

EU'S BAN ON PALM OIL COUNTERPRODUCTIVE

Bloc should embrace a larger cooperative spirit in fighting climate change

THE European Union (EU) initially banned palm oil for use in bio-fuels out of a concern that oil palm cultivation accelerated deforestation and global warming. However, an accumulation of evidence to the contrary might be seen as significant for the EU to reconsider.

For example, the argument that oil palm cultivation contributes to deforestation is not only untrue, but so too the claim that the ban on palm oil accelerates deforestation!

A University of Bath study compared palm oil to potential alternatives such as sunflower and soybean oil. It found that these crops required more land, water and fertiliser, lower productivity, shorter lifespans and store less CO2 emissions. Another study



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published in the *Environment, Development and Sustainability* journal confirmed this.

A research paper by the European Parliamentary Research Service (EPRS) contends that the EU's approach is itself unsustainable. Crucially, the World Trade Organisation may consider such a ban to be illegal, in light of the EU's attendant motivations and consequences. There are economic effects to the ban on Malaysian palm oil, too. The EPRS finds that the EU's palm oil prohibition would negatively impact smallholder farmers with eight per cent losses in net income per hectare — substantial sums for working-class farmers in a middle-income country.

As Dr Nafeez Ahmed pointed out in a recent article in *The Ecologist*: "A boycott-only approach also tends to incentivise producers to find ways to circumvent the boycott, by accessing other markets (such as India and China), where environmental regulations are far less stringent. This, once again, undermines the entire point and increases the risk of continued deforestation."

The EU would do well to heed the advice of its own policy unit — The European Parliament's Directorate-General for External Policies of the Union — that suggested that if Malaysia were to "implement a moratorium on deforestation (targeting deforested areas)", it would be more cost-effective than the current EU policy.

This is welcome news, a suggestion to embrace what is already being pursued. Namely, Malaysia has constructed a mandatory national certification scheme for sustainability in palm oil production, known as MSPO (Malaysian Sustainable Palm Oil), which has been praised by others including *The Ecologist*.

Describing MSPO as a

"blueprint" for stopping deforestation in other tropical regions, such as in the Amazon, *The Ecologist* highlights the progress Malaysia has made where already two-thirds of oil palm plantations have achieved MSPO certification.

The United States-based World Resources Institute has found over the past three years that Malaysia's rate of deforestation has slowed. Rather than ban palm oil and encourage vulnerable smallholder farmers making progress in sustainability to switch to more land- and water-intensive crops, why not work with them? Oil palm plantations have also contributed to climate change mitigation by preventing the occurrences of illegal slash-and-burn clearing that cause thick haze that used to routinely blanket parts of Southeast Asia. The EU should thus commit to a wholly new approach that include the following:

FIRST, find ways to support scientists doing research into sustainability standards, rates and types of deforestation, and CO2 capture because such research can realise progress in tandem

with Malaysian experts and in collaboration with scientists worldwide.

SECOND, make a commitment to avoid protectionism and embrace free markets. In the long-run, continuing trade will encourage environmentally responsible agricultural practices and do more to fight climate change.

THIRD, the EU should embrace a larger cooperative spirit in the fight against climate change. By working with countries like Malaysia, which have committed to high environmental standards, the EU will forge a global approach towards shared environmental stewardship. This would be an example to achieve the Sustainable Development Goals 2030.

The EU's ban on palm oil is economically and environmentally counterproductive. But, its willingness to hear out scientific evidence, consider the dangers of protectionism and acknowledge Malaysian environmental stewardship should be welcomed.

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