

Forced Labor Indicators Project

Sector-Specific Resource on Palm oil



Introduction

Palm oil is in high demand around the world; it is used as an affordable cooking oil, an input into approximately 50 percent of all grocery products, an ingredient in cosmetic products, and is an emerging biofuel. However, palm oil production and palm oil supply chains across the globe have been linked to a range of exploitative working conditions, including excessive working hours, occupational safety and health hazards, and in some instances, forced labor and human trafficking.ⁱ

Palm oil can be grown on both large plantations and smallholder farms and is primarily grown in Southeast Asia, South America, and Africa. Large palm oil companies usually operate their own palm plantations, mills, and processing plants.ⁱⁱ Smallholder producers may operate independently and sell to mills or produce palm oil as outgrowers or “supported smallholders” for mills.ⁱⁱⁱ In some countries, the palm oil industry relies heavily on international migrant workers.^{iv} In others, domestic migrant workers make up the palm oil workforce.^v

It takes approximately three years for palm oil trees to mature. Workers are involved in cultivating palm oil trees and harvesting the palm oil fruit. When it is ready for harvest, palm oil fruit is generally removed from trees manually using sharp tools, such as scythes, and loose fruits may also be collected from the ground.^{vi} After harvesting, palm oil fruit is transported to mills and then to processing plants.^{vii}

What does forced labor (or forced labor vulnerability) look like in palm oil production?

The International Labor Organization defines forced labor as “all work or service which is exacted from any person under the menace of any penalty and for which said person has not offered himself voluntarily”.^{viii} This means that a person is in a forced labor situation if they have entered into a job against their will, or without informed consent, and cannot leave that job without penalty or a threat of penalty of any kind.



The ILO and the International Conference of Labor Statisticians (ICLS) have developed specific indicators of forced labor related to a worker’s experience that help to identify the presence of involuntary work and/or a threat or menace of penalty.^{ix} To learn more about the indicators, access [FLIP’s free online learning resource on The ILO Forced Labor Indicators](#).

Common labor abuses documented in palm oil production include long working hours, passport confiscation, induced indebtedness, contract substitution, and non-payment and underpayment of wages.^x The remote location of some palm oil plantations, a lack of contractual agreements, and high

quota targets can also contribute to forced labor risk.^{xi} In some cases, these common labor abuses and vulnerabilities constitute indicators of forced labor.

The tables below present examples indicators of involuntariness and threats or menace of penalty that have been documented in palm oil production:

Indicator of Involuntary Work	Documented Example in Palm Oil Production
Situations in which the worker must perform a job of different nature from that specified during recruitment without a person’s consent	Research conducted by Verité has found that some palm companies and labor brokers deceive workers about the working and living conditions on palm oil plantations. Workers reported being misinformed about their wages, the nature of work to be performed, and the living conditions on plantations, noting that they were paid less and assigned different positions and tasks than those promised during recruitment. ^{xii}
Work in hazardous conditions to which the worker has not consented, with or without compensation or protective equipment	An investigation conducted by Human Rights Watch found that on some palm oil plantations the protective equipment provided to workers who applied hazardous pesticides was not in compliance with World Health Organization standards, national law, or the palm oil plantation company’s policies. The investigation also found that the company did not provide information explaining the short and long-term health consequences of the work which would have allowed them to provide consent. ^{xiii}
Degrading living conditions imposed by the employer, recruiter, or other third-party	Substandard living and working conditions have been reported on palm oil plantations in some countries. ^{xiv}

Indicator of a Threat or Menace of Penalty	Documented Example in Palm Oil Production
Withholding of valuable documents (such as identity documents or residence permits)	The palm oil industry in some countries relies heavily on migrant workers. Research conducted by the Fair Labor Association has found that where that is the case some palm oil plantation employers hold migrant workers’ visas, passports, and work permits which restricts workers’ ability to leave the plantations. ^{xv}
Withholding of wages or other promised benefits	Migrant workers on palm oil plantations have reported having their wages withheld for one year, resulting in debt bondage and subsequent low wages that prevented them from returning to their homes for over a decade. ^{xvi}
Threats or violence against workers, workers’ families and relatives, or close associates	Research conducted by Verité has found that some employers on palm oil plantations threaten workers with physical violence, reporting undocumented workers to authorities, and the worsening of already poor working conditions to prevent them from seeking assistance or protesting unfair treatment. ^{xvii}

Monitoring for forced labor risk in palm oil production:

Numerous contextual factors can contribute to forced labor vulnerability. Some factors reflect characteristics of the type of work involved, some reflect circumstances in a particular geographic region, and some reflect the risk tied to the demographics of the workers involved.

- Certain **types of work**, like seasonal, informal, or dangerous work, can increase vulnerability; palm oil work is often hazardous and can involve quota-based earning systems and seasonal work.
- **Key geographic risk factors** that can contribute to vulnerability among palm oil workers include large-scale land acquisition and environmental degradation.
- Finally, **demographic characteristics** can create risk factors that increase vulnerability. Some populations commonly employed in palm oil production—for example, migrant workers, workers living in poverty, and workers recruited by labor brokers—may be more vulnerable to forced labor risk.

These factors can intersect to heighten vulnerability. For example, a young and impoverished migrant may be more vulnerable than an older migrant from a wealthy and well-established family.

Forced labor vulnerability is context specific. It is important to tailor the identification process to different sectors, types of work, locations, and population by knowing what kinds of questions to ask and what indicators and red flags to look for. To learn more about understanding risk, key contextual factors, and key questions to ask that can help identify the presence of indicators in different contexts, access [Module III: Understanding Risk](#) from FLIP's online learning course on The ILO Forced Labour Indicators.

ⁱ *Promoting Responsible Labor Practices in Palm Oil Production*. Verité, n.d. https://www.verite.org/wp-content/uploads/2016/11/Palm-Oil-Flier-EN_0.pdf.

ⁱⁱ *Sustainable Palm Oil? Promoting New Measures to Combat Risks of Forced Labor and Human Trafficking in Palm Oil Supply Chains*. Verité, May 2013. https://www.verite.org/sites/default/files/images/Palm_White_Paper_May_2013_Final_Draft_0.pdf.

ⁱⁱⁱ Mahmud, Adeeb, Matthew Rehrig, and Greg Hills. *Improving the Livelihoods of Palm Oil Smallholders: the Role of the Private Sector*. 2010. <https://www.fsg.org/resource/improving-livelihoods-palm-oil-smallholders>.

^{iv} Gottwald, Eric. *Certifying Exploitation: Why "Sustainable" Palm Oil Production is Failing Workers*. International Labor Rights Forum, 2018. <https://laborrights.org/sites/default/files/publications/NLFGottwaldPalmOil.pdf>.

^v Fair Labor Association. *Assessing Forced Labor Risks in the Palm Oil Sector in Indonesia and Malaysia*. November 2018. <https://www.fairlabor.org/projects/assessing-forced-labor-risks-in-the-palm-oil-sector>.

^{vi} Food and Agriculture Organization of the UN (FAO). "Palm Oil." <http://www.fao.org/docrep/006/t0309e/t0309E05.htm>.

^{vii} GreenPalm. "What is Palm Oil Used In?" <http://www.greenpalm.org/en/about-palm-oil/what-is-palm-oil-used-in>.

^{viii} ILO Forced Labor Convention, 1930 (No. 29).

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C029

^{ix} "Hard to See, Harder to Count: Survey Guidelines to Estimate Forced Labour of Adults and Children." *International Labour Office (ILO)*, 2012. p. 53. www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_182096.pdf; International Labour Office, Department of Statistics. "Guidelines Concerning the Measurement of Forced Labour." Geneva, October 2018. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/meetingdocument/wcms_648619.pdf.

^x Eurasia Review. *Trafficking In Persons And Forced Labor: Southeast Asian Scenario – Analysis*. July 24, 2017.

<https://www.eurasiareview.com/24072017-trafficking-in-persons-and-forced-labor-southeast-asian-scenario-analysis>;

U.S. Department of Labor. *2018 List of Goods Produced by Child Labor or Forced Labor*. 2018

<https://www.dol.gov/sites/default/files/documents/ilab/ListofGoods.pdf>.

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- ^{xi} Fair Labor Association. *Assessing Forced Labor Risks in the Palm Oil Sector in Indonesia and Malaysia*. November 2018. <https://www.fairlabor.org/projects/assessing-forced-labor-risks-in-the-palm-oil-sector>.
- ^{xii} Verité. *Labor and Human Rights Risk Analysis of Ecuador's Palm Oil Sector*. May 2016. <https://www.verite.org/wp-content/uploads/2016/11/Risk-Analysis-of-Ecuador-Palm-Oil-Sector-Final.pdf>.
- ^{xiii} Human Rights Watch. *A Dirty Investment European Development Banks' Link to Abuses in the Democratic Republic of Congo's Palm Oil Industry*. November 2019. https://www.hrw.org/sites/default/files/report_pdf/drc1119_web_0.pdf.
- ^{xiv} Schneider, Victoria. "The Palm Oil Company at the Centre of a Bitter Land Rights Struggle in Cameroon." *The Guardian*, 27 July 2015. <http://www.theguardian.com/sustainable-business/2015/jul/27/palm-oil-boom-cameroon-land-ownership-protest>.
- ^{xv} Fair Labor Association. *Assessing Forced Labor Risks in the Palm Oil Sector in Indonesia and Malaysia*. November 2018. <https://www.fairlabor.org/projects/assessing-forced-labor-risks-in-the-palm-oil-sector>.
- ^{xvi} Yan, Wudan. "These Burmese palm oil workers say they're trapped on plantations." *Public Radio International*. May 2017. <https://www.pri.org/stories/2017-04-10/these-burmese-palm-oil-workers-say-theyre-trapped-plantations>.
- ^{xvii} Verité. *Labor and Human Rights Risk Analysis of Ecuador's Palm Oil Sector*. May 2016. <https://www.verite.org/wp-content/uploads/2016/11/Risk-Analysis-of-Ecuador-Palm-Oil-Sector-Final.pdf>.