

Palm oil plantations and conditions migrant workers endure

Wednesday 18 November 2015, by [VILLADIEGO Laura](#) (Date first published: 9 November 2015).

The environmental impact of palm oil is in the spotlight but the workers who endure exploitation in the name of our cakes and cosmetics are largely ignored.

Contents

- [Malaysia's migrant labour](#)
- [Labour rights forgotten \(...\)](#)

The thick haze that has covered vast parts of south-east Asia in recent months has put the ecological impact of the palm oil industry back in the spotlight, but the ongoing issue of tough working conditions for plantation workers remains shrouded behind a veil of silence.

When the Dutch introduced the first palm oil trees on the Indonesian island of Sumatra in the 19th century, they also brought migrants from India and China to cultivate the plantations.

Today, Indonesia and neighbouring Malaysia account for about 85% of the global production of palm oil and employ [\[1\]](#) as many as 3.5 million workers [\[2\]](#) to maintain plantations and harvest the most traded oil in the world.

The palm oil industry would not be possible without migrant labour. This is the conclusion of Pablo Pacheco, principal scientist at the Center for International Forestry Research, who points out that the palm oil industry in turn has promoted a “migrant flux”.

Malaysia's migrant labour

In Malaysia, an upper middle-income country [\[3\]](#), palm oil plantation workers are mainly migrants from poorer neighbouring countries such as the Philippines, Nepal, Bangladesh and Indonesia.

Working conditions at the plantations are harsh and national Malaysians are generally not willing to harvest the red fruits for the low wages the industry offers, says Eric Gottwald, legal and policy director at the International Labor Rights Forum.

According to Rikke Netterstrom, managing director at Helikonía, a consulting firm on sustainability, the poor treatment often starts at workers' home towns where they are recruited through agent networks that charge for getting them a job at the plantations. “There is a whole issue of fees being paid before [the migrants] start their journey ... so many of these workers, even before they arrive, have considerable debts,” she says.

“It is a very abusive system that includes labour-trafficking, debt bondage and unfair payments,” says Gottwald, adding that once in Malaysia many workers are hired as day labourers without any

kind of written contract. “A lot of those workers are undocumented and Malaysian law is very unfriendly to migrants,” he continues.

The laws tie migrants’ work permits to a specific employer, which makes it impossible for them to look for better opportunities in other plantations or sectors. Moreover, Malaysia is not a signatory country of the two ILO Conventions on Migrant Workers (Convention 97 and Convention 143), that set the standards for the rights of migrant workforces.

An additional issue is that of stateless children [4]. These are children born to migrants who have no documents to prove their nationality, meaning they cannot access government services, including health and education. Marcus Colchester, senior policy adviser at the Forest Peoples Programme, estimates that there are an estimated 60,000 stateless children in the Malaysian state of Sabah alone.

Child labour has also been reported in these sectors of Indonesia and Malaysia, mainly due to the high harvesting quotas imposed by the plantations on their parents.

The Malaysian Palm Oil Board was invited to reply to the claims made about migrants working on palm oil plantations but has not yet responded.

Labour rights forgotten in the sustainable industry

In 2004, the palm oil sector responded to international criticism of its environmental and social impacts [5] by launching the Roundtable on Sustainable Palm Oil (RSPO).

The RSPO principles [6] do contain some provisions on labour conditions such as the right for workers to terminate their contracts freely or to keep their passports. The criteria also state that special labour policies should be implemented where migrant workers are employed and that companies should ensure that those labourers have been legalised.

An RSPO spokesperson says the RSPO recognises problems still exist within its grower community and it can be difficult to verify how workers ended up in plantations. But the organisation said it was working on the issue by investigating reported breaches, working with auditors and “facilitating discussions in Indonesia, between the unions, growers [and] NGOs with the aim of creating better labour relations.”

Despite this, it is generally felt that most initiatives have prioritised the environmental impacts of palm oil production and neglected the social ones. “Deforestation and land issues have taken prevalence. There was a push on the labour conditions side but we have only seen [labour issues being taken seriously] in the last year,” says Netterstrom.

In order to fill this gap, a coalition of NGOs, unions, socially responsible investor groups and foundations released the Free and Fair Labor in Palm Oil Production: Principles and Implementation Guidance [7] earlier this year, a guide setting out minimum standards for the plantations. These provide companies with clear, detailed criteria outlining standards for working conditions and how companies can comply with them. According to Netterstrom, an attempt by civil society activists to detail what labour standards should look like should be welcomed in a landscape that has done little to address such issues to date.

However successful or not these standards turn out to be, they won’t eliminate problems overnight. A key challenge, says Netterstrom, is the ethical recruitment of migrant workers. “It is incredibly

tough for companies to control how much [workers have to pay brokers to get a job in the plantations]. No plantation has been able to address this issue,” she explains.

The exploitation of migrant workers is not exclusive to the palm oil sector. Other raw materials such as sugar or rubber also rely on this vulnerable workforce, while the fishing industry has been in the spotlight in recent months due to the extensive use of slave workers [8]. Despite some progress to date, it's clear the palm oil industry still has a long way to go.

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P.S.

* “Palm oil: why do we care more about orangutans than migrant workers?”. The Guardian. Monday 9 November 2015 11.25 GMT:

<http://www.theguardian.com/sustainable-business/2015/nov/09/palm-oil-migrant-workers-orangutans-malaysia-labour-rights-exploitation-environmental-impacts>

Footnotes

[1] <http://pecad.fas.usda.gov/highlights/2014/09/SEAsia/index.htm>

[2] http://humanityunited.org/pdfs/Modern_Slavery_in_the_Palm_Oil_Industry.pdf

[3] <http://www.worldbank.org/en/country/malaysia/overview>

[4] <http://asiafoundation.org/in-asia/2010/12/08/sabahs-stateless-children/>

[5] <http://www.sustainablepalmoil.org/standards-certification/certification-schemes/case-studies/wfs-view-on-the-early-days-of-the-rspo/>

[6] <http://www.rspo.org/file/RSPO%20Principles%20&%20Criteria%20Document.pdf>

[7] http://www.humanityunited.org/wp-content/uploads/2015/03/PalmOilPrinciples_031215.pdf

[8] http://www.humanityunited.org/wp-content/uploads/2015/03/PalmOilPrinciples_031215.pdf