Indonesia: Oil palm plantations erode the right to work on communal land

The International Labour Organization (ILO) is the UN agency that oversees labour issues, shaping policies and programmes mainly related to labour standards for the protection of workers.

However, the right to work is wider than the right to a job. The ILO has also incorporated the concept of decent work which recognizes that “work is central to people's well-being. In addition to providing income, work can pave the way for broader social and economic advancement, strengthening individuals, their families and communities. Such progress, however, hinges on work that is decent. Decent work sums up the aspirations of people in their working lives” (ILO, http://www.ilocarib.org.tt/index.php?option=com_c ontent&view=article&id=1096&Itemid=952).

For many rural communities, their traditional land and associated knowledge form the material basis of their way of living, their culture and their identity. If they lose their land they lose their right to work – a human right.

The Indonesian National Human Rights Commission and Sawit Watch – the Indonesian network of NGOs against oil palm plantations – have recently published a report on the collision of the right to manage land granted by the state to companies (HGU) and human rights (HAM). “HGU & HAM Land Use Rights and Human Rights” brings evidence for the argument that the right of companies to manage state land supersedes human rights, which usually receive less consideration and are even ignored by the State.

The following is an excerpt of certain parts of the report which we have edited in order to produce a summarized focus on the impacts of industrial oil palm plantations on local communities’ right to work on their lands.

Oil palm plantations in Indonesia cover a total area of 9.1 million hectares, 40% of which are large-scale plantations. Industrial oil palm production is controlled by 27 large groups with about 6,000 subsidiaries in 19 provinces. Yet, state-owned companies such as PTPN share the same large-scale model. And also, the type of plantation developed on people’s land is the so-called “plasma plantation”, i.e. plantations dominated by a core or “nucleus” company. This means that large-scale oil palm plantations account for most of the total area.

Oil palm is not a new plantation commodity in Indonesia. Large-scale planting of oil palm for commercial purposes began in 1911 in Deli Serdang, North Sumatra. After independence, in 1948, plantations of oil palm encountered some constraints, when then President Sukarno applied the policy of nationalization of Dutch and other foreign companies. However, the plantation industry bloomed by the end of 1980s when then President Suharto encouraged more large-scale plantations.

At present, various policies issued and applied by the Indonesian government have increased the rate of expansion of oil palm plantations, such as the agreement signed with the business sector for the allocation of three million hectares of land for oil palm, especially targeted at the production of

biodiesel. The government has also provided incentives in the form of facilities and funds for revitalizing plantations and distributing state land to underprivileged people so they can work to meet the oil palm business' needs.

Some media have reported the government's plan, announced by the president, to open land in a total area of 1.8 million hectares along the border to develop the world's largest oil palm plantation. Data compiled by Sawit Watch indicate that almost all provincial governments have planned to open and expand lands for oil palm plantations, up to 19.8 million hectares in total.

This fierce push of the large-scale oil palm business is colliding with customary rights to communal land.

In Sanggau district, West Kalimantan province, oil palm plantations have been established in the subdistricts of Kembayan and Parindu. The total area of Parindu –originally inhabited by two ethnic groups, the Malays and the Dayaks – is approximately 59,390 hectares.

The Dayak Parindu have a collective land ownership system under customary regulations where land is inherited but cultivation by each family/individual remains in the context of commonly held land or communal land. Traditionally, the Parindu community has applied shifting land cultivation, but this pattern has almost disappeared due to the expansion of oil palm plantations that have been sweeping across communal lands and forests.

One of the oil palm companies is PT. Perkebunan Nusantara XIII (Persero), also known by the abbreviation PTPN XIII, a state-owned corporation that has been operating in Sanggau since 1984. The company is engaged in the agroindustry business and its main commodities are oil palm and rubber.

PTPN XIII encroached on the Dayak Parindu's "tembawang" (agroforestry) – the communal area where the community had been working the land according to their customs and had guaranteed their livelihood producing many kinds of useful plants, such as fruit trees. But the community's plans and priorities are destroyed in seconds when an oil palm plantation is set up.

For almost 20 years PTPN operated in this region without the concession required for any company to cultivate land owned by the state for commercial purposes – called a Land Use Rights (HGU) concession and granted for a maximum term of 25-35 years.

At the beginning the company did not involve the community in the oil palm plantation and the workforce demand was fulfilled with migrants from Java. This led to complaints from the local community. So, in 1997, the company started applying the so-called plasma plantation model (Pir-Bun), under which the community formally gave 7.5 hectares of their land to the company and would receive 2 hectares of oil palm plantation in return. From then on the community would have to pay the credits to the bank.

Field findings in Sanggau showed that people were enticed to take part in the oil palm plasma programme under the promise that they would improve their welfare. However, members of the Dayak Parindu community expressed that they now realize they were deceived by PTPN XIII and that they have never enjoyed the prosperity promised by the company. In fact, the outcome is that the community lost most of their land.

When tens of hectares of the customary community lands in West Kalimantan were handed over to

the government to be given to plantation companies in the form of leaseholds, the status of the lands legally changed to state lands. The consequence is that the customary community does not have rights and authority over the lands anymore, even when the term of the plantation leasehold expires.

The practices of acquisition of community lands for the benefit of the plantation business sparked protests that in West Sumatra were expressed in land occupation/reclaiming. Reclaiming has thus become a form of social movement in response to the attempt of various economic and political power groups to strip local communities of their rights to work and live on their ancestral land.

This article is based on the report “HGU & HAM: Land Use Rights and Human Rights”, National Human Rights Commission and Sawit Watch, 2011, http://wrm.org.uy/plantations/LandUseRight_HumanRight_SW.pdf