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***The Haze Problem in Southeast Asia: Palm Oil and Patronage.* By Helena Varkkey.** London and New York: Routledge, 2016. Pp. 227.

The transboundary haze pollution issue has been recurring on an annual basis in Southeast Asia. Its magnitude depends on a number of factors, including: weather conditions; efforts by the state to monitor and eradicate open burning; the shoring up of enforcement to protect peatland areas; collaboration at the regional level through the ASEAN mechanism; wind conditions; and, at times, sheer luck. Consequently, this is a complicated issue involving multi-level stakeholders, corporations, governments and interest groups.

This publication by Varkkey is therefore timely, relevant, and bold. At the beginning, it sets out the parameters by asking a key question: why have governments in the region failed to effectively address the haze issue despite evidence of the culpability of the palm oil plantation sector in Indonesia (p. 6)? A “source and solution” approach incorporating political economy concepts of patronage and vested interests, and the ASEAN model of economic regionalism and elitism is put forward to explain the recurrence of the haze in Chapter 1. While regionalization is mainly market-driven, it is also supported by the state. Analysing the source of the haze and discussing the solutions undertaken to address this issue forms an important component of this publication.

One of the key strengths of the research is the wealth of primary data collected over time from different countries. It includes field research and semi-structured interviews among officials, practitioners, NGOs, and researchers. This yields invaluable insights (otherwise not found in published sources and official records) that are evident in the analysis presented in subsequent chapters of the book. The usefulness of this methodology was especially evident in the two case studies undertaken on the Malaysia–Riau and the Singapore–Jambi collaboration of “Adopt-A-District” programmes (Chapter 5,

pp. 195–203). Both these case studies contain a depth of discussion only obtainable through interviews with individuals and organizations connected with, or deeply knowledgeable about, these projects.

Chapter 2 then links the Indonesian oil palm sector to transboundary haze pollution. Palm oil is important and will always be in demand because of its industrial (cosmetics, soaps and lubricating oils) and edible versatility (cooking oil, margarines and creams) and biofuels. Varkkey, from her research, points out that up to 80 per cent of forest fires came from oil palm plantations (or their subcontractors), compared to 20 per cent by slash-and-burn farmers (p. 51). The density of fire alerts was also three to four times higher within commercial concession boundaries compared to outside these boundaries. Up to 90 per cent of fires come from oil palm cultivated on peatland, and about 45 per cent of Indonesia’s 26.5 million hectares of peatland are currently deforested or drained (p. 53). Economic incentives and signalling have worked against more environmentally friendly or smoke-free methods of producing palm oil. Clearance by fire is the cheapest method (US\$5 per hectare) compared to clearing the land mechanically which averages US\$200 per hectare, or by bulldozer which averages US\$380 per hectare (p. 56).

Chapter 3 throws the spotlight on the state as the facilitator of regionalization. The regionalization of Malaysian and Singaporean commercial companies on Indonesian soil ensured that authorities from both countries would act to protect the interests and ventures of these companies. This is more evident for Malaysian companies that had strong and direct ties to the country’s political elites and the ruling party. Malaysia is the largest investor in this sector. Singaporean firms, though not the largest, were significantly spearheaded by Chinese-Indonesian investors who have committed their operations off-shore (p. 20). The latest figures available show that Malaysian and Singaporean companies control about 50 per cent of the total Indonesian palm oil plantations. Malaysian investments were seven times larger than those of Singapore listed companies, with

an investment amount of US\$702.4 million (by Malaysian listed companies) compared to US\$112.2 million (p. 77). Nevertheless, Singapore's home grown Wilmar International is the largest palm oil producer in the world and an important player in the Indonesian oil palm plantation sector (p. 88).

Regionalization, driven by cultural familiarity and patronage politics, is examined in detail in Chapter 4. Regionalization is aided by cultural familiarity, more specifically "the culture of patronage that has become such a dominant identity among many countries in Southeast Asia". Malaysian and Singaporean companies operating in Indonesia were familiar with this culture of patronage and able to "insert" themselves into the local network. Well-connected companies (local or otherwise) were able to get away from persecution because of their strong patronage networks. Decentralization also encouraged predatory behaviour by shifting incentives and opportunities for patronage and corruption from the central to the subnational level (p. 123). There are several serious weaknesses within the legal framework which also gave plantation companies leeway of getting away with burning. Companies have to be caught red handed (p. 138). Other companies blamed neighbouring plantations or shifting cultivators for fires caused within their concessions.

In Chapter 5, the author argues that the ASEAN model of regionalism, which emphasizes national sovereignty and self-determination has allowed member states to shape collective mitigation initiatives at the required level in accordance with the interests of political and economic elites. This has weakened ASEAN's capacity to create and enforce haze mitigation efforts that would serve collective regional interests (p. 160). As such, the regionalism of haze mitigation has failed, and haze has persisted as a regional pollution problem (p. 170). While most of the ASEAN initiatives regarding the haze were useful in generating massive amounts of information, not much has been done in terms of effective implementation of mitigation activities. The focus on national plans and the lack of legally binding documents ensured

that states were largely free to pick and choose regional initiatives that best suited their narrow economic national interests (p. 175).

In the conclusion, the author reiterates that the haze arose as a result of regionalization of the oil palm plantation sector, populated by Indonesian, Malaysian and Singaporean plantations. Bolstered by their home-state support and local patronage networks, these companies were able to act freely, using the most cost-effective means including fire to set up their plantations. As a result, the transboundary haze occurred on an annual basis. When it became severe enough and crossed boundaries and seas, ASEAN came into the forefront. However, ASEAN-level outcomes were ineffective because they followed the principles of consensus building and non-interference.

A short review cannot explain the strengths of this publication. Readers may not agree with some of the views or arguments put forward. Suffice to say, this work has captured the complexities involved in understanding the regional haze issue which has both political and economic tones intertwined with one another. *The Haze Problem in Southeast Asia: Palm Oil and Patronage* provides rich insights and is recommended for those wanting to better understand this issue.

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***The Evolution of Central Banking and Monetary Policy in the Asia-Pacific.* By Akhand Akhtar Hossain.** Cheltenham, UK: Edward Elgar, 2015. Pp. 636.

The last two decades have witnessed significant evolution of monetary policy frameworks in the broader Asia-Pacific region. With several countries in the region gravitating towards more market determined exchange rate regimes, interest