

interactions among this first-generation of state builders under the Republic.

PATRICIO N. ABINALES  
*University of Hawai'i-Manoa,*  
*Moore Hall Room 416, 1890 East-West Road,*  
*Honolulu, HI 96822-2234, USA*  
*email: abinales@hawaii.edu*

DOI: 10.1355/ae34-2q

---

***The Oil Palm Complex: Smallholders, Agribusiness and the State in Indonesia and Malaysia.* Edited by Rob Cramb and John F. McCarthy.** Singapore: NUS Press, 2016. Pp. 470.

---

The tripling of areas planted with tropical oil crops since the 1990s marks the largest transformation of global food and agricultural systems since the Green Revolution. The Green Revolution's rapid increase in production arose through improved technology and higher yields. In stark contrast, the recent increase in oil crop production has principally come through an increase in the area planted. The environmental costs of this dramatic transformation of rural landscapes are well documented and coalitions of activists around the world campaign against the palm oil sector. Less is known about how it affects the lives of people living and working in these communities. *The Oil Palm Complex* tells some of their stories.

Edited by Rob Cramb and John McCarthy, this 512 page tome collects fourteen chapters on different aspects of the Indonesian and Malaysian palm oil sectors. These chapters cover: the nature of palm oil production in both countries; the history of state policies to promote the sector; rich case studies from Jambi, West Kalimantan, and Sarawak; and thoughtful perspectives on political economy, labour, migration, and conflict issues. There are also two more international chapters. One "deconstructs" the Roundtable for Sustainable Palm Oil to demonstrate the limitations of this voluntary approach in addressing sustainability challenges. In the other, Leslie Potter curiously suggests elements of the West African and Latin

American palm oil sectors that could be expanded in Southeast Asia (more mixed cropping without necessarily maximizing yield; a greater share of smaller mills, including non-industrial artisanal mills with traditional processing technology and far lower quality oil output; and an even greater role for cooperatives). I found chapters 2, 3, 7, and 8 most useful. The critical assessments of labour and migration issues in Chapters 11 and 12 were also fascinating. The remainder of this review reflects on three issues that stood out to me as a reader: the book's rather narrow disciplinary perspective; its overarching narrative and characterization of recent developments; and its key practical contribution. These reflections are drawn mostly with respect to Indonesia, the country I am more familiar with.

The primary policy issue concerning tropical oil crops is managing complex economic–environmental trade-offs. The big picture story of oil palm in Southeast Asia is that the sector's rapid growth has contributed to widespread environmental degradation while serving as a key source of economic growth in the post-Suharto era, lifting millions of rural Indonesians from extreme poverty (e.g. Byerlee, Falcon and Naylor 2017; Edwards 2016; and Euler et al. 2016). Given that there is limited attention to perspectives from economics and the various environmental sciences — disciplines that have been grappling with these issues for some time — the book unnecessarily limits its accessibility and relevance to mainstream academic and policy audiences.

The overarching theme of the book is "complex", offering the Oxford Dictionary definition at the start of the introduction ("consisting of many different and connected parts ... Not easy to analyze or understand; complicated or intricate ... A group or system of things that are linked in a close or complicated way: a network") and emphasizing an industry of powerful vested interests throughout (like a military industrial complex). Long-standing links between extractive and agro-industrial sectors and vested interests are well documented, so this book could have focused more on the fascinating changes that have taken place in the post-Suharto era, in particular the central role that

smallholders have played in recent growth; the role that decentralization has played in enabling and shaping this growth; and the kaleidoscope of ownership and farm management regimes that emerged. The post-Suharto era is characterized by democratization and decentralization: the introduction of direct local elections; the devolution of significant fiscal and administrative responsibilities to local governments; and the Balkanization of local government units. In no small part due to these new governance arrangements and in stark contrast to the state-led oil palm developments of the past, the area planted by smallholders has grown around three times as fast as that of industrial estates over the past two decades. Most of this spontaneous growth has been by independent smallholders, as the authors point out. Independent smallholders' farms vary in size from less than a hectare to several thousand hectares, and the ownership and management of smallholder systems is similarly varied. Although the majority of smallholder farms are self-owned and managed, a growing share are share-cropped or owned by investors in other rural districts or cities. These changes indeed highlight the sector's growing complexity, but also the devolution and dissolution of political economy challenges of the past. This distinction between Indonesia and Malaysia could have been emphasized more.

The book's primary contribution stems from the author's experience working on these topics for many years, a depth of knowledge only gathered through extensive field research. Despite oil palm expansion in Southeast Asia delivering overall positive socio-economic impacts, this has certainly not been the case for everyone. The distribution of benefits has been highly unequal, and many have been made worse off. This book impeccably details such heterogeneous

experiences. Independent smallholders still tend to have persistently low yields, meaning much more land is needed to produce the same amount of palm oil. By carefully documenting the processes of change that have led to some smallholders being "adversely incorporated" into global palm oil supply chains, this book provides rich insights into how this situation arose and why disadvantage persists. For analysts in the public or private sector to improve things, understanding these details is essential. *The Oil Palm Complex* thus provides a useful starting point for anyone seeking to develop a rich contextual understanding of the rapidly changing Southeast Asian oil palm sector and its history, and plenty of food for thought for those contemplating the future of palm oil production as the oil crops boom spreads across the tropics.

#### REFERENCES

- Byerlee, D., W.P. Falcon and R.L. Naylor. *The Tropical Oil Crops' Revolution: Food, Feed, Fuel, and Forests*. Oxford: Oxford University Press, 2016.
- Edwards, R.B. "Natural Resource Sectors and Human Development: International and Indonesian Evidence". PhD Dissertation, Australian National University, 2016 <<https://digitalcollections.anu.edu.au/handle/1885/101148>>.
- Euler, M., V. Krishna, S. Schwarze, H. Siregar and M. Qaim. "Oil Palm Adoption, Household Welfare, and Nutrition Among Smallholder Farmers in Indonesia". *World Development* 93 (May 2017): 219–35.

RYAN B. EDWARDS

*Center on Food Security and the Environment,  
Stanford University,  
Encina Hall, 616 Serra St., Stanford,  
CA 94305, USA  
email: ryanbe@stanford.edu*