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POLICY INPUT NOTE

RESPECTING AND PROMOTING WORKERS RIGHTS IN PALM OIL PRODUCTION LANDSCAPES IN INDIA

JUNE 2024



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ABOUT ROUNDTABLE ON SUSTAINABLE PALM OIL

The Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. RSPO is a not-for-profit, international, membership organisation that unites stakeholders from the different sectors of the palm oil industry including oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation NGOs, and social or developmental NGOs.

This multi-stakeholder representation is mirrored in the governance structure of RSPO such that seats in the Board of Governors, Steering Committees and Working Groups are fairly allocated to each sector. In this way, RSPO lives out the philosophy of the "roundtable" by giving equal rights to each stakeholder group, facilitating traditionally adversarial stakeholders in working together to reach decisions by consensus, and achieving RSPO's shared vision of making sustainable palm oil the norm.

The seat of the association is in Zurich, Switzerland, while the secretariat is currently based in Kuala Lumpur with satellite offices in Jakarta, London, Zoetermeer, Beijing, Bogotá and New York.

ABOUT CENTRE FOR RESPONSIBLE BUSINESS

Since 2018, the Centre for Responsible Business (CRB) has been working in partnership with the Roundtable for Sustainable Palm Oil (RSPO) to promote the uptake of certified sustainable palm oil (CSPO). Through the partnership, CRB has been able to promote awareness amongst relevant stakeholders including businesses, downstream players, associations, international organizations, policy actors, media and youth. CRB has also worked on generating awareness and increasing capacity and knowledge on the topic, supporting multistakeholder platform and dialogues related to uptake and opportunities and facilitating increased commitment and uptake of CSPO in India.

Centre for Responsible Business (CRB) was established in 2011 as think-tank to pursue its vision, 'businesses integrate sustainability into their core business practices'. Given that sustainability is a multidimensional problem especially in the context of India and other emerging economies, CRB has adopted a model of engaging multiple stakeholders to develop action plans for promoting sustainable/ responsible business, across various sectors in India.

This Policy Input Note (PIN) has been developed as part of a CRB-RSPO partnership executed over the period 2021-22 entitled, 'Raising the Ambition on Sustainable Palm Oil in the Indian market post COVID19.'. We would like to thank Ashwin Selvaraj, Deputy Director Market Transformation (India & China), Roundtable on Sustainable Palm Oil (RSPO) and Nandini Sharma, Director, Centre for Responsible Business (CRB) for their valuable inputs and insights on the PIN.

Background

India is the second highest consumer and the largest importer of oil palm globally. To ease the burden of palm oil imports to some extent and improve self-sufficiency in the sector, Government of India initiated the National Mission on Edible Oil – Oil Palm (NMEO-OP)¹. The aim of this scheme is to promote oil palm cultivation for making the country Aatamirbhar (self-reliant) and bring additional area of 650,000 hectares under oil palm plantation over the period 2021-26.

Bulk of the imports of palm oil into India comes from Malaysia and Indonesia where oil palm cultivation has often been linked to various social and environmental issues. The global oil palm industry employs over 6 million people directly plus an additional 11 million indirectly (Kadandale et al. 2019). Several studies with data from Indonesia and Malaysia have shown positive effects of oil palm cultivation on smallholder farmers' profits and incomes. Effects in the small farm sector are of particular relevance, because much of the global oil palm land is cultivated by smallholder farmers (Qaim, Sibhatu, Siregar, & Grass, 2020)².

While oil palm plantation's potential to produce in-farm jobs is well-known and researched, there is evidence also of significant negative impacts on oil palm plantation labour in terms of forced labour, child labour, excessive working hour and sexual violence (USDoL – AILAB)³. Cognisant of challenges in plantations including palm oil, ILO developed the ILO plantation standard⁴ thereby providing a framework to prevent and mitigate human rights related risks in plantations, while leveraging potential opportunities.

In Indonesia alone, there are 4 million plantation workers, while in Malaysia, the second largest palm oil producing country globally, there are nearly 1 million⁵. While in Indonesia, there are challenges related to working conditions, due to production-level pressures, problem of migrant labour seems to be predominant in Malaysia⁶. It is evident that the palm oil sector provides increased employment opportunities, but it is equally critical to ensure these workers are treated fairly and their rights are upheld. There have been concerted efforts by the sector through various initiatives to mitigate the negative social impact and protect labour and human rights within the palm supply chains.

1 https://nmeo.dac.gov.in/NMEOUplodDocuments/BriefNMEOOPRoI_05052022_637873526665916004_OilPalm_India_Brief.pdf

2 <https://www.sciencedirect.com/science/article/pii/S0305750X22002248>

3 <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods/supply-chains/palm-oil>

4 https://nmeo.dac.gov.in/NMEOUplodDocuments/BriefNMEOOPRoI_05052022_637873526665916004_OilPalm_India_Brief.pdf

5 [https://www.europarl.europa.eu/RegData/etudes/ATAG/2020/659335/EPRS_ATA\(2020\)659335_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2020/659335/EPRS_ATA(2020)659335_EN.pdf)

6 https://www.theconsumergoodsforum.com/wp-content/uploads/2018/11/201811-CCF-FLA-Palm-Oil-Report-Malaysia-and-Indonesia_web.pdf

Job Creation Aspect of NMEO-OP

Depending on the scale of mechanisation, it is observed that the annual crops such as wheat, soy, etc. are more capital intensive if reliant on machinery whereas perennial crops such as tea, rubber, oil palm are more labour intensive. Planting, caring for, and harvesting for perennial (typically tree) crops require more labour input.

An important outcome of oil palm plantation is the generation of farm-based employment in rural areas. The average **person-days of labour required per hectare** of oil palm plantation for different stages is provided below:

STAGES	PERSON DAYS/HECTARE
Establishment of Plantation	55-60 person-days
Maintenance during Gestation (1 st to 3 rd Years)	24 person-days per annum
Maintenance during the Yielding Period (4 th Year onward)	24 person-days per annum

Therefore, **one hectare of oil palm** needs about **55 person-days** for its **establishment** and **72 person-days** during the **gestation** period. Thus, before fruits start yielding; **one hectare** needs about **130 person-days** of **direct labour**⁷.

Palm oil plantation in 13.5 million hectares of land in Indonesia has created roughly 4 million in-farm jobs (i.e., 0.3 jobs/hectare). While 5.65 million hectares in Malaysia has resulted to approximately 1 million jobs (i.e., 0.2 jobs/hectare). Indonesian Ministry of Agriculture estimates that 0.4 persons are employed per hectare⁸. Using these figures, **it is estimated that the additional 650,000 hectares under oil palm cultivation planned under NMEO-IP, could result to between 130,000 to 260,000 in-farm jobs in India.**

The table below provides a state-wise estimate of the number of on-farm likely to be generated using the available information and experience of employment generation. It is to be notes, that the actual numbers would depend on a number of various factors including the nature of crop being replaced; ability of the producer; production system; irrigation and other agronomic factors; labour market supply side issues; among others.

⁷ https://necouncil.gov.in/sites/default/files/FINAL%20Report%20-%20Development%20Action%20Plan%20for%20Promoting%20Oil%20Palm%20in%20the%20NER_0.pdf

⁸ <https://www.unicef.org/indonesia/media/4391/file>

SI No	State	Total Area Under NMEO-OP (Hectares)	Projected Workforce For Total Area Under NMEO-OP (0.2 To 0.4 Person/Hectare)
1	Andhra Pradesh	112,000	22,400 – 44,800
2	Arunachal Pradesh	40,000	8,000 – 16,000
3	Assam	200,000	40,000 – 80,000
4	Chhattisgarh	16,400	3,280 – 6,560
5	Goa	800	160 – 320
6	Gujarat	12,700	2,540 – 5,080
7	Karnataka	19,300	3,860 – 7,720
8	Kerala	6,500	1,300 – 2,600
9	Manipur	31,000	6,200 – 12,400
10	Mizoram	27,000	5,400 – 10,800
11	Nagaland	30,000	6,000 – 12,000
12	Odisha	10,500	2,100 – 4,200
13	Tamil Nadu	18,500	3,700 – 7,400
14	Telangana	125,300	25,060 – 50,120
		Total = 650,000 130,000	130,000 – 260,000

Experiences in Other Production Landscapes⁹

It is evident that oil palm production in India will create job opportunities especially in the form of farm labour. As indicated earlier, plantation labour including in oil palm plantations are vulnerable, and need adequate attention through policy and practice. There is considerable experience in other jurisdictions for example in Malaysia and Indonesia that the Indian national policy (NMEO-OP) could derive lessons from, in order to contribute towards decent work and inclusive growth.

⁹ <https://verite.org/resources/our-work-in-palm-oil/>

Here are a few examples (below) that could provide useful insights:

- **Labor Awareness and Training Programs (Nigeria)¹⁰:** Comprehensive training initiatives were implemented to boost awareness among plantation workers about their rights and safety, resulted in fewer accidents and improved morale.
- **Human rights strategy framework (Malaysia and Indonesia):** Development of a comprehensive human rights strategy framework, including protocols addressing root causes of labour issues, provided a structured approach for addressing labour challenges throughout operations and supply chain of a major MNC sourcing palm oil from Malaysia and Indonesia¹¹.
- **Labor Risk Mapping Initiative (Indonesia):** Collaborative efforts with international organizations led to the execution of mapping exercises in palm oil - producing regions that enabled targeted interventions to effectively address risks pertaining to labour rights violations.
- **Establishment of Labor Health Clinics (Liberia):** On-site health clinics were established, providing accessible healthcare services to workers and consequently improving health¹² , reducing absenteeism, and boosting productivity.
- **Developing corrective action reporting (Malaysia):** Templates for suppliers and providing coaching on clear communication enhanced engagement and effectiveness in addressing labor-related issues within the supply chain of a major MNC¹³ in Malaysia.

RSPO Standard: Respecting Worker's Rights & Community Benefits

Workers and communities are integral rights holders within the oil palm industry. The RSPO standards recognises the crucial role of the labour force and acknowledges the rights of communities over land and resources to ensure their sustained livelihood as an indispensable criteria for the sustainable production of palm oil. Principle 4 (Respect Community and Human Rights and Deliver Benefits) of the Standard requires RSPO Certification to recognise and respect community rights and ensure remediation, where needed. Principle 6 (Respect Workers' Rights and Conditions) obliges RSPO Certified estates and mills to ensure equal opportunities for each and every worker to fulfill their potential with dignity, in safety, and free from discrimination within a decent working and living environment. These requirements provide the foundation for RSPO to ensure that every pair of hands involved in the production of RSPO Certified Sustainable Palm Oil is given the due respect, fair employment, clear information, honest representation, and equitable prospects they deserve.

¹⁰ <https://okomunigeria.com/responsible-employer/life-in-the-estate/>

¹¹ <https://verite.org/wp-content/uploads/2020/09/Improving-Management-of-HR-Risk-in-Palm-Oil-Supply-Chain.pdf>

¹² <https://www.goldenagri.com.sg/id/sustainability/human-rights-and-labour/>

¹³ <https://verite.org/wp-content/uploads/2020/09/Improving-Management-of-HR-Risk-in-Palm-Oil-Supply-Chain.pdf>

Promoting Decent Jobs in Oil Palm Production Systems

The ILO Fundamental Principles and Rights at Work (FPRW) framework (2022)¹⁴ advances the commitments to uphold basic human values, namely:

- Freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of all forms of forced or compulsory labour;
- The effective abolition of child labour;
- The elimination of discrimination in respect of employment and occupation; and
- A safe and healthy working environment

The Government of India, developed a set of national level guidelines on responsible business conduct (National Guidelines on Responsible Business Conduct or NGRBC, 2019)¹⁵, embracing elements from international conventions including the UN Guiding Principles on Business and Human Rights (UNGPs), UN Sustainable Development Goals (SDGs) to help businesses/enterprises transition towards a higher level of sustainability performance. The NGRBC framework can be used to identify a set of key recommendations, to ensure that the job creation potential of the NMEO-OP not only meets the expectation in terms of the number of jobs but also in ensuring these are decent jobs.

The table below provides specific recommendations using the 9 principles of NGRBC vis-à-vis the National Mission on Edible Oil – Oil Palm (NMEO-OP).

NGRBC PRINCIPLES	RECOMMENDATIONS FOR NMEO-OP
<p>Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains</p>	<ul style="list-style-type: none"> • Equal opportunities to be provided to all stakeholders without discrimination. • Promote and implement the right to freedom of association and collective bargaining. • Fair and transparent wages for all permanent and contractual workers. • No use of child labour, forced labour and bonded labour in oil palm plantation activities, processing mills, refining mills, etc. • Development of policies for proper grievance handling and redressal. • Create awareness about relevant Government schemes and programmes especially for the workers including – migrant workers’ welfare schemes; wage regulations; education and healthcare support schemes; etc.

¹⁴ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/normativeinstrument/wcms_716594.pdf

¹⁵ https://www.mca.gov.in/Ministry/pdf/NationalGuideline_15032019.pdf

NGRBC PRINCIPLES	RECOMMENDATIONS FOR NMEO-OP
<p>Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders</p>	<ul style="list-style-type: none"> • Undertake comprehensive mapping of supply chain and value chain with special emphasis on: <ul style="list-style-type: none"> ◦ Identifying risks and vulnerabilities ◦ Identifying all key stakeholders in the supply/value chain (especially the marginalised) ◦ Developing strategies to engage with the stakeholders in the value chain in a fair and transparent way. • Facilitate trust building between the companies and the community.
<p>Principle 5: Businesses should respect and promote human rights</p>	<ul style="list-style-type: none"> • Ensure businesses have a 'Business and Human Rights policy' with an effective and accessible institutional grievance handling and redressal mechanism. • Development of guidelines to conduct internal capacity building to ensure the extension officers in plantations, workers at the primary processing facilities, farmers are informed and trained on the grievance redressal and human rights due diligence mechanisms.

There is a wealth of information related to the risks and challenges faced by plantation workers in India related both to their living and working conditions, which can further inform the implementation of the NMEO-OP.

Further, provisions covering wages; social security; occupational health and safety; and industrial relations embedded in the new Labour Code for India (2020)¹⁶ also covers plantations.

¹⁶ https://labour.gov.in/sites/default/files/labour_code_eng.pdf

Recommendations

Based on presentation of facts related to the potential of job creation from palm oil production, and the experiences across various landscapes, here are some recommendations for national and state-level policy actors to contribute towards decent work in palm oil production landscapes in India:

National level

- A national level labour risk assessment/profiling to be done for palm oil production landscapes in India, to be done by premiere institute like V V Giri National Labour Institute (<https://vgnli.gov.in/>)
- A national level labour risk assessment/profiling to be done for palm oil production landscapes in India, to be done by premiere institute like V V Giri National Labour Institute (<https://vgnli.gov.in/>) A national-level campaign to project oil palm produced in India as a product of fair labour, supported by credible disclosure and reporting

State level

State governments (in the 14 States under the NMEO-OP) are encouraged to:

- State-level portal that provides information about job opportunities in each of the palm oil production states. The portal can also be used to raise awareness about labour rights, provide information about various labour schemes in the State and receive and manage grievances from employed or potential workers
- Develop programmes for skill development of workers engaged in production of palm oil, with support from the Agriculture Skill Council of India (<https://www.asci-india.com/about.php>)
- In partnership with the private sector engaged in production of palm oil, provide information to all migrant workers about the various schemes of the Government of India for migrant workers ([refer:https://labour.gov.in/sites/default/files/pib1809227.pdf](https://labour.gov.in/sites/default/files/pib1809227.pdf))
- Promote responsible recruitment of workers for the oil palm production sector, in line with the ILO General Principles of fair recruitment (https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---migrant/documents/publication/wcms_536263.pdf)
- Underline and create awareness about the ILO Fundamental Principles and Rights at Work (FPRW) in State-level farmer outreach programmes/events Develop schemes and initiatives that are implemented with the private sector and help provide safe and enabling environment for women workers, wherever they are present in the palm production landscapes

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q=palm%20oil%20india&imgurl=https%3A%2F%2Fcdn.climatechangenews.com%2Ffiles%2F2021%2F10%2F05155436%2FIndia-palm-oil-4-e1633445708513.jpg&imgrefurl=https%3A%2F%2Fwww.climatechangenews.com%2F2021%2F10%2F22%2FIndias-palm-oil-push-threatens-forests-womens-status%2F&docid=slcMfzFQqXODM&tbnid=fB17zspcePZ0fM&vet=12ahUKewjqlo3-rdICAxWDxDgGHSSUClw4ChAzegQIURAA..i&w=800&h=526&hcb=2&ved=2ahUKewjqlo3-rdICAxWDxDgGHSSUClw4ChAzegQIURAA