

Oil Palm Giants in People's Land

Tania Li • 5 mins

July 03

Annotated by Tom

When people's land is occupied by corporations, how do they survive? Scientists report from Indonesia's oil palm plantations.



Oil Palm Giants in People's Land. tempo : 168855139826_9867581

We met Ibu Marlina in her home in Sanggau District, West Kalimantan. She explained the difficult situation she faced after an [oil palm](#) corporation took over most of the village land. Her mother, a widow, owned a small plot of rubber she tapped daily for cash, and she grew enough rice and vegetables to feed her five children.

When the [oil palm corporation](#) arrived the village head coerced Marlina's mother to give up her land, promising that she would receive an oil palm plot in compensation. But the headman sold plots to outsiders and her

mother ended up with nothing. She felt betrayed by the headman, but there was nothing she could do.

“We used to have something of our own, even though it wasn’t much,” Marlina observed. “Now this all belongs to the company. We simply take orders from them and hope they give us work.”

The hope was often in vain. She had no steady work as the companies gave full time jobs to migrant workers from other regions, and accepted local Malays and Dayaks only as casual day laborers. She used her scarce wages to buy rice, which she often served plain since she found the vegetables and fish sold by motorbike pedlars too expensive. Village institutions, which once might have protected them, now simply abandoned them, and they had no means of recourse.

The government and the oil palm industry together claim that expanding oil palm plantations bring jobs and development to remote areas. As trained anthropologists, we decided to take a closer look at exactly who gains and who loses when plantation corporations take over village land. Marina's is a typical story of Indonesian [farmers](#) in villages caught in a trap by oil palm plantations.

Oil palm plantations now occupy around sixteen million hectares for their core plantations and out-grower schemes. Much of this land had been tended for generations by villagers like Marlina for farm and forest-based livelihoods. Today, in fact, the claim that “plantation corporations bring jobs and development” holds true mainly for village leaders and a few farmers who quickly form lucrative alliances with the corporations at the outset. Many ordinary farmers lose everything.

Oil palm plantations directly employ on the average one worker per five hectares, generating around two million jobs. For some workers these are indeed good jobs. But in the past decade, conditions had deteriorated: permanent workers were replaced by casual and contract workers without benefits. The good jobs were still good, but very scarce.

Plantations have a long and troubled development history in Indonesia. Since the colonial period, governments have justified foreign investment in

plantations by circulating a tale caricatured by historian Syed Hussain Alatas as the “myth of the lazy native.” Locals were portrayed as too incompetent to grow cash crops for global markets such as palm oil, hence corporations were needed to get the job done. In fact, for three hundred years Indonesian farmers have been efficient and enthusiastic producers of crops such as coffee, cacao, coconuts, and rubber.

These began as plantation crops, but in each case small farmers soon out-competed the plantations because they were simply more efficient. They have no need of office staff, managers and guards, and their flexibility and low costs help them weather periods of low prices. Some farmers hire workers to help with harvesting. And when they do, they pay them well and treat them humanely because, to them, workers are people - neighbours and kin. Plantation workers, in contrast, describe being treated “like old rags,” tossed out when no longer of use.

Shockingly, we heard the “myth of the lazy native” repeated by government officials and plantation managers in our research site, and by some migrant workers as well. They continued claiming that the local Malay and Dayak farmers had achieved nothing before the corporation arrived. But before the companies came, villagers were already productive: they had full rice barns, multiple sources of food, and good incomes from the hundreds of tons of rubber they sent downriver every month through the local trading network. Better still, the variety of their crops and methods provided protection from many pests and allowed general biodiversity to thrive.

At the time of our study, as portrayed in our book *Plantation Life: Corporate Occupation in Oil Palm Zone* (Duke University Press, 2021), many farmers were eager to add oil palm to their farm repertoire. They soon met a major obstacle: five corporations already monopolized most of the farmland in the subdistrict. Those who still had land did not want to join out-grower schemes that would tie them to corporations on unfair terms. They wanted to farm independently and keep control over their own land and their own fate.

Looking around the neighbourhood, they could see that the families who prospered most from oil palm farmed had at least six hectares in production: two hectares to feed the family, two to feed the farm, and two as an investment fund for education or land development for the next generation. We found that it was possible for both migrant and local farmers to prosper with oil palm, and live harmoniously so long as village institutions and moral codes continued to function. It was only when the companies and their village collaborators overturned common moral codes that social relations became unstable and unjust.

Since colonial times, Indonesia's development path has favoured plantation corporations by granting them huge land concessions virtually free of charge. But there are no sound agronomic reasons to favour plantations. The technology the plantations use is very simple, and palm trees produce, per tree, just as well in small fields as in big ones. Local farmers are more than capable of getting the job done. Access to mills can be a challenge, but in Thailand where 80% of the oil palm is grown by independent producers, they have found solutions to this challenge.

In Thailand the government provides independent oil palm producers with this kind of solid backing. It does not treat Thai farmers as lazy natives but believes in their capacities. It also respects their autonomy, by working with farmers directly on their own land and respecting their decisions about how much oil palm to plant, and how much land to reserve for rice, rubber and other crops.

In Indonesia, in contrast, most programs to support smallholders require them to enter monopolistic contracts with corporations, give up control over their land and farming activities, and take on a heavy debt that is far from transparent. It also forces them to join co-ops sponsored by corporations. This is called the "one roof" system, in which the "roof" is constructed and maintained by a corporation that dictates all the terms.

Indonesia's current policy focuses on imposing standards to make plantation corporations more responsible and accountable. But even a responsible corporation is still a giant: it occupies too much space. A significant change of direction is urgently needed. If the government supported inde-

pendent farmers with good quality seeds, inputs, training, and ready access to small mills, these families could provide their own jobs and bring about development on their own terms.

Freedom to chose ones' own development path is the definition of independence – the spirit of autonomy that Indonesian farmers hold dear. For centuries, autonomy has enabled Indonesia's farmers to plant new crops and take advantage of market opportunities while maintaining diversity and balance. They are hardworking and competent farmers. They do not want or need corporate control. All they need to prosper with oil palm is a fair deal and a helping hand, so that what happened to Marlina in Sangau does not continue to be repeated throughout the country.

*This article is written in collaboration with **Pujo Semedi**, anthropology at Gadjah Mada University Yogyakarta*
