

## **The Politics and Governance of Palm Oil Expansion in Southeast Asia**

*Double Panel Proposal Euroseas*

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The current palm oil boom is arguably one of the most rapid agro-environmental transformations in modern history. The rapid expansion of oil palm expansion is beset with problems, ranging from deforestation and forest fires to pollution and conflicts between companies and rural communities over access to land. Governments from Malaysia and Indonesia to Thailand, the Philippines and Papua New Guinea are struggling to deal with these challenges. The palm oil industry has adopted multi-stakeholder initiatives like the RSPO to improve (the image of) palm oil production, while rural communities throughout Southeast Asia are mobilising to pressurize companies and powerholders to address their grievances. At the same time palm oil expansion has generated informal, collusive connections between palm oil companies and political actors which has greatly complicated such efforts.

This panel aims to bring together studies on the varied character of these responses to palm oil expansion in different Southeast Asian countries. While there is a considerable literature on the governance of palm oil expansion, comparative studies have been scarce. Yet an understanding of (the effects of) palm oil expansion call for as comparative approach: as similar problems land in countries with different political, legal and societal settings, it provides a unique opportunity to study how these local contexts shape the different ways in which countries (fail to) manage the growth of oil palm plantations. When and under what conditions can rural communities succeed in addressing their grievances vis-à-vis palm oil companies? How do differing political contexts in Indonesia or Malaysia affect the capacity of governments to prevent deforestations and forest fires? And in what ways do differing legal regimes regarding (communal) land rights affect the politics of palm oil expansion? By bringing together informed (case-) studies from across Southeast Asia, this panel aims to take up such questions to better understand how the character of local politics and governance shapes palm oil expansion.

*Abstracts of papers to be presented in this panel:*

### **1. *The Great EU Palm Oil Debate: Comparing Regional Framing of the Problem and Responses***

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The European Union ranks among the world's biggest palm oil importers (21% of global

supply) and is the largest buyer of certified sustainable palm oil. 17% of Indonesia's and 13% of Malaysia's palm oil exports are shipped to the EU. However in early 2018, the European Parliament passed two resolutions; to phase out palm oil from the EU biofuels programme by 2020, and to impose a single certified sustainable palm oil (CSPO) scheme for all palm oil entering the EU after 2020. Following an intense period of lobbying by Indonesia and Malaysia, the EU replaced these resolutions with its revised Renewable Energy Directive (RED II) which phases out edible biofuel feedstock that have high indirect land use change risk. Producer states however have called fowl on this move for being simply a repackaged palm oil ban, as palm oil is likely to still fall within this category.

While the most severe effects of palm oil expansion affect communities within Southeast Asia, opposition has come largely from a region half a world away; first from consumers and then from national and regional EU institutions. Why did the same not occur in Southeast Asia? What interests dictate the national and regional responses to the issue in both regions? As the issue has boiled down to a debate between sustainability and neo-colonialism, what has been the role of regional institutions in framing national responses? Using a comparative regionalism approach, this paper attempts to analyse if these recent developments can be construed as regional rivalry or a genuine concern for the environment and development on both sides.

## **2. Managing food poverty in Sumatra's mature oil palm landscapes**

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Indonesia, along with many middle income countries across the Global South, is experiencing rapid economic growth, widening household inequality, uneven access to labour market opportunities and patterns of undernourishment in conjunction with high concentrations of wealth. This contradictory trajectory is associated with the booming palm oil sector, where a commodity in high global demand has been developed in a way that both generates affluence as well as sharpening patterns of agrarian inequality. This paper analyses the distinctive patterns of agrarian change found across North Sumatra's extensive plantation belt, among the oldest areas of oil palm cultivation in Southeast Asia but also areas with high rates of undernutrition (stunting). The paper analyses how agriculture, tenure and labour regimes in these mature oil palm landscapes produce these issues. It also examines how development policy attempts to manage these problems, studying the distributional politics affecting access to land, labour opportunities and the social protection policies that aim to address the characteristic forms of vulnerability found in the landscapes of Sumatra's old plantation belt.

## **3. De-forestation under the forest moratoria of Indonesia: the rise of the shadow state at the local level**

by Otto Hospes ([otto.hospes@wur.nl](mailto:otto.hospes@wur.nl)) and Reonaldus ([reonaldus.reonaldus@wur.nl](mailto:reonaldus.reonaldus@wur.nl))

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Triggered by bilateral support from Norway, the President of Indonesia decreed the forest moratorium in 2011, a two-years stop of granting new concessions in primary forest and peat land areas. This moratorium was extended three times and spurred the development of forest moratoria at provincial level. Our question is: how do local authorities of Indonesia that control the licensing of palm oil and mining coal permits, implement the national and provincial moratoria? Using the concept of the shadow state and providing a case study of a regency in East Kalimantan, this paper unravels the political economy at local level that sustains the issuing of palm oil and mining coal permits in areas that fall under the national forest moratorium and provincial moratorium of Indonesia. We argue that our case is not exceptional in Indonesia due to decentralization laws that have been a fertile ground for the rise of shadow states at district level. We also argue that that democratization processes may curb the new powers of political authorities at local level: the Anti-Korruption Unit and active involvement of civil society have led to court cases and imprisonment of local politicians.

**Key words:** palm oil and mining industry, forest moratorium, shadow state, decentralization, democratization, Indonesia.

#### 4. **Contention and Collusion: Protesting Palm Oil Expansion in Central Kalimantan**

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##### *Abstract:*

This paper presents the first results of a new research project that aims to study general patterns in the character and outcomes of the conflicts sparked by oil palm expansion in Indonesia. As these conflicts have been mainly studied through case studies, we lack insights into how and how often rural communities succeed in, for example, reclaiming their land or improving profit-sharing. This paper addresses this challenge by discussing 19 conflicts between rural communities and palm oil companies that occurred in Central Kalimantan between 2005 and 2018. We use a combination of fieldwork, reports written by NGO activists and newspaper reports to detail the strategies that communities and companies adopt. We observe that community collective action generally has limited impact despite the widely shared grievances over the way in which companies establish and manage oil palm plantations. We argue that this limited success rate is not so much due to the inadequacies of legal regulation but rather to the way in which Indonesia's democratization process has fostered collusion between local powerholders and palm oil companies.

#### 5. **RSPO's FPIC Policy, Indigeneity and land rights: A study of the impact of FPIC on palm oil conflicts in Indonesia**

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**Abstract:** Massive and escalative oil palm related conflicts happen in developing countries developed oil palm plantations carried out by industrial plantation companies. In general, the main issue is recognition and respect of indigenous peoples' rights to land and forest based on tradition. International indigenous rights activists advocate palm oil plantation business actors and their customers to apply the concept Free, Prior and Informed Consent (FPIC) to address land release related conflicts. Roundtable and Sustainable Palm Oil (RSPO) has implemented the FPIC in its standard since 2005 and the FPIC implementation guidelines have also been developed and disseminated. This article scrutinizes the use of the RSPO FPIC standard to mitigate oil palm related conflicts in Indonesia by oil palm grower companies and impacted peoples. The article advances an argument that leverage of RSPO FPIC policy should not only be based on incidents of impacted people's grievances related to land acquisitions but also on the extent to which it empowers affected peoples to obtain their right to lands recognized and respected by oil palm grower companies.

Key words: oil palm, the common, indigenous community, conflicts, FPIC, Indonesia.

## **6. Palm Oil Expansion and Consolidation of State Power in Papua Province of Indonesia**

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Expansion of palm oil plantation in Indonesia has been much seen as an effort to enhance economic development. This paper challenges this view by discussing how palm oil expansion plays a role not only to establish economic but also political order. We particularly focus on palm oil expansion and land dispossession in a context of emerging nationalist mobilisation with secessionist demand to explore the connection between capital accumulation and consolidation of the state. Drawing on the case of large scale palm oil expansion under Merauke Integrated Food and Energy Estate (MIFEE) in Merauke District, Papua Province of Indonesia, we seek to understand the process of state's internal territorialisation—control over natural resources and people who use them. We show how palm oil expansion in Papua, supported by both national and national elites, has been used by the national government as a political strategy to address secessionist movement by expanding its ability to reach area defined by the state as "marginal land". This strategy involves building coalition with local elites to implement national policy on palm oil, establishment of new administration as well as security forces units, and in-migration of non-Papuan palm oil workers. In this paper, we use Allen and Cochrane's (2010) concept of assemblage of state power and topological geography which focuses on the ability of central authorities to reach directly into the politics of the region and to make itself present at a distance. We argue that palm oil expansion in Merauke District works through the ability of the central government to link its agendas and political interests with local networks of power both through legal and illegal practices.