

---

## Indonesia: The bitter oil palm harvest

Indonesia is a good (bad) example of how a country can increase exports and GNP through the depletion of its natural resources -particularly forests- and the violation of human and territorial rights of vast sectors of its population. It is not only concerned social and environmentalist organizations who have been denouncing this. The Report on Indonesia published last January by the Operations Evaluation Department of the World Bank (see WRM Bulletin 31) reads: "The gains in economic growth, however, have come at a significant environmental cost: sustained and rapid destruction of natural forests".

The expansion of oil palm monocultures -together and associated with illegal logging and arson- has been one of the main causes for the country's forest degradation and destruction. Disregarding its negative social and environmental impacts, both the government and the International Monetary Fund, as well as the World Bank, have been boosting oil palm plantation and industrialization in order to convert Indonesia into the first world exporter of oil palm. The aim is to take Malaysia's place as the world's largest palm oil producer by the year 2012. The customary land rights and resources of indigenous peoples are being completely ignored by State and private companies that rush to invest in the crop. The normal practice for companies is to clear allegedly degraded forest lands, and to offer in exchange minimal compensation (if at all) and badly paid work on the plantations to local people. The government-sponsored transmigration programme has also been used to provide cheap labour, provoking at the same time severe ethnic conflicts with the forests dwellers.

The oil palm plantation model has proved to be far from the "panacea" for national economy recovery, as trumpeted by its national and foreign promoters. Cases of territorial and human rights abuses have been denounced in South Sumatra, East Kalimantan, and Central Kalimantan. Violence against local dwellers, exploitation of workers, and actions of resistance by the people who bravely oppose the loss of their land and livelihoods are an everyday issue.

A recent setback to this activity adds to the problem. In October 1999 the first shipment of 85,000 tonnes of palm oil was rejected by buyers in the Netherlands because it was contaminated with diesel oil, what led to a sharp fall in export orders for the product. The importers have also placed a ban on further shipments and demanded that the source of the contamination be identified, those held responsible be punished and better testing facilities be installed.

National and abroad-generated factors put together lead to the same conclusion: the expansion of oil palm plantation in Indonesia -expected to reach 330,000 hectares a year- will cause but further environmental destruction and desolation for forest and forest-dependent peoples, and do not constitute a reliable source of incomes for Indonesia.

Source: Down to Earth Newsletter 44, February 2000;

