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## <Book Review>

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Oliver Pye and Jayati Bhattacharya, eds. *The Palm Oil Controversy in Southeast Asia: A Transnational Perspective*. Singapore: Institute of Southeast Asian Studies Publishing, 2013, xxi+283p.

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caution. There are also some errors in the captions to the photographs; for example on page 136 the structure in the photograph at upper left, known as Bajang Ratu, is a gateway or *gapura*, not a stupa. On page 160 the map of Cambodia includes the site of Oe-èò in the far southeastern corner; this site actually lies in Vietnam.

One could take issue with the choice of structures to include in “Selected Examples” sections of the book. For instance the Shwedagon in Yangon is only represented by a single drawing. Given the vastness of the topic, however, even a 280-page-long book cannot include all the important Buddhist structures in Southeast Asia.

Aside from the lapses in the historical section, the book is beautifully produced. Architectural historians will find much of interest in it, and will not doubt be eager to see the rest of the volumes in the projected series.

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## *The Palm Oil Controversy in Southeast Asia: A Transnational Perspective*

OLIVER PYE and JAYATI BHATTACHARYA, eds.

Singapore: Institute of Southeast Asian Studies Publishing, 2013, xxi+283p.

This book of 12 chapters demonstrates the effects of rapidly growing palm oil industry in Southeast Asia from a variety of angles: geographically (Malaysia, Indonesia, Philippines, and Europe); that of the background of authors (academics, industry, policy analysis, and NGOs from Asian and European countries); and at different levels (from local to transnational). This book arose out of a workshop “the Palm Oil Controversy in Transnational Perspective” that was held in Singapore, March 2–4, 2009.

The first part of the book describes the development of palm oil industries in each country of Malaysia, Indonesia, and the Philippines. Chapter 2 is about Malaysia, in which Teoh Cheng Hai explains the transnational and national development of the plantation industry of Malaysia. It discusses 1) the transnational phase brought about by European companies, especially the UK, in

the late nineteenth and early twentieth centuries for rubber, palm oil, and others; and 2) a national phase where foreign ownership and head offices were transferred to Malaysia from the 1970s leading to the growth of Malaysian companies in the 1980s; and finally 3) a new transnational phase in which now developed Malaysian corporations expanding both upstream, especially in Indonesia, and downstream, especially in Europe, as well as the emergence of mega palm oil transnational corporations like Sime Darby Bhd. and Wilmar International Ltd. (figure 2.1 in p.23). Through these phases, Malaysian corporations developed and have now become strategic players in South-east Asia's palm oil industry. Chapter 3 deals with Indonesia. The author, Norman Jiwan, explains the political ecology of the Indonesian palm oil industry since it was imported by Dutch colonialists in 1848, and large scale and commercial plantation development that started in 1911. Key players in the Indonesian palm oil industry also shifted from the national to transnational. After independence, Sukarno nationalized foreign plantation companies, and the state fostered palm oil industry expansion in Indonesia. Industry was significantly liberalized during and after the Asian financial crisis, with the involvement of the International Monetary Fund (IMF), as well as through foreign investment (especially by Malaysian corporations), and the state allowing maximum foreign ownership in both domestic and foreign investments with the Investment Act. Indonesian states, as well as the UK, Netherlands, and Malaysia, cooperated setting up and "enabling policy frameworks for biomass and biofuels production" (pp. 52–55). The author concludes that through these national and transnational developments, "the palm oil political economy system fails to deliver economic prosperity to the people working in the industry on the ground" (p. 50). Chapter 4 deals with Indonesia, through a case study from Riau. Junji Nagata and Sachio W. Arai mark out the directions of change in "indigenization" and "from external expansion to internal expansion" in the local oil palm industry. Chapter 5 turns to the Philippines, a country strongly promoting palm oil though smaller in scale when compared to Malaysia and Indonesia. The Philippine government adopted a pro-palm oil policy, and Mary Luz Menguita-Feranil argues that "transnational investment from Malaysia is a key factor" and that "palm oil investment has received a new boost through the biofuels policies of the government" (p. 97).

The second part of the book shifts the focus to labor migration in the context of palm oil industry. In Chapter 6, Johan Saravanamuttu discusses how Malaysia has become the largest "importer" of foreign migrant labor in Southeast Asia and suggests that migrant labor in Malaysia is a "flexible labour regime" (p. 137). Saravanamuttu describes the differences in plantation labor in the colonial era which mainly grew rubber through Indian workers using merchant capital in the form of trading agencies. Present day plantations mainly grow oil palm with Indonesian workers. He also describes differences in worker composition in oil palm plantation and downstream palm oil refinery industries. In Chapter 7, Fadzilah Majid Cooke and Dayang Suria Mulia examine the process of demonizing migrants as "others" through a case study of oil palm in Sabah, East Malaysia. In Chapter 8, Dewi Oetami uses the examples of the "Kalimantan Border Oil Palm Mega

Project” by Indonesia and China, and the “Heart of Borneo” by World Wildlife Fund (WWF) and Brunei to argue that the contradictions between development and conservation can be reconciled by giving local communities more of a say in which palm oil plantation are developed. She points out that “poverty amongst the plasma farmers is structural” (p. 171).

The third part of the book focuses on transnational environmental activism, mainly between Europe and Southeast Asia. Oliver Pye, in Chapter 9, describes and compares the effects of the “boomerang campaign strategy” between Europe and Southeast Asia. He compares boomerang strategies and their effects on previous logging campaigns and the current ones. Even within a campaign on palm oil, he argues there are differences; that the formation of the Roundtable on Sustainable Palm Oil (RSPO) is led by international NGOs (INGOs) on one hand, and the call for a moratorium on biofuel target in the EU is mainly led by transnational social movement organizations (TSMOs) along with transnational advocacy networks (TANs) on the other. Joana Chiavari introduces and examines the EU biofuel policies and their implications for Southeast Asia in Chapter 10, from their development and sustainability criteria, and how EU biofuel policies omitted social impact in their criteria. In Chapter 11, Eric Wakker of Aidenvironment introduces the analytic framework RETRAC (resource trade cycle analysis), on natural resource-based products and commodities, including palm oil. They aim to help NGOs in producer countries understand “how the environmental degradation and social injustice experienced by them is connected to consumer markets serviced by international traders, retailers, bankers, and investors” (p. 224). Patrick Anderson in Chapter 12 focuses on indigenous peoples in Indonesia arguing that although the rights of indigenous peoples to control developments on their customary lands were confirmed in 2007 by the UN declaration on the Rights of Indigenous Peoples, the Indonesian Government claims that all Indonesians are indigenous and therefore there are no indigenous people in Indonesia, and that the state has the right to manage all natural resources for the benefit of the nation.

However, there are a few weaknesses in this volume. The preface of the book itself admits that “the collection of articles here cannot offer a comprehensive discussion of the subject and that it leaves many gaps” (p. xiii). The focus of this book shifts from land grabbing to environmental issues to social issues, so more integrated discussion on the controversy is yet to be expected to future works. The book also mainly focuses on the relationship between EU and Southeast Asia, but more dynamic multi-layered relationships among Asian countries and actors over palm oil are yet to be discussed.

What is lacking is a comprehensive discussion on the so-called “palm oil controversy,” although this is the main title of this volume. At the very beginning, the forward states the issues of “palm oil controversy” discussed in this book relate to so-called “land grabbing,” and anticipates such discussions from the book because “Southeast Asia also shows a more complex and wider range of global land grabbing than what the dominant albeit Africa-focused literature would show” (p. x). This focus, however, blurs in the rest of the book. Jiwan summarized palm oil controversy

in Chapter 3 as the following: a controversy with environmental consequences (p. 59); a second controversy with negative social impacts, including a loss of means of income because of local environmental damage, human right violation, and labor conditions (p. 65). The first is assumed rather than discussed in the book, and the contradiction of environmentally positive effects expected from biodiesel made from palm oil and environmentally negative effects caused by the expansion of oil palm plantation is little discussed. Discussion on the second controversy on social impacts can be found partly in the second part of the book among the chapters on labor migration in palm oil industry, but are not greatly related to the current global land grabbing issues.

Another weakness is the “transnational perspective” which is also stated in the book title. The “transnational” discussions in this book are rather limited to the relationship between Europe and Malaysia/Indonesia, or relationships between Malaysia and other Southeast Asian countries, mainly Indonesia. There are some references to China and India as the world largest palm oil importers—more than EU—but transnational perspective with these Asian countries are not taken any further. China and India can be just as strong drivers as EU, or even stronger and they consume more palm oil for food than they use for biofuel. For example, when the EU imported 6,781 (1,000 metric tons) of palm oil in 2012/13, China and India imported 6,589 and 8,308 respectively. Industrial domestic consumption, which includes palm oil used for producing processed foods as well as non-food products and biofuels, is still less than that used even in EU (2,900 compared to 3,380 in 2012/13). In the case of India, industrial domestic consumption is 325 compared to food use domestic consumption of 7,900 (USDA 2014). Behind the rapid increase of palm oil import and consumption in China and India are suspected structural transformations of the agriculture and food industry: facilitated by trade liberalization and deregulation in these countries (Hiraga 2015). In addition to that, China, India, and other Southeast Asian countries are intertwined at a regional, national, to local level, as well as at a human level through workers and overseas Chinese and Indian networks. This kind of multi-layered dynamic needs to be considered in the context of a transnational Southeast Asia for any further research that is conducted into palm oil in future works.

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