

Rethinking the EU's Deforestation Regulation: A Fairer Approach to Palm Oil in the Global South

Abirrami Gunalan, University of Warwick

Abstract

This paper explores the debate on the European Union's Deforestation Regulation on the Palm Oil Industry. While most of the existing literature focuses on the implications of the regulation on the Global South, I explore whether the EU is obligated to revise the regulation on moral terms. In addressing this question, I argue that the European Union has a moral obligation to revise the deforestation regulation or find an alternative way of promoting sustainable agri-food production. The justification is in line with the theory of 'global distributive justice', where the benefits and burdens of the policy should be fairly distributed, taking into account the nation's capabilities and historical contributions to the problem.

Keywords: European Union Deforestation Regulation (EUDR) and Palm Oil, Moral Obligations in Climate Policy, Utilitarianism in EU Environmental Regulation, Distributive Justice in Global Climate Action

Introduction

Palm oil is the most consumed vegetable oil in the food industry, with 90 per cent of the supply contributing to edible foods for purposes such as, but not limited to, cooking oil, baking and emulsifiers (Mba, Dumont and Ngadi, 2015). It has topped other alternatives for decades due to its affordability and efficiency of producing the highest yield of oil per unit area of cultivated land (Mba, Dumont and Ngadi, 2015). A repercussion of its demand has been its contribution to 2.3 per cent of [global deforestation](#) as producers clear land for palm oil farming (European Commission, 2024). The EU, one of the biggest consumers of palm oil, announced a Regulation on Deforestation Free Products (EUDR); the legislation aims to stop the consumption of deforested commodities such as palm oil from being imported into the EU through compliance checks that prove that products do not have traces to deforested land or have contributed to forest degradation (European Commission, 2023). The supply chain of the [global food system](#) will be affected as the policy requires systematic changes that will pose [transition risks](#) to stakeholders. Notably, the Global South received the policy with outrage in 2023; the most vocal countries included Indonesia and Malaysia, who comprise 85 per cent of the world's total palm oil supply, one of the seven commodities covered in the EUDR (Cohen, 2024). The countries believe that the policy will have a substantial negative impact on their economies and, most importantly, the livelihoods of individuals, as the EU is the second-largest palm oil export market for both countries (Haizan, 2023). These actors do not deny the need to fight deforestation but question the unjust conditions. Malaysia's environment minister said, 'It's not fair when countries that have deforested their land for centuries or are responsible for much of our deforestation can unilaterally impose conditions on us' (Cohen, 2024). Although this argument gives us insight into the belief that the EU's policy is 'unfair', advocates also believe that the regulation is morally justified. Therefore, is the EU morally obliged to consider the 'unfairness' of its policy, or does it stand by its reasons?

Responding to this debate will depend on how the concept of '[moral obligation](#)' is defined. Existing literature examines the policy for potential implications (Kumeh and Ramcilovic-Suominen, 2023), yet no

full moral assessment has been done. An insight into nuanced moral arguments adds value to developing a more comprehensive conclusion, especially in an area of such great discourse and misinterpretation.

The subsequent sections of the paper are as follows: Section 2 will provide an understanding of 'moral obligation' through the theoretical frameworks of [utilitarianism](#) and global [distributive justice](#). Sections 3 and 4 explain the moral reasons for each alternative viewpoint, against and for the regulation. The final section concludes with an overview of the discussion.

Conceptualising moral obligation

Moral obligation is the responsibility to perform the right actions (Pink, 2022). However, the dilemma is what constitutes 'right'. In this context, is it right to protect the environment at the cost of economic loss, or is it better to exploit natural resources to develop the economy? In this case, the dilemma becomes a matter of international justice as the EU's gain comes at the opportunity cost of developing countries that generate income from natural resources.

Building on the definition of 'right actions', this paper evaluates moral arguments through the principles of utilitarianism and justice, providing a comprehensive ethical framework. Utilitarianism focuses on the outcomes of actions, while justice examines the fairness of the processes by which those outcomes are achieved. Both perspectives offer valid justifications for determining the [right action](#), making it crucial to evaluate both sides of the argument. Furthermore, these frameworks align with the differing stances of the EU and the Global South concerning regulation: the EU emphasises environmental protection. In contrast, the Global South is primarily concerned with ensuring fair and equitable processes.

As founder of classical utilitarianism Jeremy Bentham states, utilitarianism holds that 'moral principles and policies should strive to achieve the greatest happiness for the greatest number of people' (Crimmins, 2015). Utilitarianism, therefore, focuses on the consequence of an action and whether it brings the most benefits. Although Bentham primarily applied his theory to humans, later utilitarians like Peter Singer expanded the philosophy to consider all sentient beings in the utilitarian principle (Dardenne, 2010). One limitation of this theory is its lack of consideration towards non-sentient entities such as the natural environment. However, it can be argued that the environment's health, such as forests, is directly tied to the overall welfare of current and future sentient beings, as it plays a critical role in sustaining life and preventing catastrophic harm from climate change. Thus, policies such as the EUDR can be justified for seasons as it generates the 'greatest good' for current and future sentient beings.

Carol Bacchi makes the case that it is a state's responsibility to consider the broader implications of policy debates. Coined as 'problem representation', she states that policies 'have a range of ethical implications for targeted groups and individuals and the general population' (Bacchi, 2007). Bacchi's comments interpret that policies have implications that may only represent a particular interest group and have adverse effects on others (Bacchi, 2007). Her explanation shows us the importance of considering the representation of a problem as the benefits and burdens among individuals should be regarded as fair. The theory of distributive justice by John Rawls, known as the '[difference principle](#)', states that all fundamental liberties are to be distributed equally; inequalities are only justified if they benefit the least advantaged members of society (Rawls, 1971). However, the caveat in Rawl's principle is that it only applies to society and is not applicable in a global context. Philosophers such as Simon Caney have extended Rawl's principle by defending a global justice view known as a [cosmopolitan perspective](#), where the principles of justice on the domestic level are

also transferable to a worldwide level (Caney, 2005). Therefore, another approach to deciding whether something is morally right is whether the cost and benefits of a policy are equally distributed.

Both theoretical frameworks offer distinct yet comprehensive approaches to evaluating the policy. Utilitarianism focuses on maximising overall benefits, while global distributive justice examines fairness in the distribution of resources and opportunities. These frameworks are ideal for assessing both the practical and ethical dimensions of the policy.

Moral argument against the EU deforestation regulation

Advocates against the EUDR argue against the regulation for two main reasons: the regulation is unfair to individuals of export nations, and there are double standards regarding the EU's neocolonialism behaviour. Both points are empirically well supported and will be justified by the case of [global distributive justice](#).

The first moral reason against the EUDR is that the EU's intention to save forests will disproportionately hurt the livelihoods of smallholders. Smallholders are classified as independent farmers with plots of less than 100 acres (RSPO, n.d.). Smallholders represent 40 per cent of palm oil production in Malaysia, and these workers are the main breadwinners for their families. The palm oil business has been an instrument for generations that has protected families from experiencing the extreme adverse effects of poverty (Rahman, 2020). Executive Director of the International Trade Centre, Pamela Coke Hamilton, said that smallholders will be 'kicked out of the market' as many remain unaware of how to prove compliance due to their lack of education and technical skills (Cohen, 2024). Even if successful, the upkeep of this new approach will be rather costly due to the added price premiums that must be borne on top of the current low-profit margins. Empirical results showed that smallholders could barely afford basic needs, with many earning an average income below the poverty line (Ahmad *et al.*, 2023). Meanwhile, upfront compliance checks are estimated to range from 16 to 39 per cent of mean annual incomes, proving an additional financial burden that some may not even be able to afford (Suhada *et al.*, 2018). All in all, such a regulation will place a great burden on a large number of individuals who are solely dependent on palm oil as a means of survival.

The second moral argument and probably the most widely discussed opinion is the case of double standards (Cohen, 2024). To lay the foundation, we will first trace back the EU's contribution to deforestation to exploit natural resources to exhibit contradicting behaviour. Today, the EU is still liable for deforestation and pollution due to its dependence on wood burning as a source of renewable energy (EIA, 2022). Although wood burning is not considered 'as high of a threat' since cut trees are supposed to be replaced within two years, the reality does not tell the same truth (UNECE, 2022). Environmental groups have reported large areas of woodland that have not been replanted and remain depleted (Robinson, 2020). From this, we can judge that the EU is placing checks and balances on developing countries for carbon emissions and deforestation while acting contrary to what they preach by burning wood for biofuels.

Considering both arguments from a global distributive justice perspective, this reasoning opposes the principle of distributive justice as it exacerbates inequality in the developing world. According to distributive justice, inequalities are only justified if they benefit the least advantaged, but in this case, the worst-off are made worse. Additionally, states are not treated equally, as affluent nations, having built their wealth through similar means, now have the capacity and resources to thrive, yet deny developing countries the same opportunities, creating a double standard.

Moral arguments for the EU deforestation regulation

While the moral arguments against the EUDR focus more on its economic impacts, these moral arguments for the EUDR centre around the importance of protecting the environment. Below, we go through two moral reasons that support a possible utilitarian justification of the EU's position that there is no moral obligation against publishing the regulation.

Consumer patterns have shown a decline in palm oil consumption as consumers move to other oil alternatives, specifically vegetable oils. Trends have observed that the use of palm oil in food will fall by 35.7 per cent by 2032 as consumers are more conscious of the association of 'palm oil' with 'deforestation' (European Commission, 2022). Consumers prefer food products ultimately 'free from palm oil' rather than being produced from sustainable palm oil sources (Hinkes and Christoph-Schulz, 2020).

Other than consumers having this negative perception of palm oil, there has also been a lot of vocal awareness against palm oil. In 2019, a Dutch margarine brand led a marketing campaign that promoted an anti-palm oil message on their product, stating, 'Eat Plants, Not Palm Please' (Solidaridad, 2019). Although the advertisement was taken down for misinformation, this campaign is only one of many examples of anti-palm oil campaigns showing EU consumers moving further away from the palm oil market. Governments can react to growing consumer expectations because it is a catalyst towards 'sustainable' practices that will slowly help progress towards sustainable commitments.

Objecting to the argument for governments to follow the market demand of EU consumers that will, in return, 'catalyze sustainable consumption within the market', palm oil has a misinterpreted representation on the global stage (Lieke *et al.*, 2023). It cannot be denied that palm oil has led to deforestation, specifically 2.3 per cent of global deforestation; however, this is due to the mismanagement of rapid production expansion (European Commission, 2024). Palm oil is one of the most sustainable types of oil as it can produce the most yield and ten times less land per tonne of oil used (Ukpanah, 2024). Therefore, although the EU Deforestation Regulation does not outright ban palm oil consumption, the increased costs associated with compliance may limit producers' ability to access EU markets with significantly smaller suppliers. Consequently, this could lead them to seek less sustainable alternatives, ultimately failing to benefit the greater good.

The second moral reason for the regulation is that it is a collective benefit that contributes to the EU's sustainable goals. The EU has multiple environmental policies, two of which are reducing net greenhouse gas emissions by at least 55 per cent by 2030 and achieving climate neutrality by 2050 (European Parliament, 2023). Statistics show that the EU's consumption carbon footprint from international trade was responsible for 16 per cent of deforestation, making them part of the problem as the second biggest importer of deforestation (WWF, 2021). In addition, some may argue that there is a moral obligation to uphold sustainability commitments as 'we owe future generations a global environment no worse than one we can enjoy' (D'Amato, 2017). Furthermore, the justification is favourable to the EU by reducing its carbon footprint and the Global South as it will help protect against future destruction of biodiversity, such as the habitats of critically endangered animals (Dhandapani, 2015).

A reason to object to the argument for upholding sustainability commitments is that this methodology does not address deforestation. With more than half of the world's population using palm oil, discouraging its production through stringent rules and price premiums does not address the problem. Instead, it perpetuates potential 'unsustainable' production by shifting the load to countries accepting palm oil. Consequently, following the publication of these regulations, Malaysia approached China for a deal of 'additional uptakes in palm oil' to offset the loss of the European Market (Goh, 2023).

From a moral standpoint of both arguments, we may argue that the EU can justify its moral reasoning using the utilitarian principle, stating that they are acting for the greater good in the context of its consumers while also upholding its sustainability values, which, if unmet, may lead to more significant long-term repercussions. However, as the counterarguments highlight, these intentions may manifest in counterproductive outcomes that do not benefit the greater good.

Conclusion

The most constructive approach to addressing environmental issues is through greater collaboration, supporting relevant countries in targeting their specific problems rather than imposing more stringent measures. Stringent measures alone will likely hinder progress. As discussed earlier in this article, from the perspective of global distributive justice, the costs and burdens should be distributed fairly, according to each country's capacity. In this case, the EU has the capacity and expertise to aid developing nations.

While a utilitarian approach – justifying the policy as promoting the greatest good – might seem valid, it may not fully achieve its intended impacts. Revising it to foster greater collaboration through financial assistance and technological alternatives would likely lead to more constructive outcomes.

At the same time, the extreme importance of protecting biodiversity from deforestation and managing carbon emissions cannot be overstated. A more constructive and balanced agreement must address these critical concerns. This paper's conclusion does not advocate for the removal of the policy but for its revision and improvement to create a more effective and equitable regulation.

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Glossary

Cosmopolitan perspective: Belief that there is a duty to ensure equal respect and consideration to all.

Difference principle: Social and economic inequalities can persist if they maximize the benefit of the least advantaged.

Distributive justice: Equal distribution of benefits and burdens amongst members of society.

Global deforestation: Removal and destruction of forests that occur around the world.

Global distributive justice: Equal distribution of benefits and burdens globally.

Global food system: Interconnected network chain involved in the production, processing, distribution and consumption of food.

Moral obligation: Duty to pursue an act.

Right actions: Morally appropriate actions.

Transition risks: Potential negative implications associated with change.

Utilitarianism: The morally right action is the one that yields the greatest happiness for the greatest number.

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