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Book review: Pye, O. & Bhattacharya, J. (eds.) (2013): The palm oil controversy in Southeast Asia - a transnational perspective

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Veröffentlichungsversion / Published Version
Rezension / review

Empfohlene Zitierung / Suggested Citation:
Pichler, M. (2012). Book review: Pye, O. & Bhattacharya, J. (eds.) (2013): The palm oil controversy in Southeast Asia - a transnational perspective. [Review of the book *The palm oil controversy in Southeast Asia: a transnational perspective*, ed. by O. Pye, & J. Bhattacharya]. *ASEAS - Austrian Journal of South-East Asian Studies*, *5*(2), 376-380. https://doi.org/10.4232/10.ASEAS-5.2-15

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Leibniz-Institut
für Sozialwissenschaften

Mitglied der
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Diese Version ist zitierbar unter / This version is citable under:
https://nbn-resolving.org/urn:nbn:de:0168-ssoar-334075

Pye, O. & Bhattacharya, J. (Eds.) (2013).
The Palm Oil Controversy in Southeast Asia. A Transnational Perspective.

Singapore: ISEAS Publishing. ISBN978-981-4311-44-1. xxi + 283 pages.

Citation Pichler, M. (2012). Book Review: Pye, O., & Bhattacharya, J. (Eds.) (2013). The Palm Oil Controversy in Southeast Asia. A Transnational Perspective. *ASEAS - Austrian Journal of South-East Asian Studies, 5*(2), 376-380.

With 50 percent of all products in European supermarkets containing palm oil and a rising demand for biofuels in the EU, palm oil has emerged as the fastest growing monoculture in the world. While consumption is spreading all over the world, production is basically centred in Malaysia and Indonesia, which account for more than 80 percent of the global production.

The edited volume *The Palm Oil Controversy in Southeast Asia. A Transnational Perspective* focuses on this single commodity from a transnational perspective, highlighting some of the most contentious issues around palm oil expansion in the region, and linking them to emerging resistance and campaigning against the social and environmental costs of the boom. Edited by the social scientists Oliver Pye and Jayati Bhattacharya, the book comprises an introduction and 11 chapters as an outcome of a joint workshop between the University of Bonn, Germany, and the Institute of Southeast Asian Studies (ISEAS), Singapore, in 2009. The workshops brought together academic researchers, NGO campaigners, policy makers, and company associates to discuss the palm oil controversy. Thus, the volume is a brisk composition of different approaches in addressing a contentious model of agricultural expansion.

In the first chapter, Oliver Pye introduces a transnational perspective as a guiding framework for the book, which means to "understand the emergence of connected and overlapping but distinct economic, social, and political spaces which cross and connect nation states without necessarily becoming a general, global phenomenon" (p. 5). With regard to the palm oil industry, Pye identifies three major transnational processes: (1) a transnational turn of the palm oil industry, (2) a transnational labour regime, and (3) the emergence of transnational environmental activism.

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With regard to the first pattern, Teoh Cheng Hai shows that the *transnational turn of the palm oil industry* has been mainly triggered by Malaysia in the 1990s. Since then, the Malaysian palm oil industry has shifted from nationally oriented plantation development to a transnational expansion of Malaysian investments, mainly to Indonesia for upstream industries (plantation companies) and to Europe, China, and India for downstream industries (palm oil processing companies). At the same time, vertically integrated "mega palm oil based corporations" (p. 29) emerged through concentration processes and have become major players in controlling the commodity chain. Reversing the picture, Norman Jiwan links the Malaysian expansion to the Indonesian experience. Jiwan refers to the liberalisation policies stipulated by the IMF during the Asian crisis as a major enabling factor for the expansion of Malaysian plantation companies to Indonesia in the late 1990s. Despite the role of international donors, Jiwan highlights the important function of the Indonesian state (both at the national and regional scale) in enabling and promoting palm oil expansion, which is linked to devastating environmental consequences (biodiversity loss, deforestation, water and soil pollution) and social conflicts over land, indigenous rights, and working conditions in the plantations. On a local level, Junji Nagata and Sachiho W. Arai complement the picture of the changing palm oil industry with a contribution on the plantation sector in Riau. The Sumatran province occupies the largest share of palm oil plantations in Indonesia with 24 percent of the working population directly linked to this industry. Mary Luz Menguita-Feranil geographically moves the view east to the palm oil expansion in the Philippines that has generally eluded attention so far. Menguita-Feranil argues that although the ambitious expansion plans of the Philippine government have not materialised yet, Malaysian investments as well as national biofuel policies may be an important trigger in the future.

Following the second transnational pattern, the next two chapters focus on the *transnational labour regime* in the South-East Asian palm oil industry. Johan Saravanamuttu highlights the enormous reliance of the Malaysian palm oil industry on migrant work, currently 90 percent of the foreign workers in Malaysia come from Indonesia. Saravanamuttu characterises the Malaysian palm oil industry as a "flexible foreign labour regime" (p. 131) that is based on exclusivity and transience. Thus, migrant workers have to enter the destination country alone (i.e. without their family) and need to return 'home' after the contract expires. Furthermore, migrant workers

are often sent back home in times of economic downturn or when 'causing trouble' in the form of strikes or unionisation. While Saravanamuttu focuses on more general and quantitative data on migrant labour in Malaysia, Fadzilah Majid Cooks and Dayan Suria Mulia link the transnational labour regime in Malaysia with a more detailed picture of the situation in the province of Sabah. Following a qualitative research agenda, they analyse the perceptions of the Sabahan population towards Indonesian migrants and the role of the latter in nationalist politics in Sabah. Cooke and Mulia show that the dominant view articulated in the media and often supported by political elites and companies is based on the construction of "cultural dilution" presenting migrants "as a homogenous group, prone to breaking the law and criminal activities" (p. 147). Not surprisingly, the concrete experiences of people working with labour migrants in the plantation industry (Sabahan taxi drivers and plantation workers) show a much more differentiated picture of the situation.

The third part of the volume analyses the emergence of *transnational environmental activism* as an important outcome of a palm oil industry that transcends national boundaries. Oetami Dewi starts with a focus on the Kalimantan Border Oil Palm Mega Project where 1.8 million hectares of land on the Indonesia-Malaysian border were supposed to be planted with oil palm. Controversially, the project collided with the *World Wide Fund for Nature* (WWF) promoted *Heart of Borneo* project, a plan to allocate a cross-border conservation area over parts of Malaysia, Indonesia, and Brunei. Both an outcome of transnational strategies, Dewi argues to transcend the dichotomy between plantation development and conservation areas, which both tend to ignore local communities' rights, and argues for an alternative approach that guarantees control over land for local communities. From a more analytical perspective, Oliver Pye analyses major differences in transnational environmental activism on the basis of two major campaigns that have emerged around the palm oil controversy, namely the formation of the *Roundtable on Sustainable Palm Oil* (RSPO) and the call for a moratorium on biofuels in the EU. Pye argues that transnational activists connect local protests, initiatives, and NGOs in South-East Asia with concerned consumers, activists, and campaigns in Europe. However, these transnational activists are no homogenous group. Thus, a differentiation between international NGOs, transnational social movement organisations (TSMOs), and transnational advocacy networks (TANs) proves helpful for analysing different strategies and aims in

transnational campaigning. According to Pye, international NGOs have been major contributors to the formation of the RSPO, focusing on the certification of palm oil. On the other hand, TSMOs and TANs in the campaign for a moratorium on biofuels have transcended the strategy of market-based instruments and call for a rethinking of the current plantation system as such. Focussing more on the former part of transnational activism, Eric Wakker introduces a concrete research tool for NGOs to analyse the complex involvement of different actors in the palm oil industry. The Resource Trade Cycle Analysis (RETRAC) can start from either a specific product (e.g. palm oil, biodiesel) or a certain actor (e.g. plantation company, investment bank) to investigate the "linkages between consumption and production of natural resource-based products" (p. 224) and develop subsequent NGO strategies.

With regard to the specific transnational links to Europe, Joana Chiavari discusses the EU biofuel policies and their possible impact on South-East Asia, and Patrick Anderson completes the volume with a contribution on indigenous peoples and the palm oil boom in Indonesia. Although Anderson analyses the Indonesian state as a major actor in the conflict, he stresses the role of the international movement for indigenous rights as well as the RSPO in politicising the topic and influencing struggles on the ground.

The volume at hand is an appreciated contribution to research about natural resource extraction in the global South and the linkages to Europe, both with regard to investments and incentives as well as to environmental activism. Whereas most studies about palm oil focus either on specific case studies or the connection between plantations and deforestation and the disappearance of orang-utans, this book tries to shed light on a more complex and diverse picture of palm oil development and campaigning in South-East Asia and beyond. The volume stresses the importance of transnationalisation in the palm oil production without neglecting the crucial role of the nation state. Although national laws and regulations in support of a transnational palm oil industry are in place, they often lag behind with regard to social and environmental safeguards and transfer these responsibilities to international market-based instruments like the RSPO.

The book benefits from contributions from both academic and non-academic research and marks some broader research lines for future studies on conflicts about large-scale agricultural investments, not only on palm oil in South-East Asia but also

on other commodities and in other geographical regions. Although the transnational perspective systematically outlined in the introduction is not always coherently realised in the individual chapters, the book provides excellent starting points for both researchers and activists who are interested in natural resource extraction from a transnational perspective.

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