
Indonesia: Oil palm plantations at the heart of biodiversity destruction

Indonesia has 10% of the world's remaining tropical forests which are home to over 20,000 plant species --accounting for 10% of the planet's total--, 12% of the world's mammal species and 17% of bird species, many of which are unique. The magnitude of this lush biodiversity can be pictured by the data that 25 acres of Borneo's rainforest were found to contain 700 tree species, equal to the total number of species for the whole of North America..

However, complying with the policies globally imposed by Northern powers on Southern biodiversity-rich countries through recipes pushed by multilateral agencies --International Monetary Fund (IMF), World Bank (WB)--, in the 80's, Indonesia increased trade liberalisation which contributed to drastically increase natural resource exports, among which cash crops such as palm oil. The country soon became the world's second largest producer of palm oil.

Oil palm is cultivated in a system of large-scale monocrops, which as such require large quantities of chemical inputs --fertilisers and pesticides-- leading to a loss of soil and water biodiversity. Furthermore, the quest for more land for plantations implies forest felling and loss of habitat. Oil palm plantations have also been to blame for the severe forest fires that in 1997 ravaged the country, since fires are used as a method to clear land for plantations: of the 176 concession holders accused by the government of starting fires in October 1997, 133 were plantations. Currently, oil palm plantations cover some 2,4 million hectares of land and some 6,8 million hectares more have been released for future plantations under a five-year plan, meaning that between 750,000 and one million hectares of forest will be "converted" (destroyed) every year.

This process has become not only a source of environmental degradation but also social conflict within a framework of human rights violations. Customary rights and local traditions have been overridden by state ownership enforced by new legislation which denies the existence of forest dwellers, namely indigenous peoples and local communities.

Major markets for the growing palm oil industry are Europe for industrial use, and India, Pakistan and China for edible use, with USA demand rising rapidly. Transnational companies including Unilever, Procter&Gamble, Henkel, Cognis and Cargill --some of them involved in both production and trade-- are the engine drivers of this business, promoted by the action of the IMF and the World Bank, encouraging foreign investment and further privatisation of the sector. Other beneficiaries are Western financial institutions and private banks; foreign investors from Malaysia, British Virgin Islands, England, Belgium, the Netherlands, Hong Kong, South Korea and Singapore; and the Indonesian oil palm industry with close links with the Soeharto family.

Gone are the forests, and with them gone are the colours of the flowers, and the songs of the birds, and the sounds of the animals that they host, and the clear water of their rivers, and the food they provide, and the free spirit of their peoples... Gone is life. Will the Indonesian authorities continue substituting biodiverse forests with oil palm monocrops for the exclusive benefit of a few national and transnational corporations?

Article based on information from “The Bitter Fruit of Oil Palm. Dispossession and Deforestation”, <http://www.wrm.org.uy/> ; “The Politics of Extinction. Palm Oil”, Environmental Investigation Agency, <http://www.eia-international.org/Campaigns/Forests/Indonesia/PolExtinction/palm.html> ; “A Framework for Assessing the Relationship between Trade Liberalization and Biodiversity Conservation”, Tom Conway, International Institute for Sustainable Development, for UNEP, 1998, http://iisd1.iisd.ca/pdf/tradelib_biodiv.pdf