ECOSOC

Human Rights Violations in the Palm Industry

Research Report

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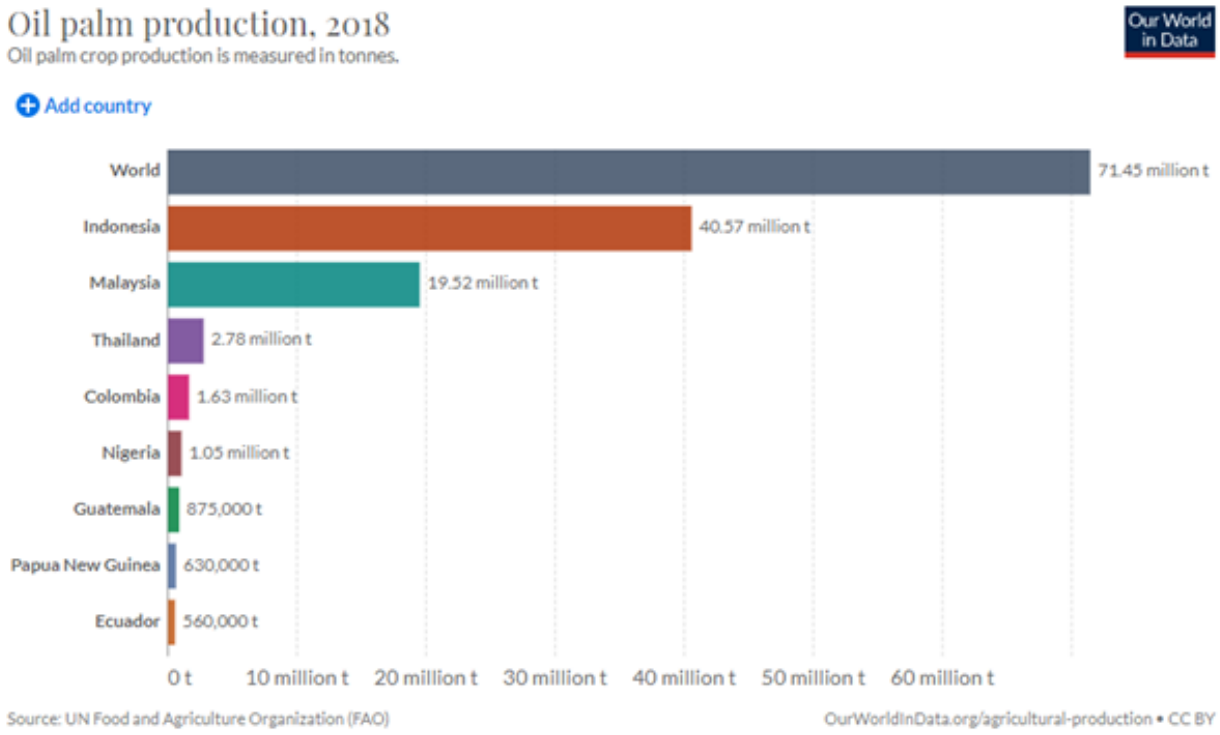
Introduction

A highly versatile and cheap commodity, palm oil is one of the most sought oils in the world and is used in almost 50% of supermarket products, ranging from bread and cereals to detergents and shampoos. This can be understood from its rising demand wherein 1970 its production was 2 million tonnes, has in 2018 quadrupled to 71 million tonnes – a 35% increase. This demand is currently met by two countries for the most part – Indonesia and Malaysia – both of which constitute 85% of the world's palm oil and further have extremely weak enforcement mechanisms of labour laws and, as a result, huge systematic abuse. However, added to this are also corporate giants and household companies which have considerably tainted 'sustainable' policies and have been committing several human rights violations in the palm oil industry such as displacement of the indigenous population, child labour, sexual abuse of workers and gender discrimination amongst them, having unsafe working conditions, forced labour practices, and wage abuse. The violations are intensified due to lack of proper enforcement of laws and reform in addition to not abiding to human rights principles or even labour rights. The palm oil supply chains, import countries, industries and corporations have a role in ensuring that the palm oil industry is sustainable.



Definitions of Key Terms

Palm Oil:

It's an edible vegetable oil that comes from the fruit of oil palm trees after their intense refinement. Oil palm trees are native to Africa but were brought to South-East Asia just over 100 years ago as an ornamental tree crop where their major production currently takes place. It is a key ingredient of a host of store staples like cosmetics, soaps, and snack foods.

RSPO:

The Roundtable on Sustainable Palm Oil (RSPO) was founded by the World Wide Fund for Nature and other key players of the palm oil industry in 2004 in response to public concerns about the industry. Since then, it has played a key role in establishing standards for achieving sustainability which are essential for members to comply with. However, while many corporate giants have adopted these principles on sustainability, the human rights violations committed by them remain unchanged.

CSPO:

The set of environmental and social criteria developed by RSPO which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO) and get the certification tag on their products.

Greenwashing:

An act of misleading consumers by disseminating misinformation on a company's environmental practices or the potential benefits to the environment of their product or service claims.

Sustainable palm oil industry:

Sustainable palm oil does make businesses profitable while not harming people or the environment. (what is sustainable palm oil?)

Corporate responsibility:

Corporate responsibility (CR) is about the impact an organisation makes on society, the environment and the economy. Having an effective CR programme contributes positively to all stakeholders as well as adds value for the organisation itself, and ensures it operates in a sustainable way. (factsheet)

Quota:

A quota is a government-imposed trade restriction that limits the number or monetary value of goods that a country can import or export during a particular period. (Quota)

Background Overview :

Plantations mainly exist in Southeast Asia, particularly in Indonesia and Malaysia. Palm fruits are grown by companies that then convert the fruits into oil which is then sold. Palm oil is used in many industries and supplies a number of well-known big businesses names like Nestlé, PepsiCo, Wilmar, and Unilever, as well as financial institutions, and investors, who continue to 'turn a blind eye' to human rights violations in their palm oil supply chains.

Human rights violations include using the land of indigenous communities without consulting them and failing to provide them with any compensation, child labour, sexual abuse, health issues are of concern as many workers suffer due to air pollution, as well as deforestation.

1. Using the land of indigenous communities without consulting them and failing to provide them with any compensation;

"*The government official asked me if I have a land ownership certificate and I answered that every single durian tree, and every single tengkawang tree, and every single rubber tree that we or our ancestors have planted are certificates. I am an indigenous person born here. My ancestors have already defended this land for generations.*" [Indigenous leader, West Kalimantan]

For many indigenous peoples and other forest-dependent people in Indonesia, land is a critical problem. The debate over oil palm also revolves around land. Despite the fact that many indigenous groups have lived on the same land for centuries, their land rights remain unclear under Indonesian law.

Even recent legislation significantly restricts people's rights to their land by permitting businesses to take over enormous sections of local people's land in collaboration with local governments if they can demonstrate that their operations are in line with state development goals.

Palm oil firms offer to construct new roads, schools, and irrigation projects. Village heads may receive "incentive money" and be given vacations.

Many people report that once the lands have been cleared, these agreements are broken and the promised wealth does not materialize.

"*They promised to set up irrigated rice fields, a school, electricity, build a road, fish ponds. As it turns out, none of that was true. Now they do not even want to build our school or repair the track leading to the longhouse* – so we are beginning to have second thoughts about them and not trust them anymore." [Villager, West Kalimantan]

Local communities' rights are viewed as critical in efforts to establish a more sustainable palm oil economy. If plantations are to be grown responsibly, communities must offer their free, prior, and informed agreement to the construction of plantations on their lands, according to the Roundtable on Sustainable Palm Oil, a collaborative business-NGO initiative to enhance standards in the palm oil sector.

2. Child Labour

Over 1.5 million children aged 10 to 17 work in the agricultural sector, according to estimates. Palm oil fruits grow on prickly leaf fronds four to five meters above the ground. Fruit bunches weighing 15 to 25 kilograms are made from thousands of round fruits. Sowing seeds, transplanting seedlings, harvesting, and shipping fruit bunches are all part of palm oil palm agriculture. Children weed the oil palm fields, pick loose fruit, and assist in carrying and loading bunches of the oil palm fruit. Fruit bunches are chopped down from trees by men and boys using a long, heavy pole with a knife on the end or by climbing them directly to gather the fruit. The musculoskeletal system is put under a lot of stress when using the punting pole. The fruit bunches must be gathered and moved by girls and women. Families rely on child labour to satisfy *daily fruit quotas of one to two tons.*

After school, the kids assist in, with some of them eventually dropping out. Because they are unable to continue their education or obtain other skills, many people have been unable to break out from poverty. Despite the existence of a comprehensive labour legislation framework, enforcement of these rights is inadequate, and palm oil plantation employees are not afforded the same labour protections as other workers

3. Sexual Abuse :

Many firms, in particular, have been relatively muted on the issue of female sexual assault on palm oil farms. A 16-year-old girl in Sumatra told how she was beaten by her manager and taken to a secluded portion of the plantation concealed among the trees in November 2020. He "placed an axe to her throat and urged her not to tell" after she was raped. Women are scared to disclose routine abuse due to fear of retaliation, and they are sometimes unwilling to even give

their complete names. While the Malaysian government asserts that no allegations of rapes on plantations have been received, Indonesia has acknowledged that sexual assault is a rising concern.

In November 2020, an Indonesian teenager vividly described being raped by her supervisor not once, but four times. Her tragic experience of sexual assault reflects the reality of human rights violations on commercial palm oil estates.

4. Health issues and the exploitation of workers:

With the rising worldwide demand for palm oil, the demand for low-wage workers is increasing to keep up. And that is not an easy task. Men and women are subjected to labour in deplorable conditions with minimal pay and no security, wading through frequently flooded jungle terrain in intolerable heat lugging and chopping heavy spiky fruit. Due to the rising demand for labour, safe working conditions have deteriorated, and labour rights have been violated, notably the lack of fair wages

Palm oil is sourced by cosmetic companies from plantations where many workers earn less than $2 per day. Poor working conditions have resulted in women complaining of nosebleeds, fevers, and the inability to deliver healthy children after years of exposure to harmful pesticides. Employers do not provide proper protection and safety equipment to employees who are exposed to air pollution from forest fires and paraquat, a dangerous chemical banned in the EU.

Nonetheless, in Indonesia and Malaysia, the palm oil business plays an essential role in reducing rural poverty and providing a source of economic growth for both the agricultural sector and the national economy. And it played a major role in achieving one of the United Nations SDGs(no poverty). Encouraging enterprises to produce Certified Sustainable Palm Oil (CSPO) and promoting the development of sustainable palm oil in a responsible manner can be a step forward. As long as palm oil is used in products on our supermarket shelves, promoting decent work in the industry it will be necessary to implement more sustainable techniques.

Timeline of Events

15th century	West Coast oil palms Small farmers in Africa's lush rainforests refine palm oil for use in soups and baked goods. During voyages to Africa, the Portuguese find the crop. Palm oil becomes a common staple aboard slave ships and caravans sailing across the Atlantic.

1848	Four oil palm saplings were sent from Amsterdam to the Botanic Gardens in Bogor, Java. The trees were originally planted as attractive trees on tobacco farms, but they are now spread all over Asia.
1870	The beginnings of the plantation boom in Indonesia was sparked by Dutch oil palm investors receiving lands at cheap rent. Meanwhile, the Industrial Revolution increases demand for palm oil, which is used to make candles and as a lubricant for machinery.
1907:	William Lever, the founder of Unilever, the world's largest palm oil consumer, looks for land concessions in Britain's West African colonies to grow palm oil for his soap factories.
1911:	Indonesia's first commercial oil palm plantation is set up in Sumatra, Indonesia, by Adrien Hallet, a Belgian agronomist who had rubber interests in the Belgian Congo.
1980s	Malaysia has surpassed Indonesia as the world's top producer of palm oil. Oil palm is pollinated by a small weevil, not the wind, according to researchers. Its introduction into Malaysia and Indonesia reduces costs by eliminating human hand pollination.
1997-1998	For months, forest fires have raged across Indonesia, choking cities across the country. Deforestation releases 700 million tonnes of carbon annually, accounting for one-fifth of global emissions. Over 100 oil palm businesses have been accused of lighting fires to clear land and obscure concession lines; the companies claim the flames were started by small farmers.

2004: The Roundtable on Sustainable Palm Oil (RSPO) was founded by palm oil producers and buyers to create an ethical certification system that would limit the impact on forests, wildlife, and communities.

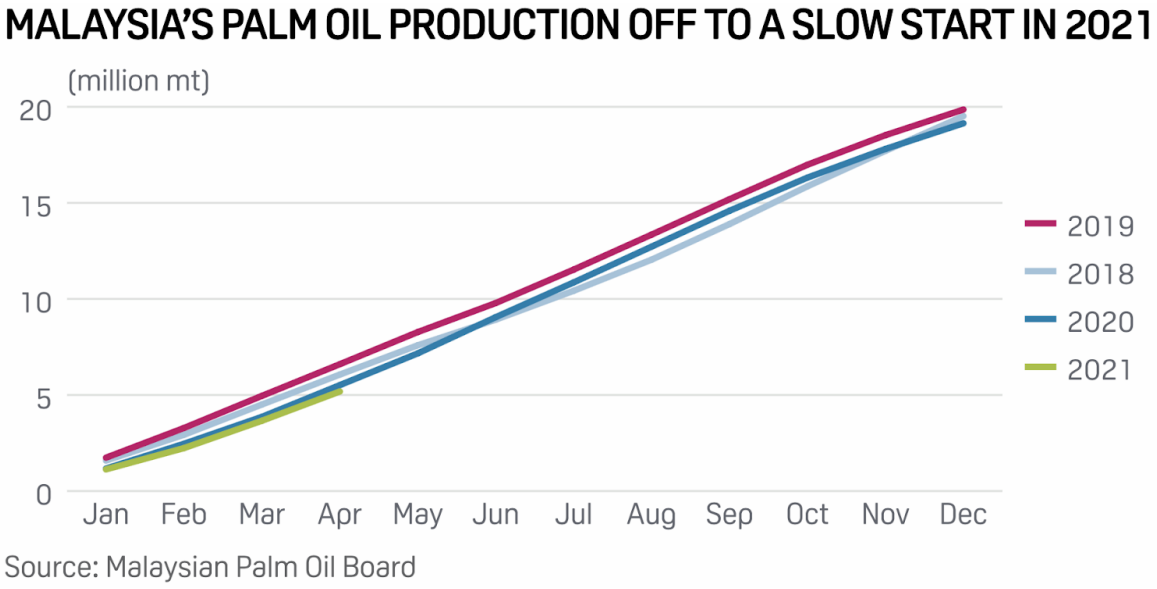
2007: Forest clearances for oil palm are the largest cause of deforestation in Indonesia, according to the UN, and illicit oil palm, fires, and illegal logging are common in 37 of the country's 41 national parks.

2009: Sime Darby, a Malaysian palm oil company, claims to have cracked oil palm genetics, offering the prospect of higher yields. According to the RSPO, about 5%, or two million tonnes, of the 40 million tonnes of Crude Palm Oil estimated to be produced in 2009 will be certified sustainable this year.

2020: The recent pandemic-led clampdown on movement and industries has not affected palm oil milling operations in Malaysia, as operating with a reduced workforce has become a new norm for refineries since the first Movement Control Order (MCO) in March 2020, according to MPOB. However, an evident lack of manpower is present as Malaysian palm oil plantations depend on almost 500,000 plantation workers -- of which around 70% hail from Bangladesh and India, The Malaysian palm oil regulator has stressed that mechanization will be the most urgent and critical solution

2021: "India is anticipated to be the main driver for the palm oil demand growth, another market which is expected to grow significantly in 2021 would be Turkey, arising from expected insufficient supply availability of sunflower oil," the MPOB chief said in an interview with S&P Global Platts. However, he didn't provide any palm oil production figures for 2021. (Malaysia produced 19.14 million mt of CPO in 2020, according to MPOB data)

For more detailed information on recent timeline **:**
https://www.spglobal.com/platts/en/market-insights/topics/china-power-crisis-news



Major Parties Involved:

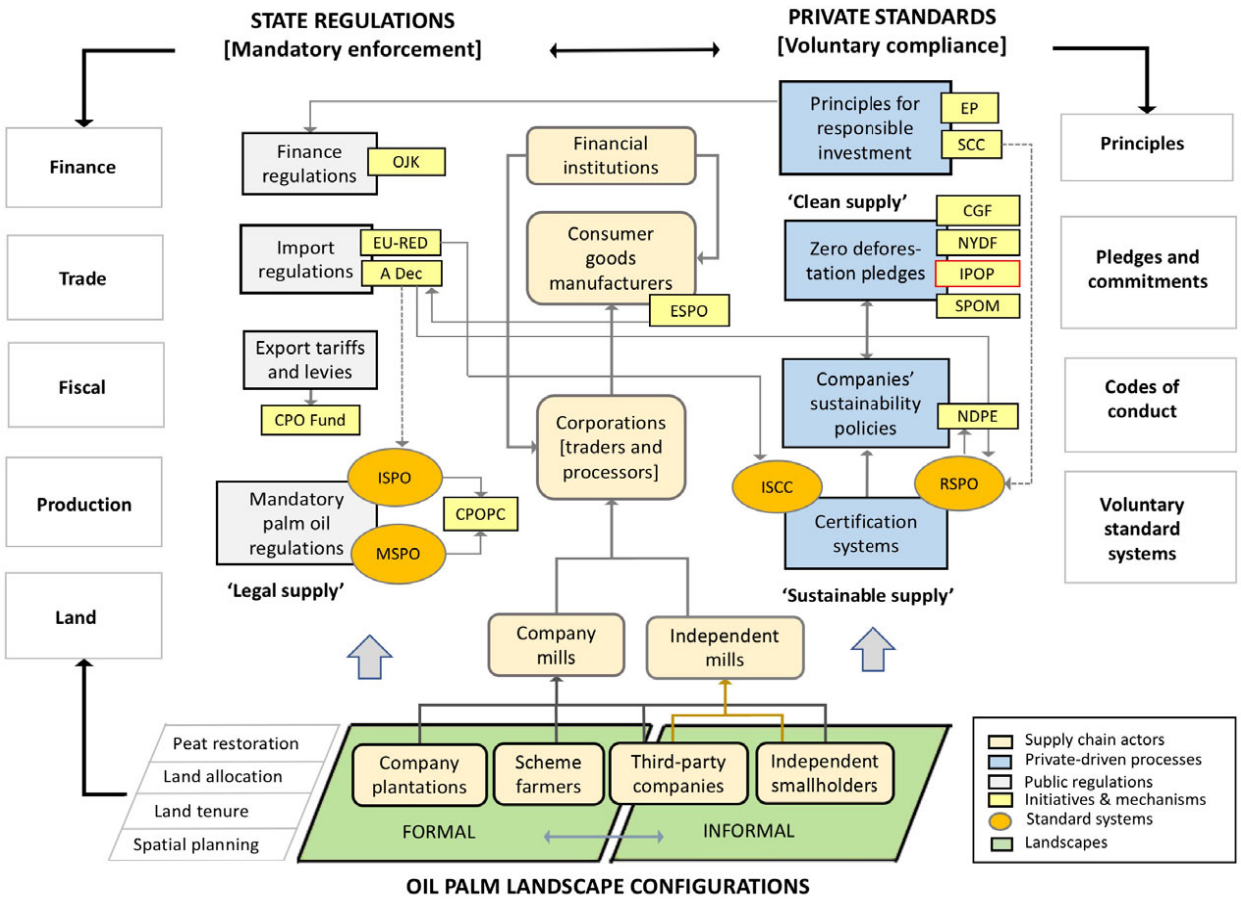


Figure 1 The palm oil sector transnational regime complex. A Dec, Amsterdam Declaration; CGF, Consumer Goods Forum;

- The Roundtable on Sustainable Palm Oil (RSPO) is a global, multi-stakeholder initiative on sustainable palm oil.
- The United Nations Environment Programme UNEP

<u>Indonesian :</u>

"Indonesian palm oil is carried out by large business actors (private and state) and farmers institutions and agencies related to their functions and roles in the current governance of Indonesian oil palm, namely as follows:

1. The ministry of economic coordinator (coordinating national policy on Indonesian palm sustainability),

2. The Ministry of Agriculture (licensing and technical management of upstream oil palm);

3. Ministry of agriculture and spatial planning - atr / bpn (licensing, land use and land use);

4. Ministry of Forestry and Environment (licensing of forest area governance and environmental management);

5. Ministry of Trade (palm licensing, promotion and advocacy);

6. Ministry of Industry (licensing and governance of downstream palm oil industries);

7. The Ministry of Labour (licensing and management of worker safety);

8. The Ministry of Cooperatives and SMEs (licensing and governance of employee cooperatives and community palm cooperatives);

9. Ministry of ESDM (licensing and governance of palm oil bio-energy-biodiesel); bumn ministry (licensing and governance of state-owned oil palm companies);

10. Ministry of Finance (licensing and governance of state finances for Indonesian palm oil);

11. Ministry of PPN/Bappenas (national planning of Indonesian oil palm development according to RPJPM);

12. The foreign ministry (Indonesian palm oil advocacy and diplomacy);

13. National standardization body (Indonesian palm standard / ispo);

14. Provincial/district government (licensing, partnership builder, and business evaluation of oil palm plantations): ispo commission (including ispo certification body and ispo auditor training);

15. Oil palm plantation fund management agency-bpdp (collect, manage and distribute palm funds specifically for Indonesian palm oil). Other institutions related to Indonesian palm governance are a non-governmental organization"(managing palm oil by the government of the Republic of Indonesia)

Malaysian :

Ministry of primary industries(MPI) including:

1. Malaysian Palm Oil Board (MPOB)

2. Malaysian Palm Oil Council (MPOC)

3. Malaysian Palm Oil Certification Council (MPOCC)

Roles and Function of MPI:

1. To formulate policies and strategies to promote the development of the plantation and commodity sectors in Malaysia.

2. To supervise departments and agencies under the Ministry on financial management and implementation of development programmes for the plantation and commodity sectors."(Directory-Palm-Oil-Stakeholders).

Possible Solutions

The advocacy around the palm oil industry is largely saturated around environmental impacts, but it is all the more clear that in order to develop a 'sustainable' palm oil industry human rights violations under its ambit must also be addressed urgently. As plans for global production and expansion of this industry develop, a critical solution lies in importing countries creating accountability for exporting countries and corporate giants. This can be done by enacting legislations that require companies to be transparent about their supply chains, restricting imports from companies that do not have robust practices regarding the matter, abandoning targets that require agrofuel in their countries and palm industry to expand, and finally urging exporting countries to ensure safeguards to local and indigenous communities by enforcing tighter regulations on operating companies. Poor governance, corrupt law enforcement, and the judiciary are also a huge part of this systematic abuse. At the heart of this problem lies substantial reforms in the government which recognizes and empowers local and indigenous rights and views over their lands, livelihoods, and future as well as ensure their meaningful and effective participation in the process.

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