial forest plantations and carbon markets—repackage the same extractive logics under new terms. Forests are still reduced to timber volume or carbon credits. Indigenous land rights remain unrecognized, and forest loss continues under the guise of reforestation and climate action.

Introduction

This paper traces the long arc of human-forest relations in Peninsular Malaysia—from early coexistence and spiritual kinship, to colonial extraction, postcolonial development, and the contemporary facade of sustainability and green economy. Forests were once part of a living landscape that nourished complex ties between people, place, and ecology. But over centuries, this relationship has been severed by systems of power that redefined forests as commodities to be mapped, tamed, and exploited.

The paper explores how historical and political processes—especially colonial land laws, extractive capitalism, and uneven development—have shaped forest governance in Malaysia. It argues that many sustainability approaches today reproduce the same logic of control and dispossession that began under colonial rule. By revisiting these histories, this paper echoes calls for a fundamental reimagining of how we govern, relate to, and care for forests—not through markets and abstract measurement, but through real justice and community-rooted stewardship.

Note: The paper draws primarily on the work of incredible scholars of Malaysian history, anthropology and political economy – and it aims to recount their important insights and findings. In a way, this policy brief hopes to retell their stories, so we do not forget.

Part 1: Coexistence of humans and forest

Dense, diverse rainforests teeming with life and mystery covered the Malay Peninsula for at least thousands to millions of years. Humans have co-existed and co-evolved with these forests and tree-like river networks for millennia. Archaeological evidence suggests that humans had a presence here 1.83 million years ago.1 around the Neolithic inhabitants of these lands led a primarily subsistencebased economy, participating modest local and in international trade. These practices varied region, reflecting differences geography, climate and access to trade networks. In her book Nature and Nation, Jeyamalar K-Wells (2005) offers a glimpse into life during these earlier periods of human civilisation on the Malay Peninsula. Some lived in hamlets and cultivated wet rice (sawah/bendang) in the lower river valleys and coastal plains of the northern region. Water and nutrients from forest uplands nourished them and their crops. Those living closer to the foothills practised seasonal shifting cultivation to plant dry, hill rice (huma/ladang) and other root crops, fruit trees, vines, grains, shrubs, and herbs. After a couple of harvest cycles, they would leave crop lands to fallow and regenerate into secondary forests. The rotational cycles of food and forest regrowth were part and parcel of local custom, economy and interdependence with their ecology.

Forests provided needsfor their medicine, meat, fruits, herbs, oil, building and sailing materials, household items, hunting tools. fuelwood, musical instruments, and more. Orang Asli groups of the hinterland,2 descendants of the earliest known inhabitants of these lands (Hoabinhians), entered forests customarily to forage and hunt.3 As far back as the 5th century AD, they collected non-timber products such as resins, incense woods, rhino horns, feathers and gold to barter with traders from Indian, Chinese and Mon civilisations, in exchange for salt, cloth and iron tools.4 Knowledge of the forest and life within it was critical to survival and sustenance, and this knowledge lay with the Orang Asli forest dwellers, tapped upon by Malay villagers.5

Rivers were the lifeblood of people and their economies, providing connectivity between coasts, villages, and deeper interiors. Small kingdoms were built around coasts and rivers, with a cluster of villages around a river network owing allegiance to a Sultan.⁶ Vast, impenetrable dense forests and sparse populations meant that the Sultan could not practically exercise proprietary control over land. Instead, they needed to win the loyalty of the local chiefs, by granting them permits to extract resources, and tax at river mouths or confluences.

¹ See Jabatan Warisan Negara, Bukit Bunuh (1.83 Juta Tahun).

² Orang Asli (original peoples) is a term used to refer to a heterogenous group of people with historical and customary ties to their respective ecological spaces on the peninsula long before the arrival of other groups. They are officially classified into 18 ethnic subgroups for administrative purposes under Negrito, Senoi, and Aboriginal Malay categories. Negrito consists of the Bateq, Lanoh, Jahai, Menriq, Kintak, and Kensiu peoples; Senoi consists of the Semai, Temiar, Semoq Beri, Che Wong, and Jahut peoples; and Proto-Malay consists of the Temuan, Semelai, Jakun, Orang Kanaq, Orang Kuala, and Seletar peoples. See Colin Nicholas, (2000). They numbered 206,777 in 2020 (IWGIA, 2025). Hinterland groups refer to the Negrito category.

³ Colin Nicholas (2000), pg 11.

⁴ ibid and Jeyamalar Kathirithamby-Wells (2005), pg 8.

⁵ Nicholas (2002) pg 73.

⁶ Jeyamalar K-Wells (2005).

The political economy comprised of rulers and chiefs taxing trade, while Malay farmers exchanged rice and salt for forest products foraged by the Orang Asli. Orang Asli groups also had autonomy and played dominant roles in political administration and defence across the peninsula. Wildlife exports such as beeswax, feathers, monkeys, ivory and rhino horns, and forest products moving from the interior to the coast fuelled maritime trade. By the fifteenth century, Melaka emerged as a key port trading in scented woods, rattan, mats, tin, and pepper.8

Forest cover was largely intact despite early inhabitants using and exchanging non-timber forest products (NTFPs) for more than a millennium.9 This was achieved less through royal decrees that controlled cultivation or use of forests. 10 more likely through populations that practised a high degree of care, sufficiency and restraint amidst the abundance of land. They had evolving knowledge systems, created and inherited from their ancestors, to live alongside forests and its complex web of life. This included practices like shifting cultivation. collecting only mature bamboo for needs, avoiding weeding after planting and fallowing, having reverence for semangat padi (the spiritual force that enables rice growth), and keramat (sacred places, trees, and animals).

Rituals by the pawang before collecting honey, gaharu or camphor; pantang (taboos) on hunting certain animals and cutting down trees like the tualang (death was predicted for anyone who cut it down), identification of sakaa (ancestral lands) and restrictions on entering another's sakaa were observed, some of which are still practised today. Nicholas (2000, citing Hooker, 1970) also explains that under the Adat Perpateh, 11 the customary law admitted inherent claims of birds to land, and fish to sea - modern equivalents of this manifesting in the rights of nature movement.12

These customs reflect a form of systems thinking rooted in an understanding that humans were embedded in a larger cosmos. and their actions have consequences not only for immediate survival, but for spiritual balance, social harmony, and ecological resilience - not as romantic environmentalism but as intelligent pragmatism."13 Living with land/forests/rivers meant engaging with a rather hard life, paying attention to the natural and supernatural wild world, caring for it, building a sense of identity that was deeply intertwined with place, and practising these customs as part of social interactions. Mystery, magic, fear, living, reverence, care, hunting, harvesting, and dying were all part of the complex social life of people and forested lands. These relations evolved over time, response to internal and external forces. 14

⁷ See Nicholas (2000), pg 73-78.

⁸ K-Wells (2005).

⁹ K-Wells, pg 13. This was despite alterations in lowland forests and the conversion of coastal areas to paddy in Kedah and Kelantan.

¹⁰ These came later and were more likely to have increased extraction, as shown in Part 2.

¹¹ Customary law and way of life that originates from the Minangkabau world, brought into Negeri Sembilan by the Minangkabau people around the 12th century. It has evolved and is still in practice today. See brief information on the Negeri Sembilan official portal.

¹² See Tănăsescu (2025).

¹³ See Lye Tuck-Po (2005), pg 111, on her studies of Batek ethics and what it means to care for the forest.

¹⁴ See Wells (2005) for further details on this.

Part 2: Colonial incursions and expanding extraction

The intensification of international trade and the arrival of European powers to the region led to a profound transformation of human-nature relationships. As K-Wells (2005) narrates, in response to the growth of mercantile trade, the Malay royalty extended further control into the interior valleys, and escalated resource extraction for the export of tin, elephants, rattan, camphor, dammar and bird's nest, monopolising the extraction.15 predicated on Sovereign rule was systems of domination. According to Endicott (1983), slavery and debt bondage were pervasive in the Malay kingdoms, with the majority of slaves being the Orang Asli.16 Other forms of labour like kerah (corvee) were also imposed.17

It was reported that in 1777, a single Chinese vessel left Kuala Terengganu with a cargo of 600 kg wax, 90 kg elephant's tusks, 1,200 kg dammar and 1,020 bundles of rattan. 18 These exports fostered the growth of orang kaya, a class of influential merchant elites. 19 By the early 1800s, mining had extended into the interiors of Negeri Sembilan, Selangor and Perak, aided by colonial capital and Chinese immigrant labour. Rulers of these states capitalised on this by taxing gutta percha, charcoal and attap as demand grewfrom the proliferating mining industry.²⁰ Low impact tin panning gave way to more intensive forms of mining, leaving tailings and scratching deeper into forests, paving the way for intensified trade in jelutong and gutta percha.²¹ A self-reinforcing cycle of extractivism began to take root.

TAMING PARADISE

In the 19th century, British settlement at the Melaka Straits brought along imperial desires to foster botanical exploration agricultural enterprise. botanical expeditions sought to catalogue and utilize the region's rich biodiversity, often framing the landscape as a "paradise" to be tamed and harnessed gain.22 economic ln Penang. European agricultural enterprise was assisted by Chinese labour, deemed favourable their expertise upon adapting crops for maximised productivity.23 Thick forests were cleared for plantations and orderly "country estates" to satisfy the new class of entrepreneurial elite, who exploited rent free policies. In the south, the kanchu system, under the patronage of Johor's ruler, granted riverine lands to Chinese lords to cultivate pepper and gambier as cash crops, exhausting the soil.24

¹⁵ See K-Wells, pg 14. The capital of Perak was moved upriver to Kuala Kangsar driven by the trade of tin and elephants. The ruler of Kedah enforced a monopoly on the export of tin and rattan from the interior. Exports of camphor, rattan, pepper and tin also drove the Terengganu royalty to control interior river valleys.

¹⁶ Also noted by K-Wells. See also the novel *Hamba* or *Slave* by Akiya (2013). ¹⁷ J.K. Sundaram, Chang Y.T., Khoo K.J. (2004), pg 61.

¹⁸ K-Wells, pg 14.

¹⁹ *ibid.*

²⁰ *ibid.*, pg 59.

²¹ *ibid.*

²² *ibid.*, pg 36.

²³ *ibid.*, pg 33. ²⁴ *ibid.*, pg 38.

By the 1860s, over 1,200 plantations had emerged, ²⁵ and by 1883, there were 4,000 gambier producing factories in Johor. ²⁶ In Melaka and Negeri Sembilan, cassava was grown on freshly cleared soil every five years. Alongside timber felling to fuel mines, these practices led to widespread degradation and deforestation.²⁷

FROM LIVING LANDS TO CAPITAL EXPLOITS

As British influence grew following the 1874 Pangkor Agreement, land (and forests) were reclassified as resources to be inventoried, taxed, and developed under a foreign property rights system. ²⁸ Colonial administrators sought to consolidate sovereign claims over lands, restructuring customary ownership and usufruct systems that had governed indigenous and Malay access to lands for centuries. ²⁹

With regards to lowland cultivation and hill land shifting cultivation, tanah hidup and mati in Malay custom interpreted as two dichotomous categories governing people's use of the land, where proprietary rights existed on cultivated lands (the former), and not on lands left to fallow or untouched forests.30 concepts arise from cyclical practices of 'menghidupkan bumi' - the verb to cultivate the land, to bring into life (arguably to bring soil and microorganisms into contact with human life to grow food, and also to bring human life and settlement into land) and to leave it fallow to return to forests/nature.31

Colonial administrators sought to merge such pre-existing custom and codes like the Hukum Kanun Melaka, which established sovereign rule over land³², with their binary way of looking at land based on principles from English tenure systems. A series of land regulations in Perak and the Straits Settlements dismissed local pre-existing tenure systems and established English lease forms of tenure and land registration titles.³³ The adoption of these caused much confusion and chaos since they were completely out of place.

Subsequent attempts to delineate a new regime of land laws, regulations, taxes and policies in Perak were numerous and largely experimented with, not without resistance and failures.34 Initially, inexpensive, liberal land system was installed to attract settlers (and immigrant labour to clear dense forests). 'Waste lands' were officially designated and then alienated for plantation activity, granting the government the right to extract timber and other natural resources before agricultural conversion.35 Vast lands were alienated to European interests at very cheap prices, allowing them to even choose the best lands for plantations; foreign labour was brought in to produce 'cheap breakfast' coffee, tea, sugar, tapioca etc (especially in Perak).36 These crops were later replaced by monoculture rubber plantations in the early 20th century.

²⁶ Burkill, *Dictionary of the Economic Products*, 2442, cited in Singapore's National Library Board article: https://www.nlb.gov.sg/main/article-detail?cmsuuid=ab23f39e-9874-4ff8-b840-05954249aa2b

²⁷ K-Wells, pg 38.

²⁸ See Lim Teck Ghee (1976), and Maxwell (1884) for a study on the early evolution of land laws in Perak, and a discussion on interpretations of pre-existing customary laws.

²⁹ Sundaram et al. (2004), K-Wells (2005), Lim (1976).

³⁰ Maxwell (1884).

³¹ *Mati* refers to death, which meant something quite different at the time as reflected by rituals, cosmology, and practices that treated death as a transitional or transformational state, rather than lifelessness per se or the linear end of something.

³² The doctrine of the Raja's right to soil was acknowledged by Maxwell as arising perhaps from some confusion, as the rights of the ruler were primarily to exact one tenth of cultivated produce and to reallocate lands that were left fallow. He analyses that it was quite improbable that the ruler exercised ownership of uncleared forests given the physical difficulties of doing so, and that aboriginal groups practiced shifting cultivation and were free to roam, inhabit, and use forests further inland from the Malay villages. See Maxwell (1884), pg 90.

³³ See Lim (1976), pg 11–16.

See Lim (1976).
 K-Wells, pg 66.

³⁶ Lim (1976), pg 28.

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Colonial land upheaval led to a host of problems - the loss of native livelihoods economy, widespread speculation, uneven distribution of lands among Europeans, Asian immigrants, Malays and Orang Asli groups, reduced availability and quality of land for food cultivation, agricultural debt, soil erosion, siltation, flooding, forest destruction, etc capitalist economic predicated on the exploitation of living lands was institutionalised, threatening rich biodiversity of swamps, lowland forests. dipterocarp and human wellbeing. By 1920, rice cultivation covered 250,000 hectares.³⁸ plantations expanded dramatically from 11,300 hectares in 1904 to 410,000 hectares by 1920.39 By the 1930s, tin mining had grown to about 1,000 mines and over 100 dredges (each requiring at least 160 hectares), causing severe damage to water, soil, and forests.40

FORESTS WERE MADE RESERVES -TO BE MANAGED FOR FUTURE EXTRACTION

Timber was equally important to imperial interests, prompting conservation efforts driven by both economic and growing environmental concerns in response to periods early of wanton The overexploitation of conversions. species like gutta-percha spurred the formalisation of forest management.41 The professionalisation of forestry in the early 20th century—including the training of foresters and the adoption of scientific management— sought to regulate the extraction of valuable species and ensure a steady supply of timber. 42

Land and forests officially became two distinct administrative matters and institutions, not without conflicts between the two and remains a continuous site of tension between 'development' and 'nature'. 43

Under British Forest Enactments. especially those introduced in the Federated Malay States, forested lands were reclassified into administrative zones: Production Forest Reserves, intended for planned logging operations, Protection Forest Reserves, for soil and moisture retention on steep terrain and considered less commercially viable and Land **Forests** all forests.44 **Forest** unalienated laws replaced existing customary rules with fines, permits, and penalties, to monetise forests products and control access. Once land was gazetted as a reserve, it became legally off-limits for cultivation, hunting, foraging, or habitation without state approval - denying rural communities access to landscapes and activities they had long depended on.45

Mangroves in tidal mud flats, for example, which provided important protein sources to local communities, were systematically managed to provide fuel for the tin industry, with access and harvests controlled through licenses. This of course fuelled discontent and resulted in widespread evasion of forest laws by locals. 46

³⁷ *ibid.* and K-Wells, pg 150.

³⁸ Sundaram, pg 64.

³⁹ K-Wells, pg 159.

⁴⁰ K-Wells, pg 152.

⁴¹ Wells, pg 68–74.

^{42 *}ibid.*

⁴³ Later, forestry would be subsumed under the Ministry of Agriculture for 41 years, then the Ministry of Industry and Primary Commodities, and now under the Ministry of Natural Resources and Environmental Sustainability.

⁴⁴ K-Wells, pg 68–74.

^{45 *}ibid.*

⁴⁶ K-Wells, pg 91.

Curbs on shifting cultivation, forest legal enclosures and Malay agricultural and reservation policy would further separate people and forests.⁴⁷ Decisions about the optimal use of forests were to be made from afar, under management techniques and logics distanced from forest life, usually with a strong view towards economic returns elsewhere - not to local communities. Forest-based economies. once marked by fluid, needs-based use and exchange, were restructured around formal markets, licenses, and taxation regimes. People living in and close to forests were no longer regarded as inhabitants or guardians but encroachers.

The imposition of forest laws and the loss of free access to land effectively drew new lines of control and access to resources that inevitably benefitted precolonial ruling elites, the emerging (albeit still colonial) state and new networks of entrepreneurial classes in tin, rubber, timber and mining industries.48 A racialised economic structure deepened alongside the exploitation of forests. Chinese traders gained prominence as intermediaries in forest products and timber trade, while others were relegated to labouring roles.⁴⁹

Despite varying levels of interventions to protect forests for their ecological functions, the seeds of the modern state machinery for land and forest (and people) governance were planted in this period: the commodification of land, deployed primarily for the purpose of productivity gains; the hegemonic control of forests, and thereby dispossession of many Orang Asli and local communities from customary lands.⁵⁰

This dynamic intensified post-World War Two and in response to the Malayan Emergency, as the state increasingly anxious of national security interests against communist guerrilla fighters- leading it to reterritorialize forests that offered refuge to the insurgents.⁵¹ Post-war reconstruction also saw an unprecedented boost to the timber industry, and the involvement of a Malay rentier class capitalising on timber opportunities - forming the bedrock of forest governance issues that remain a central motif in contemporary patronage politics.52

⁴⁷ K-Wells, pg 127.

⁴⁸ See Sundaram et al. (2004).

^{49 *}ibid.*

⁵⁰ See K-Wells, chapter 4 and Jomo, pg 7851 See K-Wells, pg 249–256, and Maureen Sioh (2010).

⁵² K-Wells, and see also Fadzillah Majid Cooke (1994).

Part 3: Revving up Exploitation for 'Development'

Malaya (later, Malaysia) gained independence in 1957. Yet, it inherited the institutional and political logics of colonial forest governance — and expanded them. The same legal and administrative tools that had been used to facilitate colonial extraction were now deployed in the name of national development. Rather than dismantle extractive and exclusionary systems that caused the demise of living lands, the post-independence government adapted them to pursue rapid economic growth through state-led land development, accelerating deforestation.

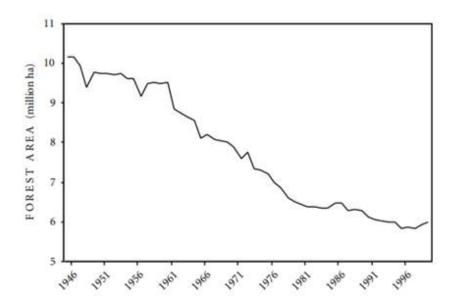


Figure 1: Forest Area, Peninsular Malaysia, 1946-2000 (Source: Jeyamalar K-Wells, Nature and Nation, 2005)

CONVERSION OF NATURAL FORESTS TO MONOCULTURE PLANTATIONS

This period saw the rise of various federal and state land development schemes, most notably FELDA (Federal Land Development Authority),⁵³ funded by loans from international development banks. These agencies spearheaded the transformation of forested land into rubber and oil palm estates, justified by goals of rural poverty alleviation and national agricultural productivity. Yet, various contradictions between rhetoric and reality persisted.

⁵³ Sundaram et al (pg77) note that the origins of FELDA, in 1956 (pre-independence) was to "counter communist insurgency's promise of land reform for the peasantry".

Land classification surveys that were used to support these schemes frequently failed to consider critical ecological and infrastructural factors such as soil fertility, slope, or remoteness.⁵⁴ Many areas under cultivation proved unsuitable, leading to high rates of abandonment, degradation and migration in search of urban employment.⁵⁵ Heavy state planned and regimented productions of cash crops for the global market made rural economies more vulnerable to global commodity shocks and FELDA's paternalistic management – including the later FGV Ventures – risking the long-term viability and dignity of livelihoods to political, financial and market whims. Rapid and massive conversions of forests to plantations also resulted in more flooding events during wet seasons, increasing people's vulnerabilities.⁵⁶

Wells (2005) also alludes to how the move toward monoculture further disrupted ecological knowledge systems, which were attuned to mixed-use and rotational agriculture.⁵⁷ Even when agroforestry was promoted in the early 2000s, it was to plant high commercial value timber species, in lands already covered with oil palm and rubber.58

Despite these outcomes, the development narrative remained dominant, framing forest clearance as both necessary and integral to nation-building. By 1990, FELDA had cleared over 847,000 hectares of forests.⁵⁹ Even in the face of declining forests, more areas were targeted for conversion despite the availability of nearly 900,000 hectares of cleared, idle land. 60 Land development schemes were not required to undergo Environmental Impact Assessments under the 1974 Environmental Quality Act until 1986—and even then, existing and planned projects were still exempt.⁶¹ In the decade to come, not a single EIA report for forest harvesting was submitted – a period which saw escalated timber extraction.⁶²

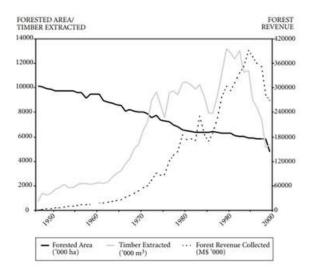


Figure 2: Forest Area, Timber and Revenue Extracted, 1946-2000 (Source: Jeyamalar K-Wells, Nature and Nation (2005))

⁵⁴ Wells, pg 319.

⁵⁵ *ibid.*

⁵⁶ Tan Soo et al., 2016.

⁵⁷ Wells, pg 286.

⁵⁸ https://www.frim.gov.my/v1/fif/pdf_file/fif_apr-jun_05.pdf

⁵⁹ *ibid.*, pg 319, citing Heang (1981).

^{60 *}ibid.*

^{61 *}ibid.*, pg 320. 62 *ibid.*

POLITICAL PATRONAGE AND ACCUMULATION BY DISPOSSESSION GO HAND IN HAND⁶³

The allocation of land and development aid was not always based on need, but mediated often through political patronage networks.64 Land development agencies contributed to the rise of a Malay capitalist class aligned with the state (at the time dominated by UMNO/BN), while farming settlers laboured to pay off their loans to own the land.65 Structural inequality was inbuilt into the mechanism of alleviating poverty, where profits from oil palm expansion were captured by state-linked companies and private concessionaires, not by smallholders or labourers. Plantation workers (especially migrant labourers) received little protection, and precarious faced working conditions – a persistent problem.

Underpinning these land schemes and timber extraction was corruption. Timber licenses, land titles, and concession agreements were regularly allocated to elites.66 connected politically industry itself became central to postindependence accumulation strategies. As demand for tropical hardwoods surged in the 1970s and 1980s, the state increasingly relied on logging revenues to finance development. 67 Concessions were (and are) awarded as political rewards, often to favourable businessmen or their proxies - whoever that would pay.68

In many cases, concessionaires did not abide by sustainable forest management guidelines and viewed their short-term licenses as short-term opportunities to extract maximum profit, accelerating unsustainable practices.69 Monitoring and enforcement of good conduct was scant. Forest resources became a vehicle for political loyalty, patron-client ties, and elite accumulation. Decisions regarding forest conversions were made at the federal or state executive level, with transparency or community consultation again, persistent а problem.70

Dual accumulation processes were at work: forests were both national resources to be cleared for plantations and other forms of development e.g. hydro dams, highways, golf courses, luxury properties etc; and immediate revenue sources to be liquidated for economic and political gain. Sundaram et al (2004) notes that this approach led to contradictions—while departments promoted sustained yield management, political pressure pushed for rapid extraction to satisfy fiscal and electoral priorities at the state. Varkkey (2013) also highlights how forestry was deeply enmeshed in state-business relations. Rents from large-scale timber operations were rarely reinvested into sustainable management communities, but often circulated within a wide range of networks, grooming a class of elites that would pose no challenge to dominant interests (this has been pointed out as an inherited practice from British administrators).71

⁶³ Accumulation by dispossession is a term coined by David Harvey (2004) to explain processes of wealth accumulation in capitalism that extract value from communities or places that originally hold wealth.

⁶⁴ See Sundaram et al. (2004).

^{65 *}ibid.

⁶⁶ Varkkey (2013), citing Cooke (1997).

⁶⁷ Sundaram et al. (2004).

⁶⁸ See *Macaranga's Forest Files*.

⁶⁹ See Cooke (1997).

⁷⁰ See *Macaranga's Forest Files*.

⁷¹ Varkkey (2013).

On top of that, logging roads opened up formerly inaccessible territories, leading to encroachment, illegal felling, and conflicts with Orang Asli communities that resisted the appropriation of their homes - albeit some of their leaders were co-opted into well-oiled patronage schemes too.⁷²

Mounting criticism (both by local and international observers) on rampant elite favouritism exploitation, blatant corruption was deflected by lona-time Prime Minister. then Mahathir Mohamed, on ideological grounds.⁷³ Political/economic elite impunity in exploiting Malaysia's forests was defended by 1) blaming advanced countries for impinging on the developing world's sovereign rights to natural resources, and 2) justifying the exploitation of forests and their timber as necessary for 'poor' states and livelihoods.74 These tactics are still being used in policy discourse today to evade responsibility.

Little attention was paid to the fact that despite the timber booms, and the billions of benefits enjoyed by elite actors in this developing nation, the poorest states and people remained poor. Kelantan, which saw escalated deforestation through the 80s, had RM753.77 million in debt in October 1990 (when PAS took over from UMNO after 12 years).75 Simultaneously, after the elections, the Federal Government slashed development allocation under the 6th Malaysia Plan to the state by about a third - leaving it to continue accelerating its timber production.76 Sabah, Kelantan and Sarawak remain states with the highest incidence of poverty despite their high rates of deforestation over decades. Lojing, Kelantan, remains the poorest district in Peninsular Malavsia, with an absolute poverty rate of 43.8% in 2024, despite decades of deforestation led by state authorities for logging, agriculture and minina.77

⁷² See Nicholas (2000).

⁷³ See Varkkey (2013).

⁷⁴ *ibid.*

⁷⁵ K-Wells, pg 354.

⁷⁶ *ibid.*

⁷⁷ Department of Statistics, Malaysia – Poverty rates by district from 2019–2024.

Meanwhile, the institutional legacy of the colonial Forest Department persisted. Post independence forest governance continued to ignore customary land rights of the Orang Asli,⁷⁸ who remain the poorest of Malaysians, and remain excluded from the legal frameworks governing land and resource use.⁷⁹ Massive conversions of forests since the colonial administration, which accelerated under the post-colonial government for timber, plantations, hydroelectric dams, highways, and settlements, displaced and dispossessed Orang Asli groups of their customary territories. Remaining forest lands were reserved in one way or another by state authorities, leading to many Orang Asli territories lying within forest reserves - therefore subject to state forestry decisions, excisions and incursions. They were (and are) rarely consulted nor compensated for the loss of their lands; while poor state resettlement plans meant that displacement from ancestral lands and traditional livelihoods were accompanied by marginalisation, poverty, and cultural loss.80 The National Forestry Act in 1984 and later amendments would further cement the criminalisation of entering forests and the use of forest products for livelihoods, while access by timber companies or favourable concessionaires are legitimised from afar.81 This has therefore spurred resistance by Orang Asli groups that seek to uphold their customary rights to land - long recognised under common law - seeking restitution through a slow, expensive, and uncertain process that cannot guarantee the return of their lands.82

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⁷⁸ See Lim Teck Wyn (2011). The common law recognizes and protects pre-existing rights of the Orang Asli to their customary territories. See also SUHAKAM National Inquiry into the Land Rights of Indigenous Peoples (2013), legal cases of *Adong bin Kuwau v Kerajaan Negeri Johor*, *Sagong Tasi v Kerajaan Negeri Selangor*, *Pos Balar* and *Pos Belatim* cases.

⁷⁹ In 2021, JAKOA

⁸⁰ See Nicholas (2000) and SUHAKAM (2013).

Notwithstanding that the Act has specific provisions stating that the state government may reduce or exempt payment for the collection of forest produce with respect to usage by an aborigine — *National Forestry Act, 1986*, para 62(2)(b).

⁸² See Subramaniam and Nicholas (2018).

Part 4: The Mirage of Sustainable Development

In recent decades, the Malaysian State has adopted the language of sustainable development, biodiversity protection, and climate action, largely in response to mounting international and domestic scrutiny. Yet, these shifts have not marked a genuine break from colonial and postindependence paradigms of forest governance rooted in dispossession and extractivism. Rather, they represent a recalibration—where the instruments and discourse of sustainability are wielded to legitimise ongoing commodification of nature

FOREST PLANTATIONS - KILLING LIFE FOR NEW SOURCES OF TIMBER

Industrial timber plantations, referred to by state authorities as "forest plantations" are a pertinent issue. The official narrative is that forest plantations are intended to rehabilitate degraded forests solely within permanent reserves forests (PRFs), by converting them into high-yielding timber producing plantations.83 Under the guise of sustainable forestry and reforestation, large swathes of natural forests within PRFs have been - and continue to be cleared to make way for monoculture timber plantations. It was reported that between 2002 and 2021, Peninsular Malaysia lost about 790,244 hectares of mature forest. more than 300.000 hectares of that likely due to forest approved inside plantations forest reserves.⁸⁴ These projects operate under federal driven programmes, funded by both public and private funds.85

In reality, these plantations primarily overlap with intact natural forests, environmentally sensitive areas and peoples' indiaenous customarv territories.86 An independent geospatial analysis finds that across Malaysia, close to 2.5 million hectares of natural forests are under threat from industrial timber plantation concessions.87 63% of these are found to be within intact forests, raising the question of whether forests are intentionally degraded to justify their subsequent conversion.88

Forests earmarked for plantations are labelled as "degraded", despite being living, biodiverse and culturally significant landscapes. This label is based on an arbitrary, simple calculus and reductive metric - where average harvestable timber volume is less than 153 m3 per hectare.89 On one hand, this metric reduces the richness of ecosystems and human relations to them into cubic metres of extractable timber. This metric would mean that most of the remaining forests in Peninsular Malaysia are "degraded" and therefore eligible for conversion to timber plantations.90 While this method is unfounded in the physical reality of forest ecosystems and the myriad ecological, spiritual and cultural values that they hold, this metric is also ironic in that it raises questions over the effectiveness of the very industry tasked with managing forests - through what is termed "sustainable officially management."

⁸³ See *Forest Plantation Development* background.

^{84 *}Macaranga*, *Navigating the Multiverse of Forest Data*.

⁸⁵ The Malaysian Timber Industry Board, their Special Purpose Vehicle (SPV), Forest Plantation Development and State forestry departments promote and regulate timber plantations within forest reserves.

⁸⁶ *Rimbawatch*, *State of the Malaysian Rainforest Report 2024* and *Macaranga*, *Ladang Hutan* series.

^{87 *}Rimbawatch*, *State of the Malaysian Rainforest Report 2024*.

^{88 *}ibid.*

⁸⁹ *Garis Panduan Penubuhan Ladang Hutan*, 2017, Forestry Department of Peninsular Malaysia.

^{90 *}Macaranga*, *Ladang Hutan* series.

Although the National Land Council had announced a 15-year moratorium in December 2021 on the zoning of new plantation areas. governments are not legally bound to halt conversions or expand plantations within already zoned areas. In 2023, Kelantan and Pahang were reported to have the highest number of forest plantations in mature, natural forests in Peninsular Malaysia.91 Reports had also indicated that two thirds of forest plantations had been clear felled without replanting, with little repercussions.92 Since such land remains legally classified as forest (as forest plantations lie within forest reserves), this deforestation does not appear in official statistics. Malaysia's promise to maintain at least 50% forest cover based on paper definitions rather than actual, physical land cover and the diversity of plant and animal life it holds, is therefore misleading.93

THE MARKET WILL NOT FIX IT

Public-private partnerships, **ESG** metrics, and voluntary carbon markets have been championed as modern, pragmatic solutions to ecological degradation. Yet these instruments rarely confront the root causes of forest loss: the logic of accumulation by dispossession, which persists under an economic system addicted to extractive expansion, nudged to make only adjustments marginal to quantitative targets that fail to capture the depth and scale of long-term ecological and social harms. This is evidenced by the continued reliance on industrial oil palm agriculture, timber plantations and fossil fuel expansion within Malaysia's green economy framework, despite the known threats of these to ecological stability.

The financial sector has become a key mediator of this process. Policy makers around the world increasingly depend on finance to unlock the utopian promises of green capitalism. But a fundamental contradiction remains: financial markets, and particularly, offshore accounts, thrive on the same extractive processes that are damaging to people and the natural world. Breaking the cycle accumulation by dispossession inherently unprofitable. Indeed, the new rush for transition minerals, both on land and in the deep seas, point to the insatiable demand for new lucrative forms of extraction, now justified by narratives of the green transition. At the same time, it is also increasingly evident that our economic and financial systems are at risk from choices that exploit and harm the planet. Unless a radical, systemic transformation of international and domestic monetary, financial and architectures are enacted fiscal restrain and prevent capital accumulation in extractive industries and their political networks - progress will remain elusive or piecemeal.94

Carbon offset markets are promoted as win-win tools for conservation and development. But such nature-market based approaches risk reproducing extractive dynamics under a green banner. Without clear legal reforms, enforcement, and secure land rights for the Orang Asli, such instruments may easily become vehicles for new rounds of accumulation by dispossession, cloaked in the rhetoric of sustainability.

⁹¹ *Macaranga*, *Projects that Replaced Natural Forests*.

^{92 *}Macaranga*, *Ladang Hutan* series.

⁹³ *ibid.* Rubber latex clone, acacia, batai or other fast-growing timber species plantations do not harbour the same biodiversity as a diverse, mature, natural forest. (2023).

⁹⁴ See Harvey (2003), Dempsey, J. et al. (2024), Almeida et al. (2024), Svartzman and Althouse (2020).

MISGUIDED NOTIONS OF RIGHTS AND BENEFITS

Beyond the issues of scientific credibility, concerns that voluntary carbon markets will perpetrate enclosure and monetisation of lands traditionally held and managed by Indigenous and local communities are real and grounded in decades of communities' lived experiences. These concerns cannot be addressed quidelines. by voluntary transparency mechanisms, nor the integrity questionable of market shaping forces (from Paris Agreement COP proceedings, to certification and verification bodies. states. corporate actors).95 Even with good intentions by some actors, these schemes entrench existing power asymmetries in forest governance unless they recognise and - together federal with and state laws. processes administration and uphold Orang Asli customary land rights, including their rights within reserves.96 forest Without this fundamental protection, it is easy for carbon project developers and market players to dismiss communities as mere stakeholders to consult with, as opposed to rights-holders that could legitimately withhold consent to the commencement of a project.

Free. Prior and Informed Consent (FPIC) is only one component of the arsenal of rights enshrined under the UN Declaration on the Rights of Indigenous Peoples (UNDRIP). Upholding these rights cannot rest solely on token compensation through carbon market arrangements. Even when FPIC is claimed to have been incorporated in a carbon project, in practice, communities are informed once the project has been initiated and defined. well Furthermore. true representation of local communities in decision making boards of these projects is nonexistent. Turning these land owners into labourers under a carbon scheme that co-opts knowledge, land, time, and labour for basic compensation is not far from previous logics of accumulation by dispossession. There is difference between benefit sharing mechanisms built on equal power relations, and those that merely recruit community consent or participation to legitimise state or corporate-led projects.

Carbon market project developers justify the legitimacy of their projects through the provision of basic facilities such as water or electricity – but these are not "benefits", they are fundamental human needs to be provided for equally by the government, not a box-checking exercise by corporations that profit from sidelining, ignoring or denying the rights of these communities.

⁹⁵ See *Rights and Resources Initiative* (2021 & 2024) for analysis of this in other countries. See also Dempsey et al. (2024) and Irvine et al. (2023).

⁹⁶ *Pos Balar*, *Pos Belatim* and *Kampung Peta* cases, for instance, establish that forest reserves and national/state parks do not extinguish native customary land rights under common law.

In short, contemporary trends in sustainability, exemplified by forest plantations and carbon market frameworks, continue to reduce living ecosystems into abstract, fungible things for commodification. For plantations, forests are reduced to "cubic metres of harvestable timber"; for carbon markets, to "tonnes of carbon". This way of seeing and making decisions about forests, makes highly intricate, dynamic natural processes legible only to serve market seeking and market expanding logics. For the voluntary carbon market, the ecosystem of actors: primarily credit buying firms (polluters), project developers, verifiers, and carbon registries and exchanges – have priorities to pursue their own interests or to create a viable demand and supply market, as opposed to safeguarding forests and their rightful inhabitants, who lie outside the sphere of influence and ownership of these projects. For timber extraction and forest plantations, as well, the logic is perverse, where a breathing, living and culturally-inscribed landscape (see Part 1) is reduced to an enclosed, dead territory, a machine working for the extraction of value. The logic remains extractive, even if the language has changed.

Recommendations

Forest governance in Peninsular Malaysia has long been shaped by elite interests—first colonial, then national (and sub-national) and now corporate. From early resource monopolies and land alienation to present-day plantation economies and carbon markets, forests have been rendered legible in terms of economic value, primarily to serve the interests of elite accumulation. Today, the state cloaks extraction in the language of sustainable development, yet little has changed in the underlying political economy of dispossession. To truly restore forests and the relationships they hold, Malaysia must confront the roots of its environmental crisis. This demands a strong cultural shift, and political courage and consistency, to legislate against the clearance of forests, to constrain harmful activities and legally affirm the customary rights of the Orang Asli to their territories. Policy must go beyond symbolic gestures and market mechanisms. True environmental justice demands strong safeguards to forests and people, by instituting a baseline rights-based approach to governance. Policy action should prioritise:

- Full, consistent legal protections of Orang Asli rights as provided for under international mechanisms such as the UNDRIP;
- Clear regulations that prohibit carbon projects from occurring within jurisdictions where the above is not guaranteed as a minimum safeguard;
- Clear regulations mandating that carbon offset projects reflect the highest levels of transparency, and where FPIC involves communities having the right to veto projects and withdraw their consent:
- The establishment of anti-fraud regulatory authorities and robust grievance mechanisms for the voluntary carbon market.⁹⁹
- Federal and state laws, policies and plans to prohibit all forest conversions by 2030 in line
 with Malaysia's international pledge to halt and reverse forest loss (Glasgow Declaration),
 starting with an immediate moratorium on all conversions within existing industrial timber
 plantation concessions; and to include state land forests within this conversion ban;
- Clarify and align definitions of forests, deforestation and reforestation to reflect the
 conditions of natural forests. For example, monoculture plantations in forest reserves
 should not be classified as forest cover in official reporting, and "Reforestation" in the
 National Forestry Act should exclude the planting of monoculture species; it could be
 redefined as the planting of diverse, native trees and plants to mimic natural forests.
 Malaysia's national forest cover, conservation targets and monitoring should reflect these
 changes.
- Improving public kinship with forests by promoting opportunities to learn from forests and their knowledge holders, to rebuild relationships between people and forests based on care and practices of restraint from harming while reducing for-profit control and private accumulation of forests (including state-owned enterprises).

99 See *Transparency International* (2025).

⁹⁸ Public consultation to the draft national Climate Change Act revealed that many Malaysians were disappointed that a rights-based approach was not centred. See *Eco-Business* report, and the Malaysian Bar Council's press release.

Recommendations

While these policy choices may be politically unfavourable, given the tensions and dynamics of Federal-State relations, the powers of states with respect to land matters, and patronage systems of power that are so deeply entrenched; collective action and committed focus on these measures might create new forms of ethics that safeguard forests and people. This could shift transformative power to people who do care, and care deeply, for these living lands. The Malaysian public has a long history of resisting so-called development projects that cause rampant destruction, 100 and new networks of caring environmentalists are emerging to question everything from the (deliberate) lack of transparency of Environmental Impact Assessments to the shortcomings of Ecological Fiscal Transfers. This means that many people do care. And that, there is, indeed, another way to see forests: not as commodities, but as living, breathing beings and spaces that we connect to and live with, sustained through care, diverse knowledge systems, and justice. The roots of this form of human-forest relations are old and deep. Let them grow.

¹⁰⁰ See K-Wells (2005) and Nicholas (2000), and recent news reports on local communities fighting against development in urban community forests (Bukit Kiara, Bukit Dinding, Bukit Cherakah etc), indigenous peoples defending their territories (Temiars in Kelantan, Penans in Baram etc), coastal groups protesting against land reclamation projects in Penang and Melaka, etc.

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