

# Hasan Md Mahmudul- Palm oil conflict in Malaysia

## 1. Title & Name: Palm oil conflict in Malaysia

### 2. Background

Malaysia is the forested country and filled with natural resources such as forest especially mangrove forest and rainforest, water, land and others. According to the U.N. FAO, 62.3% or about 20,456,000 ha of Malaysia is forested, according to FAO. Of this 18.7% (3,820,000) is classified as primary forest, the most bio-diverse and carbon-dense form of forest. Malaysia had 1,807,000 ha of planted forest (Anonymous. 2011). Malaysian rainforest is the dominant part of the Malaysia forest. Malaysian rainforests support a vast diversity of plant and animal life, including approximately 200 mammals over 600 species of birds, and 15,000 plants (Jennifer Bove, 2017.). Rainforest is important part of the Malaysian forest. Change in Forest Cover: Between 1990 and 2010, Malaysia lost an average of 96,000 ha or 0.43% per year and lost 8.6% of its forest cover or around 1,920,000 ha (Anonymous. 2011).

### 2.1 Generic information about the conflict and conflict type

Malaysia is the second largest palm oil producer in the world; palm oil is slated to become the primary feedstock for biofuel production in the country. Since palm oil consistently outperforms all other substitute vegetable oils on price, it is also becoming an important feedstock globally. Today, Conflict Palm Oil has one of the major problem and causes of rainforest destruction and deforestation. Unchecked Conflict Palm Oil plantations and Conflict Palm Oil are the biggest threat for wildlife species like the critically endangered Sumatran orangutan and the endangered Borneo orangutan to the brink of extinction in Indonesia and Borneo Malaysia. The destruction of rainforests and carbon-rich peatland landscapes is releasing globally impactful quantities of carbon pollution into the atmosphere, making Conflict Palm Oil a major global driver of human induced climate change. Conflict Palm Oil is also responsible for widespread human rights violations as Conflict Palm Oil companies often forcefully remove Indigenous Peoples and rural communities from their lands when establishing plantations. Child labor, modern day slavery and other egregious labor violations are all too common on Conflict Palm Oil plantations in Malaysia. The Island of Borneo is the third largest Island in the world and the largest in Asia. It accounts for just one percent of world's land yet holds six percent of world's biodiversity in its rainforests. The island is rapid deforestation due to demand for timber, palm oil, pulp, rubber and minerals (FAO 2017).



Figure: Deforestation for palm oil in Malaysian Borneo [source: Mongabay.com 2014]

### 2.2 Resources involved

This conflict was involved in deforestation and destruction of Malaysian rainforest, wild life, and ecology. Malaysia lost an average of 96,000 ha or 0.43% per year and lost 8.6% of its forest cover or around 1,920,000 ha between 1990 and 2010 (Anonymous. 2011).

### 3. Evaluation of the conflict

#### 3.1 Main Issues and descriptions.

Malaysia is the second largest palm oil producer and exporter in the world. Palm oil conflict is the crucial rainforest destruction and deforestation problem in Malaysia. Palm oil is the most important and demandable oil in world. In this study, evaluate the palm oil conflict and what kind of step takes in Malaysia to reduce palm oil conflict.

### 3.2 Main stakeholders involved

The RSPO is a multi-stakeholder certification system for sustainable palm oil production to reduce conflict palm oil. On the other hand, MSPO is another important stakeholder sustainable palm oil production in Malaysia (FAO 2017). RAN (Rainforest Action Network) is key stakeholder for palm oil conflict.

### 3.3 Analysis of the stakeholder's values and interests

RAN (Rainforest Action Network) few days ago released a report that argued that, while several, major global companies have made commitments to deforestation- and conflict-free palm oil, Malaysia-based Kuala Lumpur Kepong (KLK) continues to source palm oil associated with forest destruction and community conflicts. About 74% of the world's palm oil being used in food products and cooking, each of these companies has considerable buying power and can greatly influence the way palm oil is produced by demanding conflict-free palm oil from their suppliers (Anonymous). Malaysian palm oil industry is major contributor of their country's export earnings sources. In this time, 71% or 4.7 million hectares of agricultural land in Malaysia is planted with palm oil and 93.6% of the total industry output is exported. About 560,000 workers are directly involved and 60% of the plantation areas can be categorized as large, 28% is termed as smallholders and 12% is independent smallholders.

### 3.4 Evaluation of the intensity of the conflict.

For sustainable palm oil production developed RSPO-certified palm oil to the Western countries has raised concerns among the industry players. Roundtable on Sustainable Palm Oil (RSPO) is a non-profit, private-sector organization initiated in 2003. On the other hand Malaysian government also implements their own certification system known as Malaysian Sustainable Palm Oil (MSPO). RSPO certification has some major criteria such as the ground of protecting the environment and promoting social equity and economic development in developing countries. RSPO certification objective is promoting growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.



Figure: Players in the Sustainable Palm Oil (Source: Suhaila 2012)

### 3.5. Evaluation of the possible causes of the conflict

Palm oil industries produce palm oil conflict in Malaysia. Malaysian government implements some certification to reduce the conflict. The MSPO certification is designed for palm oil producers and growers, including smallholders to ensure responsible business practice. MSPO certification main aim is to achieve sustainable production and improves market access. Malaysian government is committed to use green technology for sustainable palm oil production to reduce environmental degradation, reduces gas emissions from greenhouses, promotes healthy and improved environment for all forms of life, conserves energy usage and natural resources consumptions and promotes the use of renewable resources. Malaysian government introduced Green Technology Financial Scheme (GTFS) which provides a guarantee of 60% on the loan via Credit Guarantee Corporation Malaysia for reduce palm oil conflict (Noorhayati Mansor. Et.al.2016).

### **3.6 Main elements that may preclude conflict resolution**

RAN (Rainforest Action Network) and Malaysian government introduced Green Technology Financial Scheme (GTFS) program for sustainable palm oil production and reduce social, environmental and commercial barrier.

### **3.7 Main elements that may encourage conflict escalation**

Palm oil industry is main contributor and their activities in Malaysia. RSPO and MSPO encourage and organize some campaign for sustainable palm oil production.

### **4. Keywords and identifiers of the conflict**

Rainforest, Palm oil, RSPO, MSPO, Borneo, Malaysia and RAN

### **References**

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