

SOCIAL ISSUES in the OIL PALM INDUSTRY (Malaysia)

History in brief (1920s-1990s)

Most oil palm plantations started late 1950s or earlier, in Peninsular Malaysia (PM) Sabah and Sarawak (SS) started in the 1970s.

Social guidelines for sustainable development emerged post-2000 but implementation was slow.

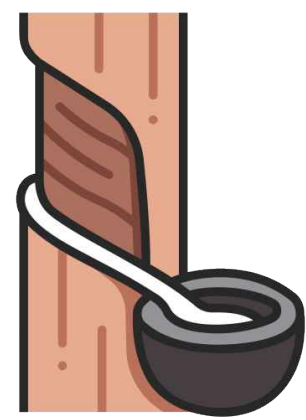


Land concessions by state governments were given to companies to develop the oil palm industry. Most of these companies are certified (recognised internationally - mainly RSPO).

#Land concession=formely logged over areas from the early 1950s/1960s and old plantations.

Historical and current issues:-

- Social HCV or NCR areas destroyed due to logging/rubber



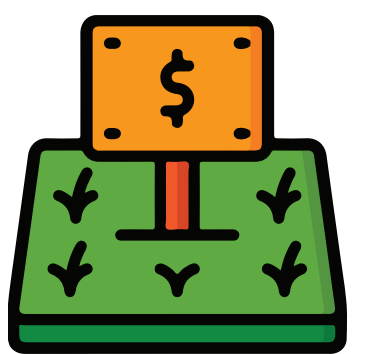
- Communities relocated due to logging or plantation



- Communities lost access to NCR and ancestral domains. Different scenarios for each three regions



- Land sold without community knowledge usually by village leaders and leased out to growers



- Land alienated for logging or other state interest without community consent (SUHAKAM Inquiry report)



- Most growers consider land titles unencumbered



Current situation:-



Land conflict



Land encroachment



Destruction of community areas



Increased foreign migrant workers



No political will



Failure of mandatory legislation



Lack of enforcement of labour laws



Basic human rights are denied

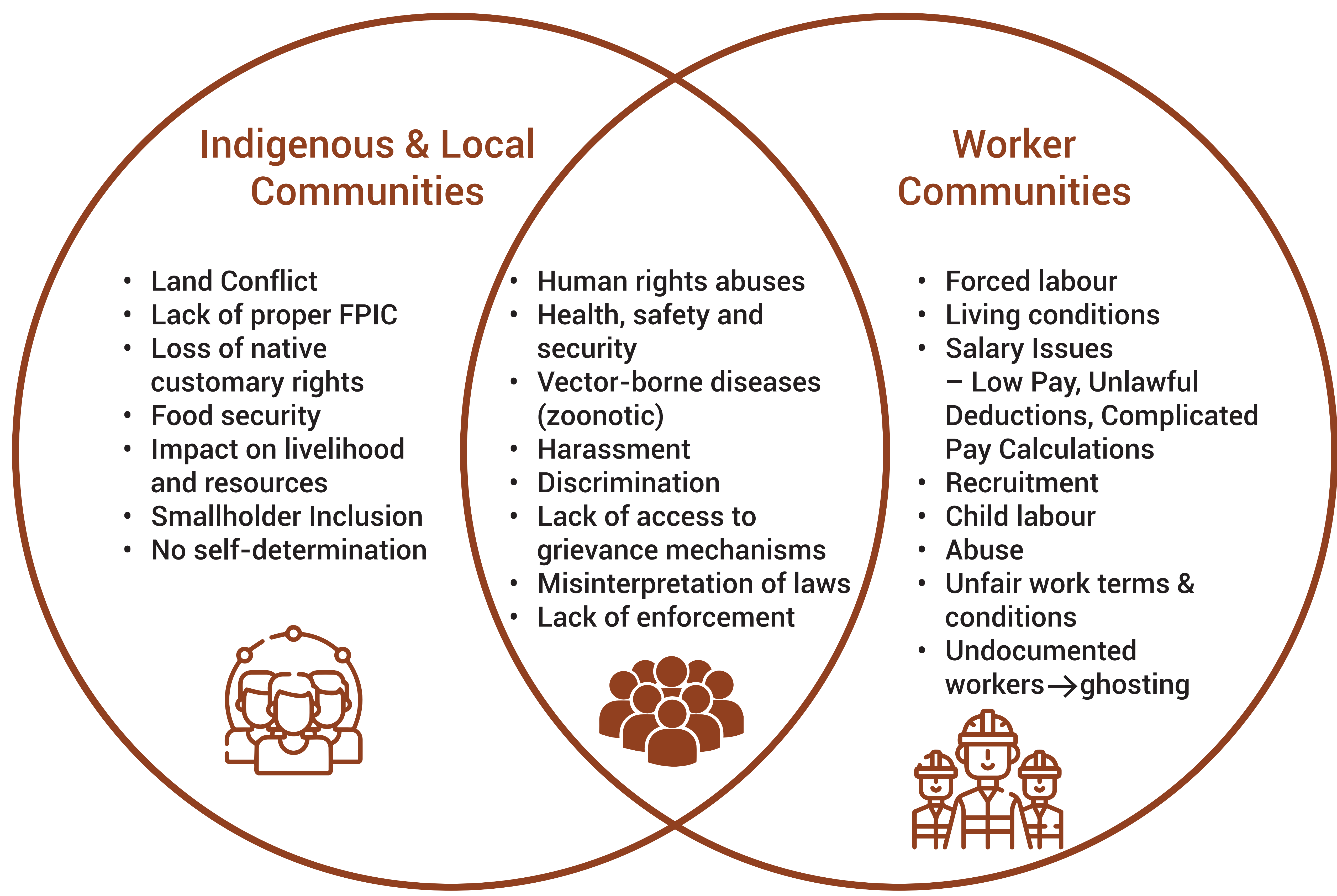


Legal land disputes



Systemic corruption

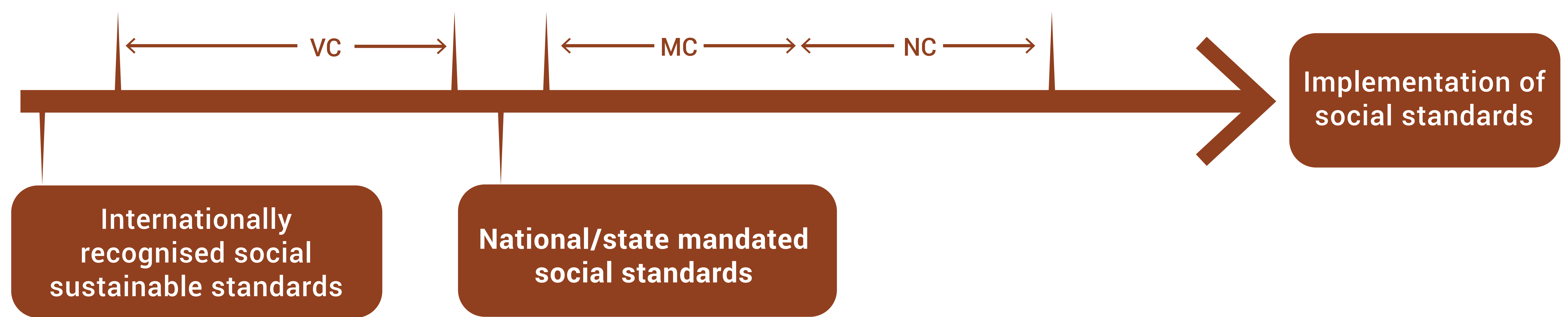
CHALLENGES



Companies on the ground are governed by :-

1. Voluntary Certification (recognised International Social Sustainability Standards) (VC)
2. Mandatory National Social Sustainability Standards (MC)
3. Non-Certified Companies (NC)

Note: country/state governance mechanisms also has to be accounted for



NOTE:

Internationally-recognised social standards are theoretical and implementations on the ground are challenging for companies due to situational issues (internal and external).

Going Forward

- The Conflict Prevention Platform (CPP) piloted under the RSPO Outreach Programme become a major platform since 2021 to address community (indigenous, local and worker) disputes on the ground across the board and proved to be effective in most cases as it allows parties to engage in a safe space.
- CPP goes beyond resolving disputes and has a broader role to play in bringing parties together.

NOTE: The issues listed above, are limited to communities (indigenous, local and worker) and are not exhaustive.