Do Palm Oil Sustainability Certifications Deliver their Promises? A Review

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Abstract

Oil palm cultivation has been spreading massively in South East Asia, Central and West Africa, and Central America. Being high-yielding crops, they provide farmers with good profit margins and are attractive for the industry as the cheap palm oil can be used for a large diversity of products, e.g. cooking oil, personal care and cleaning products or biofuels. The downsides of production are negative effects on the environment and society such as deforestation, habitat destruction, green-house gas emissions, and human right offenses. Concerns about negative impacts on local food security are also raised. Therefore, palm oil sustainability certifications were introduced in the last decade and aim to address these challenges. Since the oil palm sector continues to be under critique, this research reviews scientific and grey literature for the sustainability challenges in the oil palm production and how far they are successfully addressed by certification systems. It focuses specifically on the impacts of the sustainability certifications on the environment, human rights and food security.

The comprehensive literature review shows that effects of oil palm production vary according to the socio-economic and agro-ecologic production systems across continents, i.e. in West Africa more positive sustainability effects are found while in South East Asia the opposite is the case. Trade-offs between the different sustainability dimensions clearly exist: Socio-economic benefits, especially for smallholders, stand often against peat land conversion, deforestation and habitat destruction. Sustainability certifications can only address the identified challenges to a certain degree. For example, food security aspects are insufficiently covered by the certifications. Despite certification, deforestation and human right offenses continue and inherent problems related to market demand and controls exist. Additionally, only a small share of production is covered by voluntary sustainability standards while governmental standards, such as in Indonesia, are not sufficiently enforced. To improve the sustainability of oil palm production, more engagement is needed at producer country level, for example law enforcements, major palm oil consumers (like China) need to request also sustainability criteria and multinationals need to offer higher price premiums for compliance with higher sustainability standards, supported by a consumer demand.

Keywords: Certification, food security, human rights, oil palm, sustainability

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