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# **Just Transition in the Palm Oil Industry. A Preliminary Perspective.**

# Introduction



The palm oil industry as a whole is currently unsustainable, both ecologically and socially. This is because its basic business model is based on the plunder of nature through large-scale monoculture plantations that destroy biodiversity and depend on the widespread use of herbicides, pesticides and chemical fertilizers. This ecological model of cheap nature is connected to a social model that depends on cheap labour (Pye 2018).

Palm oil billionaires make huge profits because they exploit their workers: low wages, precarious jobs and bad working conditions are a systematic part of the industry as it stands. Current initiatives that seek to address sustainability such as the RSPO do not challenge this business model and cannot, therefore, transform the industry in a future-oriented way. Business interests dominate the initiatives; labour has no voice. The continued expansion into forests and indigenous lands is not adequately addressed (Pye 2016).

Environmental justice groups and local communities often have little power to stop large corporations who act transnationally. And the environmental justice movement is disconnected from labour within the plantations themselves. At first glance, social and environmental groups and labour unions often have contradictory interests.

Environmental movements usually ignore labour issues, and all too often campaigns around climate justice have been opposed by workers and labour unions. Indigenous communities depending on their surrounding nature suffer from river pollution, land degradation and displacement that are related to plantation development. Workers often react defensively if “their” employer is criticized for environmental destruction or human rights abuses, and fear job losses that might occur if companies are shut down or their expansion is restricted.

This paper discusses whether a Just Transition perspective, i.e. the social-ecological transformation of the industry that addresses both labour and environmental justice demands, could overcome these contradictions in theory, and how a Just Transition perspective could be developed in practice through the collaboration between the labour, indigenous peoples and environmental justice movements. As many plantation permits are now coming to the end of their term, an opportunity is emerging to shape the social-ecological transformation of these monoculture landscapes – an opportunity that needs to be grasped.

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1 The authors are scholars and activists collaborating in the network Transnational Palm Oil Labour Solidarity (TPOLS). The ideas in the paper developed in dialogue with workers, trade unionists, feminists and environmental justice activists working on the palm oil industry. In particular, interviews with the following members of TPOLS were conducted: Daisy Arago (CTUHR, Center for Trade Union and Human Rights, the Philippines), Aurelio Estrada (UMA, Federation of Agricultural Workers, the Philippines), Yuyun Harmono (WALHI, Friends of the Earth Indonesia), Mathias (Serikat Pekerja Nasional/ National Labour Union, Indonesia), Supono (Serikat Buruh Perkebunan Indonesia/ Indonesian Plantation Workers Union), Triana Kurnia Wardani (SERUNI, Serikat Perempuan Indonesia / Indonesian Women’s Organization), Wayan Suto-mo (AGRA Central Kalimantan), Hotler Zidane (Koalisi Buruh Sawit/Palmoil Workers Coalition, Indonesia). The paper is not an official position of TPOLS but a contribution to an ongoing debate on Just Transition in the Palm Oil industry.



*A transformative Just Transition approach integrates the perspectives of workers. A woman worker without pay helps her harvester husband collect loose fruits in PT. London Sumatra Plantation (PT. Lonsum), Deli Serdang, North Sumatra (Photo: RAN/OPPUK/Nanang Sujana)*

## 1. What is Just Transition?

In response to the Climate Emergency, many trade unions across the world have developed *Just Transition* strategies. Barry (2013: 237) defines Just Transition as “a strategy of the managed transition to a green, low-carbon and renewable-energy economy including the creation of decent, green-collar jobs.” The basic idea behind Just Transition is that workers and trade unions in unsustainable and climate-relevant industries develop a pro-active stance to transform or exit (in the case of fossil fuels) the industry, whilst defending jobs, pay and working conditions.

Generally, Just Transition marks a comprehensive, flexible approach to helping negatively affected workers to deal with the costs and challenges of climate change and transformation processes towards a ‘greening’ of the economy (Kohler 2010). Advocates of a Just Transition demand fair compensation for negatively impacted workers and communities for economic and health losses (View 2002). An important point for all Just Transition perspectives is that strategies striving towards a decarbonization of the economy tend to neglect the needs and aspirations of many workers currently employed in so-called ‘brown’ or non-sustainable industries (Puder 2019).

Broadly spoken, there are three main paths to a Just Transition (Stevis and Felli 2015). The first is a defensive position in which trade unions are included in tripartite negotiations within a hegemonic discourse of green growth and Sustainable Development (Smith 2017, OECD 2017, ILO 2015). Here, unions often try to slow down the transition and to cushion its social impact on their members. An example is the position taken by the German Trade Union Council in the negotiations on the coal industry, where it positioned itself against climate justice activists to prevent a rapid exit from the industry (DGB 2020).

A second position is more proactive in that unions demand government intervention to support the development of green industries and retraining of workers, e.g. in policy platforms such as the Green New Deal put forward in the US or the Green Industrial Revolution proposed by the Labour Party in the UK. Another example for this position is the ‘One Million Climate Jobs’ campaign put forward by British trade unions that demands government intervention in key sectors and shows how this could create more and better jobs in green industries (Campaign against Climate Change 2014).



*Palm oil landscapes are dominated by ecologically problematic large scale monoculture plantations. Mill and plantations in Sabah, Malaysia (Photo: Oliver Pye)*

The third position takes a more transformative ‘social ecological’ approach. Here, trade unions and workers actively use their associational and structural power to push through a social-ecological transformation of their industry. This is connected to an understanding of climate change and ecological destruction as the result of capitalist relations of production based on the principle of unlimited accumulation of capital and constant economic growth (Räthzel et al. 2018; Stevis et al. 2018). This approach calls for more far-reaching changes to the structure of the economy. Unions such as the National Union of Mineworkers (NUMSA) in South Africa argue for the end of coal and the democratic control and management of a renewable energy sector (Räthzel et al. 2018). Another example is the Building Workers Federation (BLF) in Australia, which, in the 1970s, took strike action to prevent destructive building projects on city parks and recreational areas – something they called ‘Green Bans’ (Burgmann and Burgmann 1999).

So far, no Just Transition perspective has been developed by unions in the palm oil industry. In this paper, we adopt the more proactive and transformative approach of the second and third paths. We believe that alliances with environmental groups and other grassroots organizations can help unions develop transformative strategies and alternative production models, which could reconcile the demands of the environmental and the labour movements.

## 2. The Palm Oil Industry – the social-ecological problem

Supporters of the oil palm industry see an increasing global demand for palm oil, push for further expansion and highlight its contribution to poverty reduction and job creation (e.g. Indonesian Palm Oil Board 2007; World Growth 2011). However, a large body of studies demonstrates that recent palm oil expansion has many harmful social and ecological consequences and that palm oil production in its current form contributes to the global climate crisis.

Indonesia is among the world’s top three greenhouse gas emitters because of deforestation, peatland degradation and forest fires – and the palm oil industry is a major driver of all of these. Oil palm development causes deforestation (Koh and Wilcove 2008; Dohong et al. 2018; Austin et al. 2019), biodiversity loss (Wilcove and Koh 2010; Vijay et al. 2016) and global warming (Reijnders and Huijbregts 2008; Goldstein 2015). Palm oil expansion into forested areas is closely linked to the devastating forest and peat fires that have ravaged Indonesia repeatedly over the past decades (Varkkey 2015). Further ecological impacts are caused by herbicides, pesticides and chemical fertilizers which pollute soils, rivers and groundwater.

Studies foregrounding social concerns demonstrate that oil palm is not automatically pro-poor (e.g. Li 2015; Elm-hirst et al. 2017). While it has brought prosperity for some, it has (re)produced poverty for others – depending on the specific modes of incorporation into the oil palm industry. ‘Enthusiasm’ for oil palm (Rist, Feintrenie and Levang 2010; Rival and Levang 2014) is greatest among local entrepreneurs who can establish their own small or mid-size oil palm plantations.

However, most oil palms (approximately 60%) are grown by private and state-owned companies in large-scale monocrop plantations, which offer jobs for a small number of permanent employees while the large majority consists of casual workers (Li 2015, 2017) who often work under highly insecure and precarious working conditions (Pye et al. 2012).

Indigenous peoples, who live in the areas where palm oil plantations are established, are mostly poorly informed and rarely given a chance to participate in oil palm development in a meaningful way. Instead, they often suffer from the effects of nontransparent land clearing, water pollution, and the loss of their land, which undermines their economic self-sufficiency. This leads to numerous cases of resistance and protracted conflicts (Colchester et al. 2006, Potter 2009; McCarthy 2010; Haug 2014).

Schemes coordinated by the palm oil industry itself to address these concerns, such as the RSPO, remain weak, as the recent forest fires and haze across Southeast Asia have demonstrated. This shows the need for a more fundamental social-ecological transformation of the industry, that places a higher value on the wellbeing of people and the environment and that is designed for the long-term future.

### 3. Conflicts (perceived and real) between Labour and the Environmental Justice Movement in the Palm Oil Sector

Environmentalists, trade unionists and indigenous rights activists fight against the negative ecological and social consequences of palm oil expansion in Indonesia, but they address different problems and work towards different goals. While environmentalists focus primarily on environmental justice issues and work to prevent further expansion of oil palm plantations, trade unionists demand better working conditions and adequate pay for plantation workers.

The palm oil industry has become a prominent global issue for environmentalists concerned with deforestation,



*The palm oil industry is plagued by land conflicts Indigenous farmers block a road to a palm oil plantation and ritually spill pig's blood in West Kalimantan, Indonesia (Photo: Irendra Radjawali)*

biodiversity loss and climate change. In contrast, worker rights violations seem to be the last issue to emerge in the palm oil industry. In the last five years, increasing documentation has found child labor, forced labor, poor working and living conditions, cheap wages and union busting to be prevalent conditions in the sector (Amnesty International 2016). Palm oil workers demand fair wages, freedom of association and better working and living conditions from the palm oil companies that employ them.

Indigenous rights activists, on the other hand, demand above all the recognition of indigenous land rights, while different views prevail with regard to oil palms. While some indigenous communities reject oil palms, others are quite interested in integrating them into their economic portfolio. Indigenous resistance to oil palm should thus not be simply understood as the wish to maintain a traditional lifestyle, but also about “struggles of inclusion and the terms of this inclusion” (Eilenberg 2015: 149).

Indigenous and local communities often break into conflict with the company on the frontline as they attempt to reclaim their land or stop company operations. An example

of this can be seen at Kinipan in Central Kalimantan where a conflict between an indigenous Dayak community with a palm oil company led to the arrest of their chief, Effendi Buhing (Bernie 2020). The Kinipan case is also an example of the alliance between indigenous, land rights and environmental groups such as Walhi, AMAN and Konsorsium Pembaruan Agraria that have all come to support the case.

There are many examples where the environment versus jobs debate has played out in the palm oil industry in Indonesia and Malaysia. In contrast to indigenous and local communities that depend on the forest and their land, many palm oil workers live in isolation in plantation saturated areas. Because of limited livelihood alternatives, they ultimately depend on the palm oil plantation for their survival. It is this dependency, the tie between the workers' livelihood to the company, that is often perceived as and actually under threat when environmentalists and local communities aim to disrupt and stop company operations. This vulnerability also seems to be used by companies to deploy workers on the frontline to face opposing local groups, creating horizontal conflict between workers and local indigenous communities.

In the Kinipan case, during a mediation held by the Indonesian Presidential Staff Office, the palm oil company PT. Sawit Mandiri Lestari brought 20 palm oil workers along to the meeting. The workers used to be Kinipan residents but no longer reside in the village. This created a conflict within the community between those that oppose the plantation development and those who are employed by it.

It is important to note that palm oil workers have diverse backgrounds and can be local peasants or landless farmers, domestic and international migrants or from local working class families. In Indonesia, domestic migrant workers from South Sulawesi, NTT, and Nias as well as Javanese transmigrants usually outnumber the local workforce. In Malaysia, over 80% of plantation workers are from abroad, predominantly from Indonesia.

These different experiences and relationships to land and local communities inform workers' perspectives in different and complicated ways. The workers are not only alienated from the land, but also from the indigenous local communities. The fact that workers live in isolation in housing facilities in the plantation limits the social interaction with the communities – which is essential in building a sense of solidarity – living on the outskirts of the plantation. Workers are also fragmented amongst themselves and often identify firstly via groups based on their own ethnicity.

This could explain why the workers would have no interest but be on the side with the company when there is a land dispute with the communities – or criticism of environ-

mental destruction. Losing their job – the very reason for their migration – would mean the workers have to return to their hometown far away, where they have no means of survival.

Companies try to incorporate workers and unions into the narratives they use to discredit land rights and environmental activists by portraying NGOs as staging 'black' campaigns against Indonesian industry with the help of foreign powers. In response to a series of Greenpeace's direct actions against dirty palm oil in 2018, for example, the South Sumatra Employers' Association of Indonesia (APINDO) released a joint statement together with three trade unions condemning the action a 'black campaign' that threatened the lives of 17.5 million palm oil workers (Amri 2018).<sup>2</sup>

This coordinated messaging and high-profile coverage may give the impression of a larger divide than actually exists on the ground. There are also cases of intersectional solidarity between workers, local communities and environmentalists (Karakoro 2020). Although workers and indigenous communities may have contradictory immediate interests – job preservation vs. land-ownership – both share the same structural condition of being alienated from the land on which they actually live. Workers – and migrants – are those who have long been deprived of their land and have nothing but their own labor to sell. On the other hand, indigenous communities could potentially become landless workers if their land is seized – via force or deception – by the company. In many cases, people from local communities work for the company too.

In a case in Jambi (Yayasan Keadilan Rakyat), farmers who were recently dispossessed of their land and forced to find income by working as daily labourers on other peoples' farms and industrial plantations are much more sympathetic to local communities' fight for their land. In Pondok Damar village in Central Kalimantan, the local community – in alliance with the workers – could win back their land from the company in 2017. This victory was possible because the majority of the workers are members of Pondok Damar village community who shared the same

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2 One of the unions (KASBI) later withdrew their name from the statement. Similar pro-industry positioning by unions has also taken place in the pulp and paper industry. Industrial pulp plantation workers in Riau, for example, came to the defense of PT. Riau Andalas Pulp and Paper when a new environmental regulation stipulated a reduction in company concession areas that are operating on fire prone and carbon rich peatland. Statements from unions claimed their jobs are at stake and that scaling down the concession will result in mass layoffs. A coalition of labor unions also came out to defend the industrial pulp plantation Toba Pulp Lestari in North Sumatra in reaction to local indigenous community demands to shut down the company over land grabbing and environmental pollution issues (Arumingtyas 2017; Indriani and Susanti 2017; Pemerintah Provinsi Riau 2017; Anon 2015; Diputri 2015).



*Forest gardens as developed by indigenous peoples could be a model for agro-forestry systems that integrate palm oil into mosaic landscapes. Forest Garden in East Kalimantan, Indonesia (Photo: Michaela Haug)*

history and relation to the land. A similar successful re-claiming action by workers and peasants took place in Isulan, in Sultan Kudarat province of the Philippines.

The social transformation that occurs in palm oil plantation areas creates intersecting and fluid identities between indigenous communities, farmers and workers. Local indigenous communities and farmers, for example, are often employed as workers on the plantation and promised oil palm smallholdings in exchange for giving up their land rights to the company. Temporarily employed palm oil workers often find work on smallholder farms nearby the plantation to get additional income. Many palm oil workers who migrated from their home country were also, until recently, farmers. These identities do not fit neatly within one category. In some cases, a worker can be indigenous and a farmer all at the same time, and vice versa. Centering the shared impact of plantation development on rural communities will be critical to overcome the perceived and real conflict forged by decades of palm oil industry domination and to build a collective and just vision for the future.

#### **4. Mosaic Landscapes as a Transformative Vision for the Palm Oil Industry – Land Rights and Ecology**

Some of the most devastating environmental and social impacts of the oil palm industry come from the fact that the vast majority of oil palms are grown in large-scale monocultures that are managed by national and transnational corporations under the unquestioned paradigm of short-term profit maximization, while ecological and social concerns and resulting long-term costs are ignored.

As an alternative to the current status quo, we propose a palm oil future based on rights-based mosaic landscapes that are ecologically more sustainable, respect community rights, developed without dispossessing local landowners, and provide space for a diversified smallholder economy where oil palms are grown among other crops and create alternative livelihoods.



*Intercropping could be one element of a sustainable palm oil landscape. Ginger and free range chickens under oil palms (the fence protects the ginger plants from the chickens), Sarawak, Malaysia (Photo: Lukas Kliewe)*

### *What do we mean by mosaic landscape?*

Many indigenous groups and local farmers who live in the forested uplands and hinterlands of the Indonesian Archipelago have conserved forests and practiced sustainable livelihoods. These are characterised by having a diverse economic portfolio, which includes subsistence agriculture, cash crop production, animal husbandry, agro-forestry and the collection of wild-growing forest resources. The result of this diversified economy is a mosaic-like landscape, consisting of fields, small-scale plantations, forest gardens, secondary growth of different ages and protection of remaining primary forest. Recognition of indigenous and local community land and management rights is central to achieving a mosaic landscape.

### *What is good about this for the environment?*

A mosaic landscape consists of intensively cultivated areas and (semi-)natural elements, like remaining patches of secondary or primary forest. These (semi-)natural elements, even if they comprise only a small part of the total area, often provide the habitat for most of the landscape's biodiversity. The crop diversity of a mosaic landscape supports biodiversity and a denser canopy works against drying out of the soil. Further, intercropping techniques and

organic farming techniques can help to reduce the use of chemicals (herbicides, pesticides and fertilizer). Mosaic landscapes can also prevent the clear-cutting of large tracts of forest and instead include cyclical cultivation patterns. Indigenous and local communities have effectively conserved forests, biodiversity and the carbon stored in its trees through their traditional ecological knowledge. A rights-based mosaic landscape with formal recognition for their land rights ensures the continued protection of forests.

### *What is good about this for indigenous peoples?*

Indigenous peoples benefit from mosaic landscapes as they correspond to their traditional patterns of land and forest use. No dispossession and no displacement would occur for the establishment of large-scale plantations. Instead, customary rights are acknowledged and indigenous people have the chance to integrate oil palms into their diversified economic portfolio. This prevents them from becoming dependent wage labourers and instead enables them to remain independent smallholders. This does not only promote local values of self-determination but also contributes to food security.



*Pesticides are a major ecological problem of palm oil production and a serious health risk for women who are employed to spray them for very low wages and on short-term contracts. Workers preparing to spray pesticides in North Sumatra, Indonesia (Photo: Kartika Manurung)*

### *What is good about this for smallholders?*

About 40% of oil palms in Indonesia are cultivated by smallholders, either as participants in various (more or less advantageous) smallholder schemes or as independent producers (Li 2015: 2). An oil palm smallholding is officially defined as a commercial crop holding of less than the area that requires a plantation license, which means below 25 hectares (Article 6.1, Licensing Guidance for Plantation Businesses, Minister of Agriculture Regulation No. 26/Permentan/OT.1401,2/2007).

However, the standard plot size allocated per household under most tied oil palm smallholder schemes is 2 hectares. If farmers have no additional income sources, it is difficult to make ends meet with just 2 hectares of oil palm. In addition, the conditions of many smallholder schemes are so unfavourable that the smallholders are left with a mountain of debt that they can hardly pay off. The mosaic landscape we imagine is thus based on independent oil palm smallholdings (and not smallholder-schemes tied to plantations). People have the economic advantage of diversification and profit from the resulting economic resilience. They do not depend on one crop and thus can better react to changes in prices and demand and additionally grow food for their own consumption.

### *Short term profit versus long term gains*

Supporters of the classic model are certainly bothered by the fact that palm oil production in such a mosaic landscape is much less profitable than in monocultures. Given the current overproduction crisis in the industry, a strategy that *only* focuses on higher yields per hectare is short-sighted. The mosaic landscape approach and its diversified economy follow different values and consider different measures. The diversified economic portfolio provides stable and resilient incomes for independent farmers who own their own land, avoiding the creation of more landless 'surplus' populations. It also reduces future costs arising from climate change and environmental degradation as well as supporting food security, health and the well-being of the local population. These social and ecological functions cannot all be measured in monetary terms. It is clear, however, that even if they produce less palm oil overall, they are of indispensable value for Indonesia's future.

### *Pathways to mosaic landscapes*

While the mosaic landscape aligns well with demands of indigenous peoples and environmental justice movements on land rights recognition and rights-based conservation, more discussion is needed on how it could be an attractive prospect for workers as well.

Land reform that breaks up large-scale monocultures and returns concession areas to local landowners could result in significant layoffs. How will the mosaic landscape model absorb workers? Can it provide alternative livelihood to workers? One possibility is to include workers as recipients in the land redistribution of plantation areas which transforms them into oil palm smallholders with the possibility of diversifying their crops in the long-term.

Another possibility is the down-sizing and restructuring of the existing plantation management to a mosaic landscape and transforming the ecological and social impact model that the current monoculture failed to address. Workers would still work for the palm oil company but manage a diversified landscape of small agroforestry palm oil units (see below). But the ownership structures could also be challenged, i.e. by transferring the plantation or the mill into a cooperative.

Abandoning the plantation economy altogether and transitioning into a low-carbon economy could be a third option. Workers could be trained and employed in community-based conservation and restoration by offering long-term job and social security. Workers who come from forest-dependent communities would already have ecological knowledge and skills to offer that were previously not valued.

These potential pathways could exist alongside each other. Ultimately, they need to be explored by labour and in conversation with Indigenous Peoples and environmental justice movements. The mosaic landscape will need to offer a clear pathway for social and economic justice so workers are not exploited again in the new vision.

## 5. Mosaic Landscapes as a Transformative Vision for the Palm Oil Industry – Labour Rights and Social Justice

Confronted by the demands of indigenous peoples and the environmental justice movement, leading palm oil corporations have responded with certification schemes in the RSPO and similar initiatives that address branding concerns but leave the basic business model intact. With regard to key ecological benchmarks such as the end to further expansion, an alternative to large-scale monocultures, a strategy for carbon neutral production, or the end to pesticide use, the corporate position is silent, vacillatory or downright hostile (Pye 2016). Arguing that everyone

employed in the sector is in the same boat, corporations attempt to rope in labour representatives and workers to oppose environmental regulations, for example in their attempts to prevent tougher legislation on agrofuel subsidies in the EU.

From a labour perspective, however, workers and management/owners are not in the same boat. Corporations do not only regulate the workers and labour conditions but also the extraction and use of natural resources and thereby the environment. The power of corporations to enforce their interests (profit-maximization, accumulation, low production costs and global competitiveness) has driven a wedge between the needs of the environment and workers despite the fact that nature and workers are both exploited by capital. Management and corporation owners are directly responsible for the pitifully low wages in the sector, for the precarious working conditions and temporary contracts, for piece rates that force workers to include their families in the plantation work, for unhealthy working environments etc.

If labour and capital interests are so different with regard to social issues, perhaps they are also not so similar with regard to the environment? We argue that the interests of workers and of capital operate according to completely different logics. Whilst the palm oil industry's main objective is increasing profits and therefore for higher and higher volumes of palm oil, workers are predominantly interested in their social reproduction, i.e. a decent living wage and job security so that they can support their loved ones. Also, the impact of climate change on the agriculture sector may well make a transition for plantation workers inevitable as extreme temperatures make agriculture workers a high-risk group to heat stress that will exacerbate inequality and displacement (ILO 2019).

A major concern for workers is that a tighter regulation or a downsizing of the industry could lead to job losses. Another is that the workload – already too intense – could become harder. At the same time, there are many unresolved issues, starting with decent wages, that have not been resolved in the current, unsustainable mode of production.

Could a mosaic landscape perspective offer a solution? How can key ecological demands be reconciled with workers' interests? And what social improvements need to be included in a social-ecological transformation perspective? The following table summarizes some of the issues and potential synergies between the environmentalist position and a possible response by labour:

**Table 1. Potential Synergies between Environmental Justice and Labour from a Just Transition Perspective**

Key environmental benchmark	Potential Labour Position
1. End Further Expansion (Deforestation, Peatlands, Biodiversity)	The end of further expansion could mean potentially fewer future jobs, but no job losses for current workers. Overall potential job losses could be compensated by shorter working hours across the industry.
2. Mosaic landscapes instead of large-scale monocultures	Mosaic landscapes would be much more labour intensive and would require more skilled jobs. A smallholder model could incorporate former workers, leading to the transition from wage labourer to smallholder.
3. The protection of indigenous land rights and livelihoods	A downsizing towards a mosaic landscape could return land claimed by indigenous communities whilst at the same time providing high skilled stewardship jobs for workers. In a more radical break up of corporate plantations, workers should be included as land reform beneficiaries in a post-plantation mosaic landscape.
4. Organic fertilizers instead of NPCO chemical fertilizers.	A transition towards ecological land practices is more labour intensive and requires skilled workers. This could be incorporated into the trade union demand for more permanent jobs and recognizing upkeep jobs as high-skilled and permanent.
5. Integrated Pest Management instead of herbicides and pesticides, important for biodiversity and health.	Because of the health impacts on women workers applying the herbicides, this should be a key trade union demand. IPM would require higher skilled and better paid permanent jobs for women currently exploited in precarious daily contracts.
6. Processing of Palm Oil Mill Effluent (POME) to methane and organic fertilizer (circular production models) as an important step towards carbon neutrality.	The introduction of a circular production model for the palm oil industry would require a highly skilled workforce. Trade unions should pro-actively demand this in conjunction with on-the-job paid training courses.
7. Generally less production towards a more sustainable production (e.g. no agrofuels).	From a labour perspective, unlimited growth of volume is counter-productive, leading to over-production crises and price collapse. Smaller volumes coupled with a more labour-intensive production (more jobs per tonne CPO) would be a pro-worker position.

Taking the two most prominent concerns from the environmental justice movement and the labour movement first, i.e. the halt to further expansion and decent living wages, we can immediately see a correlation between these two demands. The higher workers' wages are, the less super-profits can be made in the industry. Finance flows into new plantations because the expected rate of return is so high. If this is reduced and made more reasonable through substantially higher wages, then this will relieve some of the investment pressure to open up more land and forests for palm oil development.

But what about legislation that prevents new plantations from being established? Wouldn't this prevent new jobs from being created? From the perspective of the trade union movement, the defense of existing jobs takes priority over potential new jobs. There is therefore no necessary reason for trade unions to support the establishment of new plantations before they exist. At the same time, the loss of potential jobs created by the further expansion of a business model of few workers per hectare could be com-

pensated by a business model based on a higher ratio of workers per hectare and supporting existing local livelihoods. This is where the mosaic model comes in as a key element of social-ecological transformation.

A mosaic landscape production – understood as a reform of plantation management towards small, agroforestry units – would automatically mean more workers per hectare. Not only are the economics of scale reduced, meaning a reduction in labour productivity (but an increase in land productivity), working on smaller farms over a larger area for the same overall acreage also means more travel time to the worksite, more coordination, additional tasks etc. A mosaic landscape production would mean more jobs per hectare and more jobs per tonne of CPO. Palm oil companies try to permanently increase the economics of scale and worker productivity to stay competitive. Workers tend to resist productivity drives and a general move towards mosaic production for the whole industry would transcend that competitive necessity.



*Palm Oil Mill Effluent could be used to produce biogas and organic fertilizers. Palm Oil Mill Effluent (POME) lagoon in Sabah, Malaysia (Photo: Oliver Pye)*

A similar perspective could be developed for Integrated Pest Management and the production and use of organic rather than chemical fertilizer. To start with, overcoming the widespread use of pesticides is in the workers' best interests, particularly the female workers usually entrusted with this task, who face many health issues as a result. This is also more feasible in a mosaic landscape, in which there is more biodiversity, more insects, more natural checks and balances to the pests that live off oil palms. A perfect source of organic fertilizer would be the Palm Oil Mill Effluent (POME) left over in the milling process. That would have to be collected and processed by workers in biogas operations.

Once ready, in combination with shredded palm fronds, this would make an excellent mulch to spread round the oil palms, not only to fertilize them but also to suppress grass, thereby eliminating the need for herbicides as well. All this requires more work and skilled work at that. Rather than conducting the same monotonous task every day for a minimum wage or for unrealistic piece rates, this type of work needs skilled workers – land stewards – on permanent contracts. Ideally this could also raise awareness for ecological cycles and environmental needs.

Finally, the question of ever more production of palm oil is important. This is hardwired into the corporate perspective – also of the RSPO – because more sales mean more

profit. But from a labour perspective, this is not necessarily the case. The uncoordinated expansion has already led to a crisis of overproduction. Overproduction leads to a fall in the global price. And lower prices are always an excuse for the company to freeze or cut wages. Workers have a common interest in higher prices for their product and for a limited supply. This gives more job and income security in the long term.

As a mid-term perspective, the labour movement has an interest in changing badly paid and precarious jobs – classified as 'unskilled' or 'low skilled' – into skilled jobs that pay better on a permanent basis. The social-ecological transformation of the industry, breaking the large monocultures into smaller farms, restoring peatlands, reconnecting forest corridors and rewilding river landscapes, would require a workforce trained in an ecological understanding of the landscape, as stewards of the land. Rather than labourers exploited solely for their physical labour, it would require trained workers, properly paid and with a long-term investment in the landscape – who don't produce palm oil in alienation from nature, but in accordance with its laws and needs.

The transformation of large-scale plantations to mosaic landscapes could take place in consultation with indigenous communities surrounding the plantation, i.e. downsizing by returning indigenous land. From a labour



*Workers have the skill and potential to become stewards of sustainable palm oil landscapes. Women maintenance workers spread fertilizer on PT. London Sumatra plantation, North Sumatra, Indonesia (Photo: RAN/OPPUK/Nanang Sujana)*

perspective, this would make sense firstly because local workers are rooted in the community and secondly because it would entail an upgrading of jobs and pay towards skilled jobs in the stewardship model. A pathway towards a mosaic landscape via land reform and the break-up of existing plantations into smallholder plots could also be attractive for workers. Historically, the Indonesian plantation workers' union SARBUPRI supported this strategy in the context of mass occupations of plantations and land reclaiming for subsistence production in the 1950s (Stoler 1995).

## 6. Steps towards a Labour Perspective on Just Transition

We have seen how companies instrumentalise unorganized workers who are dependent on them to oppose indigenous farmers or environmentalists along the supposed conflict of jobs vs. environment. We have also seen that some trade unions in the palm oil industry have joined palm oil corporations to argue for a continued and unfettered expansion of the industry. The labour movement in the palm oil industry lacks an independent position and strategy vis-à-vis the challenges of environmental destruction and land conflicts that plague the sector as a whole.

At the same time, we have seen that a social-ecological transformation of the palm oil industry could be very attractive to workers and trade unions, both in the immediate and in the long term. However, the labour movement can only develop such a position through a process of discussion, education and reflection. A Just Transition perspective for the palm oil industry needs to be developed by workers themselves. Environmental Justice and Indigenous organisations are key allies that could help to initiate and facilitate this process of reflection.

A labour perspective for Just Transition cannot be left solely to trade union officials but must start from the experience of palm oil workers on the ground. The first step would therefore be to organize discussion groups of workers around issues related to the environment. These discussions could start from the ecological problems affecting workers in their day-to-day work, such as the health impacts of harvesting, pesticide spraying or fertilizer spreading or the lack of clean water. On the basis of workers' knowledge about these very fundamental issues, a discussion of wider issues related to the environment should be initiated – also to balance the perception that workers don't care or know about biodiversity loss or haze pollution etc. The environmentally destructive operation of companies leads to the pollution of their water, displaces people from their land and leaves whole regions contaminated or infertile which leaves workers, rural and

indigenous communities with nothing to go back to when companies withdraw from certain regions. A third step would be to reflect on work-related demands that could relate to an ecological transformation of the industry (pay, skills, training, collective bargaining, contracts etc.).

Bringing environmental justice groups together with interested trade unions to organize, document and analyse these discussions, would be an important step in creating a 'red-green alliance' in the palm oil industry. By bringing out the voices of workers in these discussions, full-timers would avoid 'talking down' to workers and could tap into their immense experience on the ground. A Just Transition that is socially and environmentally sustainable must be anchored in unions and workers minds through mutual education, organization and mobilization.

After workers have reflected on their own situation and demands regarding social-ecological issues in the industry, a second phase could bring members of indigenous communities and environmental justice groups together

with workers to discuss ways of overcoming divisions and developing common strategies. Through a meaningful exchange and share of experience, workers might understand the anger when the company seizes the people's land – which could possibly relate to their own history of being landless. On the other hand, the local communities could also understand the huge stakes of a worker when he/she loses his/her job. A continuous dialogue between these groups while identifying mutual interests will facilitate solidarity and possibility lay the foundation for a strong Just Transition movement.

A series of this kind of grass-roots discussions organized in different places and countries, reflecting a diversity of contexts and experiences, could provide the basis for a generalization of ideas for a Just Transition in the palm oil industry. A conference bringing workers from the discussion groups together with trade union officials, environmental justice activists and representatives from indigenous communities could develop a position paper for the social-ecological transformation of the palm oil industry.



*A labour perspective on Just Transition would start with the perspective of the workers themselves. Palm oil worker harvesting fresh bunch fruit in PT. London Sumatra Plantation (PT. Lonsum), Deli Serdang, North Sumatra (Photo: RAN/OPPUK/Nanang Sujana)*

This could then be used to create an alliance of several trade unions with smallholders, indigenous communities and the environmental justice movement behind a common perspective.

In the mid-term, an alliance is a realistic possibility because workers, indigenous communities and the environment are all victims of the same transnational palm oil corporations. The land-clearing and expansion of the plantations destroys the environment by displacing people from their land. This landless labour force then becomes the object of exploitation in precarious working conditions. Workers are both alienated from their work and from the land. Unity on the basis of collective land ownership or around a food sovereignty perspective might be a possibility.

Workers and indigenous communities are not just victims, but are the living agency at the frontline of creating the mosaic landscape. At the moment, both plantation workers and local communities are largely unorganized and frag-

mented. To develop a realistic strategy for Just Transition, the trade union movement still needs to come together to organize across the industry and to have the power to push for transnational collective bargaining and social-ecological transformation of the whole industry. A debate on Just Transition and a dialogue with local communities around environmental and land issues could be helpful in this project, e.g. by developing political consciousness, especially for workers. The very reason why workers tend to be more focusing on economic demands – while seemingly ignoring environmental demands – is precisely because the only means of immediate survival is by selling their labor. Workers can go beyond their immediate interest if they are able to reflect on the root of the deprivation they experience and their potential power to change their situation. A process of reflection and discussion of Just Transition strategies could thereby become a way of empowering workers in the palm oil industry.



Organised workers could become a force for the just transition of the palm oil industry. Members of the trade union Serikat Pekerja Nasional protest against the Omnibus Law in Indonesia, 2020 (Photo: SPN 2020)



A Just Transition perspective would integrate ecological sustainability and social justice Worker's helmet and fresh fruit bunch, North Sumatra, Indonesia (Photo: RAN/OPPUK/Nanang Sujana)

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Sawit Watch was formed with the aim of realizing social change for farmers, laborers, and indigenous/ local communities towards ecological justice.

**Transnational Palm Oil Labour Solidarity (TPOLS)** is a network of labour, environmental justice and women’s organisations that aims to build transnational solidarity between workers in the palm oil industry. This includes solidarity between workers in different countries and along the Global Production Network. TPOLS works towards a just social-ecological transformation of palm oil production.

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