

PIPC Online Speaker Series

Paul D. Kenny- Professor, Institute for Humanities and Social Sciences, Australian Catholic University

Rashesh Shrestha- Economist, Economic Research Institute for ASEAN and East Asia

Edward Aspinall- Professor, Coral Bell School of Asia Pacific Affairs, Australian National University

“Commodity Booms, Conflict, and Crime”

Commodity booms are often associated with economic and political dislocations, including higher rates of conflict and violent crime. However, most existing research concludes that the effect of booms in the production and export of primary agricultural commodities is relatively benign compared to that of raw materials. Through a multi-method examination of the patterns of conflict and criminality associated with the expansion of the oil palm sector in Indonesia over the past three decades, this paper presents a contrasting view. In the context of a commodity boom, we theorize that violence is likely to be of two main types. The first is the low level but sustained criminal violence involved in the extortion of rents produced by a given commodity extraction and production process (extortion). Although theft by individuals is possible, this activity is primarily conducted by armed gangs or what in this case locals call “oil palm mafias”. The second type is violent competition among a range of groups, including gangs, landholders, and commercial producers for control of these rents (competition). Consistent with our theory, we find these two types of violence are associated with distinct temporal distributions. Using data on the expansion of oil palm plantation coverage derived from satellite imagery along with data on the reported incidence of low-intensity violence and criminality at two sub-national spatial domains (village and sub-district), we find that relative to villages with no oil palm production, post-boom oil palm villages have a slightly higher incidence of group conflict (competition), whereas the level of criminality—especially theft—is higher in old oil palm villages (extortion). The dynamic analysis utilizing panel data at the sub-district level also support our causal interpretation, as the relationship between area under oil palm production and resource conflict (competition) changes over time and with prevailing commodity prices.

Registration: <https://pipcoss-8-4-20.eventbrite.com>

****Registration is required to receive the presentation ZOOM link****

August 4th, 2020 6pm (PST)

August 5th, 2020 11am (Australia)

August 5th, 2020 10am (Japan)

August 5th, 2020 9am (Hong Kong)

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