

NEW APPROACHES TO BUILDING MARKETS IN ASIA SEMINAR



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Chair: Dr Toby Carroll
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Date: Monday, 20 June 2011

Time: 12.15 p.m. - 1.30 p.m.

Venue: Seminar Room 3-5, Level 3, Manasseh Meyer
Lee Kuan Yew School of Public Policy
469C Bukit Timah Road Singapore 259772

This is a brown bag seminar and you
are most welcome to bring your
own packed lunch.

For those interested in attending,
please email to lkyspppl@nus.edu.sg

Commodification of Indonesian forests: from timber to palm oil

SYNOPSIS

The most important forest transformation occurring in Indonesia in recent years is the pressure from commodification. For several decades, logging for plywood and pulp and paper have been the dominant agents of change in the forests. Importantly, regional and global markets for two other commodities – coal and palm oil – have increased pressure towards conversion of Indonesia's forests. In the case of palm oil, the World Bank is once again playing a key role in "facilitating investment" in a sector that is booming and by all accounts, should not need the imprimatur of the World Bank to thrive. Nonetheless, after a two-year hiatus to reconvene a new palm oil strategy, in March 2011 the World Bank launched its "re-engagement" with lending in the palm oil sector within the rubric of a new framework on palm oil investment. The hiatus had been sparked by civil society protests, particularly NGO action complaining against the World Bank for violations of its own policies in supporting one company's investments. In preparing to re-engage, many of the critical voices were incorporated through a multi-country public consultation process that the Bank imposed on itself. (A similar process occurred to prepare a new Bank forestry policy.) In the end, the option of the World Bank not re-engaging with the booming palm oil sector was not seriously considered – except, ironically by Malaysian business sector detractors. Contentiously, the Bank offers national-level econometric data to promote palm oil as part of its 'poverty alleviation' strategy. The palm oil sector is thereby legitimized within World Bank discourse because it "generates more jobs per hectare than other large scale farming operations". Serious contradictions on the ground, including who is displaced and who obtains the new jobs as the multi-million hectare palm oil expansion continues in Indonesia, are not adequately addressed by this re-engagement.

ABOUT THE SPEAKER

Paul K. Gellert, Associate Professor of Sociology at the University of Tennessee-Knoxville (USA), is spending 2010-2011 academic year as a Senior Fulbright Scholar and Visiting Professor in the Department of International Relations of Paramadina University in Jakarta, Indonesia. His research focuses on the political economy of natural resources and development, especially timber from Indonesia. His papers have been published in *Rural Sociology*, *Critical Sociology*, *Journal of Contemporary Asia*, and the *Journal of World-Systems Research*.