

Bio-Diesel—It's Big Business

[Rising oil prices and climate change have triggered a rush to cultivate crops to produce biofuels. But this new source of energy brings with it dire environmental and social consequences.]

Bioenergy is booming. In the USA, EU, Brazil, and huge swathes of Asia, billions are now being invested in the growing and processing of maize (corn), soybeans, rapeseed, sugarcane, the palm oil or wheat to produce ethanol and biodiesel for motor vehicles. Biodiesel and bioethanol are considered the alternative to fossil fuels. In the industrialised countries most of all, they are expected to make motor vehicles 'climate-friendly' and open the way to limitless driving with a clear conscience.

The fuel industry is prophesying that the future of EU farmers lies in the growing of energy crops rather than food, whose prices are still falling. "Our farmers are the oil sheiks of tomorrow", says Renata Kunast, a former German Minister. "Our northern neighbour is preparing to legislate the minimum amount of bioethanol that must be mixed with gasoline". Yet this will put farmers at the mercy of the purchasing monopoly and price dictates of the mineral oil companies. Already today, production in Europe is insufficient to meet internal demand. Everyday, cheap palm oil and soybean oil is being shipped in giant freighters from South America, Malaysia and Indonesia to Europe.

The booming demand for biofuels is having dangerous environmental and social impacts in the major countries of cultivation such as Brazil, Indonesia, Malaysia, Borneo or New Guinea. In many places, the cultivation of energy crops for export is competing directly with food cultivation. In Brazil, for example, some 200 massive sugar plantations and ethanol factories are preventing the growing of rice, maize and beans to feed the poor. If cereals are now landing in gas tanks, there will be food shortages, warns Gertrud Falk of the Fast Food Information and Action Network (FIAN). The Indian government, for example, is using full-page adverts across the country to advocate bioenergy cultivation as a 'win-win programme for farmers and our economy'. Today, India is already exporting cereals to Europe, although there are more hungry people on that subcontinent than in Africa.

Land-hungry fuel plantations are taking land away from small farmers in developing countries; traditional cultivation and ownership structures are being destroyed. Travelling through Europe this spring, representatives of the Indonesian environmental and human rights organisation Sawit Watch (Palm Oil Watch) told of land disputes and the impoverishment of indigenous peoples. They are being driven out of their living space - often forests - to make way for palm oil cultivation. Since 1999, the area devoted to oil palm cultivation in Indonesia has expanded from 3 to 5 million hectares.

The small farmers and leaseholders who had previously occupied the land are migrating to big-city slums in search of a livelihood in the informal sector. Those who stay behind must toil 12 to 14 hours daily for a pittance as day labourers or seasonal workers on the plantations. This is the only reason that palm oil is so cheap.

The consequences are tragic for the environment as well. Soils are being exhausted by the single-crop plantations (often co-financed by western banks). Pesticides and fertilisers are poisoning the groundwater. The already scarce water is feeding into the export crops. The Association of Southeast Asian Nations (ASEAN) convened a crisis session in October last year. For weeks heavy smog had obscured the skies over

Indonesia's neighbours, giving rise to political tensions. Indonesian President Yudhoyono had to apologise to neighbouring countries for the air pollution. It had been caused by massive slash-and-burn clearance of tropical forest to secure land for oil palm and soybean cultivation.

Another consequence is the dramatic decimation of the biodiversity. Appropriately, Indonesians have dubbed their kilometres of single crops as 'industrial forest'. In Sumatra and Borneo, land clearance is destroying what remains of the habitat of highly endangered species such as orang-utans, forest elephants and tigers. In Brazil too, millions of hectares of rainforest are being cleared for soybean and sugarcane cultivation. Last year, the Brazilian environmental organisation Fuconams attempted to draw attention to this ruthless exploitation. At a demonstration organised in November 2005 in the federal state of Mato Grosso do Sul, Fuconams President Anselmo de Barras burned himself to death in an act of desperation.

The accelerated cultivation of biofuels is paving the way for dangerous competition between the world's roughly 800 million auto owners and the 2 billion people living below the poverty line. □□□

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