

**Proceedings of International Conference**

"Internationalization of Islamic Higher Education Institutions Toward Global Competitiveness"

Semarang, Indonesia – September 20<sup>th</sup> - 21<sup>th</sup>, 2018

Paper No. B-29

## The Impact of Greenpeace Anti-Palm Oil Campaign Towards Indonesian Palm Oil Export to Europe in 2008-2010

**Dini Tiara Sasmi**

Islamic Riau University, Department of International Relation

Jl Kaharuddin Nst, Pekanbaru, Indonesia

dini.tiarasasmi@soc.uir.ac.id

**Abstract** - This research explain about impact of Greenpeace anti palm oil campaign towards Indonesian palm oil export to Europe within year 2008 to 2010. At this time Indonesia are the biggest producer of palm oil country. Indonesia palm oil export has shown a lot of benefit to Indonesia economic growth. Palm oil itself has already beaten other vegetable oil such as sunflower oil, rapeseed oil and soybean oil that originated comes from sub tropic area like Europe. Greenpeace anti palm oil campaign in Indonesia brought many lost and disadvantages for Indonesia economy since many multi national corporate decide to stop buy palm oil from Indonesia. This research used Qualitative analysis. Theory used in this research is GOs are used by nations theory by McCormick and Kihl (1979). The writer used data which was collected from books, encyclopedia, journal, and website to analyze the research. Finally, this research finds out how impacts of Greenpeace campaign towards Indonesia export to Europe in 2008-2010. The research also show a lot of evidences of falsehood of Greenpeace in using data to blame Indonesian Palm Oil Industry.

**Keywords:** *Impact, Greenpeace, Palm Oil Plantation*

### 1. Introduction

Palm oil commodities is one of the commodities that play an important role in supporting Indonesian economy. The success of Indonesian palm oil has been seen since 1990's where this sector is constantly evolving and expanding. Palm oil industry emerge as non-oil sector that give the largest contribution foreign exchange earner for Indonesia and even foretold will soon replace oil and gas sector and become the leading sectors of the Indonesian people.

Along with the development, palm oil industry is inseparable from the pros and cons. The issue of environmental damage and the effects of greenhouse gases that arise later became an obstacle to the development of the Indonesian palm oil industry. *Greenpeace* as an international environmental NGO, openly campaigned against palm oil and even pressing international buyers to stop buying Indonesia palm oil which is considered detrimental to the environment.

Through their official website, in November 2007, *Greenpeace* released an article titled "How the Palm Oil Industry is Cooking the Climate". This article contains *Greenpeace* allegations against Indonesian palm oil industry that they say has been the cause of Global Warming. *Greenpeace* accused that most of the land for Indonesian palm oil industry is developed in peatlands area which store a lot of carbon dioxide. In the article it says that deforestation conducted in clearing land for palm oil industry has led Indonesia in 3rd ranked as the producer of greenhouse gas emissions after the United States and China.

*Greenpeace* later also issued other articles that contain their allegations against Indonesian palm oil industry. The article of which, Illegal Activities and Peatland forest destruction in 2009, Sinar Mas: Palm Oil Menace in 2009, New Evidence-Sinar Mas Rainforest and Peatland Destruction in 2010, How Sinar Mas is Pulping the Planet in 2010, Caught Red Handed How Nestle use of Palm Oil is Having a Devastating Impact on Rainforest, the Climate and People-Utan in 2010 as well as several other articles that released by *Greenpeace* in various national and international media.

In addition to peatland and climate change issue, declining population of orangutan habitat in Borneo were also accuse by *Greenpeace* as a result of land clearing for palm oil plantations. Declining population of orangutan were expressed in one of *Greenpeace* article titled "Caught Red Handed How Nestle's Use of Palm Oil is Having a Devastating Impact on Rainforest, the Climate and People-Utan in 2010". According to this report, Nestle has been using palm oil from Sinar Mas of whom continued to destroy carbon-rich peat forests and natural forest which is the habitat of orangutans.

By doing campaign, directly or indirectly, *Greenpeace* encourage the Indonesian government to immediately undergo an environmental rescue action. In addition, by using environmental issues, this organization also sought to influence major international corporations to not cooperating with palm oil companies from Indonesia.

As a frame of reference in addressing the problems of the study, the researcher used the viewpoint or perspective of globalism or structuralism. Structuralism is a paradigm that emphasizes economic motives in explaining international relations. This research used interest group theory by Euegene J kolb who said "*a collectivity of individuals who either formally organize or informally cooperate to protect or promote some common, similar, identical, or shared interest or goal.*" This theory explained well why GAPKI as interest group try involved all society elements and also government in facing *Greenpeace* anti palm oil campaign. Other theory used is an international organization theory popularized by McCormick and Kihl, 1979. This theory explains that international organization is used by their members to achieve certain goals. This theory is strengthened by Gunnar Myrdal who said, "... In the typical case of international organizations are nothing else than instruments for the policies of individual goverments ...". This theory helps researcher in explaining the behavior of GAPKI and *Greenpeace* as an international organiasation that seeks to achieve certain goals of its members.

## **2. Impact of Greenpeace Anti-Palm Oil Campaign**

In early 2010, Unilever and Nestle launch unilateral termination of the contract with PT. Sinar Mas which incidentally is the largest palm oil company in Indonesia. Unilever decision which one of the world's biggest "good consumer" company is in line with the report of the environmental NGO, *Greenpeace*, whom mentions that Sinar Mas has done illegal logging in West Kalimantan forests to developing palm oil plantations.

The decision of two large companies to terminate the contract with PT. Sinar Mas then like a domino effect followed by other companies. International companies such as Burger King, Kraft, Cargill and Carrefour come to stop buying palm oil from Indonesia in the 2010. *Greenpeace's* activities make the palm oil industry in Indonesia disturbed.

In addition, palm oil exports to Europe would become unstable following the application of the rules of Renewable Energy in the European countries. The policy which called EU Directive is legislation regarding the obligation target of biofuels uses by 10% by the 27 countries that joined the EU in 2020. By 2010, obligation target of biofuels uses were set at 5.57%. In this new rules, palm oil commodity were not included as biofuel feedstock, like other vegetable oils.

EU Directive own rules came into effect in December 2010 after a vigorous campaign by *Greenpeace* against the Indonesian palm oil industry. GAPKI director Fadhil Hasan in 2010, states, rules that banning the use of palm oil as a biofuel manufacturing is very unfair and could harm Indonesia which is the largest palm oil producer in the world.

Other impacts caused by *Greenpeace* environmental campaign is the declining reputation of Indonesian palm oil itself in the international world market. The emergence of a wide range of issues such as deforestation, peatland, greenhouse gas effect, climate change, land and forest fires, extinction of the orangutan habitats caused by NGOs like *Greenpeace*'s, has made consumer trust to Indonesian crude palm oil production decline. GAPKI General Secretary Joko Supriyono said that direct impact caused by *Greenpeace* anti-palm oil campaign to palm oil export to Europe is not really significant. It had been a decrease in the volume of exports to Europe year 2005-2009 but then demand of Indonesian palm oil continues to increase. The number's regulations which applied in Europe has made us (Indonesian palm oil businessmen) menacing to stop exporting palm oil to Europe. But in the end, the buyers of the Europe itself are again asked to import palm oil from Indonesia.

Therefore to see this problem Joko argues, we should look from a wider perspective where actually developed countries wants developing countries, continues to be a weak state. Joko argued palm oil exports to Europe recently has been increased exactly. But what we should remember is how palm oil production costs caused by the *Greenpeace* campaign has been increased due to the emergence of additional cost that then becomes a burden. So actually this environmental campaign is the same with 'killing' Indonesian palm oil industry slowly in long term which is even more dangerous.

### **3. GAPKI Efforts in Facing Greenpeace Anti-Palm Oil Campaign in Indonesia**

In handling anti palm oil campaign by *Greenpeace*, GAPKI has made several attempts such as the following.

#### **1) Operate a Palm Oil Conference**

In ward oblique accusations are often addressed to the palm oil industry, the Indonesian Palm Oil Association (GAPKI) held palm oil conference. Until the 2014's, GAPKI has carrying out palm oil Conference 10 times. In this conference palm oil businesses have the opportunity to open a connection among palm oil industry from upstream to downstream. The palm oil conference also became media to meet Indonesian Palm Oil Producers with other international NGOs such as World Growth, CIDES, Institute of Public Affairs Australia, The Incorporated Society of Planters, to the Indonesian palm oil consumers such as Neste and other international company. Until now, World Growth has helped GAPKI in issuing publications in countering accusations from Greenpeace.

**2) GAPKI Joint Effort With Indonesia Embassy in Advocating Palm Oil in Overseas**

GAPKI efforts in advocating Indonesian CPO also through cooperation with the Indonesian Embassy abroad. Among the Indonesian Embassy is in Brussels Belgium, French, Dutch, German and British. Together with government, GAPKI advocate palm oil (Green Product) to the importing countries in order to counter the environmental campaign and negative image caused by *Greenpeace* and other environmental NGO, as well as to protect and defend palm oil export to Europe.

**3) Indonesian Sustainable Palm Oil (ISPO) policy formulation**

In facing the issue and negative impact that states that the development of palm oil industry has made environmental damage and social conflict regardless of the economic role of palm oil, especially in poverty reduction. The next operational steps which felt deemed necessary by the response GAPKI done is clear and firm policy to deal with the negative campaign against palm oil by making use of the facts and the results of research on palm oil, as well as increasing the intensity of promotion and advocacy to strengthen the bargaining position of Indonesian palm oil by using Indonesian Sustainable Palm Oil (ISPO) as a means of promotion, advocacy and public campaigns.

**4) Based CPO Downstream Industry Development**

GAPKI fourth attempt of this is so that Indonesian palm oil export is no longer a raw material, but in the form of processed products so that additional value enjoyed in the country. Application of the downstream industry development policies pursued by the palm oil industrial cluster formation. Formation of palm oil industrial cluster is a group or set of related business enterprise similarities in certain field, market or non-market, geographically, the supplier, with the aim of increasing production supply chain in improving the competitiveness and added value.

**5) Palm Oil Revitalization Program**

Revitalization plantation program is a joint effort of GAPKI and government to accelerate the development of smallholders through the expansion, renovation and rehabilitation of plantation crops, which supported investment loans and interest subsidy by the government with the involvement of companies in the field of plantation business as partners in the development of plantation development, processing and marketing results.

**4. Conclusion**

Indonesian Palm Oil Association (GAPKI) as oil businesses NGOs in Indonesia has made various efforts in facing *Greenpeace* anti-palm oil campaign. Those efforts include the conference of palm oil, palm oil advocacy through Indonesian Embassy in overseas, Indonesian sustainable palm oil (ISPO) policies formulate, developed the CPO-based downstream industries and create a palm oil plantation revitalization program.

The results of these efforts have yielded results more or less, of which formed the ISPO forum or (Sustainable Indonesian Palm Oil) certification that sets standards for the fairer smallholders in Indonesia compared with the application certification standards that are applied in the RSPO (Roundtable on Sustainable Palm Oil). Furthermore, it has also created a discussion forum named the

International Conference on Oil Palm and Environment (ICOPE). This forum give advantage to the pal oil businesses in finding solutions related to the application of the principle of sustainability.

However, as expressed by the Chairman of the GAPKI Palm Oil Advocacy, Tungkot Sipayung who said the success of efforts in facing *Greenpeace* campaign can not only solely be seen from the increasing number of export, but the most important thing to remember is the long-term effects that may arise from the declining reputation of Indonesian palm oil industry. Therefore, until now GAPKI still continues their efforts to confront environmental issues that may arise not only from *Greenpeace*, but also of other environmental NGOs for the continuation of oil exports as a flagship product biggest foreign exchange earner for Indonesia.

## References

- Badan Pusat Statistik Provinsi Riau. (2011). *Riau Dalam Angka 2011*. Riau: Badan Pusat Statistik Provinsi Riau.
- Badan Pusat Statistik. (2011). *Statistik Indonesia*. Katalog BPS 07330.1111.
- \_\_\_\_\_. (2011). *Statistik Indonesia*. Katalog BPS 07330.1111.
- Cohn, Theodore H. 2002. *Global Political Economy: Theory and Practice*. Second Edition, (New York: Longman).
- Deliarnov. 2006. *Ekonomi Politik*, (Yogyakarta: Pustaka Pelajar).
- Mas'ood, Mochtar. 1990. *Ilmu Hubungan Internasional: Disiplin dan Metodologi*. Edisi Revisi (Jakarta: LP3ES).
- \_\_\_\_\_. (2003). *Ekonomi-Politik Internasional dan Pembangunan*, (Yogyakarta, Pustaka Pelajar).
- Nawawi, Hadari. (1995). *Instrumen Penelitian Bidang Sosial*. Yogyakarta: Gadjah Mada University Press.
- Perwita, Anak Agung Banyu dan Yanyan Mochammad Yani, 2006, Pengantar Ilmu Hubungan Internasional. Bandung: Remaja Rosdakarya.
- Weyler, Rex. (2004). *GreenpeaceHow a Group of Ecologists, Journalists, and Visionaries Changed the World*. Rodale Books (September 23, 2004).
- Dinas Perkebunan Propinsi Riau., (1994). *Laporan Tahunan*, Dinas Perkebunan Propinsi Riau, Pekanbaru.
- \_\_\_\_\_. (2003). *Laporan Tahunan*, Dinas Perkebunan Propinsi Riau, Pekanbaru
- Munadi, Ernawati. (2007). *Penurunan Pajak Ekspor dan Dampaknya Terhadap Ekspor Kelapa Sawit Indonesia ke India*. Informatika Pertanian Volume 16 No. 2, 2007.
- Sasmi, Dini Tiara. (2012). *Dampak Kampanye Greenpeace Terhadap Ekspor Minyak Kelapa Sawit Indonesia ke Eropa Tahun 2008-2010*. Pekanbaru: Universitas Riau.
- Adna, Ryo. 2010. *New Evidence Sinar Mas-Rainforest and Peatland Destruction*. United Kingdom: *Greenpeace* International.
- Burck, Jan, dkk. 2009. *The Climate Change Performance Index 2009*, German: Germanwatch Press.
- Dradjat, Bambang. (2012) *Upaya Mengatasi Black Campaign Kelapa Sawit dan Langkah Strategis ke Depan*, Lembaga Riset Perkebunan Nusantara.
- Food and Agriculture Organisation. (2009). ResourceStat, data statistik FAO terdapat pada *World Growth, Palm Oil: The Sustainable Oil* pada September 2009.

- Greenpeace Release. (2010). *Caught Red-Handed: How Nestle's use of palm oil is having a devastating impact on rainforest, the climate and orang-utans*. The Netherlands: Greenpeace International.
- \_\_\_\_\_. (2007). *How The Palm Oil Industry Is Cooking The Climate*. United Kingdom: Greenpeace International.
- \_\_\_\_\_. (2010). *How Sinar Mas is Pulping the Planet*. The Netherlands: Greenpeace International.
- Maitar, Bustar. (2009). *Sinar Mas: Indonesian Palm Oil Menace*. Indonesia: Greenpeace Southeast Asia Press.
- Sipayung, Dr. Ir. Tungkot (Ketua Advokasi Persawitan GAPKI). *Industri Kelapa Sawit Indonesia Dalam Persaingan Minyak Nabati dan Isu Lingkungan Global* (2014). Ditujukan dalam Seminar Nasional Antisipasi Dampak Cuaca Ekstrem El Nino Terhadap Keberlanjutan Industri Kelapa Sawit dan Pelantikan Pengurus GAPKI Cabang Riau periode 2014-2017.
- World Growth (2011). *The Economic Benefit of Palm Oil to Indonesia (A Report by World growth, February 2011)*.
- \_\_\_\_\_. (2009). *Palm Oil The Sustainable Oil*. A report of World Growth, September 2009, Arlington Australia.
- \_\_\_\_\_. (2010). *Caught Red Handed: The Myths, Exaggerations and Distortions of Greenpeace, Friends of Earths and Rainforest Action Network*. A World Growth Report May 2010, Arlington Australia.
- \_\_\_\_\_. (2010). *Greenmail Undermining Corporate Social Responsibility in Emerging Markets, Mei 2010*.

**Web sites:**

- Web-1 : <http://www.gapki.or.id/Page/About> consulted 1 Feb. 2012
- Web-2 : [www.greenpeace.org](http://www.greenpeace.org) consulted 1 Feb. 2012
- Web-3 : [worldgrowth.org](http://worldgrowth.org) consulted 5 Feb. 2012
- Web-4 : [//www.metrotvnews.com/index.php/metromain/newsvideo/2010/08/03/110397/Eropa-Ancam-Ekspor-Kelapa-Sawit-Indonesia](http://www.metrotvnews.com/index.php/metromain/newsvideo/2010/08/03/110397/Eropa-Ancam-Ekspor-Kelapa-Sawit-Indonesia) consulted 5 Feb. 2012
- Web-5 : <http://www.greenpeace.org/australia/issues/deforestation/overview/forest-lossclimate-change> consulted 10 Feb. 2012
- Web-6 : <http://www.greenpeace.org.uk/forests/palm-oil> consulted 10 Feb. 2012
- Web-7 : <http://nasional.kompas.com/read/2010/12/17/04525742/>. consulted 11 Feb.2012
- Web-8 : <http://nasih.staff.ugm.ac.id/a/tan/20060812%20kon.htm> consulted 11 Feb. 2012.
- Web-9 : [www.dephut.go.id/](http://www.dephut.go.id/) consulted 10 Jan. 2012
- Web-10 : <http://pasca.ugm.ac.id/v2.1/promotion/id/43> 10 Jan. 2012
- Web-11 : <http://www.ptpn4.co.id/Beranda/tabid/37/EntryId/271/Default.aspx>  
Sinar Mas Dituding Merusak Lingkungan 10 Jan. 2012