

The Challenge of Indonesian Diplomacy Against Palm Oil Discrimination

Windratmo Suwarno

Policy Analysis and Development Agency, Minister of Foreign Affairs, Indonesia, ratmo70@gmail.com

ABSTRACT

Indonesia will continue to face a discrimination of palm commodity in European Union in the next decade. The challenge the European black campaign against palm oil is not easy to overcome. Most of European people have a bad perception about palm oil. The issue of palm oil is not only about the forestation, but also it is influenced by bad perception on health and social impact. It is a time for Indonesian diplomacy to make a strategy to resolve this issue by improving public diplomacy through lobbying, corporate diplomacy and identification of stakeholders. Although in the European Parliament statement does not mention the elimination of palm oil, discrimination against palm oil will continue in the trilogy. Palm oil must face accusations from various interested parties such as NGOs and members of parliament who have relations with farmers in Europe. They have a strategy to phase out using palm oil for biofuels. The issue of palm oil is not only about a battle of the vegetable industry anymore, but it is more about politics to defend other vegetable oil in the market by disseminating any kind issues related to oil palm plantation. It must be deal with the total diplomacy taken by all stakeholders in Indonesia and in Europe.

Key words: oil palm, public diplomacy, biofuels, European Parliament

ABSTRAK

Indonesia akan terus menghadapi diskriminasi komoditas kelapa sawit di Uni Eropa dalam dekade mendatang. Tantangan kampanye hitam Eropa terhadap minyak sawit tidak mudah diatasi. Sebagian besar orang Eropa memiliki persepsi buruk tentang minyak sawit. Masalah kelapa sawit tidak hanya tentang penghijauan, tetapi juga dipengaruhi oleh persepsi buruk tentang kesehatan dan dampak sosial. Ini adalah waktu bagi diplomasi Indonesia untuk membuat strategi untuk menyelesaikan masalah ini dengan meningkatkan diplomasi publik melalui lobi, diplomasi perusahaan dan identifikasi pemangku kepentingan. Meskipun dalam pernyataan Parlemen Eropa tidak menyebutkan penghapusan minyak kelapa sawit, diskriminasi terhadap minyak kelapa sawit akan berlanjut dalam trilogi. Minyak kelapa sawit harus menghadapi tuduhan dari berbagai pihak yang berkepentingan seperti LSM dan anggota parlemen yang memiliki hubungan dengan petani di Eropa. Mereka memiliki strategi untuk menghentikan penggunaan minyak kelapa sawit untuk biofuel. Masalah kelapa sawit bukan hanya tentang pertempuran industri sayuran, tetapi lebih tentang politik untuk mempertahankan minyak nabati lainnya di pasar dengan menyebarkan isu-isu buruk yang terkait dengan perkebunan kelapa sawit. Itu harus berurusan dengan total diplomasi yang diambil oleh semua pemangku kepentingan di Indonesia dan di Eropa.

Kata kunci: kelapa sawit, diplomasi publik, biofuel, Parlemen Eropa.

Introduction

Indonesia was shocked by the European Parliament on April 4, 2017 that stated on the resolution to ban imported palm oil. Indonesia can not take it for granted regarding the discrimination of palm oil commodity by the resolution of European

Parliament to phase out import of Indonesian palm oil. The resolution is not only to discriminate against palm oil but also it has claimed that the palm oil plantation has an impact for the deforestation of rainforest in Indonesia and other issues related to health and

social impact. Indonesia must take an action to overcome this statement.

Methodology

I use qualitative methodology in conducting and analysis this paper. The topic that will discuss is related to the policy of European Union Policy Parliament about palm oil commodity. It will focus on European Parliament and the condition of other vegetable oils which is needed to compete with palm oil in European markets. The paper will take the information from literature review about the development of vegetable oils in European markets. The analysis is based on secondary data from various books, journals, online articles and online news.

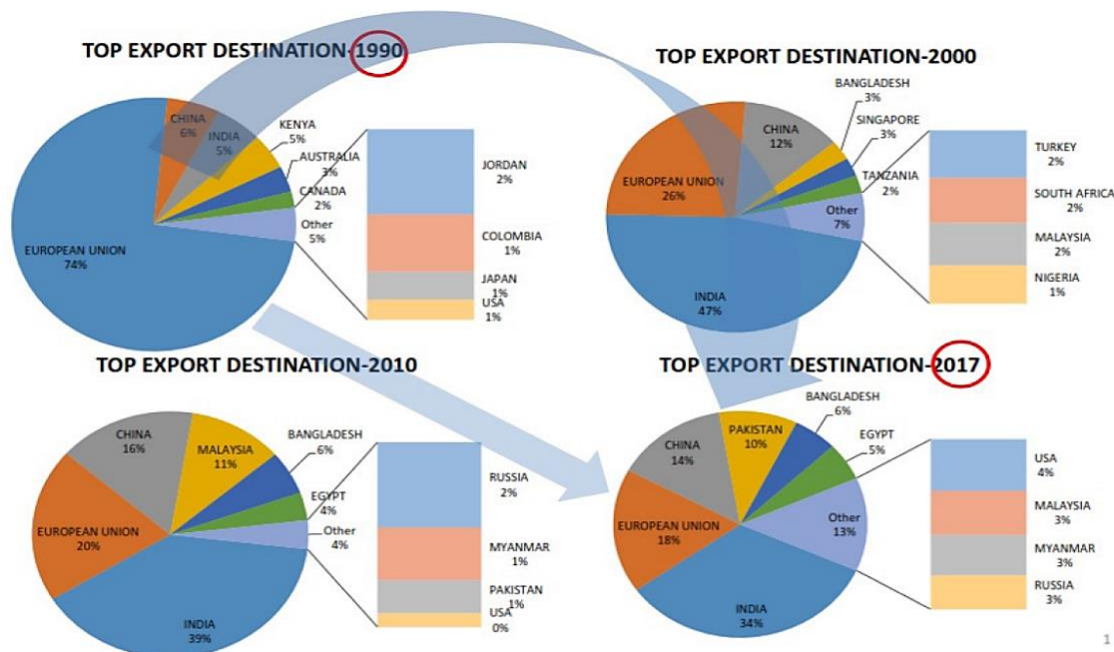
This paper will examine the challenge of Indonesian diplomacy to disseminate right information about the development of sustainable oil palm plantation. The description will be focused on which countries oppose and support the use of palm oil. It will be analyzed any stakeholders that have a prominent influence to transform the image of palm oil commodity. It will elaborate the solution and recommendation to overcome or to minimize the impact of oil palm discrimination in European Countries. In the meantime, Indonesia should take many strategies in dealing with European countries. Discrimination of palm oil commodity is not only in the perception of their government but also their community and the involvement of the role of Non-Government Organization.

a. Strategic Production of Palm Oil

The palm oil in Indonesia is very significant commodity based on area and labor. According to data from Indonesia's Statistics Agency (BPS), based on 2017 data, the total area plantations for palm oil in Indonesia is currently around 11.9 million hectares. The data that is about three times higher than in the year 2000 when around 4 million hectares. The increase of the area is expected to 13 million hectares in 2020 (Indonesia-Investment, 2018).

On labor industry, based on data from the Ministry of Agriculture (2015), the number of employees working in oil palm plantation companies increased from 718 thousand people (2000) to 3.4 million people (2016). Thus, the number of workers absorbed directly is around 2 million people in 2000 increased to around 7.8 million in 2016. Smallholder farmers is about 40 percent of total production. On the other hand, there are dominant private enterprises (Wilmar Group and Sinar Mas Group) in producing slightly over half of total Indonesian palm oil output. Many of smallholder farmers are so vulnerable to global market palm oil prices fluctuation.¹

¹ Sawit Indonesia (2018) Perkebunan Kelapa Sawit Banyak Menyerap Tenaga Kerja Pedesaan, <https://sawitindonesia.com/rubrikasi-majalah/berita-terbaru/perkebunan-kelapa-sawit-banyak-menyemp-tenaga-kerja-pedesaan>

Figure 1. Fundamental Shift Palm Oil Export 1990-2017 from EU to Asia

Source: Observatory Economic Complexity, MIT

As described in Figure 1, in the last 27 years, there has been a pivotal shift destination of Indonesian palm oil export from EU to Asia. In the 1990s, Indonesian palm oil export went mostly about 74% to EU. The export to Asia is only about 11% which was to China and India. In 2000, it was slightly decreasing export of Indonesian palm oil to EU that is about 26%. In 2010, Export to EU was decreasing about 20 % of Indonesian palm oil export. By then, in 2017, about 70% of palm oil export went to Asia, and only a fraction of 18% went to EU. According to Indonesian Palm Oil Producers Association (Gabungan Asosiasi Pengusaha Kelapa Sawit Indonesia-GAPKI), total production of palm oil increases from 35.6 million ton in 2016 to 42 million tons in 2017. It increases 18 percent from the previous year. The volume export, which brought in US\$22.9 million, was recorded at 31 million tons last year.²

Indonesian palm oil export to India and African countries increased by 32 and 50 percent year-on-year, respectively and even exports to Europe increased by 15 percent from 4.37 million tons in 2016 to 5.03 million tons in 2017. Albeit increasing 15% of the Indonesian export to Europe, palm oil has been discriminated by the EU. Among the discriminations include an ambitious political agreement on increasing renewable energy use between negotiators from the Commission, the European Parliament and the Council on 14 June 2018. Their ambition is indirectly to phase out palm oil-based biodiesel production by 2021. The discrimination is used by various measures that might lead into discriminatory policy, and even black campaigns against Indonesian palm oil.

Based on discrimination of palm oil, on the 40th Annual Summit of ASEAN-EU Partnership Cooperation in Manila, November 14, 2017, President of Indonesia, Joko Widodo

² Pramono, Siswo. The Potential of Palm-Oil Based Energy in Indonesia: MIKTA's Sharing Experience on Renewable Energy dalam MIKTA:Current Situation and The Way Forward, ed.by Siswo Pramono, Jakarta: Policy Analysis and

Development Agency, Ministry of Foreign Affairs, Republic of Indonesia. 2018

emphasize to the Summit participants that palm oil is very important for alleviating poverty in Indonesia, narrowing the gap, and building an inclusive economy welfare mostly for small farmers. The President affirmed that EU discrimination on palm oil must be stopped. A number of policies that are considered to undermine economic interests and tamper the image of palm oil producing countries must also be eliminated.³ The statement of Indonesian President regarding the palm oil discrimination is a summit diplomacy in international forum in order to deliver the truth about Indonesian palm oil position.

b. Competition of Vegetable Oils

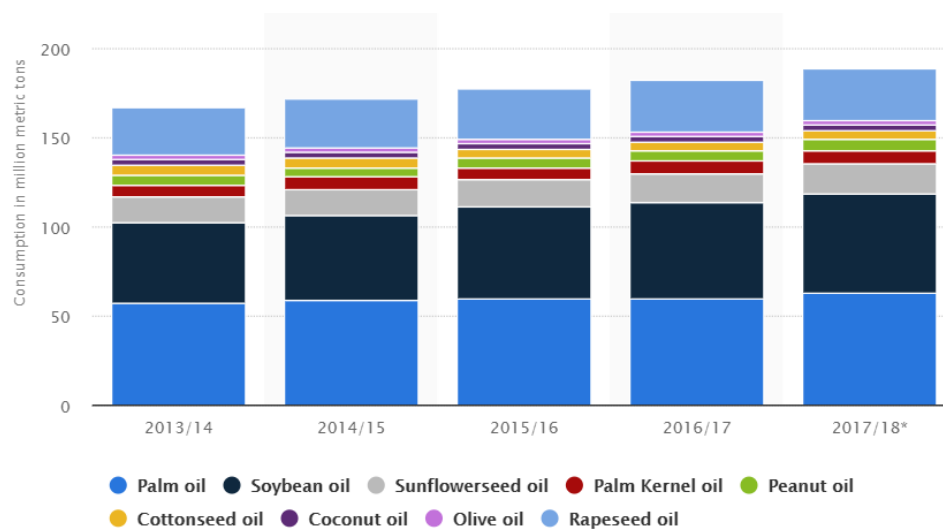
The European Parliament didn't leave off to discriminate palm oil. In January 2018, it adopted a Palm Oil and Deforestation of Rainforest report to prohibit palm oil import for biodiesel by 2021 as a part of the reform of the **Renewable Energy Directive (RED) II**. This policy has the potential to jeopardize the livelihood of 1.5 million households and threaten the emerging rural economy in Indonesia. Based on this report, the issue of palm oil is not only about a battle of the vegetable industry anymore, but it is more about politics to defend other vegetable oil in the market by disseminating wrong perception about oil palm plantation. It must be deal with the total diplomacy taken by all stakeholders in Indonesia and in Europe.

In the early 2000s, palm oil was one of the second biggest contributor vegetable oils to the world's market, with a 35.64% share. Rapeseed and sunflower sat in third and fourth spots with 20.2% and 13.62% market share respectively. Some analysts have said that

discrimination of palm oil by the European Parliament is means of boosting to increase two important the European crops. Palm Oil is the highest-yielding vegetable oil crop, so it is making cheaper for consumers. It has proven that palm oil lead in the global vegetable oil market in 2008, with 41.47% market share. In 2017, soybean oil's market share declined to 32.03%. Sunflower was the most affected by rising demand of palm oil. Its market share is dwindling to 9.4% from a high demand of 18.14% in 1990. In figure 1, it describes that the consumption of palm oil is rising from the year of 2013 until 2017. It competes with soybean oil in the world market share.

³ Ahdiba, Nouvarah (2018, February 06) Through Palm Oil Diplomacy, Indonesia Attempts to Build its Palm Oil Image, [http://voinews.id/index .php/component/k2/item/507-through-palm-oil-diplomacy-indonesia-attempts-to-build-its-palm-oil-image](http://voinews.id/index.php/component/k2/item/507-through-palm-oil-diplomacy-indonesia-attempts-to-build-its-palm-oil-image)

Figure 1.
Consumption of Vegetable Oils Worldwide
From 2013/14 to 2017/2018, By Oil Type (In Million Metric Tons)



Source: <https://www.statista.com/statistics/263937/vegetable-oils-global-consumption/> (Accessed 2018, 9 April)

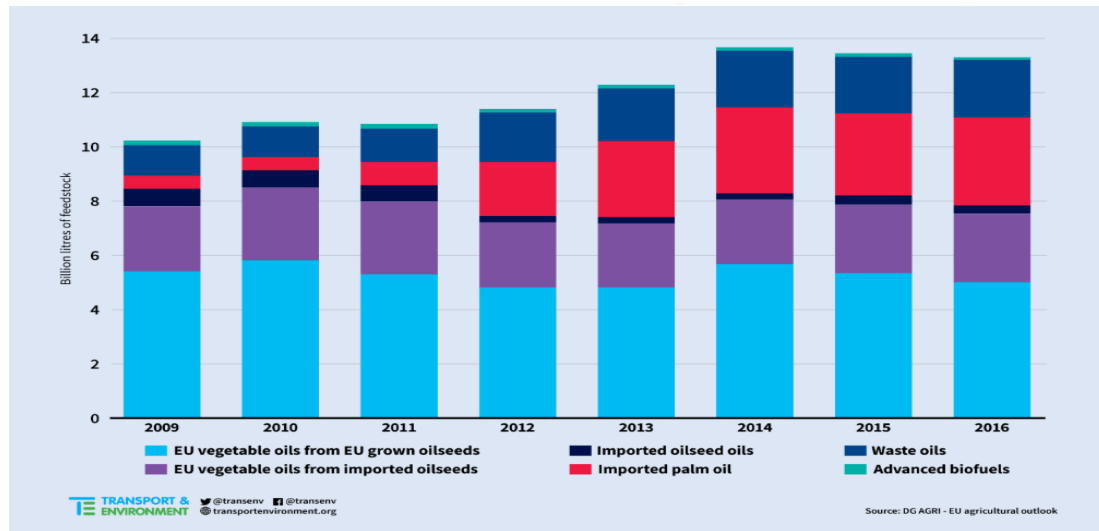
According to Oil World, the EU is the largest biodiesel producer in the world with the output 11.9 million tons in 2017, up from 11.7 million tons a year earlier.⁴ Moreover, The EU is also the world's largest consumer of biodiesel, a fuel made mostly from vegetable oils, which is renewable and aimed at reducing carbon emissions. It is estimated that 3.5 million tons of palm oil as raw materials. European Union produce around half of biodiesel which is the raw materials of the crop-based biodiesel are imported. According to OilWorld (an independent market analysis publication working on vegetable oils), in 2016, 33% of EU crop biodiesel is an

imported palm oil. Most of the consumers is cars and trucks as the the top consumers in

Europe (T&E, 2017). The figure 2 shows that imported palm oil to European Union has increased from the year 2009 to 2016 and feedstock grown in EU was decreasing from 2014 to 2016. Imported palm oil to EU has been competing with corn or soybean as the major feedstock of Biofuels production.

⁴ Hamaide, Sybille de La (2018, March 07) Europe struggles to stem biodiesel import flood, <https://www.reuters.com/article/us-eu-biodiesel-analysis/europe-struggles-to-stem-biodiesel-import-flood-idUSKCN>

Figure 2.
Fedstock Used for Biodiesel Production 2009-2016



Source: www.transportenvironment.org/press/around-half-eu-production-crop-biodiesel-based-imports-not-crops-grown-eu-farmers-new-analysis (Accessed, September 19, 2018)

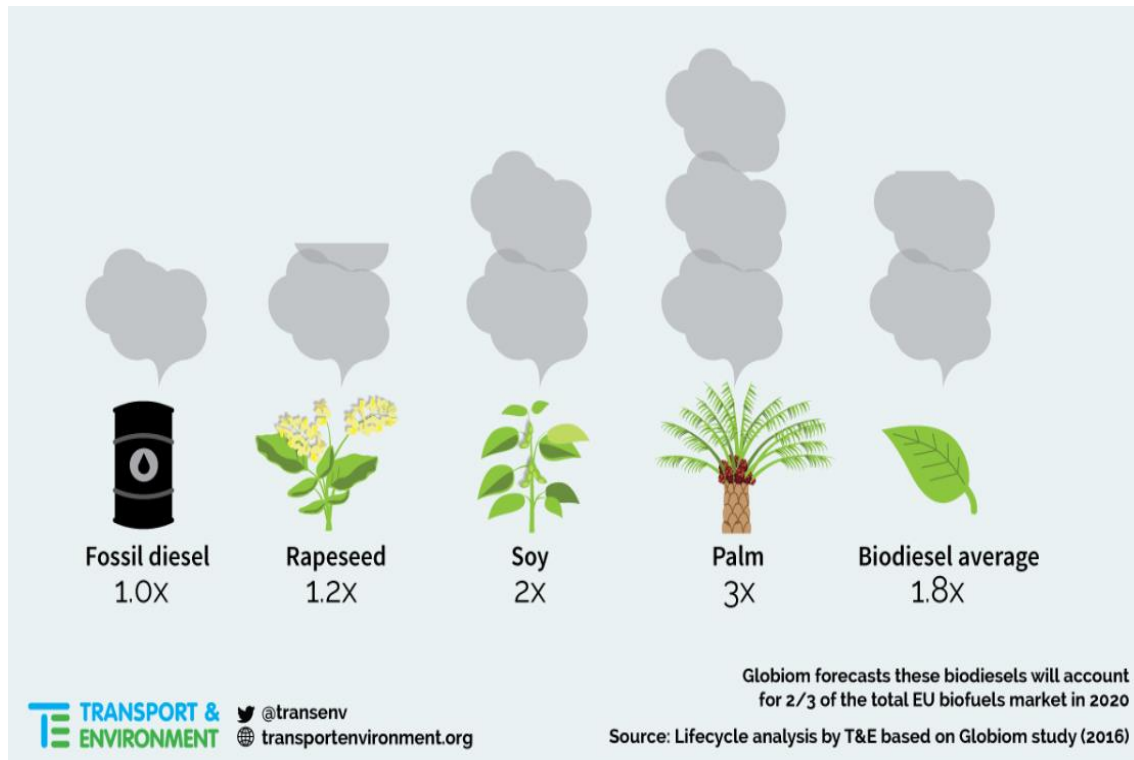
The Role of Stakeholders

The European Parliament voted on a resolution to phase out of palm oil in transport fuels by 2021 will become “catastrophic effects of Indonesian palm oil producer. The MEPs claim that Indonesian palm oil creates deforestation. The European Parliament is not aware that the major feedstock likes corn or soybean to create ethanol has indirect connection to corn or soybean plantation. What are they talking about regarding the deforestation is only related to deforestation in Indonesia? Several stakeholders have an interest to make a bad image of palm oil. The Centre-Right European People’s Party (EPP) from the biggest political groups in the European Parliament is heading towards a clear statement that the use of palm oil should go to zero by 2021. Palm oil has become a political issue in the Parliament. It is also supported by the Socialist, Democrats, Green

groups and European farmers as the second Parliament group.⁵

⁵ Simon, Frédéric (2018, January 10) EU heading for ‘zero palm oil’ in transport by 2021, <https://www.euractiv.com/section/energy/news/eu-heading-for-zero-palm-oil-in-transport-by-2021/>

Figure 3. Biodiesel: Cure worse than the disease



Source: Lifecycle analysis by T&E based on Globium Study (2016) dalam <https://www.euractiv.com/section/climate-environment/news/biodiesel-worse-for-the-environment-than-fossil-fuels-warn-green-campaigners/>

The other interest group such as environmentalists have warned against the damage caused by palm oil. Published in 2016, An EU-funded study found that biodiesel produced from palm oil was three times more polluting than from other vegetable oils.⁶ According to T&E (NGO Transport and Environment), vegetable oils from crops such as palm, rapeseed and soy are blended with fossil diesel to create biodiesel. Based on the study in EU, mentioning that crops is not only

palm oil but also soybean and rapeseed as the main feedstock to produce biofuel in Europe. Figure 3 shows that fossil fuels are emitting less than rapeseed, soy or palm oil. Nevertheless this studies were denied by Raffaello Garofalo, the Secretary General of the European Biodiesel Board, an industry group, who branded the study “unreliable”.⁷ The study is absolutely biased which is set up by T&E against biodiesel and in favor of fossil fuels.

⁶ Hegarty, Khalil (2018, July 06) The EU's war on palm oil will continue, <http://www.thejakartapost.com/academia/2018/07/06/the-eus-war-on-palm-oil-will-continue.html>

⁷ Crisp, James (2016, April 26) Biodiesel Worse For The Environment Than Fossil Fuels, Warn Green Campaigners, EURACTIV, 26 April, <https://www.euractiv.com/section/climate-environment/news/biodiesel-worse-for-the-environment-than-fossil-fuels-warn-green-campaigners/>

The biased data of using the palm oil came from European ethanol producers. They said to EU policymakers to differentiate biofuels according to their greenhouse gas emission and sustainability. The producers stated that ethanol emits as much as 64% less greenhouse than fossil fuels. Ethanol is sources almost 100% locally, according to ePURE, the European Ethanol Industry Association. The information from the ePure is very biased to explain about environmental impact. TheBioenergySite Senior Editor, Chris Harris, writes that “The growth of biofuel production from crops will have a direct impact on the land and the environment”. One of the biggest advantage for producing biofuels is to reduce greenhouse gas emissions and to alleviate the effects of global warming produced by fossil fuels.⁸ There is no reason to change using biofuel to fossil fuel.

The challenge of facing bad impact of palm oil is from the conservationist that claims oil palm plantation make forest fire in Indonesia. They made an argument that It have threatened one third of the World’s remaining orangutans. The magazine of conservationist uses Italian online magazine *Il Fatto Alimentare* to disseminate information on reducing the use of palm oil in food product on health and environmental program. The issue arises about environmental impact, health in food and forest fires. The anti-establishment party led by comedian-activist Beppe Grillo who also introduced a campaign to ban palm oil from public cafeterias, including schools, citing health and environmental concern. Campaigns to ban oil palm have been widespread in communities. In the past year more than 160.000 people have signed to “stop invasion of palm oil petition” created by the magazines.⁹ Although a recent review of

scientist research suggests no increased risk of cardiovascular disease, the issue has become more complex if it is associated with an environment.

The power of lobbyists in European Parliament such as Greenpeace, AVRIL group is spectacular. According to EU Transparency Register, AVRIL has a budget up to 4.8 million euros or around Rp 78 billion per year with 76 professional lobbyists to lobby the interests of the vegetable oil industry in the EU. Moreover, about 25 members from 45 members of agricultural committee of European Parliament is farmers, ex farmers and owners of agricultural business. The biofuels are not only from palm oil, but also it from rapeseed, sunflower and soybean which is planted by farmers on a massive scale of 11.5 million hectares. These farmers and also other farmers in the EU have large subsidies, which are 59 billion euros or nearly Rp 1,000 trillion. The media reported that a number of European Parliament members received funds of up to 5,000 pounds or Rp 93 million per month from the agricultural business. This figure is far above the UK minimum wage of 1,300 pounds.¹⁰

Opposing and Supporting

There are some countries in the European Union against the European Parliament’s resolution via the RED II to ban the use of palm biodiesel. Spain has declared not to support the EU Parliament’s resolution on the banning of palm oil. The reason is because the Renewable Energy Directive (RED) II violates free trade aspirations of the World Trade Organization (WTO). The resolution will ultimately become backfire in higher cost. The country is the biggest

⁸ Thecropsite (2008, November 28) Environmental Impacts of Biofuels, <http://www.thecropsite.com/articles/1771/environmental-impacts-of-biofuels/>

⁹ Hucal, Sarah (2018, March 04) The Italians Fighting against an invasion of palm oil, 4 March,

<https://www.theguardian.com/sustainable-business/2015/dec/09/italy-italian-food-palm-oil-supermarkets-boycott-deforestation-forests-health-environment-china-alliances>

¹⁰ Oegroseno, Arif Havas (2018, June 02) Ideologi Anti-Sawit Di Eropa, Kompas

biodiesel consumers and spend annually importing palm oil as feedstock.¹¹ The high cost due to the resolution will be borne by consumers which in turn will result in bigger losses for biodiesel industry player in Spain. It assured that fair treatment for palm oil is in line with rules set by WTO. Spanish palm importers is the main player as tools to make a good image and branding of palm oil. Palm oil clients in Spain can be partner to address misunderstanding and negative perception among consumers.

Unfortunately, Spain government perception on palm oil is different from the Spanish Member European Parliament (MEP) regarding using palm oil for biofuels. The Spanish MEP Jose Blanco Lopez said *“for the first time we put in place a consistent strategy, avoiding false solutions like using palm oil”*.¹² His idea is biofuels which have a high impact on land use change would immediately be phased out through a method which is to be established. The concept to phase out palm oil from biofuels is also come from Dutch Green MEP Bas Eickhout. It indicates that most probably palm oil and soy and other vegetable oils would be banned. The statement of EU parliament in 2003 is more impartial than in 2018. In 2003, the EU has already made a statement that biofuels as a clean alternative for fossil fuels used in transport like petrol and diesel without making distinctions between different types of biofuels. On the other hand, In 2018 the most sensitive issues during negotiations was biofuels from food and feed crops.

The struggle to impose ban of palm oil is main target of European Commission. The

policy serves a dual purpose. They protect the domestic industry of vegetable oils with a regulator barrier and fall in line with the EU's euro-centric notion of sustainable development. The European Farmer and Green groups has imposed that palm oil to be banned. This issue was supported by the EU members of parliament and several EU governments. Unfortunately, the European Commission knew a ban was unworkable from trade policy perspective. Most of EU member are still pursuing ongoing trade relations with Indonesia and Malaysia. To protect their vegetable industries, for nearly a decade, the ban of palm oil has been a main target for European agriculture, lawmakers and non-governmental organization. The industrial exporter countries of palm oil are to be ready for the next policy battle to continue.

Some analyst describes the report that green parliamentary hail it as victory to phase out palm oil in 2030 is not accurate. The RED text contains no specific phase-out of palm oil. Palm oil is not even mentioned in the Parliament Statement. Instead, the commission will determine a methodology in which food and feed crops can be considered high risk to *Indirect Land Use Change (ILUC)* and *High Carbon Stock (HCS)*.¹³ Members of Parliament was confident that palm oil is high risk in terms of greenhouse gas saving. Though, on paper, all crops are mentioned including European crops which will be examined through the methodology. The commission will play the card of ILUC, even though the concept has been criticized for the lack of a robust methodology.

The ILUC methodology and HCS will be a method to convince other stakeholders to initiate the phasing out palm oil based biofuels. European farmers including offshoots of *Deutscher Bauernverband (German Farmers'*

¹¹ Oii, Tee Ching (2018, February 13) Mah: Spain Does Not Support EU Palm Oil Ban, <https://www.nst.com.my/business/2018/02/335229/mah-spain-does-not-support-eu-palm-oil-ban> (Accesed August 07, 2018)

¹² Teffer, Peter (2018, June 15) EU to Phase out Most Harmful Biofuels, 15 June, <https://euobserver.com/environment/142101>

¹³ Hegarty, Khalil (2018, July 06) The EU's war on palm oil will continue, <http://www.thejakartapost.com/academia/2018/07/06/the-eus-war-on-palm-oil-will-continue.html>

Associations) have refused the methodology of ILUC.¹⁴ The concept is used by the Greens against feed and food-based biofuels, whether in the EU or elsewhere. Based on the methodology, the commission will begin work on defining what high risk biofuel feedstock. It will be standard for making the biofuel policy and European countries will regulate palm oil used for biofuels. The last step, the EU parliament is considering a sign calling for controls on agricultural imports from developing countries.

Public Diplomacy

In terms of overcoming black campaign of palm oil commodity in EU, the role of public diplomacy is essential in the field of informing, education and culture which are directed to foreign countries with a purpose of influencing government through influencing their citizens. The main purpose of public diplomacy is a community in foreign countries. It does not consist only of communicating information, but is rather defined exactly by its intent to persuade the issue in communities. A communication will be vital of national states to influence the politically relevant behavior of people of other countries. Public diplomacy is essential propaganda designed to convince the public opinion.¹⁵

In modern times of public diplomacy, the diplomats are publicly representing and interpreting the position of their country in media and public appearances. They are also reporting and commenting on the atmosphere of the public opinion and the media in the host state. It is difficult to achieve without cooperating with the media and opinion leaders. They can easily absorb any kind of information by making contact with important representatives of the economy, interest group,

sciences, academic institutions and more.¹⁶ Some of the usual diplomatic activities could be characterized as lobbying activities to influence the decision process for the benefit specific groups of people.

The activities of public diplomacy in foreign countries can be aimed at survey results of KANTAR consultative about the perception of oil palm compared to other vegetable oil such as olive oil, rapeseed oil, lard, margarine, sunflower oil, etc. The survey was held in a period of 4-18 April 2018 in 17 countries; Italy, USA, UK, France, Germany, Belgium, Australia, Turkey, Poland, Canada, Spain, Saudi Arabia, Brazil, Czech Republic, Mexico, Portugal, Austria. The survey is in the form of questionnaire, given to 1000 respondents aged between 20-64 years old. There are several points of the result. In regard to palm oil awareness in Europe, about 65% respondents are aware of palm oil. The awareness is above average in Italy (76%), France (72%), French Belgium (71%) and Spain (74%). Most people in Europe is aware about palm oil.

Palm oil is not the best oil for health based on the survey. Instead, palm oil is still generally perceived by the majority of respondents as the worst oil for health, especially in France, Spain, Austria and Czech Republic. Most of European stated that olive oil, rapeseed oil and coconut oil are relatively good. In Italy and Germany, palm oil is in the second place for the worst oil for health after lard. The negative opinion towards palm oil is relatively stable in every country except Spain, Germany and Poland where it is significantly increasing. Moreover, the majority stated the palm oil is not good for health because it contains harmful fats, too high in fats and chemical/unnatural substances. It also causes

¹⁴ Ibid.

¹⁵ Gilboa, Eytan (2002, December 01) Global Communication and Foreign Policy, Journal of Communication, Volume 52, Issue 4, Pages 731–748, <http://tadpisim.kinneret.ac.il/88126.pdf>

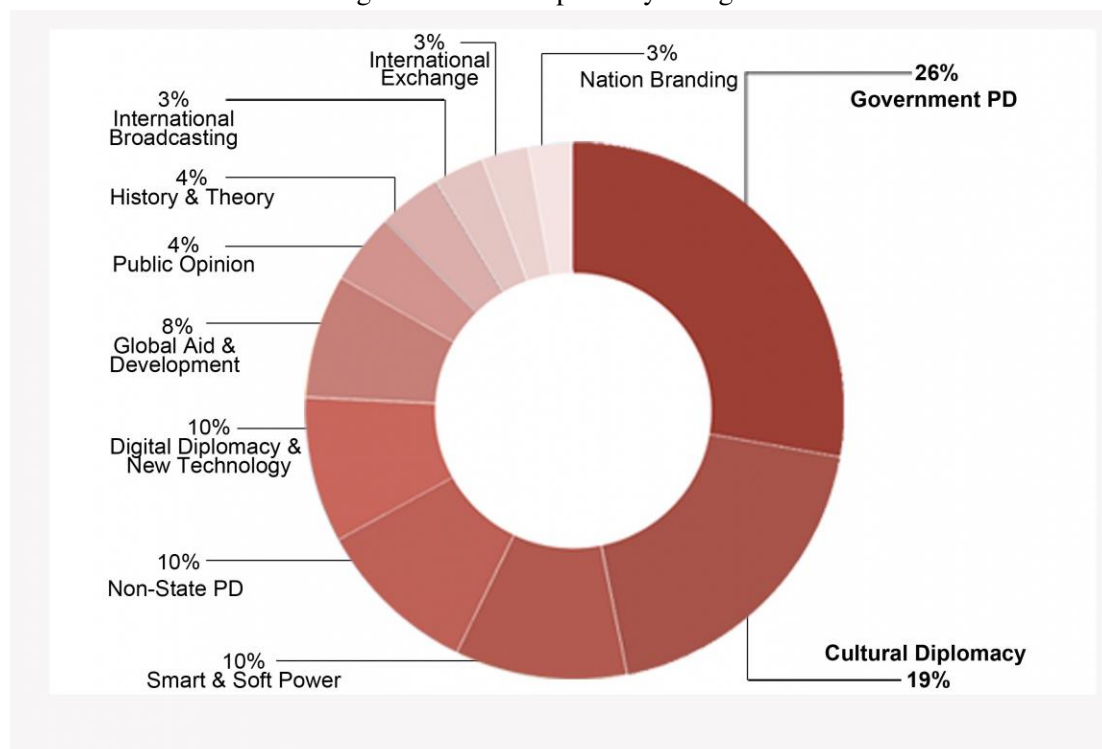
¹⁶ Krajnc, Kristina Plavšak (2005) Public Diplomacy: Basic Concepts and Trends, <http://www.ifimes.org/en/8020-public-diplomacy-basic-concepts-and-trends>

cardiovascular disease and obesity. Based on the survey, even though the community knows well about palm oil, the bad perception of health is the focus of public diplomacy activities.

In terms of environmental impact, the respondents in the European countries, especially in Italy and Spain, generally stated that the best oil for the environment is olive oil, whilst most people hardly anyone mentioned palm oil is the best oil in terms of environment. There is nearly none of the respondents mentioned palm oil. On the contrary, regarding the worst fat in terms of environmental impact, nearly all the respondents in European countries stated that palm oil is the worst for the environment, except Poland and Portugal where margarine and lard was the worst oil.

The best fat or oil in terms of social impact on local community is olive oil based on respondents in Italy, Spain and Portugal. The worst opinion was no respondents tend to stated that palm oil has the best social impact. Its mean that most people in the EU has no information about the social impact of smallholders in oil palm plantations in Indonesia. On the contrary, the majority of respondents stated in their perception that palm oil is the worst in terms of social impact, with percentage, Austria (39%), France (37%), Czech Republic (31%) and Italy (29%). The respondents who stated that oil palm is the worst oil in terms of social impact in Belgium (50%), France (43%) and Spain (39%).

Figure 4. Public Diplomacy Categories



Source: https://uscpublicdiplomacy.org/pdin_monitor_article/pd-2014-glance

The majority of respondents get sources of Information and topics related to palm oil (to the respondents whose aware) was

available on television and the press. In Italy, Poland and Czech Republic, the internet is the main source of the information and topic about

palm oil. Thus, the direction of public diplomacy must be directed at television programs, and local news agencies. In figure 4. The most perception of palm oil can be disseminated by government or Indonesian representative's office abroad through official websites or cultural diplomacy. Thereafter, the public diplomacy should be carried out by non-state actors within a scope to influence public opinion, and using smart & soft power (soft power emphasizes the capacity to persuade others to do what one wants. In particular, soft power arises from the attractiveness of a nation's culture, political ideals, and policies. In contrast, smart power refers to the capacity of a State to combine both elements of hard power and soft power in ways that are mutually reinforcing).

The Power of Lobbying and Corporate Diplomacy

We need to understand that palm oil issue is not about the national interest of European countries, but it is the influence of interest group that needs to ban palm oil import. In facing the issue of palm oil, the state has a limitation role, because there are many Indonesian national interest to European Union. It is not enough that the issue of palm oil is only faced by Indonesian Embassy in European Union. The embassy has a meaning to collect or to coordinate any kind of stakeholders who have a special feeling and interest to make a lobbying or corporate diplomacy.

The purpose to actively work to shape public opinion uses a lobby. The lobby is formed as not a single, but a unified movement with a central leadership. The individuals and groups that make up this broad coalition sometimes disagree on specific policy issues. The organizations and individuals who carry out the lobby make an operated out in the open and in the same way that other interest groups

do.¹⁷ In this context, there is furious lobbying around the RED revisions, just like European farmer and Green groups that wanted to ban palm oil. The lobbyist was supported by members of the EU Parliament and several EU governments. On the other hand, some EU member states, pursuing ongoing trade relation with Indonesia and Malaysia, didn't eager to ban palm oil.

According to Christian D. de Foulouy, "Lobbying is any attempt by individuals or private interest groups to influence the decisions of governments or the votes of legislators. While both corporate diplomacy and lobbying try to influence on the external sphere, there are fundamental differences.¹⁸ The main role of lobbying is related to influence the legislative process, norms and regulations issued by the government, regular authorities or public institutions. The fundamental statement to make a regulation of Renewable Energy Directive is European Commission. How the lobbyist group influence the decision of banning reducing palm oil in biofuels. The lobbyist is much more focused on concrete issues faced by Indonesia interest on palm oil commodity. Moreover. It has to focus on forestation, welfare of oil palm smallholders, healthy food and climate in Indonesia. The approach need a more intense relationship with particular stakeholders or social groups.

The reality of banning oil palm import continues in the circle of Member of European Parliament, the green groups and farmer association. Consequently, the campaign of sustainable of palm oil has to implement by Corporate Diplomacy which focuses on a

¹⁷ Mearsheimer, John.J and Walt, Stephen M. the Israel Lobby and U.S. Foreign Policy, New York: London Review Book. 2006.

¹⁸ De Foulouy, Christian D (2016) Difference Between Lobbying And Corporate Diplomacy Explained, December 10, <http://www.aalep.eu/difference-between-lobbying-and-corporate-diplomacy-explained>

variety of external inter-actor. The actor, MEP, have a direct or indirect relationship with the corporation such as stakeholders (e.g. government, local authorities, trade unions, business confederation, trade associations, NGOs), social group (e.g. environmental groups and consumer representations) and official representation (e.g. embassies, consulates) but also with competitor.¹⁹

For the permanent contact and relations in work in a long time, especially to minimize bad impact of palm oil in Europe, corporate diplomacy need to be maintained for the future. This is a kind of diplomatic style implementing in official representatives. Unfortunately, after completing task, corporate diplomacy cannot be maintained to overcome the issues that might arise later. The issue of palm oil is very delicate issue that need to spin a network of contacts. There are some principles to explain how to get a long connection. Corporate Diplomacy's activities are guided by six principles.²⁰

1. Acting within the established legal framework and corporate philosophy, which means lawfully and in accordance with the corporate code of good practice and compliance.
2. Seeking win-win situations, which means a conduct, whilst pursuing one's own interests, to look for compromise, building alliances and constructing coalitions among the stakeholders as a trustworthy and reliable partner.
3. Pursuing a fluid dialogue with social groups and civil society organizations involved, which means a convincing public presence, explaining the corporation's philosophy, policies and actions, showing a high degree of transparency.
4. Aiming at long-term results, which means focusing on sustainable solutions, strengthening one's own market

position, by committing oneself to the society and contributing to its welfare.

5. Enhancing credibility, which means gaining the position as a reliable partner, whilst establishing a dense and widespread network.
6. Assuring a very high reputation for the corporation in host-countries, which means an impeccable perception of one's corporation, maintaining the corporate identity.

Based on six guided principle above, it can be analyzed that first, regarding established legal framework and corporate philosophy, any kind related to process in palm oil plantations must be guided by the Indonesian law. Indonesian Sustainable Palm Oil (ISPO) will be corporate code of ethics in the meaning of sustainable palm oil. Second, for seeking win-win solution, for example, the Italian Union for Sustainable Palm Oil joins national alliances in other EU that aims to increase uptake of sustainably produced palm oil. Third, based on its alliance in France, for example, has created stricter criteria of sustainable palm oil by implementing traceability to the plantation level and greater support for the rights of workers and local communities. This way is pursuing a fluid dialogue with social groups and civil society organizations involved. It is set certification goals beyond those required by Roundtable Sustainable Palm Oil imposed by Germany, Belgium and Norway. Fourth, to Aim at long-term results, the Italian Union for Sustainable Palm Oil will develop communication strategies to address consumer's health and environmental fear by recruiting and educating new members committed to goal of 100% sustainable palm oil by 2020. The communication strategies proposed by the Italian Union is an example to retain a long term result of changing consume image of palm oil. Fifth, to enhance credibility of sustainable palm oil, it is very important to get medical result by having a network of scientific research, so the health issue can be minimize through the research.

¹⁹ Ibid.

²⁰ Ibid.

Strategy of Dominating Public Discourse

The main concern to persuade opinion about palm oil is to ensure that public discourse about forestation in Indonesia echoes the strategic and moral rationales. The goal is to convince the public that Indonesia has an interest to retain main forestation program. The discourse about forestation is the same value with the most concept of global Sustainable Development Goals.

At the same time, groups of lobby try to marginalize anyone who criticizes Indonesia about deforestation or challenges the special relationship and try to prevent that person's view from getting a fair hearing in the public arena. Channeling public discourse in a pro-Indonesia's forestation is critically important. Accordingly, a key element in the lobby strive to influence discourse about Indonesia smallholder's welfare working in oil palm plantation in the media, think tanks and academia. These institutions are critical in shaping popular opinion.

A key part of preserving positive public attitudes toward Indonesia is to ensure that the mainstream media's coverage of Indonesia and the program of forestation favor Indonesia. While serious criticism about deforestation and high carbon stock in Indonesia reaches a large audience, the media pro Indonesia or social media tends to be biased in Indonesia's favor, especially when compare to news coverage in other media. It is rather difficult to control media but at least the group of pro Indonesia has a special relation with owner, publishers, editors, columnists and reporters in the mainstream of media or social media who have special feelings with Indonesian people. The group of pro Indonesia must have an ability to monitor and influence what the mainstream media say about deforestation in Indonesia. Any kind of information regarding about negative view of Indonesia must properly be anticipated by the same positive information. Data of Indonesia forestation or the smallholder welfare taken

from the official Indonesian website can be used in media as a valid information

Conclusion

The efforts to cope with a black campaign of palm oil must be done with good planning and strategy. The planning needs a linkage among stakeholders in EU by maximizing public diplomacy, corporate diplomacy and lobbying. The public diplomacy in Indonesian representatives office should be empowered many kinds of stakeholders related to make a policy of palm oil opinion in public. Using one of the most important to group or communities or alliance of palm oil which support Indonesian palm oil commodities in Europe will be the main priorities to disseminate information.

The information should be focused on issues which influence negative images of Indonesian palm oil. Media will be the main tool to be an effective information to disseminate the process of palm oil plantation. Not only to promote palm oil but also media can be used to explain the development of Indonesia policy on addressing the problems of forest land and forest areas used for oil palm plantations. Issues regarding orangutan reservations, child labor in oil palm plantations as well as government policies to reduce land for oil palm plants must be the focus of conducting public diplomacy. The expansion of information in the media is not enough to overcome negative campaigns but it must be strengthened by establishing a strong lobbying body consisting of Indonesian lovers in order to help fight the black campaign.

Reference

- Ahdiba, Nouvarah (2018) Through Palm Oil Diplomacy, Indonesia Attempts to Build its Palm Oil Image, 06 February, <http://voineews.id/index.php/component/k2/item/507-through-palm-oil-diplomacy-indonesia-attempts-to-build->

- its-palm-oil-image [Accesed August 05, 2018]
- Crisp, James (2016) Biodiesel Worse For The Environment Than Fossil Fuels, Warn Green Campaigners, EURACTIV, 26 April, <https://www.euractiv.com/section/climate-environment/news/biodiesel-worse-for-the-environment-than-fossil-fuels-warn-green-campaigners/> [Accesed August 15, 2018]
- De Fouloy, Christian D (2016) Difference Between Lobbying And Corporate Diplomacy Explained, December 10, <http://www.aalep.eu/difference-between-lobbying-and-corporate-diplomacy-explained> [Accesed October 03, 2018]
- Gilboa, Eytan (2002) Global Communication and Foreign Policy, Journal of Communication, Volume 52, Issue 4, 1 December 2002, Pages 731–748, <http://tadpisim.kinneret.ac.il/88126.pdf> [Accesed September 20, 2018]
- Hamaide, Sybille de La (2018) Europe struggles to stem biodiesel import flood, 7 March, <https://www.reuters.com/article/us-eu-biodiesel-analysis/europe-struggles-to-stem-biodiesel-import-flood-idUSKCN> [Accesed: August 11, 2018]
- Hasan, Fadhil (2018) Indonesian Palm Oil Industri: Current Status and Outlook 2018 <http://www.globoilinternational.com/presentations/11.pdf> [Accesed September 04, 2018]
- Hegarty, Khalil (2018) The EU's war on palm oil will continue, 6 July, <http://www.thejakartapost.com/academia/2018/07/06/the-eus-war-on-palm-oil-will-continue.html> [Accesed August 12, 2018]
- Hucal, Sarah (2018) The Italians Fighting against an invasion of palm oil, 4 March, <https://www.theguardian.com/sustainable-business/2015/dec/09/italy-italian-food-palm-oil-supermarkets-boycott-deforestation-forests-health-environment-china-alliances> [Accesed July 15, 2015]
- Indonesia-Investment (2018) Palm Oil, <https://www.indonesia-investments.com/business/commodities/palm-oil/item166?> [Accesed December 08, 2018]
- Krajnc, Kristina Plavšak (2005) Public Diplomacy: Basic Concepts And Trends, <http://www.ifimes.org/en/8020-public-diplomacy-basic-concepts-and-trends> [Accesed September 11, 2018]
- Mearsheimer, John.J and Walt, Stephen M. the Israel Lobby and U.S. Foreign Policy, New York: London Review Book. 2006
- Oii, Tee Ching (2018) Mah: Spain Does Not Support EU Palm Oil Ban, 13 February, <https://www.nst.com.my/business/2018/02/335229/mah-spain-does-not-support-eu-palm-oil-ban> (Accesed August 07, 2018)
- Oegroseno, Arif Havas (2018) Ideologi Anti-Sawit Di Eropa, **Kompas**, 2 Juni
- Pramono, Siswo. The Potential of Palm-Oil Based Energy in Indonesia: MIKTA's Sharing Experience on Renewable Energy dalam MIKTA:Current Situation and The Way Forward, ed.by Siswo Pramono, Jakarta: Policy Analysis and Development Agency, Ministry of Foreign Affairs, Republic of Indonesia. 2018
- Teffer, Peter (2018) EU to Phase out Most Harmful Biofuels, 15 June, <https://euobserver.com/environment/142101> [Accesed August 27, 2018]
- Sawit Indonesia (2018) Perkebunan Kelapa Sawit Banyak Menyerap Tenaga Kerja Pedesaan, [https:// sawitindonesia.com/rubrikasi-majalah/berita-terbaru/perkebunan-kelapa-sawit-banyak-menyerop-tenaga-kerja-pedesaan/](https://sawitindonesia.com/rubrikasi-majalah/berita-terbaru/perkebunan-kelapa-sawit-banyak-menyerop-tenaga-kerja-pedesaan/) [Accesed September 12, 2018]
- Simon, Frédéric (2018) EU heading for 'zero palm oil' in transport by 2021, 10 January, <https://www.euractiv.com/section/energy/news/eu-heading-for-zero-palm-oil-in-transport-by-2021/> [Accesed August 15, 2018]

Thecropsite (2008) Environmental Impacts of Biofuels, 28 November <http://www.thecropsite.com/articles/1771/environmental-impacts-of-biofuels/> [Accessed August 20, 2018]

Transport and Environment-T&E (2017) Around half of EU production of crop biodiesel is based on imports, not crops grown by the EU farmers - new analysis, 16 October, www.transportenvironment.org/press/around-half-eu-production-crop-biodiesel-based-imports-not-crops-grown-eu-farmers-new-analysis [Accessed September 19, 2018]