

The Jakarta Post

OPINION

Friction and vested interests in pulp and palm oil production

Bill Durodié, Singapore | Thu, 05/27/2010 9:23 AM | Opinion

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Campaigns against big pulp and palm oil producers in Indonesia appear to be driven by local activists on the ground. In reality, they are facilitated by huge budgets and shaped by agendas emanating from the West.

Pulp and paper production is big business. So too is palm oil. Steady global demand for paper and packaging, combined with increasing interest in bio-fuels and replacement fats for the food industry, have made these some of the largest and fastest-growing industries in Southeast Asia.

Indonesia and Malaysia alone, now account for 85 percent of world palm oil production, and their share of the wood, pulp and paper business is rising rapidly too. There are good reasons for this.

Aside from access to low-cost labor, the fact is that biomass simply grows faster in the tropics than in North America or Europe.

Such developments are not without their problems. Struggles between firms for a lucrative market can be intense. Competitors from other sectors and regions may be willing to support any argument that discredits their rivals. And Western governments are concerned that these advances put them at a disadvantage too.

On top of this, numerous environmental activists and community campaigners have emerged in recent years accusing these industries of ignoring land rights, polluting waterways, logging illegally and contributing to global warming. These have now attracted the attention of the media and regional policy-makers.

A recent BBC documentary that explored deforestation issues in Indonesia, led Unilever — one of the largest food manufacturers in the world — to launch a supposedly independent review and then terminate contracts worth tens of millions of dollars with its suppliers there. For a developing country, this is a significant set-back.

From the corporate perspective it may appear as if producers are trapped in a conflict with a swarm of Lilliputian detractors — well-intentioned but misguided, energetic young people, from countless non-governmental organizations.

These fly paragliders and helicopters over plantations on reconnaissance missions, build dams to prevent effective soil drainage, and foment resentment towards business among local communities, international agencies and eventually the companies own customers and host governments.

Some firms, seeking to prove otherwise, have sought to be seen to be acting in a more responsible fashion. They have hired security contractors to prevent illicit tree-felling on their concessions.

They have supported schemes to tag wood. They have established schools and clinics to ensure local communities benefit from their activities. They have even handed-over land to establish nature reserves.

But in reality this is to view the situation upside-down. Eco-warriors are a manifestation of the problem, not the problem itself. Their tactics — to presume guilt by documentation rather than by factual evidence — first emerged elsewhere. And far from being small and disconnected, they are simply the visible expression of a far more coherent, but invisible force.

Among world leaders, confidence in the economic system today is threadbare. In addition to declining political support and legitimacy, contemporary elites in the West lack a sense of greater purpose through which to steer world affairs.

The protesters in Indonesia and elsewhere simply reflect this inner loss of certainty. They are indulged to a remarkable extent by multinationals and governments, keen to latch on to anything that appears to offer popular engagement.

Over the last few decades a negative narrative has emerged in the West that presents ambition as arrogant, development as dangerous and success as selfish.

The instigators of this are not the youthful idealists establishing camps in the forest, but disillusioned politicians and officials.

They have been supported by an army of writers, academics and social commentators, who seem determined to show that things are always getting worse and that the cause, as well as the victim of this, is human-action itself.

The consequence has been the creation of a cultural environment within which social advancement is viewed with suspicion. Singapore itself has been on the receiving end of this through the recent publication of a report

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purporting to show it as the worst environmental offender in the world. In reality, this was for having the temerity to develop a city at the equator on limited land.

Far from being involved in a David versus Goliath-like struggle against “big business”, organizations such as Friends of the Earth International are huge concerns in their own right.

They do not even receive the lion’s share of their income from public donations, as some presume. A cursory look at their accounts reveals them to obtain well-over 80 percent of their funding from foundations and governments.

For instance, the Dutch Ministry of Foreign Affairs funds Hivos — a Netherlands based civil society group with direct links to campaigns in Indonesia — for up to two-thirds of its annual ≈100m budget.

In its turn, Hivos is listed as a partner to Aidenvironment who, through a former associate of Friends of the Earth, conducted the supposedly independent review of operations in Indonesia that led Unilever to pull-out.

These groups also send teams of Western activists in search of purpose and an identity to discover themselves in the jungles of Southeast Asia. There they interact with local groups — or “indigenous people” as the campaigners patronizingly call them — encouraging these to share their concerns, according to strategies they learnt back home, and with a view to enhancing their credibility.

Whether donors to US-based philanthropic foundations or European taxpayers even know that they are funding other, Western-based NGOs to mount campaigns against businesses in Indonesia is anybody’s guess.

The real problem has been the failure of industry to engage the public in a wider debate over these issues. This has allowed campaigners to seize the moral high-ground by appearing concerned.

Whilst it is a minority of society that engages with these issues, the majority of these are effectively opposed to business and development. And even when they concede the need for the latter, this is always argued for on a small-scale basis.

Small may be beautiful, but the reality is that big is better. It is more efficient and potentially cleaner.

In addition, celebrating small, localized production is a means to entrap communities where they are for the indefinite future.

Unfortunately, individual firms are not best placed to make these arguments. They have their own vested interests. But for the benefit of the people of this region and beyond, it is high time a few enlightened individuals sought to establish an organization to represent the needs and aspirations of all.

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The writer is a senior fellow in the Centre for Non-Traditional Security Studies of the S. Rajaratnam School of International Studies at the Nanyang Technological University.

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L. Boyle, Cameron Highlands | Thu, 10/06/2010 - 11:06am

The Dutch Ministry of Foreign Affairs funding Hivos? Wait, there's more!

Now it appears that the European Commission is funding green groups like Friends of the Earth for up to 70% of their annual budget.

More interestingly, the anti-palm oil activism of FOE increased concomitantly as the funding from the EU increased.

This is beginning to look like a cleverly disguised trade war against palm oil camouflaged as environmental activism.

For a well analyzed article on this issue, you can read "The anatomy of Environmental Fraud: The anti-palm oil scams of Greenpeace and FOE" at www.palmhugger.org

David K., Jakarta | Mon, 31/05/2010 - 11:05am

So can some of these NGO's, tree huggers, and any such hippies explain to me what alternative there is to indigineous people of the area to make some type of income? I'm all for conservation, and I have seen so many companies in Indonesia bend over backwards to accomidate eco friendly (or at least friendlier then past systems) systems? These places bring jobs, medical and educational opportunities otherwise non existant before.

I know that many of the NGO's and so called environmental organizations in Indonesia have ulterior motives

(whether the members know or not) being the main reason for foreign funding and competition funding.

But again can someone explain to me how to bring many positive things of our modern society to people without plantations and other forms of industry?

Pat, Jakarta, Jawa | Mon, 31/05/2010 - 09:05am

I'm so glad that there are organizations out there acting as watchdogs. Apparently, the author is uncomfortable when such agents seek to play on the same level as mindless corporations. He can rest assured that unrestrained progress and development will proceed, even if environmentalists present a few speed bumps here and there.

In theory, very few tropical rain forests should be cut anywhere - they only make up a very small percentage of the Earth's surface and yet hold most of its species. There are more types of trees in a hectare of Sumatran forest than in the whole of Britain. It is totally outrageous to wholesale clear these forests for something as unworthy and transient as pulp, let alone palm oil, but that's what's happening. The problem is not that development is being hampered but that it is wanton and unchecked in developing countries.

It is not unreasonable at all to ask for some sort of security that future generations will be able to inherit at least a bare minimum of the Earth's biodiversity.

DrZaius, Bogor | Sun, 30/05/2010 - 12:05pm


What planet do you live on, Pak Durodié?
Did you actually manage to keep a straight face while typing this op-ed? Surely you yourself can't possibly even believe this drive!.... Dr Z

Joe Collins, Sydney, Australia | Sat, 29/05/2010 - 07:05am


It was recently reported that in the forests of the Foja Mountains in West Papua a variety of new species of fauna was discovered with one scientist calling the area the closest thing on earth to the Garden of Eden. To replace such rich bio-diverse forests anywhere in the archipelago with a monoculture of oil palm plantations would be a tragedy. It is estimated that up to 80% of fauna is lost when plantations are established in primary forest as well as the fact that the cutting down of tropical forests leads to an increase in global warming . It is not like the forests have no monetary value kept intact. Norway has just agreed to grant \$1 billion to help preserve the forests of Indonesian. A spokesman on the delegation to Oslo said there was sufficient non-forest lands in Indonesia to accommodate the growth of plantations. Not only does Indonesia gain from protecting the forests but also the global community.

Streit.W., Germany | Fri, 28/05/2010 - 21:05pm

The division is not between Indonesia and the West, as suggested, but between those who want our planet to become a giant shopping mall, Singapore style, for the sake of only a few, regardless of all costs, like destruction of the rain forests,- and a rising number of people worldwide, who will no longer accept such a development, sold as "social achievement".



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