

Workers in the Palm Oil Industry

Exploitation, Resistance and Transnational Solidarity

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In recent years, palm oil has become a highly politicized commodity in Germany. Many NGOs and civil society groups have criticized the impact of an expanding palm oil industry on the remaining rainforests in Southeast Asia. They have made a simple and compelling connection between the consumption of palm oil in Germany and the destruction of rainforests and biodiversity – particularly in Indonesia. As images of the 2015 haze crisis went around the globe, this connection was highlighted for the umpteenth time: Indonesia's forests are burning because of the huge demand for palm oil for which Germany is partly responsible.

This paper discusses a key issue of this globalised agribusiness: labour conditions and the potential of workers to change the industry. While palm oil generates huge profits for the transnational companies involved, workers are paid brutally low wages. Indeed, palm oil is globally so successful because of the high exploitation rates that characterize the industry. Despite repressive labour laws and precarious working conditions, however, workers are developing their own practices of everyday resistance. This paper is intended as a contribution to the transnational campaigns linking activists in Germany with activists in Southeast Asia. We argue that campaigners should start to include workers in the campaigns, and that an alliance between environmental and labour activists could become a powerful movement for change.

Harvesting palm oil
in North Sumatra
(Photo Kartika
Manurung)



Because of the way current campaigns on palm oil are framed – global demand drives palm oil expansion – and the focus on consumption patterns that this framing generates, most campaigning around palm oil has taken the form of consumer-oriented campaigns. Some of the more successful campaigns focused on the political project of subsidising palm oil for agrofuels and fed into work and pressure that eventually managed to scale down agrofuel targets in the EU’s Renewable Energy Directive. Most of the campaigning, however, still focuses on the consumption by individuals of household products such as chocolate bars, crisps, margarine, or cosmetics. For example, the alliance ‘Regenwald statt Palmöl’ suggests boycotting products with palm oil as the only course of action (<http://www.regenwald-statt-palmoel.de/>).

While the political message transported by these campaigns makes an important link between consumption patterns in Germany and the realities of palm oil production in Southeast Asia, they have also cemented the idea that critical consumerism is the only or best way of doing something about it.

But consumer campaigns have had little impact on the ground. It has failed to stop the continuing expansion of the industry because it has little impact on global aggregate demand, which is structured by agribusiness conglomerates and characterised by the increasing role of “flex crops”

(Borras et al. 2014s) – crops that can be used for food, animal feed, fuel and industrial products – in which global competitiveness plays the key role. In addition, consumer-oriented campaigns have been met by those brands that rely heavily on palm oil by inventing “sustainable palm oil” – a branding exercise that offers to assuage the moral conscience of the consumer. “Sustainable” palm oil as certified by the Roundtable on Sustainable Palm Oil (RSPO) addresses management practices at the mill and plantation scale through voluntary principles and criteria. But the scope for sustainable practices at the plantation level is limited (monoculture production is not questioned), whilst the RSPO does not address issues at the landscape scale, such as the continuing expansion of the industry, the conversion of forests to plantations, the aggregate impact of wetland draining etc. In this way, the RSPO certification responds to consumer concerns without seriously addressing the large-scale environmental problems caused by the industry (Pye 2016).

This paper hopes to contribute to a critical discussion of palm oil campaigns by focussing on labour in the palm oil industry. This is not only because labour conditions in the industry are exploitative and repressive and need to be addressed. We also believe that developing solidarity with workers and the labour movement in the palm oil industry could offer a way out of the consumerism dilemma. After all, one of the reasons that palm oil is expanding

Fitters in a palm oil mill in Sabah (Photo: Azman)

so fast is because the extremely low wages in the industry guarantee a high rate of return on capital investment. To this aim, we sketch some of the key issues facing workers in the palm oil industry but also present some ideas on possible interactions and solidarity between the environmental justice movement and the labour movement that have arisen from discussions between workers, trade unionists and activists in Indonesia, Malaysia and Germany.¹

We argue that the environmental justice movement critiquing the palm oil industry would do well to develop new strategies that focus on labour. The experience, networks and skills that have been built up over the years in transnational campaigning would be valuable resources for transnational solidarity initiatives that support workers, giving them a voice and an active organising role in the critique of the palm oil industry. An alliance between environmental activists and the workers movement could also form the basis for the social-ecological transformation of the palm oil industry towards a more environmentally sustainable and socially just system.

Exploitation in the Palm oil industry —

One of the main counter-arguments against the environmental critique of the palm oil industry is that palm oil is good for development, generating billions of Euros of export earnings for Indonesia and Malaysia and creating millions on new jobs, jobs needed by the rural unemployed to escape poverty. While it is true that the palm oil industry is very profitable and makes some Indonesians and Malaysians rich, it is not true that the jobs offered to workers help them escape poverty. Rather, as Tania Li puts it, palm oil ‘not only fails to reduce poverty, it actively produces it’ (Li 2015).

The core problem is the extremely low level of wages for plantation workers, which are usually well below 100 Euros per month in Indonesia. According to one study, wages compare unfavourably even to the colonial ‘coolie’ system when converted into purchasing power (kg rice per day). While permanent contracts (Standard Kerja Umum, SKU) might offer a degree of security and some social benefits such as pensions – albeit on a very low level – these are becoming increasingly rare, as the industry has introduced more and more precarious work contracts. A wide range of dif-

APPENDIX 'G'

ASIC DAILY RATES FOR DAILY-RATED EMPLOYEES

CATEGORIES OF WORKERS	Rates as at 31.12.2013 (RM)	Agreed New Salary Oct. 01. 2014 (RM)
Agricultural/General & Factory (male/female) – Based	19.00/day	31.00/day
FFB Bunch Checkers	+1.00/day	+1.00/day
Chain-saw Operators/ Motoblo Operators/ Grass Cutters	+2.00/day	+2.00/day
Chemical Sprayer	+1.00/day	+1.00/day
Harvesters (Oil Palm)	< 1.50 – RM 19.00/mt 1.51 – 1.70 – RM 19.50/mt 1.71 – 1.90 – RM 20.00/mt > 1.91 – RM 21.00/mt	< 1.50 – RM 21.50/mt 1.51 – 1.70 – RM 22.00/mt 1.71 – 2.00 – RM 23.00/mt > 2.00 – RM 24.00/mt
Field Application of Empty Fruit (EFB)	3.50/mt	3.70/mt
Loaders	4.00/mt	4.25/mt

ferent flexibilised working conditions are imposed upon workers, ranging from payment according to piece rates and quotas for workers with permanent contracts, the widespread daily worker status (buruh harian lepas, BHL) with or without quotas, and outsourced work where workers have no contract at all but operate as quasi-self-employed. One study for North Sumatra estimates that out of 236,000 plantation workers, 80,000 are BHL, earning two Euros per day and that 68,000 people are ‘self-employed’ collectors of loose palm fruit (*brondalan*), earning just one Euro a day.

Precarious work in the plantations is highly gendered. While men dominate the physically demanding but higher paid harvesting work and are more likely to have permanent contracts, women make up most of the BHL workers. As daily workers, women miss out on some of the social benefits like insurance or pensions, and are paid a great deal less. In Kalimantan, daily wages in one private company were less than 2 Euros a day, but the work was hardly less tiring than harvesting. Spreading fertilizer is typically ‘women’s work’ – they have to carry a 50 kg basket from the road to

Wages according to different categories in a rare collective agreement for a company in Sabah (Photo: Oliver Pye)



Table 1: Estimation of workers' wages per tonne of crude palm oil

the plantation, then walk around strenuous terrain with 18 kg bags and spread 350 kg of fertilizer a day (Li 2015). According to Li, companies have been switching from daily wages (with overtime) to quota systems, where workers have to meet certain targets and that workers now earn less rather than more than they used to. Another task typically undertaken by women is spreading herbicides, an activity which carries gender-specific health risks (Tenaganita 2002, see below). One woman involved in action research with HARI in North Sumatra did have a permanent contract as a plantation worker, but wages were so low that she took on additional work as a daily worker in other plantations. Despite this, she was still only making between 90 and 140 Euros per month, not enough to make ends meet.

The system of quotas reinforces a division of labour in the family which awards women a subordinate and supplementary role in relation to their husband. It also is the main reason for the common occurrence of child labour in the palm oil industry. Because the basic wage level is so low, workers do all they can to reach the target. If harvesters have to harvest a certain number of tons of fresh fruit bunches and carry these out of the plantation into the road, then they often recruit their wives and children to do the carrying, as they can then concentrate on the harvesting. But the women are not officially employed by the company, neither are the children ('no child labour here'). Women workers, role as 'additional and non paid

worker' then reinforces patriarchal structures in the family, where they are still expected to take care of the household chores. Women grapple with multiple difficulties. They are simultaneously wives and workers, and can also experience sexual harassment by foremen or management.

Harvester	20.0 Dollar
Field Worker	5.0 Dollar
Mill Worker	1.0 Dollar
Truck Driver	0.5 Dollar
Office Worker	2.0 Dollar
Workers total	28.5 Dollar
Price CPO	700.0 Dollar
Company	671.5 Dollar

Low wages are correlated with high exploitation rates and high profits. The global price of one tonne of Crude Palm Oil (CPO) is currently at about 700 US Dollars. Prices are volatile, and peak prices were over 1200 US Dollars in 2008 and 2011. But workers only earn around 30 US Dollars per tonne CPO (see table). If other costs for machinery and other inputs are deducted, palm oil companies are making about 300 US Dollars per tonne CPO. This gives an exploitation rate ($x = \text{profit}/\text{wages} * 100$) of 1000%! In other words, workers could be earning up to ten times as much as they do now, and the palm oil industry would still be making a profit. This is at the current fairly low prices for CPO – any hikes in global prices are not passed on to the workers but just generate extra profits.

A machine operator in a palm oil mill in Sabah (Photo: Oliver Pye)



To ensure these high exploitation rates, palm oil companies go to great lengths to prevent workers from organizing and to counter land claims by peasant groups. In their study of Labuhan Batu in North Sumatra, Siagan et al. (2011) document several cases of peasant groups with land claims to plantations being evicted by the company. Often, the company works together with so called preman (thugs), with the local police and with the labour courts to intimidate workers and peasant activists. In an infamous case in a refinery of the RSPO member Musim Mas, workers who formed an independent union were evicted from their homes and union leaders were jailed (ILO 2007). Another strategy is to bring in migrant workers who are not rooted in the local communities. This is an age-old strategy from colonial times and is used in Malaysia (see below) but it is also applied to the new areas of expansion in Kalimantan, Riau, Jambi and West Papua (Li 2015). Workers who do protest or organize often find themselves without a job, or they are disciplined by 'transfer' to other plantation

operations of the same company in other parts of the country (Siagan et al 2011).

The Migration Regime _____

A defining characteristic of the labour regime in the palm oil industry is mass migration by Indonesian workers to Malaysia (Kaur 2014). Officially, nearly 400,000 registered Indonesian workers are employed in the plantation sector (Kumar et al. 2014), but at least the same number are unregistered, so that up to one million migrant workers (including Filipin@s and others) can be estimated to work in the plantations and mills in Peninsular Malaysia, Sabah and Sarawak. Migrants who set out to Malaysia come from rural settings that are characterised by unemployment, precarious work and low wages and are part of what Tania Li defines as "surplus population" (Li 2009). They are attracted by the higher wages that compare favourably to monthly earnings of less than 100 Euros in Indonesia. Most of them hope to save

Migrant workers from Java and Sulawesi on their way to Sabah, Malaysia (Photo: Oliver Pye)

Social Precarity	Political Precarity	Psycho-Social Precarity
Hard work, long hours	Documentation (or lack of)	Separation from the family
Low wages	Power of the labour agent	Experience of violence
Debt accumulated through trip	Power of the manager	
Landlessness (back home)	Treatment by foreman	
Poverty (back home)	Being sold from agent to agent	
Substandard housing	Repression by police	
Access to health care	No education for the children	

Table 2: Key Issues Faced by Migrant Workers in the Palm Oil Industry



enough in Malaysia to improve their livelihood possibilities at home, by buying a small piece of land or setting up a small business.

But their hopes are often dashed by the reality of precarious working conditions and repression in Malaysia. Although male palm oil harvesters can make 250 Euros if they reach high quotas, most jobs are paid less, particularly for the women who spray pesticides or distribute fertilizers. Workers have to pay off debts incurred for the journey and for fees to labour agents, and cannot save anything in the first months. The new minimum wage (900 Ringgit in Peninsular Malaysia and 800 in Sarawak and Sabah) that officially also applies to migrant workers is not always implemented in practice and employers deduct government recruitment fees. The situation is made worse by the fact that formal work is complemented by a large informalised sector, in which subcontractors and labour agencies compete with precarious gangs of workers in an outsourced labour regime.

Social conditions are exacerbated by political repression and precarity. Migrant workers are given a three year work permit that is connected to a particular employer. They are not allowed to choose or change their employer which places them in a dependent position. Workers have to undergo regular health checks and can be deported if they become pregnant or ill. They are also not permitted to marry or to bring their children with them. Although they are legally entitled to join a

union, they cannot hold office, relegating them to a passive role, if there is a union in their workplace, which is usually not the case (Jones 2000).

Workers who choose to enter Malaysia without a work permit or who are later illegalised (by overstaying their contract or by switching jobs) are in an even more precarious situation. If they are picked up by police in road checks or in raids on plantations and cannot show the proper documentation they either have to pay a hefty bribe or can otherwise be deported, incarcerated or caned. Large scale deportation campaigns such as “Ops Nyah” (“Operation Get Out”) in 1999 and 2001 by police and vigilante groups generate a climate of fear. This also plays into the hands of labour recruiters and traffickers who run bonded labour networks, in which workers are caught in cycles of debt, dependency and violence.

Perhaps one of the bitterest experiences of migrant workers is the long separation from their families. A holiday to visit back home is not part of the three year contract, and anyway, wages are not high enough to make this a feasible option. If workers extend their stay, they often don’t return for years, as the expensive round trip would eat into their meagre savings. Long separations from husband or wife or from kids are cited as one of the worst aspects of working in Malaysia. For those children who do grow up in the plantations, the situation has become more precarious, as the Malaysian government has banned non-Malaysian

Key problem issues identified by migrant workers in the palm oil industry (Photo: Oliver Pye)

children from visiting state schools. In their report “Acting today for tomorrow’s generation” Tenaganita (2006) estimates that there are over 10,000 “stateless children” in Sabah who have no rights because they lack a birth certificate but who would have difficulty in gaining citizenship in Indonesia because they were born in Malaysia. The report also highlights the plight of scores of children who were left stranded in Sabah after their parents were deported in one of the Ops Nyah raids.

Everyday Resistance _____

But workers are not only victims of a repressive migration regime. In their strategies of survival they develop everyday resistance to adapt to, circumvent and challenge the policies that negate their rights as citizens and workers. In the expanding palm oil landscapes of Indonesia, different groups of workers adopt different strategies, including refusing to work for the plantations and instead working for better pay in smallholder plots, collective bargaining in small groups, and industrial strike action (Li 2015).

Migrant workers who work in Malaysia develop extensive networks between their villages and the plantations in Malaysia, and in the palm oil landscapes themselves. Although the Malaysian migration regime is geared towards supplying short term “labour power” to the plantation companies, workers are human beings with dense family and social ties to each other. They hear about opportunities from other migrant workers who return to their village, follow in their footsteps, connect with relatives, friends and neighbours who have gone before them, and return with their own experiences. Workers are part of extensive networks in the plantations in Sabah, Sarawak and Peninsular Malaysia and learn about and compare rates of pay, housing standards, working conditions etc. In this way they create a transnational and networked scale of experience that helps them deal with the ordeals they are faced with.

One way in which workers use these networks is to negotiate and circumvent border controls and the permit system. Many workers choose to enter Malaysia informally in order to avoid the long bureaucratic procedures and high costs of the official labour agencies sanctioned by the Indonesian state (Idrus 2008). Workers returning to their home villages become recruiters for specific companies,



and take other workers back by the “side route”. Once in Malaysia, workers use their networks to find new and better paid jobs, often organising a permit via the new employer retrospectively. By various means, workers are able to extend their stay in Malaysia, using their contacts to renew their permits or going on shorter “visa runs” to Indonesia, only to return a few weeks later. Networks of friends and family also become useful for those surviving in an illegalised state. Contacts warn them of impending raids by the police or help them to go under the radar when certain areas are targeted.

Another example of everyday resistance is the fact that workers marry, have children, or bring their children with them despite all of this being illegal. Through their networks, they create a translocal scale of social reproduction, in which grandparents back home or other relatives are relied on to do their bit in transnational families. Many children who are illegal in Sabah, for example, visit private schools run by the NGO Humana. Once they have finished the fourth grade, their parents might go back to Indonesia, or send their children back to carry on schooling. Through these practices, the social fabric of Malaysian society is being changed, defying regulations that aim to keep workers families apart and finding ways in which to respond to the right to education being denied them.

Networks are also invaluable for the strategy of “lari” or absconding from the employer to gain better employment elsewhere. Industry repre-

“Illegal” children in a plantation in Sabah (Photo: Oliver Pye)



representatives complain that Indonesian workers are prone to do this, and that they also organise in groups and “gangs” and conduct wild cat strikes (“mogok”). Many workers have at some stage been involved in some kind of collective dispute: either with the foreman over work specifications, with management over pay, with labour agents over deductions for travel and permits, or full-blown strike action. Through this experience and their networks, workers are slowly gaining insights and consciousness that are spread over a large, transnational space connecting thousands of villages in Indonesia with different places in the palm oil landscape of Malaysia.

Trade Unions and Organising Strategies

Historically, the plantation labour movement was powerful in both Indonesia and Malaysia. Colonial investment in rubber, tobacco and other plantations led to large concentrations of workers in individual plantations and processing plants and in specific regions (i. e. the “plantation belt” in North Sumatra; East coast of Malaya). Large and militant labour movements emerged from the 1920s onwards, with generalised strike movements reaching their peak in the 1940s and 1960s. In Malaysia, joint strike actions by Chinese and Indian migrant workers in the 1930s and 1940s led to the formation militant trade unions affiliated to Pan Malayan General Labour Union (Ramasamy 1994). In Indonesia,

the trade union SARBUPRI claimed a membership of one million workers and militant strikes and occupations led to a short period of workers control over key plantations and to their nationalisation in 1958 (Stoler 1995). Tragically, both movements were crushed. In Malaysia, colonial forces cracked down on strikers in 1948 and independent trade unions were outlawed. In Indonesia, the military counter-revolution led by Suharto massacred up to one million communist party members, peasant activists and trade unionists in 1965. In North Sumatra, SARBUPRI members were the main target of this violence (White 2016).

The defeat of the plantation labour movement broke the collective memory of class struggle and political organising that had been led by activists in the communist parties. “Yellow” unions were put in the place of independent mass organisations. In Malaysia, the British supported an “ethnised” union of Indian migrant workers which became part of the ruling coalition of racially defined parties after independence. In Indonesia, the state-controlled SPSI did little to organise around workers rights but rather acted as a tool of management within the workers. As palm oil replaced rubber and tobacco, the new industry was basically non-unionised, and management introduced flexibilised and precarious working conditions from the onset. This explains why trade unions are still very weak in the palm oil sector.

In Malaysia today, the National Union of Plantation Workers (NUPW) is a very timid organisation

Protest by the trade union coalition SERBUNDO in November 2013 in Medan (Photo: Kartika Manurung)



Figure 1: Transnational social networks between migrant workers could form the basis for organizing strategies

and has made little effort to recruit and organise migrant workers who make up the bulk of the workforce (Fernandez 2011). This role is left to NGOs such as Tenaganita (“Women’s Force”) or to smaller unions such as the Sabah Plantation Industry Employees Union (SPIEU), which organises migrant workers in Sabah but is mainly restricted to one company (Sime Darby). In Indonesia, the mass movement that toppled Suharto in 1998 created space for new, independent unions, but these have remained fragmented and weak or have been co-opted by management. A relatively new union, the Serikat Buruh Perkebunan Indonesia (SBPI), was founded in 2011. It focuses strongly on organising the more precarious daily workers (the majority of whom are women) and on grass-roots mobilisation and strike action. However, it is still quite small (with around 2000 members) and restricted to North Sumatra. In the new areas of palm oil expansion such as Jambi, Riau or Kalimantan, there is little or no trade union organisation.

Gradually, workers are making their voice heard. In March 2011, hundreds of activists of 35 labour and civil society organisations gathered in Medan, Indonesia in order to criticize a conference organized by the palm oil industry association GAPKI. GAPKI intended to celebrate the “success” of a century of palm oil investment in Indonesia, but activists challenged this in a conference of their own. In November 2013, hundreds of palm oil workers protested against the 11th annual meeting of corporate-led Roundtable on Sustainable Palm Oil (RSPO) in Medan, Sumatra. A statement by a new coalition of labour unions, SERBUNDO, claimed that RSPO member companies were contradicting RSPO “Principles&Criteria” by “employment of labors [sic] without transparent contracts, the repression of trade unions, arbitrary firing, violence against women and child labor” (Serbundo 2013).

In March 2015, a small network emerged from a workshop on transnational organising strategies in the palm oil industry. It includes two trade unions, i.e. SBPI in North Sumatra and SPIEU in Sabah, groups of migrant workers in various places in

Indonesia, NGOs working on related issues such as Tenaganita (KL Malaysia), Sawit Watch and HARI, migrant organisations (SBMI and Migrant Care Tulung Agung) and women organizations (Solidaritas Perempuan and Hapsari). The network has agreed to foster transnational ties and develop concrete steps to develop transnational organizing perspectives in the context of a developing labour movement in the palm oil industry. Ideas include using the “sending areas” of migrant workers, i.e. their home villages, for organizing purposes and developing links and exchanges between the two unions in order to forge transnational organization corresponding to the TNCs that dominate the industry.

The idea of organizing in the ‘sending villages’ relates to the every networks that workers develop in their migration experience. These networks and the village as a space free of the repression of the palm oil industry can be used to supply valuable information to the workers before they set off to Malaysia. Knowledge about issues such as the workplace, working conditions, wages, labour rights, labour laws are valuable for the workers. The union and NGOs members in Indonesia will help the workers by giving them pre-training as a preparation for working in the plantations in Malaysia. Meanwhile, the Malaysian trade union, i.e., SPIEU is prepared to assist and organise the workers when they arrive in Malaysia. Because there are different spatial networks linking workers from Java and Sumatra to Peninsular Malaysia, workers from Sulawesi and the Eastern Islands to Sabah, and workers from Kalimantan to Sarawak, the plan is to link specific organizations in each of these regions. For example, in May 2015, SPIEU and the trade union in Nunukan, SPBI (Serikat Pekerja Borneo Indonesia) met and agreed to cooperate more closely. This is significant because Nunukan is the most significant transit place for the workers entering Sabah. However, these plans are still at an early stage, the main obstacle is the lack of funds and organizers to scale up these activities.

Workers and the Environment_____

Usually, exploitation, working conditions and workers rights are seen as social issues, separate from the ecological damage caused by the palm oil industry. This is reflected in the RSPO, that has two categories for NGOs: environmental or social. This separation has already been challenged by



movements in Indonesia that link the struggle against large scale monocultures with the struggle for land rights and for an alternative form of agriculture based on food sovereignty (Peluso et al. 2008). Many of the struggles around palm oil do not have a narrow conservationist agenda, but can be conceptualized as part of a wider environmental justice movement. However, on the issue of labour, the link between the social and the ecological is less apparent. In the first instance, there is a very practical contradiction between workers struggles and environmental objectives. Through their labour, workers are engaged with clearing forests, planting palm oil, and spreading fertilizers and pesticides on a daily basis. Their concrete labour activity is therefore in contradiction to ecological objectives. They search for jobs on new plantations and are therefore unlikely coalition partners for movements seeking to stop the further expansion of the palm oil industry. Sometimes, they are mobilized by their employer to demonstrate for the company's agenda or are deployed as thugs in conflicts with farmers.

But this seemingly simple contradiction unravels if we see workers labour as alienated labour. As workers, they are not in control of their own labour power, but sell it to the palm oil company. They also do not control the fruits of their labour. This means that they are alienated from their own labour power, seeing it only as a means to an end, i.e. to earn a wage. This characterizes their daily work routine, as they carry out tasks set for them

by management and the foreman. The alienation of labour is connected to the alienation from nature that is constantly being reproduced by the practice of large scale plantation monoculture. The logic emerging from commodity production and the imperative to accumulate dominates both nature and labour. Competition on a global market dictates the mill size and a 24/7 production cycle, which in turn puts its stamp on the surrounding countryside in the form of huge monoculture plantations, productivity drives etc.

The alienated form of labour in the palm oil industry creates two connections between workers struggles and the environmental justice movement. One relates to the workers in the sense of them being part of nature, i.e. as part of the human species. The biology of the worker – i.e. their health etc. – is impacted by the way in which palm oil is produced and the tasks they are expected to perform. The second connection lies in the contradiction between the drive of capital to increase productivity and exploitation rates, and the aspirations of the workers for higher wages, better working conditions etc.

Workers, bodies and health _____

In the Medan workshop, workers pointed out that they are the first to be affected by the environmental impacts of an alienated appropriation of nature that characterizes the palm oil industry. For example, backbreaking work such as harvesting the

Transporting the Fresh Fruit Bunches to the road (Photo: Kartika Manurung)

fruit bunches or spreading fertilizer (which involves carrying heavy bags) takes its toll on the workers health, particularly in connection with piece rate and quotas that have to be met. After a while, harvesters above a certain age tend to stop working in this job due to back problems. Another problem is the quality of drinking water. The lack of natural forest springs, pollution by palm oil mill effluent, or run off of fertilizers and pesticides often make this a serious problem for plantation workers.

The most serious impact on the health of palm oil workers is caused by pesticides. Dangerous pesticides such as paraquat, banned in Europe and the USA, are still used on plantations in Malaysia and Indonesia. In a study on the health impacts of pesticides on sprayers, the NGO Tenaganita (2002, i) found symptoms of “fatigue, back pain, giddiness, difficulty in breathing, skin problems, nausea, eye irritation, headache, tight feeling in the chest and swelling” to be common. Women workers, commonly the ones to spray pesticides, suffer the most from the poisonous affects, because women’s bodies (“more fatty tissue, thinner skin and lower kidney functions”) are more vulnerable to their effects (ibid 7). Even a small amount can make workers eyes swell up. And although protective clothing is usually mandatory, it is very hot, so that workers take the clothing off during breaks or at other times. They wash when they get home, which means they are exposed to paraquat for up to 8 hours, as it sticks to grass and to the body. A recent general assembly of the RSPO rejected a proposal by Irene Fernandez from Tenaganita and the Pesticide Action Network to ban the use for RSPO members.

Wages and productivity_____

Workers’ demands in the palm oil sector usually relate to wages and to workloads, targets, overtime boni etc. This is also related to the alienation of the worker. Their only motive in searching for work in the plantations is to earn wages – so higher wages are their most pressing concern. Health problems, facilities such as drinking water or decent accommodation or long working hours are also issues, but are usually endured as a necessary trade-off for earning an income. A lot of smaller conflicts or wild cat strikes centre on the issues of wages and productivity – i.e. the targets set by management



that workers have to meet to qualify for the basic rate and for bonuses.

These issues seem miles away from the main demands of the conservation and environmental justice movements, which typically focus on a general halt of further expansion of palm oil, an end to the conversion of forests and peatlands, the respect of local peoples land rights, the transition away from a monoculture production system, the end of the use of pesticides, methane capture in POME lagoons etc. Indirectly, however, workers demands, when met, would have an impact on many of these issues as well.

Let’s take the issue of employment opportunities for example. Workers look for jobs in the palm oil sector, suggesting that they have an inherent interest in a continually expanding palm oil industry. But this is not necessarily the case. Concrete struggles by works against higher productivity drives by management can also lead to higher employment rates. If productivity per worker drops, management has to employ more workers to reach the same targets. Similarly, a campaign against pesticides that includes workers would not only take account their serious health concerns, but would also result in more jobs, as manual grass cutting, weeding or mulching is more labour intensive. This is also the case for a more fundamental transition

Mending the Sterilizer. Work in the palm oil mill is loud, dirty and dangerous (Photo: Azman)



of the palm oil industry away from monoculture production towards one in which palm oil groves are integrated into a landscape of natural forests, agro-forestry systems and small scale agriculture. This kind of production system would also need more labour power per hectare.

A more ecological production system would therefore create more jobs, an argument that could appeal to workers. But more jobs per hectare would also have an additional advantage, i. e. that of increasing costs and decreasing profitability. The most important factor of the massive expansion of palm oil is the exceedingly high profit rates in this sector. Capital flows into new mills and plantations not because investors particularly like palm oil, but because the rate of return is so high compared to other investment opportunities. To reduce the rate of expansion, therefore, it is necessary to lower the rate of return to investment. That is why the issue of wages is crucial for both workers and the environmental movement. As outlined above, the potential for higher wages is tremendous, given the current rate of exploitation. But to have an impact on investment flows, wages need to increase significantly to a genuinely “decent living wage” of 800 or 1000 Euros per month. If palm oil workers started earning similar wages to workers in parts of Europe, then palm oil would really start having a significantly positive social impact. Ultimately, class struggles over wages and productivity is where the environmental struggle will be decided.

Alliances with small-scale farmers and with the environmental justice movement

If environmental movements would support workers struggles for higher wages and lower productivity targets, it could result in the kind of indirect impact outlined above. But successful workers struggles and organization have another effect that is even more important in the long run. The experience of successful strikes and organizing develops the political and class consciousness of the workers – and this opens up the possibility between alliances with workers on a more explicitly political level.

Experience from the history of SARBUPRI (see above) and more recent examples in North Sumatra (Siagan et al. 2011) show that plantation workers can relate to peasant demands and vice versa, because workers are often landless peasants. Workers who occupied the plantations in North Sumatra in the 1950s started dividing up the land and distributing it to landless peasants. In recent years, plantation workers in North Sumatra have set up peasant groups to mobilise for land reform. They are working for companies that took away the land of their ancestors decades ago (Siagan et al. 2011). A politically generalized workers movement in the palm oil industry could also relate explicitly to key demands of the environmental justice movement, by campaigning on health issues, integrating environmental demands

Protest of workers and peasants in Medan, 2013. The banner reads “One hundred years of palm oil. The people suffer” (Photo: Oliver Pye)



in the day to day struggles about working conditions, and by joining a forward looking alliance for the transformation of the palm oil industry into a system of production that respects both workers and the environment.

Transnational Solidarity

Gradually, issues of working conditions and exploitation in the palm oil industry are receiving attention by NGOs and the media, particularly in the United States. Typically, the focus is on the worst aspects of labour exploitation, such as slavery and child labour (Accenture for Humanity United 2013, International Labour Rights Watch and Sawit Watch 2013, World Vision 2013), but without seeing workers as active subjects capable of improving their own situation. This then leads to political interventions that try to include social and labour standards in corporate social responsibility initiatives such as the RSPO, or to tack them onto consumer oriented campaigns. For example, Accenture for Humanity (2013, 3) recommends “interventions for key stakeholder groups, namely governments and corporations, to eliminate the industry’s dependency on and exposure to slavery”, but completely ignores workers and trade unions as a “stakeholder” capable of action. Rather, they appeal to those responsible for creating and daily reproducing the exploitative conditions in the palm oil industry.

Rather than viewing workers as passive victims that need to be helped by consumer campaigns or NGOs in the North, we think that solidarity work

should focus on supporting the self-organisation and self-emancipation of workers in the palm oil industry. Workers are already developing their own networks and forms of everyday resistance. What is lacking is explicitly political grassroots organisation either as trade unions or in other forms that can link workers together and coordinate joint action across transnational companies or across the whole industry. The main for this gap is the violent destruction of the labour movement in the past, for which Germany and Europe are partly responsible. A simple form of solidarity is therefore funding organisers who can develop stronger organisations. This needs to be done carefully to prevent financial dependency on donors and a corresponding “NGOisation” of grassroots workers organisations, but at this stage, financial restraints limit the speed at which existing independent trade unions can expand into new plantations and regions. Another form of solidarity would be human rights defence campaigns when worker activists are faced with repression.

A promising issue around which organising takes place and can be expanded is the issue of a decent living wage as opposed to the minimum wage. Campaigning around minimum wage legislation has become a standard format of labour campaigning in other sectors, but it limits self-organisation and the development of workers’ own capacity for industrial strike action, as it is mainly focussed on government intervention. Campaigning around a “decent living wage”, by contrast, gives workers a more active role in defining and adjusting wage demands based on their own

Sime Darby Estates and Mills in Malaysia and Indonesia. Connecting workers transnationally could increase their bargaining power.

perception of what is just and fair. Workers also need to develop their own capacity of organising industrial strike action in order to push their demands through and the more they can scale up their action and conduct it at a transnational level, the more they can achieve. In this way, debates about a decent living wage and how to achieve it become an open-ended process that increases workers power at the plantation and industry level. Given the current rate of exploitation (see Table 1) which is at around 1000 % when global prices for CPO are at 700 USD per tonne (and much more when prices reach 1200 USD as they have done in the past), the scope for major wage increases (doubling current wage levels or even increasing them tenfold) is open-ended. Successful struggles around a decent living wage can therefore increase the aspirations of workers rather than locking them into accepting the logic of poverty wages implicit in the minimum wage.

As explained above, solidarity for a significant increase of wages in the palm oil sector is a simple way for the environmental movement to establish links with the labour movement, as this would reduce the profitability of the industry and slow down investment flows. In the longer perspective, linking groups of workers along the global production networks (or, more correctly, transnational production networks) in the palm oil industry could have a much greater impact (see Transnational Information Exchange for experience of doing so in the textile industry, TIE and Verdi undated). At the moment, labour movements are still oriented towards the “national container state” whereas capital has transnationalised its production. Potentially though, these production networks are vulnerable for coordinated strike action, as shutting down one link in the chain would impact profit flows in the whole industry. If the palm oil critical environmental movement in Germany would start forging links with different groups of workers in the global production chain (retail workers, transport workers, dockers, workers in processing plants, plantation workers, mill workers, refinery workers etc.), this would reap rewards in the long run by putting the relation between workers and the environment at the core of organising strategies from the onset. This is invaluable for strategies that aim at a social-ecological transformation of current consumption and production patterns.

Note

1 All the authors are involved in the transnational network for transnational organizing strategies in the palm oil industry. Some of the key ideas of the paper were generated by the workshop on ‘A Transnational Plantation Precariat. Ideas on Organising Workers in the Palm Oil Industry’ held in March 2015 in Medan. Thanks to the Stiftung Umverteilen and to Misereor for funding the workshop.

Unless otherwise stated, the information presented here is based on extensive experience by the authors in working with, researching with and organising workers in the plantation industry.

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Roll Call for the morning shift in a palm oil mill in Sabah. Palm oil workers have potentially powerful collective agency (Photo: Oliver Pye)

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