

## The Impact Of Greenpeace Anti-Palm Oil Campaign Towards Indonesian Palm Oil Export To Europe In 2008-2010

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### **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 beated 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

## A. 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.

## B. Theoretical Framework

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 Eugene 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 governments ...". This theory helps researcher in explaining the behavior of GAPKI and Greenpeace as an international organisation that seeks to achieve certain goals of its members.

### **C. Result and Discussion**

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* againsts 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.

### **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.

### D. 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 palm 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.

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