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## [Sawit Watch: an Indonesian network against oil palm plantations](#)

Oil palm (know as "Sawit" in Indonesia) is an increasing problem for people and the environment in that country. In May this year, the Minister of Forestry and Plantation Estates stated that the government had allocated 30 million hectares of forest for oil palm plantations. Indonesia has already 3.2 million hectares of oil palm plantations, mainly located in Sumatra (1 million ha). Every year 330,000 hectares of forest is targeted for conversion into new plantations and 650 investors --75% of which foreign companies-- are applying for converting forest into oil palm plantation.

### **The negative impacts of oil palm plantations**

Oil palm plantations have resulted in numerous negative impacts on the environment, on indigenous peoples, on people's livelihoods, on the national economy, and have resulted in the concentration of land in the hands of few companies.

Negative impacts on the environment are a consequence of this being a large-scale industrial monocrop which therefore reduces biodiversity. At the same time, it implies high levels of agrochemical inputs --fertilizers and insecticides-- that have polluted many rivers, and have directly and indirectly caused deforestation and forest fires.

Much of the land allocated to oil palm plantations are not even technically appropriate for such crop. According to a study carried out in 1998 by JICA (Japan International Cooperation Agency) and BAPENAS (National Development Planning Board), only 15% of the 3.2 million hectares of land earmarked for that purpose by the provincial government of West Kalimantan are suitable for planting oil palm. But, even within this 15%, the environmental impacts will be enormous: land erosion of 57-1,500 ton/year, loss of soil nutrients of 386,000 ton/year, pollution caused by 145,000 liters/year of insecticides and 5,900 ton/year of other chemical substances.

Plantation projects ignore the existence of indigenous peoples and expropriate their lands. For example, in West Kalimantan oil palm plantations are developed in the productive gardens of Dayak people, which include rubber trees, fruit trees, etc. The government of Indonesia has encouraged companies to cut down hundreds of thousands of trees in Dayaks' gardens and to replace them with oil palm. As a result, local peoples' economy, based on local resources is destroyed.

If millions of hectares of lands are converted to oil palm plantation, the regional and peoples' economy will be very dependent on a single commodity that is subject to international price fluctuations. On the other hand peoples' economy, that is based on non -timber forest products such as honey, medicinal plants, fruit, etc., is destroyed by the expropriating process.

The Central Bureau of Statistics (1996) has noted that 457 large oil palm companies control already more than 3.2 million hectares of land. In the future, 650 new companies will control 30 million hectares more. This means that there is and will be high concentration of land holdings. Experience shows that when indigenous and local peoples' lands are expropriated for this purpose, many more people become landless and are thus pushed into a massive poverty process.

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## **The creation of "Sawit Watch"**

Many Indonesian NGOs are very concerned about this trend and have conducted activities during the last six years to empower indigenous and local peoples to fight for their rights in their respective regions. Given the need to work and develop plans together for strengthening all efforts at the local, national and international levels, some Indonesian NGOs initiated on July 25, 1998 Sawit Watch and since then more NGOs joined the initiative.

The Sawit Watch has three main goals: 1). To support local and indigenous peoples' struggle against large-scale oil palm plantation companies; 2) To campaign against the IMF/World Bank's Sectoral Adjustment Loan for liberalizing oil palm plantation; 3) To raise public awareness at the local, national and international levels on the social and environmental impacts of oil palm plantations.

### **For achieving those goals, Sawit Watch will carry out activities such as:**

1. Support local and indigenous peoples' struggle against large scale oil palm plantation companies: Land expropriation and environmental destruction caused by oil palm plantation are major problems to local and indigenous peoples. Advocacy and empowerment activities are carried out to support them to reclaim their expropriated land. More than 10,000 people regained last month control over about 10,000 hectares of land in North Sumatra that had been given to military and bureaucrats. Reclaiming activities by indigenous and local peoples in Sumatra, Kalimantan, Sulawesi and Java over large-scale plantations and forest concessions range from taking to court land right cases to the direct occupation of lands. Sawit Watch's support consists of providing legal advice, putting political pressure on provincial governments and the military, and litigation at court. Compensation for environmental destruction is also being demanded from the companies.

People are poor and don't have funds to cultivate their land after reclaiming and therefore fund-raising activities are also carried out to support, for instance, the purchase of seeds. People are encouraged to cultivate alternative crops, so in the future they are not dependent on one crop (oil palm), to develop mixed crops and to increase biodiversity. People-based management of the forest that was once destroyed by large-scale oil palm plantations, could therefore be developed again.

2. Campaign against IMF/World Bank's Sectoral Adjustment Loan for liberalizing oil palm plantation.

The Indonesian government stopped new foreign investment in oil palm plantation in early 1997, because 1.5 million hectares of land had already been allocated for oil palm plantation to Malaysian and other foreign investors. The IMF/World Bank's 50 point programme package for Indonesia to counter the economic crisis included liberalization of oil palm plantation. This means that Indonesia will have to re-open for new foreign investment in the oil palm sector. The IMF/World Bank's crisis program for Indonesia comprises lending of US\$ 4.5 billion, divided into US\$ 2 billion for fast disbursing support and US\$ 2.5 billion for regular investment lending support, among which an Agricultural Sectoral Adjustment Loan of US \$ 400,000 that will be disbursed in November 1998. It is important to note that this programme for liberalizing oil palm plantation is not based on any social or environmental studies carried out by the World Bank.

This loan therefore increases new investments in the oil palm sector, ignoring the social and environmental problems that people will have to face. To campaign against it will therefore be an important part of Sawit Watch activities to stop new investment in oil palm plantation.

3. Raise public awareness at the local, national and international levels on the social and

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environmental impacts of oil palm plantations by implementing activities such as:

- Policy study on oil palm plantation in Indonesia. The aim of the policy study is to draw a picture of the whole "sawit" complex for monitoring, campaigning and advocacy purposes, and also to predict its trends in the future. The policy study includes a number of aspects such as the ecology (analysis of biodiversity loss, soil erosion, pollution, etc.); social and economic aspects (analysis of impacts of oil palm plantation to the social and economic condition of people at the local, regional and national levels); legal and policy aspects (analysis of regulations on oil palm plantations, trend of policy adopted by government in relation with the intervention of institutions such as the IMF/World Bank and other multilateral banks); political aspect (analysis of main actors --e.g. government and private sector, multilateral banks-- and respective interests); supply-demand analysis in relation with consumer patterns and foreign trade.
- Compiling investigated data/facts from local level. Many NGOs have conducted investigations in oil palm plantation areas that affected indigenous and local peoples' life. For the purpose of raising public awareness, all data and facts will be compiled as evidence of the negative impacts of oil palm plantation, in different formats such as slide packages (in Indonesian and English) and video films.
- Providing data and facts (newsletters, fact sheets, slides, video films and online information in Indonesian and English) on social, economic and environmental impacts of oil palm plantations.
- September 24 is Agrarian Day in Indonesia. On September 24, 1998 rallies in all regions in Indonesia will be organized simultaneously by members and supporters of Sawit Watch, together with indigenous and local people affected by oil palm plantations. This will be part of the activities to put political pressure on the provincial and national governments.
- A national seminar on oil palm plantation will be held in October 1998, with presentations of the policy study, the compiled investigated data/facts from local and regional levels, testimonies of indigenous and local people. A press conference will be also held during the seminar. The seminar will not only be aimed at raising people's awareness on the impacts of oil palm plantations, but also at putting pressure on the IMF/World Bank, which will disburse the agricultural sector adjustment loan in November 1998, as well as on the Indonesian government for stopping new investments in this sector.

**To date, the following organizations are participating in Sawit Watch:**

Bentayan, Palu, Central Sulawesi; Bioforum, Bogor; Community Based Forest Management (East Kalimantan), Samarinda; Community Based Forest Management (West Kalimantan), Pontianak; Consortium for Supporting Community Based Forest Management (KPSHK), Bogor; ELSAM, Jakarta; Institute for Dayakology Research and Development (IDRD), Pontianak-West Kalimantan; International NGO Forum on Indonesian Development (INFID), Jakarta; Lembaga Alam Tropika Indonesia, (LATIN) Bogor; Lembaga Bela Banua Talino (LBBT), Pontianak-West Kalimantan; LRA, Padang-West Sumatra; Plasma, Samarinda-East Kalimantan; RMI-Institute for Forest and Environment, Bogor; WALHI Aceh, Aceh; WALHI, Jakarta; Warung Informasi (WARSI), Jambi; WATALA, Lampung; Yayasan Alam Hijau Indonesia (YAH), Bogor; Yayasan Evergreen Indonesia, Palu-Central Sulawesi; Yayasan Lingkungan Hidup Irian Jaya (YALI), Jayapura-Irian Jaya; Yayasan Padi Indonesia, Samarinda-East Kalimantan; Yayasan Telapak Indonesia, Bogor

Source: Titi Soentoro, Coordination Office of Sawit Watch.

