

Organizing for Change

AMRC-KPS Workshop on Organizing Rural Workers and Small-scale Farmers

Case Study of Rural Workers in North Sumatra Province, Indonesia

28-29 November, 2009

Background



Indonesia has been the world largest palm oil producer in the world. With total 7.3 million ha palm oil plantation—around 77% is concentrated in Sumatra island—absorbing around 2.5 million workforces, Indonesia’s annual output is around 20 million tons. The government is planning to accelerate the growth in this industry by giving licenses to investors to open additionally two million hectares of plantations. The industry so far has absorbed around 4 million workforces.

The oil palm, originally from Africa continent (African Palm) is an oleaginous plant. The oil palm produces fruit in three years. The plant only has 7-10 years productive span that this requires the plantation to always plant the new trees. The oil extracted from the fruit then will go through distribution and processing chain starting from palm oil agro industry, the oil processing industries and the trading sector.

The oil extracted is used as raw materials and intermediate industrial products. The oleo chemical industry processing resulted raw materials such as fatty alcohols, glycerol, emulsifiers and methyl esters; and the industrial end products such as fuel (biodiesel), lubricants, paints, and surfactants. Before the final link in the chain, the end consumer, is reached, many processing companies use the oil palm products as ingredients in their own

products for mass consumption¹. Palm oil is also used for mass consumed goods such as shampoo, cosmetic, cooking oil and frozen food. Palm oil is also applied for bio fuel and for bio energy. The massive usage of palm oil in various industries has pushed the Indonesia government and investors to convert and expand the land into palm oil estates.

Hidden and suppressed behind the glam of the palm oil industry

The plantation industry is an old industry in Indonesia. The first tobacco plantation was set up in North Sumatra province in late 19th century. Palm oil itself has been an agro industry in the province since 1911. At that time, the oil was used as raw material for Unilever products such as margarine, soap, shampoo etc. Now with 1.138.908 ha palm oil plantation (the third largest palm oil producer in Indonesia), North Sumatra plays important role in this industry. Early this year, Indonesia government stated that North Sumatra palm oil plantation industry will be the pilot project of plantation industry cluster, a type of plantation industrial zone. Nevertheless behind this glorious story, around 300.000 plantation workers in North Sumatra and hundred thousands of peasants must bear the expenses of the industry.

The land clearing due to the plantation expansion has created 630 land dispute cases in Indonesia evicting peasants and their families. Inside the plantation, despite the booming price of palm oil in the world market, the workers are low paid. Most of them are casual workers whose jobs include seeding; clearing the circle area around the tree, picking up grass, harvesting fresh fruit bunch and other informal work such as weighing the harvested bunches. The workers are not entitled to social security and rights to organize. Casual workers provide themselves with the basic work equipments. The hazardous working place is also a major issue in the plantation. The application of high dosage of agrochemical such as Paraquat and Glyphosate endangers the lives of workers who are assigned to spray at least 22 liters of agrochemical per day. The daily exposure to the agrochemicals has caused occupational diseases ranging from minor irritation, respiratory infection to permanent blindness.

Deforestation due to palm oil expansion has made Indonesia as the world's largest carbon-dioxide emitters. Producing one ton of palm oil on peatland generates 15 to 70 tons of CO₂ over 25 years as a result of forest conversion, peat decomposition and emission from fires associated with land clearance.²

Creating democratic space through the community empowerment

¹ Fidel Mingorance–HREV for CBC, *The Flow of Palm Oil Colombia – Belgium/Europe*, The Study from Human Right Perspective, p.19-10

² Oil palm plantations on peatlands won't get carbon credits under CDM
mongabay.com September 19, 2010



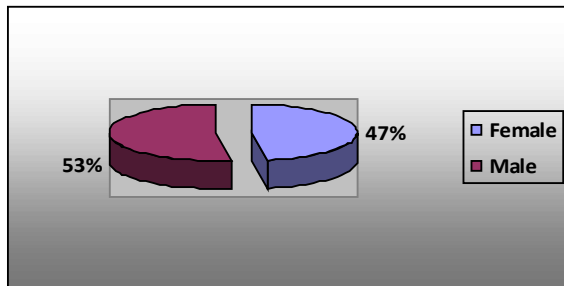
Through the partnership with a local NGO, Kelompok Pelita Sejahtera (KPS) that has working on plantation issues, AMRC conducted an assessment in 2009 to identify the impacts of palm oil expansion on rural workers, small-scale farmers and communities in North Sumatra Province, Indonesia. The assessment surfaced some major issues such as the nonexistent of rights to freedom of association, the casualization of the workforces as 10 workers out of 22 working on 10 ha of the plantation are casual workers; protracted land disputes; marginalized and impoverished women due to production system within the plantation and land grabbing and environmental damaged threatening sustainable livelihood.

In line with the issues that prevail in the assessment, AMRC and KPS involved the grassroots groups designed a process aimed at improving the bargaining power of groups adversely impacted by the palm oil industry. The process emphasizes on strengthening the capability of the groups to address their issues and to represent themselves before public authority and industry. The project is also to ensure the democratic process in terms of the creation of space through a cross sector alliance in which workers, landless and small-scale farmers and community could constitute a bargaining power to make their voices to be heard.

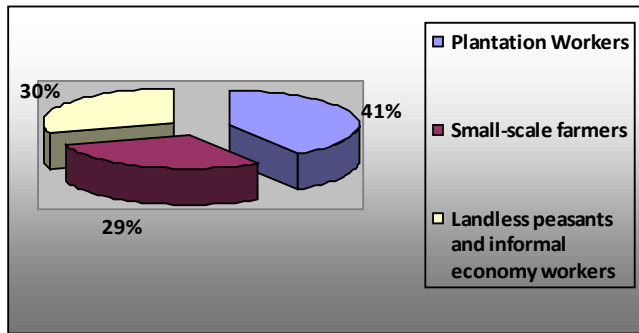
The assessment was then followed by a workshop involving 34 plantation workers, landless and small-scale farmers from Sergei, Langkat and Asahan Regencies. The workshop aimed to identify organizing tools and how to move forward to setting up a cross sector alliance.

Workshop Participants

Gender composition



Occupation



Workplace of plantation workers attending the workshop

District	Palm Oil Estates
Asahan	Anglo Eastern Plantation (AEP) Bakrie Sumatra Plantation (BSP)
Langkat	Buana Estate Lonsum Plantation
Sergei	Sulung Laut Estate

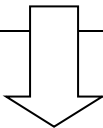
Lesson learnt from the workshop process and impacts of the process on the participants

The process comprised three major themes those were identifying sectoral based issues leading to process of identifying the bargaining target, strengthening the grassroots groups in demanding for justice and fighting for rights to livelihood and land, and formation of a cross sector alliance.

Sectoral Based Issues:

Plantation Workers

- Nonexistent of Freedom of Association
- Underpayment—The wages only cover 40-60% of basic needs
- Casualization of workforce
- Family labour— the workload is allocated on household basis but only the husband get the wage. Due to the traditionally held value on gender, the work of wives, who assist their husbands to meet the target during harvesting season, is unpaid
- Occupational accidents and diseases due to the application of agrochemical and hazardous working tools
- “Socializing of the production cost” obliges the casual workers to equip themselves with the working tools

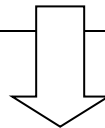


Organizing Strategy

Organizing workers in a secretive manner. Activities conducted are discussion on labour law and workers basic rights. Once the group is strong enough then bargaining strategy will be formulated in the next step
Women group. The groups is established to encourage women to be active in the discussion and also to discuss women issues in the plantation such as reproductive rights.

Small-scale Farmers

- Unparalleled cultivation pattern. The farming method is forced to be changed since more land is used for plantation. Shortage of irrigation water-Most water is used by plantations.
- Declining production of arable crops which threaten food sovereignty
- The massive application of pesticide adversely contaminates the agriculture land
- The waste from the milling/processing factory contaminates rice fields
- Proliferation of insects due to monoculture system
- Land grabbing

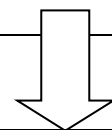


Organizing Strategy

Setting up farmers groups acting as a sharing platform and exchanging way of production like how to tackle the issue of fertilizer shortage etc
The group is also to encourage the involvement of farmers in public forum held in villages to raise their interests

Landless peasants and informal economy workers

Landless peasants are absorbed to informal work in the plantation. Corollary to this, they becomes unprotected casual workers
Food hawkers complaining the increasing food price as their costumers mostly are workers and low income villagers
Plantation has strictly prohibited villagers to collect the usable waste such as the midrib of palm oil leaves. Many villagers use the midrib to produce brooms. They produce it in small scale home based industry
Many women, due to land grabbing and scarcity of employment, work as domestic workers in foreign countries



Organizing Strategy

They are involved in the farmers group.
The workshop also encouraged the formation of women forum to discuss issues of domestic violence, workforce migration etc



During the land clearing, the foreman instructed us to destroy the peasants' crops. If you ask whether I still have my conscience then the answer is yes. Yet, I do not have any choice. Before, there was a road established during Japanese occupation connecting some villages. Then the plantation blocked that road. People then spontaneously demolished the blockade. Then the police came and arrested many people. Again, this upset me so much. And where was the government? Why didn't they do something about this situation? Why did they let us divided and suffer?

In my opinion, if (plantation) workers want to fight for their rights then they must organize other workers. The same thing applies to peasants and other communities. Then if here, in this meeting, we commit to fight together then workers must support peasants and vice versa...

We need to build up a communication and expand workers-farmers network...

Basically we (workers and peasants) share common problems those are impoverished and oppressed

(As expressed by participants of the workshop)

The important lesson learnt in initiating a process toward the formation of a cross sector alliance is to find the common interests of all sectors. The participants agreed that their common interests are access to land, rights to livelihood and better working condition. A plantation worker from Langkat said that the workshop had opened a dialog process between workers and farmers. He asserted the importance of having this dialog was to pre-empt

divide-and-rule tactics applied by the plantation. Participants agreed to start setting up cross sector alliance by intensifying dialog among plantation workers, small-scale farmers, landless peasants and informal economy workers. The dialog itself serves as a forum to discuss the issues in each sector, build cross sector solidarity and take up actions.

Proceeding the project

As a pledge of commitment to strengthening grassroots organizations in rural area, AMRC and KPS continue to monitor the impacts of the project. At present, we are working on the manual of organizing strategy in the rural area. The manual is to improve the capacity of grassroots groups in rural area in representing themselves before the authority and industry.

This next cycle of the project is preceded by participatory research involving plantation workers and small-scale farmers who have intensified cross sector dialogs as the impact of the workshop. The research is to structure all organizing experiences into a manual.