

Agro-development, Agribusiness, and Premature Globalization: A Case of Palm Oil Commodity Chains in ASEAN Countries

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Abstract

Transnational corporations from emerging countries have drawn international attention in recent years. Especially in ASEAN, capital accumulation and transnationalization of local agribusinesses have made this region a significant source of outward foreign direct investment as well as a recipient of inward FDI from developed countries. This study focuses on palm oil-related agribusiness capital, as one of the main actors of ASEAN TNCs, and examines the structure, dynamics, and limits of their swift transnational operations from the perspective of commodity chains and metabolism theory. The major findings are as follows: Based on large scale plantation development and agroindustrial growth, agribusinesses have contributed to the economic development of Malaysia and Indonesia into the world's palm oil export giants. In contrast to national industrial trajectory, however, agribusinesses have recently pursued their strategies not only of vertical integration within the border but also of globalization of commodity chains and financial operations. These global strategies have brought about the following consequences; 1) primitive accumulation and socio-political/ecological disruption, 2) dependence on foreign labor force, which has led to deepening agricultural vulnerability. Against the backdrop of metabolic disturbance, premature globalization of agribusinesses has faced at a crossroads.

Keywords: palm oil, transnational agribusinesses, commodity chains, metabolism

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