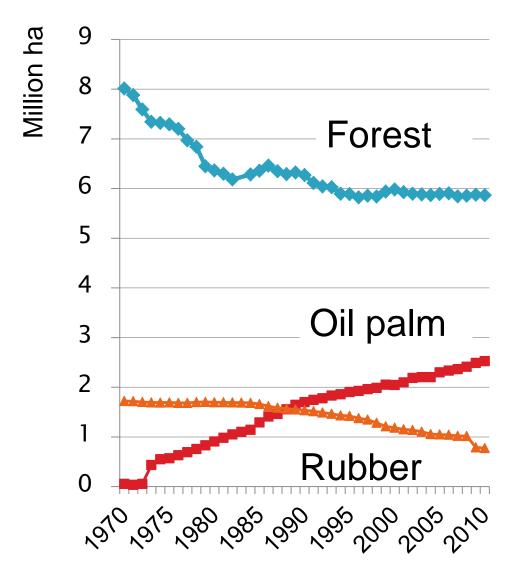
# Causes of forest cover change in Peninsular Malaysia

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# **Objective**

 To examine the process and causes of forest cover change in Peninsular Malaysia, 1970-2010.

#### **Forest cover change in Peninsular Malaysia**



Forest decreased sharply in the 1970s.

Deforestation has reduced since the 1980s.

# Methods to analyze factors affecting forest area

Data on 22 variables for Peninsular Malaysia (1970-2010):

+ Forest area

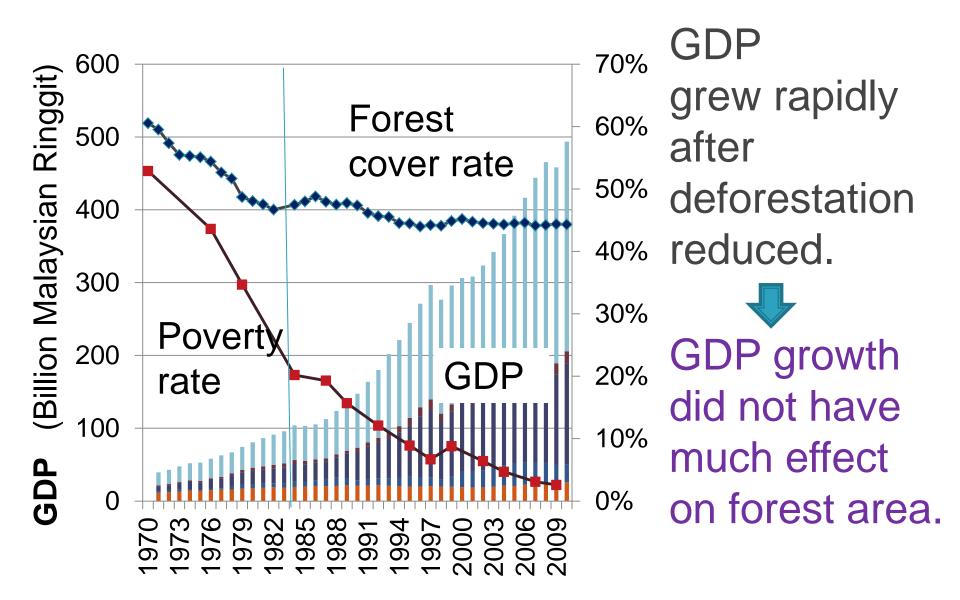
- + Land use (oil palm, rubber)
- + Timber production
- + <u>Socio-economic indicators</u> (population, GDP, income, employment, poverty rate)

Linear regression modeling using AIC

### Results of regression modeling Poverty rate is the principal factor affecting forest area

Best models (Top 3) to explain Forest area	Coefficient	AIC
1. Poverty rate	Pov 0.95**	307
<ul> <li>2. Poverty rate</li> <li>+ Construction GDP</li> <li>+ Rubber</li> </ul>	Pov 0.94** CG -0.29 Rb -0.30	308
<ul> <li>3. Poverty rate</li> <li>+ Employment in manufacture</li> </ul>	Pov 0.87** Em -0.09	309

## Poverty rate, Forest cover, GDP



# Findings Causes of forest cover change

#### Poverty reduction : principal cause of forest cover change

#### Oil palm expansion

 main proximate cause of deforestation
 but no longer caused when poverty rate dropped substantially

#### Population growth, economic growth not major causes

# Methods to analyze factors affecting poverty rate

- Data on 21 variables for Peninsular Malaysia (1970-2010):
  - + Forest area
  - + Land use (oil palm, rubber)
  - + Timber production
  - + <u>Socio-economic indicators</u> (population, GDP, income, employment)
- Linear regression modeling using AIC

## Oil palm area had the greatest impact on poverty rate. Forestry is significant.

Best models (Top 3) to explain Poverty rate	Coefficient	AI C
Oil palm + Exports of timber products + Plywood + Construction GDP + Employment in agriculture	Pal -0.87** ; Ex -0.19** ; Pl -0.15* ; CG - 0.24 ; Ea -0.22	19
Oil palm + Exports of timber products + Plywood +Employment in construction + Sawn timber production	Pal -0.73** ; Ex -0.21** ; Pl -0.12 ; Ec - 0.24 ; Sa -0.11	20
Oil palm + Exports of timber products + Plywood +Employment in construction	Pal -0.71** ; Ex -0.22** ; Pl -0.19** ; Ec - 0.19	21

# Oil palm



#### Oil palm development and poverty reduction Change in houses at FELDA village

1967





2011





# Findings Causes of poverty reduction

- Oil palm development: principal cause of poverty reduction
- Export of timber products: significant
- Plywood production: significant

Increase in oil palm and forestry activities reduced poverty in Peninsular Malaysia in 1970-2010.

# Conclusions

1.

3.

4.

Poverty alleviation was the principal factor affecting forest cover change in Peninsular Malaysia (1970-2010).

2. Oil palm development initially led to deforestation, but greatly reduced poverty.

Substantial decrease in poverty caused decrease in deforestation over the long term.

We propose poverty alleviation as a strategy for reducing deforestation.