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Addressing social conflict and equity in oil palm plantation development

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The palm oil sector is facing entrenched social conflict between companies and communities. Community consent is proposed as a way of addressing and preventing such conflict and creating a 'level playing field'. However, the sectors' track record to date is unsatisfactory and underlying factors complicate the situation.

Chances are high that you have consumed palm oil today in one form or another, as it is an ingredient in a large number of consumer products, such as margarine, ice cream and cookies. Palm oil production, however, is not without controversy. The sector has been heavily criticized for a number of sustainability issues, most notably deforestation. Less known is the fact that the palm oil sector is facing entrenched social conflict. Such conflict mainly arises when corporations develop oil palm plantations on customary land without fulfilling promises of economic development or sharing the benefits with local communities.

An organization trying to tackle these issues is the Roundtable on Sustainable Palm Oil (RSPO), a global multi-stakeholder platform initiated by businesses and NGOs with the aim to make sustainable palm oil the norm, mainly through third party certification. Addressing social conflict is an important goal of the RSPO. Free, prior and informed consent is proposed as one of the main mechanisms for preventing social conflict and enhancing equity in the sector. Such consent is generally understood as a set of procedures and interactions through which local communities have the opportunity to say 'yes' or 'no' to land acquisition for oil palm plantation development and to stipulate the terms and conditions under which such development takes place.

Despite these good intentions, our desk study, which was conducted within the framework of the SEnSOR project, found a lack of evidence that the approach is actually reducing conflict and enhancing social equity. This does not necessarily mean that community consent cannot reduce conflict and enhance social equity: very few studies have explored the effectiveness of community consent in relation to palm oil. In our study, covering case studies from Southeast Asia and West Africa, we found that conflicts persist, even after community consent is sought, and we identified several reasons why it is not a panacea for conflicts and inequity.

First, land acquisition for oil palm plantations generally takes place in contexts with highly asymmetrical power relations between companies and communities. Companies are generally staffed with well-educated people with better negotiation skills and better access to capital, information, legal knowledge, judicial power, and local authorities than local communities. Hence, they are able to steer interactions with communities, persuade communities, and even prevent community consent from being sought at all. More importantly, other powerful local actors, including state actors, may have an interest in land acquisition. Especially where state interests and agri-business agendas align, implementation of free, prior, and informed consent does not necessarily result in a 'level playing field'.

Second, verification of compliance with rules and regulations set by private voluntary governance arrangements like the RSPO is challenging: verification systems are often paper-based and the auditors responsible for verification have limited resources at their disposal. More importantly, there are limited options for enforcement and repercussions in the case of non-compliance. Furthermore, if complying with regulations appears too challenging, companies can (and do) opt-out altogether – either by withdrawing from the RSPO or by selling subsidiary companies. This is a real risk, as the supply of certified palm oil is far greater than the demand. This allows palm oil companies to avoid seeking community consent without any major consequences for their operations.

Finally, oil palm plantation development can provoke conflict within and between communities. Land acquisition can spur local people to lay claims to land, as the value of land increases when cash crop expansion glimmers on the horizon. For example, in Sambas, Indonesia, land acquisition provoked conflict between the current users of the land and others who

claimed to have historical ties to the area. Within communities, interest in plantation development may differ between people. Addressing a community as a whole does not take this heterogeneity into account and may even exacerbate existing inequality within and between communities: when local elites represent communities they may reap the most benefits of plantation development. More generally, deeply-engrained poverty and unequal access to resources are unlikely to be solved by community consent.

Social conflict related to plantation development and highly unequal distribution of palm oil benefits are issues that are too important to be left aside. These issues and their solutions are complex and not limited to palm oil production. Yet, this should not be an excuse to leave things as they are. Rather, it calls for heightened efforts to tackle these issues. While the implementation and enforcement of regulations for community consent is necessary, there is also a need for solutions that go beyond the RSPO. Notably, efforts should focus on involving state actors, developing accountability mechanisms, and developing and implementing regulations relating to the content, not only the process, of land acquisition and benefit sharing.

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