

**RSPO CERTIFICATION SCHEME: A GOVERNANCE TOOL FOR
SMALLHOLDERS IN THE INDONESIAN PALM OIL INDUSTRY?**

By

Victoria Tochukwu Unachukwu

A Thesis submitted to the School of Graduate Studies

In partial fulfillment of the requirements for the degree of

Master of Arts

**Political Science
Memorial University of Newfoundland**

May 2024

St. John's

Newfoundland

Abstract

In recent years, environmental governance has been characterized by voluntary initiatives. The RSPO, established in 2004 is an example of a market-based solution to achieve sustainable palm oil production. This thesis seeks to understand how the RSPO knowledge operates as a form of power and its implication for smallholders in Indonesia. The thesis argues that the RSPO knowledge power is implemented through certification. This certification scheme valorizes the administrative and technical model of palm oil production thereby often excluding smallholders who possess alternative skills. Susan Strange structural power theory is adopted as the heuristic tool for understanding the RSPO knowledge-power dynamic. The thesis also employed a qualitative research methodology. The thesis reveals that the RSPO certification knowledge brings about complexities for smallholders, in turn, limiting their access to the global market. This arises from legal requirements, organizational demands for group certification, reliance on external stakeholders, and the cost implications associated with RSPO certification knowledge. The thesis recommends that the RSPO knowledge framework should recognize and integrate traditional practices that align with the diverse backgrounds of smallholders to foster equity and inclusion in the palm oil industry.

General Summary

The thesis explores the power dynamics within the context of environmental governance, specifically focusing on the Roundtable on Sustainable Palm Oil and its influence on smallholders in Indonesia. This Thesis seeks to address the overarching questions: How does knowledge as power operate in the RSPO, and what is the implication of this knowledge on smallholders? The thesis argues that the RSPO knowledge is systemized in its certification scheme which is a formalized practice of knowledge power, influencing practices in the palm oil industry. The thesis submits that the RSPO's certification scheme inadvertently excludes smallholders whose expertise often stems from traditional knowledge, which prioritizes a different approach to sustainable palm oil production than the administrative and technical model prescribed by the RSPO's preference for modern knowledge. This insight prompts a critical re-evaluation of the prevailing knowledge structure that has thus far guided discussions and policies surrounding smallholder participation in the palm oil industry.

Acknowledgments

My profound gratitude goes to God for his unquantifiable grace to complete this research work.

I would like to sincerely appreciate my supervisor, Dr. Sarah Martin for her insightful feedback and invaluable guidance towards ensuring the accuracy and reliability of my thesis. In addition, she helped me achieve a balance between being a new mum and writing my thesis, this unwavering support and encouragement contributed largely to my mental wellbeing.

My special thanks to my internal examiners, Dr. Ashworth and Dr. Williams, for your commendable commitment to a thorough and instructive examination of my research work.

My appreciation again goes to the Head of the Department, Dr. Bittner, the Post-graduate Coordinator, Dr. Ashworth, and my admirable lecturers, Dr. Caman, and Dr. Schwartz who groomed me to the point of writing this research work. The indelible imprints you left in my academic sojourn cannot be forgotten in a hurry. After all, better than a thousand days of diligent study is a day with a good teacher.

I wish to recognize the superb academic support from members of the International Political Economy Group (IPEG), especially Shannon, and the Political Science Graduate Students' Society where I served as the academic vice president. Likewise, I am thankful for the wonderful administrative support I received from Audrey O'Neil and Juanita Lawrence.

I owe special thanks to my spouse (Obinna), your constant support provided the foundation upon which this work was built. To my parents, siblings, and friends, thank you for ensuring that I gave my best during the course of this research. Special thanks to my older sister, Chinazam, and my friends, Cynthia, Kene, Uju, Nkem, Austin, Tanisha, Latifa, Adolph, Francis, Chisom, Ericka, Sawsan, Eqbal, Mark-Davis, Sunzida, and Hamid for your encouragement, and unwavering belief in my abilities.

List of Tables

Table 1: The RSPO Certification Process for Independent Smallholders9

Table 2: Key Milestones of the RSPO Certification44

Table 3: A Comparison of the Differences Between RSPO Management Structure and that of the Smallholders' Management Structure.50

Table 4: Cost of RSPO Certification.....60

List of Figures

Figure 1: Growth in Estimated Certified Sustainable Palm Oil Production4

Figure 2: Growth of RSPO Membership and Certified Areas35

Figure 3: RSPO Governance Structure36

Table Of Contents

Abstracti

General Summary.....ii

Acknowledgments iii

List of Tables.....iv

List of Figures v

Table Of Contentsvi

List of Abbreviations..... ix

Chapter 1: Background to the Study 1

1.1 Introduction 1

1.2 RSPO certification: A market governing tool 3

1.3 Situating the RSPO in the Global North and Global South 5

1.4 RSPO Certification Standards 7

1.5 Smallholders in the Indonesian Palm Oil Industry..... 10

1.6 Research Questions and Argument 13

1.6.1 Argument..... 13

1.7 Theoretical Framework and Conceptualization 15

1.8 Methodology 16

1.9 Research Area 16

1.10 Significance of the Study 17

1.11 Organization of Chapters 18

1.12 Conclusion..... 19

Chapter 2: Certification Systems in Agri-food Industries: An Examination of RSPO21

2.1 Introduction21

2.2 Susan Strange Structural power21

2.2.1 Scholars on Strange’s Knowledge as a Form of Power22

2.3	RSPO Power and Knowledge	23
2.4	Certification in agri-food industries	26
2.4.1	Systems and Institutions of Certification	28
2.5	RSPO Knowledge and Power in Certification	29
2.6	Conclusion.....	30
Chapter 3: The Roundtable on Sustainable Palm Oil: Evolution of Certification System		31
3.1	Introduction	31
3.2	The RSPO Background	31
3.3	RSPO Legitimacy and the Multi-Stakeholder Governance	32
3.3.1	Governance Structure	35
3.3.2	Comprehensive Environmental and Social Criteria	37
3.4	The RSPO and Smallholders.....	38
3.5	Elements of the RSPO Certification Scheme	40
3.6	The Evolution of RSPO Certifications.....	42
3.6.1	Key milestones and dates of RSPO certification	42
3.7	Certification, Knowledge as Power, and Challenges for Smallholders	45
Chapter 4: RSPO Certification Standard and its Implications for Smallholders		48
4.1	Introduction	48
4.2	RSPO Certification, a Force of Modern Knowledge.....	51
4.3	Legal Requirements in Smallholder Certification Projects.....	53
4.4	Group Organizational Demand and Smallholder's Dependence	55
4.4.1	Smallholders and External Stakeholders	56
4.5	The Cost Implication of RSPO Certification.....	58
4.6	Smallholder Support Organizations and Sustainable Palm Oil Production	60
4.6.1	Apical Group	62
4.6.2	Union of Oil Palm Smallholders (Serikat Petani Kelapa Sawit/ SPKS)	64
4.6.3	Indonesian Association of Palm Oil Farmers (Assosiasi Petani Kelapa Sawit Indonesia/APKASINDO).....	66
4.7	Conclusion.....	67

Chapter 5: Conclusion and Recommendations	69
5.1 Introduction	69
5.2 Recapping Research Arguments.....	69
5.3 The Study through the Lens of Susan Strange’s Theoretical Framework.....	71
5.4 Summarizing the Findings.....	72
5.5 The Importance of the Study	73
5.6 Research Recommendations.....	74
5.7 Need for Future Research.....	75
References	77

List of Abbreviations

APKASINDO Assosiasi Petani Kelapa Sawit Indonesia

ASI Assurance Services International

BOG Board of Governors

CSPO Certified Sustainable Palm Oil

CSPO Crude Sustainable Palm Oil

EU European Union

FFB Fresh fruit bunch

FPIC Free, Prior, and Informed consent

Ha Hectares

HCV High Conservation Value

ICS Internal Control System

IPE International Political Economy

NES Nucleus Estate Smallholder

NGO Non-governmental organizations

PPE Personal Protective Equipment

RSPO Roundtable on Sustainable Palm Oil

SMILE Smallholder Inclusion for Better Livelihood & Empowerment

SPKS Serikat Petani Kelapa Sawit

Chapter 1: Background to the Study

1.1 Introduction

Addressing environmental concerns, especially those that transcend political boundaries necessitates the involvement of a wide range of stakeholders at the global, regional, national, and local levels. Currently, the field of environmental governance has expanded to encompass networks of private actors, including environmentalists, non-governmental organizations, and multinational corporations. Private actors have a significant impact on governance in the areas of environmental knowledge, influential issues, and potential solutions to environmental problems. Additionally, private actors exert influence while negotiating solutions to environmental issues by leveraging their ideas and experience (Biermann and Pattberg, 2008). One particular manifestation of global private environmental governance is the multistakeholder platforms such as the 'roundtable'. Roundtables are private agreements established with the objective of enhancing the sustainability of a specific global commodities chain. Multi-stakeholder platforms like roundtables, are decision-making authorities and exclusively held by private entities, particularly businesses and non-governmental organizations (NGOs). Governmental agencies and scientists are limited to the roles of observing members or advisors (Bennett, 2017).

The growing prominence of these actors in environmental agenda-setting and policy-making has resulted in private entities filling the regulatory vacuum and asserting control over global environmental governance. Specifically, it has led to the development of multi-stakeholder certification measures to sustainably manage natural resources. Several examples of multinational initiatives promoting sustainability in various industries include the Roundtable on Sustainable Palm Oil (RSPO), Roundtable on Responsible Soy (RTRS), Better Cotton Initiative (BCI), Better Sugarcane Initiative (BSI), and Roundtable on Sustainable

Biomaterials (RSB) (Schouten and Glasbergen, 2011). Some others include Roundtable for a Sustainable Cocoa Economy (RSCE), Ethical Tea Partnership (ETP), Fairtrade International, UTZ Certified, and Bonsucro (Potts et al., 2010). However, some critical researchers maintain a skeptical stance toward the underlying motives behind these endeavors and regard the attempts as novel means of greenwashing (Pye 2010; Johnson 2014).

The global palm oil market highlights a deeply interconnected food system where import reliance in certain countries significantly affects ecosystems and the livelihoods of people many kilometers away (Oliphant and Simon, 2022). The steady climb in worldwide palm oil consumption, which has doubled from 2005 to 2020 to about 8 kg (17 lb) per person, provides strong economic reasons for Indonesia to escalate production. Meanwhile, concerns about the environmental impacts of the palm oil sector are intensifying as the need for increased production leads to greater land allocation for oil palm cultivation. Over the period from 1964 to 2019, the area dedicated to palm oil farming in Indonesia surged from roughly 100,000 hectares to more than 12 million hectares, an increase of 22.99% in 55 years (Hirschmann, 2019). The USDA reported that by the 2022/2023 season, the land area for palm oil in Indonesia had reached 13.8 million hectares, highlighting a significant sustainability challenge.

The demand for palm oil has driven extensive land conversion, causing severe habitat degradation and biodiversity loss, particularly when primary forests are replaced with oil palm plantations (Oliphant and Simon, 2022). The industry also contributes significantly to greenhouse gas emissions, further aggravating global climate change. The practice of using slash-and-burn techniques to clear forests for new plantations often results in the irreversible loss of crucial carbon storage areas (IPCC, 2018). This situation epitomizes the sustainability crisis at hand.

In response, there is a pressing need for Indonesia and the international community to focus on sustainable palm oil production practices. In regions like Indonesia, where forest management is often lax, private certification schemes such as non-state certification standards are essential for reinforcing other policy measures (Lamnin et al., 2014, in Apriani et al., 2020). The RSPO plays a vital role in this landscape by ensuring that palm oil is verified and traceable across the entire supply chain through the use of third-party auditors. By issuing guidelines for sustainable plantation management, the RSPO strives to address the environmental challenges posed by the palm oil industry.

1.2 RSPO certification: A market governing tool

The rapid spread of oil palm monocultures in Southeast Asia has prompted some to label it "the world's most despised crop" due to its role in driving large-scale deforestation and steep biodiversity loss (Khatun et. al., 2020). This has resulted in a myriad of "sustainability" initiatives, such as the Roundtable for Sustainable Palm Oil (RSPO) which was established in 2004 with its headquarters in Malaysia. Since then, the RSPO has gained substantial institutional influence in regulating palm oil production and has established a precedent for the establishment of roundtables in other commodity chains (Johnson, 2014). RSPO establishes certification systems with the aim of ensuring that palm oil is produced without causing harm to the environment or society (RSPO, 2023). Drawing from Marx and Cuyppers' (2010) explanation of various certification systems, the RSPO uses a third-party certification system. This means that RSPO grants accreditation to a third party for the purpose of conducting the evaluation of the conformance of palm oil producers and processors (second party) to the RSPO established standards. The RSPO is regarded as the first party because it sets the standards.

RSPO's voluntary certification scheme is a multistakeholder initiative that has emerged as a part and parcel of the private regulation of global corporate conduct (de Bakker et al., 2019;

Peteru, 2022) and is frequently heralded by members of the RSPO as the most promising way to fill the regulatory vacuum (Raynolds et al., 2007). This privatized, market-based environmental governance involves filling a regulatory vacuum in global environmental governance around palm oil (Raynolds et al., 2007). Since the regulatory power of multistakeholder initiatives is not derived from the state, the RSPO power comes from its capacity to attract support from producers by offering consumer loyalty, market shares, and sometimes price premiums (Raynolds et al., 2007) alongside the voluntary participation of all other concerned stakeholders and non-governmental composition.

The RSPO standards and principles have played a pivotal role in establishing a clear definition of sustainability for the countries, industries, and farmers who rely on palm oil (RSPO, 2022). The RSPO certification encompasses the entire palm oil value chain, including plantation, mill, refinery, factory, and consumers. Since the initial production of one metric tonne of Certified Sustainable Palm Oil in 2008, the global production of Certified Sustainable Palm Oil has significantly expanded in both quantity and scope demonstrating RSPO’s impact as a governance mechanism. Currently, it represents a fifth of all global palm oil production. These certified volumes are processed and utilized in more than 6,000 recognized facilities worldwide to manufacture a diverse array of products (RSPO, 2022). There has been a steady growth in Certified Sustainable Palm Oil from 2016 to 2021 (Figure 1).



FIGURE 1: GROWTH IN ESTIMATED CERTIFIED SUSTAINABLE PALM OIL PRODUCTION

Source: RSPO (2022, pg.8)

1.3 Situating the RSPO in the Global North and Global South

The RSPO effect on palm oil production has been critiqued for its top-down decision-making process and its conservation principles which have ignored the interests of local actors such as smallholders (Ruyschaert and Salles, 2014). Smallholders assert that the RSPO decision-making process is dominated by non-growers' part of the RSPO membership (Martens et al., 2019). According to the RSPO membership composition, the balance between producers who are mostly from developing countries and other private actors who are mostly from developed countries is 40:60, which suggests that in the case of a vote, the producer's voice will most likely lose (Wijaya and Glasbergen, 2016). Over time, the tension between producers in the global south and consumers in the global north come together in the RSPO.

Importantly voluntary certifications like the RSPO are a consumer-based politics that shape production. Pichler (2013) sheds light on this perspective by arguing that the RSPO is framed within the broader process of European consumer-oriented hegemony. Specifically European palm oil consumers strengthen their power and secure the sustained supply of palm oil from Southeast Asia through certification and labelling. Consequently, small-scale producers, palm oil workers, and Indigenous peoples' interests are incorporated only selectively. This goes to show that palm oil production in the global south is shaped by the demands of international buyers or consumers to conform to standards they had no input in creating (Elgert, 2012). In sum, RSPO certification reflects global north-based standards and procedures and raises barriers to entry for producers (Renard, 2005).

According to Marin-Burgos et al., (2015), the legitimacy of RSPO is being challenged, particularly by stakeholders from developing countries. This is because RSPO has been seen to represent Western interests, and derives official validity from the European Union (EU) (Pichler, 2013). This is because Europe is the biggest market for RSPO-certified palm oil (RSPO, 2022). The current situation has contributed to the socioeconomic gaps between the

northern and southern regions. One of the concerns that emanate from the South is why there is such a focus on certification and regulation by the EU if certified palm oil products cannot be entirely absorbed in Europe (GAPKI, 2023). Despite having 27 member countries, the EU is not the largest buyer of Indonesian palm oil. It ranks fourth in total imports. China and India are Indonesia's primary importers of palm oil, according to data from the Indonesian Trade Ministry (GAPKI, 2023). Furthermore, Indonesia's chief economic minister, Airlangga Hartarto, in June 2023, during an interview with Reuters asserted that Indonesia perceives the European Union's enactment of a new deforestation law as a form of "regulatory imperialism" (Suroyo, Sulaiman, and Teresia, 2023)

Similarly, the decision by the European Parliament in 2019 to phase out palm oil from its renewable energy program (for the production of biofuels), citing environmental concerns came as a big blow to developing countries. The European Commission authorized the ban, even though the restriction would have devastating consequences for millions of smallholder farmers in developing countries. It came as no surprise, then, that major palm oil producers like Malaysia and Indonesia described this judgment as "crop apartheid" and "green colonialism" because it reignited the industry's exploitative, colonial origins (IPOA, 2021). This position was also supported by GAPKI (Indonesian Palm Oil Entrepreneurs Association) which opposes the existence of the RSPO (Ariadhy and Arkum, 2022). In all of these scenarios, the RSPO consistently aligned itself with the EU and more generally the global north. This illustrates that the palm oil industry is already conceptualized as a site of green colonialism and how the governance of the palm oil industry is dominated by the global north. However, this thesis focuses on RSPO's knowledge creation as one part of the governance of the palm oil industry.

1.4 RSPO Certification Standards

RSPO claims that its certification is the most effective method for showcasing globally that the production of palm oil is sustainable, legally compliant, commercially feasible, and does not have adverse effects on the environment, wildlife, workers, or communities (RSPO, 2024). To become RSPO certified, organizations are required to demonstrate compliance with the applicable RSPO standards. They must complete a thorough and continued verification process through an annual audit process, as well as maintain and improve their compliance status, reflecting continuous improvement (RSPO, 2024). The RSPO standard consists of RSPO Principles and Criteria, RSPO Supply Chain Certification Standard, and RSPO Independent Smallholder Standard.

The RSPO Principles and Criteria apply to all companies engaged in production, particularly mills, and growers, except for independent smallholders. This certification unit is in charge of certifying scheme smallholders (RSPO, 2018). The RSPO Supply Chain Certification Standard is a collection of verifiable criteria intended for organizations involved in the palm value chain to demonstrate their established procedures for managing RSPO-certified oil palm production (RSPO, 2020). The RSPO Independent Smallholder Standard is a component of the broader RSPO system. This policy is specifically intended for independent smallholders and applies to the global production of sustainable palm oil. The development of this standard was a response to stakeholders' increasing realization of the necessity to enhance the participation of smallholder farmers in the RSPO (RSPO, 2020). It is important to note that the RSPO standards have been developed based on the inputs obtained from a multi-stakeholder approach (RSPO, 2024).

Independent smallholders find the certification process outlined in the RSPO Independent Smallholder Standard to be cumbersome. This is because the process overlays a management framework for the production of palm oil. For example, the first step to RSPO

certification of independent smallholders requires smallholders to be organized in groups` (RSPO, 2020). Nevertheless, palm oil production is practiced by a heterogeneous group of smallholder farmers. Hence, the process of organizing smallholders into groups can be complex due to variations in their size and socio-economic background (de Vos, 2023).

Furthermore, the second phase necessitates that smallholders adhere to the RSPO Standard Operating Practices, which encompass the monitoring of soil fertility, erosion, groundwater, invasive species, pesticide usage, and so on. Although the financial requirement to comply with the RSPO SOPs is substantial, the RSPO does not usually provide funding for these evaluations and the associated training. Instead, smallholders are responsible for covering this cost which they consider expensive (Oliphant and Simon, 2022). Although the RSPO established a RSPO Smallholder Support Fund (RSSF), it can only offer financial assistance to a limited number of smallholders annually to subsidize certification expenses.

In addition, internal auditing, a crucial element of the RSPO certification process is not only expensive but also places a significant burden on small-scale farmers. Smallholders must acquire necessary legal documentation, such as land registration paperwork, as a requirement. However, instead of possessing a formal land title, many smallholders own a Surat Keterangan Tanah (SKT), which is a document of ownership issued by the village head. This document is not deemed valid as an official land title and, as a result, cannot be utilized for auditing. Essentially, the complex administrative and technical characteristics of the RSPO knowledge framework limit smallholders from adopting the RSPO certification. The table below presents the RSPO certification process for independent smallholders.

TABLE 1: THE RSPO CERTIFICATION PROCESS FOR INDEPENDENT SMALLHOLDERS

STEP ONE (1)	<p>Group Formation</p> <ul style="list-style-type: none"> • Smallholder Group Legislation. • Establish Internal Control System (ICS) and Group Manager Appointment. • Obtain relevant data of the group member’s plots (mapping, palm oil planting years, and/or land registration document). • Group members understand their commitment to RSPO Certification through the Smallholder Declaration.
STEP TWO (2)	<p>Standard Operating Procedures (SOPs) & Training Programme</p> <ul style="list-style-type: none"> • Understand the value of developing and implementing Standard Operating Procedures (SOPs), management plans, and updating records of the farm activities. • Present substantial training components as required by the phased approach of the RSPO ISH Standard. • Read key documents towards the RSPO Certification Audit, such as: The RSPO ISH Standard; Auditor Checklist for Audits against RSPO ISH Standard; and System Certification of the RSPO Certification
STEP THREE (3)	<p>RSPO Membership Registration</p> <p>Provide clear and sufficient information for the RSPO Membership application. Read RSPO Membership Requirements. Understand and adhere to the RSPO membership rules, including annual membership fee payment.</p>
STEP FOUR (4)	<p>Internal Audit</p> <p>The ICS committee needs to conduct the internal audit as a pre-audit assessment. The key documents as references being implemented. The internal audit includes:</p> <ul style="list-style-type: none"> • Preparation by the group Stakeholder/Public Consultation Announcement • Opening meeting • Inspection of documents • Field work • Sampling • Closing meeting • Follow up on non-compliances • Continuous improvement
STEP FIVE (5)	<p>Identify the Certification Body (CB) & Internal Audit</p> <p>Once the internal audit is successful, smallholder groups arrange the audit against the RSPO ISH Standard. Once the CB is identified, the one-month public announcement is required prior to the audit date. The smallholder group is to provide the LUCA result which has been analysed by RSPO.</p>
STEP SIX (6)	<p>RSPO ISH Standard Certification Audit</p> <p>The Certified Sustainable Palm Oil (CSPO) sold as RSPO Credits can be allocated in the PalmTrace Platform once the audit is successful. RSPO credits are one of the benefits of RSPO certification. In order to maintain the benefit, the group must: Conduct an annual audit (Surveillance Audit), Pay the annual membership fee, and Inform the RSPO of any changes such as to plots/ smallholders added to the group.</p>

Source, RSPO (2024)

1.5 Smallholders in the Indonesian Palm Oil Industry

Indonesia's palm oil production is illustrative of the industry and the role of smallholders. In Indonesia, smallholders account for 41% of the total land area under palm oil plantations (Musim Mas, 2023). According to the 2014-2016 Indonesia Palm Oil Statistics, Indonesia's oil palm smallholdings increased from 2,549,428 ha to 4,763,797 ha (a rise of 87%) in the most recent decade, surpassing state-owned plantations (687,428,755,787 ha; a rise of 10%) and private enterprise estates (3,357,914,615,277 ha; a rise of 83%) (Erniwati *et al.*, 2017). They cover about half of the oil palm acreage in Sumatra, where more than 60% of Indonesian palm oil is grown (Petrenko *et al.*, 2016). Furthermore, Smallholder farmers employ almost 4.4 million people, or 2.5 million households (Sukiyono *et al.*, 2022). Smallholder farmers' families are the ones that provide most of the labour on the farms and, in most instances, grow other crops for subsistence besides palm oil farming (Apriani *et al.*, 2020). Smallholder palm oil farmers are categorized into two groups: scheme smallholders and independent smallholders.

Scheme palm oil smallholders are those farmers that operate under a palm oil intervention started by the Indonesian government to enhance the development of smallholder plantations with palm plantation firms assisting and supporting the surrounding community in palm oil plantations (Musim Mas, 2023). Furthermore, scheme smallholder farmers are bound by a contract and often supervised by a palm processing or milling facility. They also tend to depend on financing schemes provided by the government. Nonetheless, the earlier smallholders under the scheme program collectively came together to link smallholders with government palm estates in the 1970s but later moved into transmigration programs by the government (Hidayat *et al.*, 2015). Under these programs, the scheme management responsibilities were left to cooperatives of firms rather than the smallholders themselves. As

such, management decisions, such as whether to get into or maintain RSPO certification, were made for them by companies or cooperatives (Hidayat et al., 2015).

Scheme smallholders in Indonesia are organized under two schemes. The first is a smallholder cooperative which is an individual-based approach mainly for families that possess a palm oil plantation. The cooperative is called Kredit Koperais Primer Anggota (KKPA). The other scheme is the village development program (VDP) which in Indonesian is called Kebun Kas Desa. It is essentially a community-based approach mainly to manage palm oil plantations collectively (Hutabarat et al., 2019). However, scheme smallholders, after their contract period, could choose to continue selling their harvest crop to the same company mill or become independent by selling their crop to any palm oil company or mill offering the best price as well as making individual management decisions (Euler et al., 2016).

Independent smallholders are small-scale farmers who operate without any contractual obligations, credit agreements, or affiliations with a specific mill (RSPO, 2019). Independent smallholders usually have limited access to resources, technical knowledge, and market information (Brandi et al., 2015). Independent smallholders in Indonesia cultivate palm oil on production areas that do not exceed 20 hectares. Family members primarily contribute labour, and their farms serve as the primary source of income (Cordoba et al., (2022).

Smallholders are frequently portrayed as the Achilles heel of the oil palm sector in current efforts by the Indonesian government, non-governmental organizations, and the private sector to improve sector performance due to poor practices and low yields. Their vulnerability stems in part from the commodity's characteristics: To maintain quality, fresh fruit bunch (FFB) or palm oil fruit should be milled within 24 hours of harvest. Since smallholders frequently lack the means to transport and sell their FFB fast due to limited financial resources, the quality of their FFB is easily compromised. Furthermore, independent smallholders' reliance on agents to sell their produce to mills makes them vulnerable to

exploitation by unscrupulous intermediaries that pose as crop brokers between them and millers. These middlemen charge high fees for their brokerage services, thus taking away a considerable part of the independent smallholder's profits (Hidayat *et al.*, 2015). Other variables that contribute to smallholders' economic vulnerability include market access uncertainty, price fluctuations, and a lack of expertise in maintaining palm oil plantations, which affects productivity.

Although higher standards are advocated globally and nationally to ensure the protection of the environment, smallholders find it challenging to satisfy the required sustainability requirements. Smallholders consider themselves as targets for the EU's sustainability standards since this is a condition tied to the purchase of palm oil for bio-diesel (Julia, 2010). Smallholders perceive that the RSPO standard-setting and the associated management models, such as audits and certification procedures, prioritize the promotion of technical and organizational practices thereby dominating their local knowledge and preferences (de Vos *et al.*, 2023; Purwanto *et al.*, 2020; Hutabarat *et al.*, 2018). Smallholders cannot afford to change their methods and focus on sustainability as defined by the RSPO. The RSPO managerial solution fails to address the underlying social relations involved in the production of the commodity, which must be enhanced in order to achieve genuinely sustainable palm oil production. For instance, land and labour rights issues, inequitable profit distribution, and the significant loss of biodiversity associated with RSPO-certified palm oil monocultures in Indonesia (Purwanto *et al.*, 2020). Some scholars opine that without government involvement and support from non-government or private sector groups, independent smallholders are unlikely to achieve the RSPO voluntary, sustainability certification (Watts *et al.*, 2021; Aprani *et al.*, 2020; Ariadhy and Arkum, 2022). They assert that sustainability should encompass not only environmental concerns but also social and economic imperatives. Hence, the RSPO certification ought to be incorporated within a

holistic rural development strategy aimed at achieving sustainable intensification. (Glasbergen, 2018).

The RSPO implements its knowledge of sustainability through certification. The RSPO certification has emerged as a prominent and innovative avenue for establishing and regulating standards in the field of environmental conservation. Certified palm oil is thought to effectively tackle numerous sustainability concerns commonly linked to the palm oil sector. However, the knowledge framework governing palm oil production is influenced by an administrative and technical overlay, resulting in a knowledge departure from smallholders' traditionality. The RSPO certification scheme has gradually put pressure on producers of palm oil, de facto defining mandatory requirements to enter the international market. This thesis presents the RSPO certification system as the avenue through which RSPO knowledge power is demonstrated since compliance with its definition of sustainability in the palm oil industry guarantees continued or enhanced access to the global market. Also, the RSPO development of standards for commodity production and the verification mechanisms to ensure that standards are adhered to presents the certification system as a means of also erecting market barriers.

1.6 Research Questions and Argument

1. How does knowledge as power operate in the RSPO?
2. What is the implication of this knowledge on smallholders?

1.6.1 Argument

The shift towards voluntary sustainability governance and the inclusion of various actors in governing practice is characterized by the absence of coercive control (Johnson, 2014). Instead, human relations are influenced by a nuanced diffusion of techniques and the construction of knowledge (Strange, 1994). This reveals a dimension of power that comes from

knowledge. David and Meersohn (2018) and Haggart (2019) studies drew from Strange's knowledge structure theory. While David and Meersohn (2018) submit that digital networks are a form of knowledge structure, Haggart (2019) reveals that the level of knowledge affects the production capacity which has a significant influence on economic prosperity and societal well-being. These perspectives complement Strange's theory of knowledge power, however, this thesis looks at something different. This thesis suggests that the various multi-stakeholder expertise, discourses, techniques, and practices related to palm oil constitute the RSPO knowledge structure that shapes the criteria for sustainable palm oil production. This thesis considers the RSPO knowledge to be modern in nature. Auditing and legal land tenures are important in the RSPO's modern knowledge construction. Smallholders' knowledge on the other hand is presented to be traditional, valuing lands as intergenerational and does not necessarily require legal titles. Furthermore, the auditing process is perceived as burdensome and costly.

This thesis argues that the RSPO modern knowledge framework has an administrative and technical overlay implicated in the organization's certification requirements particularly, concerning the involvement of smallholders in the palm oil industry. Nevertheless, smallholders who claim to be poorly represented in the RSPO membership structure, see themselves as targets of Western power framing of sustainability since their practices and knowledge contradict the RSPOs. Certification under the RSPO standards often overlooks the basic issue of eviction of local communities from their lands, as well as the broader issue of industrial production, favouring agribusiness models over alternative ones, such as smallholder agriculture. Therefore, there is an exclusionary effect of RSPO knowledge on smallholders in developing countries who simply lack the administrative and technical capacities to comply with the RSPO certification requirements.

1.7 Theoretical Framework and Conceptualization

This thesis finds Susan Strange's theory of structural power, the knowledge structure in particular the most suitable theory to serve as a road map for the argument and to explain the power of the RSPO. Strange structural power moved beyond the relational theory of power to structural power. She opines that structural power grants the capacity to determine how tasks will be carried out, as well as shape frameworks whereby states relate with each other people or even corporate enterprises (Strange 1994, pg.18). She argues that security, production, finance, and knowledge are the four dimensions of structural power within the International Political Economy (IPE), and at any given time, they each contribute in varying proportions to the structural power attributable to the specific actor being analyzed.

The RSPO was established as a voluntary, multi-stakeholder, environmental palm oil regulatory body that was formed in response to the call for a sustainable development strategy (Ruysschaert and Salles, 2014). The RSPO's overarching goal remains to ensure sustainable palm oil production, supply, and use. The voluntary manner in which this organization was formed corroborates Strange (1994) submission that the power of knowledge structure comes from consent rather than coercion and it is voluntarily conferred due to shared belief systems and its importance to individuals and society (pg. 65). Again, Strange (1994) argues that the shared belief is what sustains authority in the knowledge structure and supports both the political and economic arrangements acceptable to society (pg. 67). This confers the RSPO with the legitimate power to bring together its many stakeholders to develop acceptable global standards and multistakeholder governance of the oil palm sector.

This brings us to an important concept- standards. Busch's (2011) defines standards as a rule or norm by which we are told we should live, and the range of possibilities presented to us when we make choices (pg. 22). Busch argues that private standards give rise to voluntary rules and choices, and must be followed in order to participate in a given market. RSPO

standards reflect Busch's definition and therefore the mode of governance of the palm oil industry. When we connect the above meaning of standard to the Strange knowledge structure, we see that structural power is exercised by whoever is able to develop knowledge (Strange 1988, pg. 63), and as for this thesis the RSPO knowledge gives credence to the standards they establish in the form of certification.

1.8 Methodology

The research approach employed in this thesis is qualitative in nature and involves the collection and analysis of non-numerical data in order to get meaningful interpretations from such data. This will directly involve white papers from the RSPO, the Indonesia Ministry of Agriculture, the Indonesia Central Bureau of Statistics (Badan Pusat Statistik - BPS), The Indonesian government-established cooperative, Assosiasi Petani Kelapa Sawit Indonesia (APKASINDO). Resources from different NGOs such as Serikat Petani Kelapa Sawit (SPKS). This work will also examine numerous scholarly works, such as peer-reviewed journal articles, and articles from online media such as The Jakarta Post, Mongabay, and the Palm Oil Magazine.

Content analysis was employed as the method of data analysis. By employing this analytical approach, the extraction of meaning is analyzed and grounded in logical chains of evidence. Inferences were derived from this process, leading to the formulation of an argument about RSPO and knowledge.

1.9 Research Area

The interest of this thesis lies in understanding the governance of smallholders in the palm oil industry and exploring their possible resistance in response to the governing mechanism. Due to the qualitative research approach employed in this thesis, studying smallholder organizations underground in Indonesia poses a significant challenge. Therefore,

this thesis has chosen to examine the RSPO because of the availability of official documentation that can be carefully studied from a distance.

This thesis chooses to focus on Indonesia because of the country's influence in the palm oil industry. Indonesia is the largest producer of palm oil globally, accounting for a significant portion of the world's palm oil supply. Thus, understanding the dynamics of palm oil production, its impacts, and potential improvements in Indonesia can have a significant impact on global palm oil markets and sustainability efforts. In addition, its adherence to sustainability standards, including RSPO certification, can significantly impact the overall sustainability of the palm oil industry. The rationale behind focusing on RSPO certification in Indonesia provides this thesis with a rich context to explore various dimensions of palm oil sustainability, including governance, social responsibility, and market dynamics.

Another key reason for focusing on Indonesia is the dominance of smallholders. Smallholder farmers play a significant role in Indonesia's palm oil industry, with estimates suggesting that they account for around 41% of the country's palm oil production. Understanding the challenges and opportunities related to RSPO certification among smallholders is crucial for improving the overall sustainability of the industry. Research in this area can contribute to the design of targeted interventions aimed at promoting sustainable practices, improving market access, and enhancing the resilience of smallholder farmers in the palm oil sector.

1.10 Significance of the Study

This thesis contributes to environmental governance literature in several ways. First, focusing on the RSPO and its use of knowledge as a form of power contributes to our understanding of the influence of certification practices especially on smallholders. Furthermore, the thesis findings are crucial for policymakers, industry stakeholders, and

organizations like the RSPO. This thesis findings might be utilized to support policy recommendations and strategic decisions aimed at increasing the inclusiveness, transparency, and sustainability of the palm oil business. It establishes the basis for stakeholders to collaborate to develop a more balanced and socially responsible palm oil sector and its effects on smallholders.

1.11 Organization of Chapters

This thesis is structured in five chapters. In Chapter 1, background information is provided on the RSPO market-based type of governance with its criticisms in the palm oil industry. This section also presents an overview of the Indonesian smallholders, as well as the thesis argument. It expounds on the thesis theoretical framework and research methodology.

Chapter 2 of this thesis focuses on exploring the rise of environmental and social certification initiatives aimed at addressing sustainability concerns. These initiatives are identified as forms of private governance, operating independently of state authority and wielding substantial influence over global corporate conduct. The chapter delves into the complex dynamics of the RSPO as a multistakeholder private governance entity. It undertakes a comprehensive review of the agri-food industry's certification landscape, providing an overview of the surge in initiatives and their recognition as influential mechanisms. The thesis then explores the intricate relationship between the RSPO and certification as a standard for knowledge, revealing the dimension of power within the international political economy. The theoretical framework is underscored by Susan Strange's perspective on knowledge as a form of power in global economic dynamics.

Chapter 3 provides a detailed exploration of the RSPO, a non-profit organization addressing global demand for sustainably produced palm oil. The chapter delves into the RSPO's objective, governance, and approach to consensus-building within the palm oil

industry. It emphasizes the organization's efforts to gain legitimacy through sustainability initiatives and the inclusion of smallholders. Furthermore, the chapter examines the evolution of the RSPO certification system, elucidating how it shapes knowledge structures in the palm oil industry. It also explores how the certification system becomes a requirement for palm oil producers to secure a position in the industry supply chain and access the global market, establishing knowledge as a form of power for the RSPO.

Chapter 4 serves as the discussion section, focusing on the RSPO's pursuit of sustainable palm oil production, specifically through its Independent Smallholder Standard 2019. The chapter identifies a knowledge gap regarding how the RSPO utilizes knowledge as a form of power and the challenges faced by smallholders in the palm oil industry, particularly in Indonesia. It examines how the RSPO's modern knowledge structure with its administrative and technical overlay causes legal complexities, group organizational demands, and external dependencies thereby hindering smallholders' participation in RSPO certification. The thesis also questions the adequacy of the RSPO Smallholder Support Fund to make certification financially viable for smallholders. It concludes with an acknowledgment of development initiatives such as the SMILE Program, SPKS, and APKASINDO that aim to support smallholders and enhance the sustainable production of palm oil.

Chapter 5 serves as the conclusion of this thesis. This conclusion encapsulates the key findings, implications, and recommendations drawn from the research, completing the comprehensive exploration of the RSPO's knowledge-power dynamics and the challenges faced by smallholders in the palm oil business.

1.12 Conclusion

The chapter discusses the RSPO as a manifestation of global private governance, emphasizing its role in regulating palm oil production through certification. It likewise

examined the position of smallholders in the Indonesian palm oil industry. This chapter states the research questions related to the operation of knowledge as power in RSPO and its implications on smallholders. The thesis argument posits that RSPO's knowledge power, manifested through certification, creates an exclusionary effect on smallholders in developing countries, with a focus on Indonesia. It introduces Susan Strange's theory of structural power as the guiding framework for understanding RSPO's knowledge as a form of power dynamics. The chapter presents the qualitative research approach as the method of data collection and content analysis as the technique for data analysis. This section emphasizes the importance of the thesis in addressing the knowledge-power dynamic of RSPO, particularly in its impact on smallholders, it further acknowledges the limitations of the thesis. This chapter concludes with an outline of the five-chapter summaries of the thesis.

Chapter 2: Certification Systems in Agri-food Industries: An Examination of RSPO Power and Knowledge

2.1 Introduction

This chapter reviews how sustainable certification initiatives have increased in the agri-food sector. These initiatives are primarily forms of private governance, operating independently of state authority and exerting influence over global corporate conduct. This thesis explores the relationship between RSPO as a form of multistakeholder private governance, and how it uses certification, as the thesis will argue, to systemize its knowledge. This gives birth to a dimension of power within the international political economy, emphasizing the role of knowledge as a crucial source of power. This review highlights the theoretical underpinning of this thesis through the lens of Susan Strange's theory of knowledge as one form of power in the international political economy.

2.2 Susan Strange Structural power

This work begins with a discussion of Susan Strange's theory of structural power with a special focus on the knowledge power dimension. This overview will provide us with the main assumptions of the theory as well as how other scholars have employed her perspective in their works. The goal is to situate RSPO power and knowledge within the practice of RSPO's certification.

Strange's dimensions of structural power offer insights into how power is exercised and sustained in the international political economy. Strange argues that security, production, finance, and knowledge are the four dimensions of structural power within the International Political Economy (IPE), and at any given time, they each contribute in varying proportions to the structural power attributable to the specific actor being analyzed, whether it be a state, transnational corporation (TNC), or international organization (Strange, 1988). First, the

security dimension relates to the ability of influential actors, such as states or international organizations, to uphold global security and stability, which can impact the international economic order. Second, the production dimension pertains to control over the economic processes, industries, and resources driving the global economy, along with the capacity to set trade and investment rules. Financial power, the third dimension, is wielded by entities like central banks, international financial institutions, and major financial centres, influencing economic stability through monetary policies and capital flow control. Last, the knowledge dimension underscores the significance of information, expertise, and narrative control in shaping economic decisions and policies in the international arena, involving actors like think tanks, academic institutions, media outlets, and international organizations (May, 1996). This thesis aims to employ her knowledge structure to understand how RSPO certification is a practice of power.

2.2.1 Scholars on Strange's Knowledge as a Form of Power

Scholars have engaged with Susan Strange's concept of knowledge as a form of power from different perspectives. In their study, David and Meersohn (2018) extend Strange's multidimensional approach by incorporating Manuel Castells' framework on digital network structures. Their work demonstrates the generative potential inherent in knowledge structures and they integrate digital network structures. Networks facilitate the emergence of novel social constructs that prioritize the fundamental right to access information over other values. Consequently, the authors conclude that these digital networks represent a form of knowledge structure as initially conceived by Strange. However, the inclusion of a sociological dimension, as offered by Castells, significantly enriches this conceptualization.

Haggart (2019) proposes a theoretical framework, drawing from the theories of Strange, to systematically examine the connection between the governance of knowledge and various

other sources of authority. This analysis illuminates the dynamics of power and their implications on the economy. Haggart contends that knowledge governance, especially when it involves commodified knowledge, represents a substantial source of power, a facet that is frequently underestimated. The research underscores the importance of recognizing the interplay between knowledge governance and other foundational structures of power, which encompass aspects like security, production, and finance.

Two studies offer different but complementary perspectives on Strange's concept of knowledge as a dimension of power. David and Meersohn enrich the understanding of knowledge structures by integrating digital network structures, while Haggart emphasizes the substantial, often underestimated, power of knowledge governance. Both studies contribute valuable insights to the broader discourse on knowledge as a form of power and its implications for various domains, including economics and society. These perspectives collectively emphasize the multifaceted nature of knowledge as a source of power and its relevance in contemporary analyses of power dynamics.

This thesis seeks to present an argument that the RSPO certification may be comprehended within the framework of Susan Strange's knowledge dimension of structural power. This analysis presents a novel endeavour to categorize the RSPO certification as a manifestation of power specifically knowledge power. Additionally, this thesis will show that the certification procedure of the RSPO, which is framed as a knowledge practice, has implications for small-scale farmers.

2.3 RSPO Power and Knowledge

The RSPO has the power to set the standard (rules) others must follow for sustainable palm oil production. The RSPO claims to bring multiple stakeholders together to participate in dialogue, decision-making, and implementation of responses to jointly perceived problems

especially unsustainable palm oil production and processing. This characteristic of a participatory structure is not only a defining feature of a voluntary sustainability standard organization like the RSPO but also a source of knowledge power that comes from consent and a shared belief system.

Strange (1994,65) argues that power from the knowledge structure comes less from coercive power and more from consent, authority being conferred voluntarily on the basis of shared belief systems and the acknowledgment of the importance to the individual and to the society ...

Worthy of note are the conditions in which structural power comes into play. For Strange (1994) there should be a significant degree of independence from outside influence, internal self-control, and the ability to have a transformative impact on the external environment. We can claim that the RSPO thrives in these rules. As a voluntary private governance initiative, it enjoys some level of independence from state interference; the organization has an elaborate governing structure that regulates its internal affairs; and lastly, its established standards govern the global palm oil industry.

Strange (1994) sees power derived from knowledge in the proclamation of powerful ideas that have wide appeal, are accepted as valid, and give legitimacy to the proclaimers. Interestingly, this description is reflective of the RSPO standards that shape and determine the structure of the global palm oil industry. The knowledge dimension underscores the significance of expertise in shaping economic decisions and policies in the international arena.

As such, the RSPO knowledge shapes economic decisions and policies surrounding stakeholders' participation in the palm oil industry. Nevertheless, this thesis asserts that the administrative and technical overlay is the kind of knowledge framework that has influenced sustainability discussions and policies, particularly in relation to the involvement of smallholders in the industry. The RSPO knowledge is commonly associated with large-scale

plantations. This form of agriculture is characterized by industrialization, high levels of technical expertise, legalness, administrative processes, and commercial operations. It involves consolidating smallholdings into larger plantations and tacitly more efficient units of production.

Conversely, the smallholders' knowledge of sustainability is in conflict with that of the RSPO. Smallholders who have over the years produced palm oil on a small scale do not have the administrative capacities to map-on the RSPO forms of knowledge easily. Meanwhile, productivity is still the main concern for oil palm smallholders since it is directly connected to a family's income and welfare. Therefore, smallholders are accustomed to the livelihood strategy that entails increasing production and income by expanding their farmlands either through purchase or 'slash and burn' practice (Dharmawan et. al., 2021). Smallholders see the oil palm sustainability certification as a process of constraining production, intentional impoverishment, and livelihood limitation (Glasbergen, 2018). Furthermore, smallholders still perceive sustainable certification programs as mere capacity-building training and even just a legal documentation procedure. The certification processes may not provide direct added value or increased income. Consequently, smallholders palm oil production practices may be in direct conflict with certification requirements. First, certification requires monthly documentation, which is an administrative burden. Second, some of the certified production practices such as applying fertilizer require additional equipment such as personal protective equipment (PPE). is required for fertilizer application. Third, many smallholders rely on 'slash and burn' practices to acquire more land, which is in direct contradiction to RSPOs sustainability rules. In sum, certification not only border smallholders with additional work and costs, it can also be in conflict with long-held production practices.

This thesis posits that the RSPO's expertise and knowledge in defining what is sustainable as contained in its Principles and Criteria makes it powerful in the palm oil industry

in a way that the smallholders can never be powerful even if they have representation in the RSPO membership structure. This is because the RSPO's sustainability knowledge as systemized through certification conflicts with smallholders. These smallholders now see themselves as targets of Western power framing of sustainability.

2.4 Certification in agri-food industries

The past two decades have seen a significant increase in the prevalence of environmental and social certification in the domains of forestry, agriculture, and non-food, mono-crop agricultural products. The market-based voluntary standards encompass a range of certifications, such as the Forest Stewardship Council (FSC) for wood products, Fair Trade for agri-food products, and RSPO certification for palm oil. The new industrial discipline of non-state norms, certifications, and accreditations seemingly applies to everyone and everything (Busch, 2011).

Certification is a form of private governance that operates independently from state authority and non-state actors are establishing alternative systems of government (Busch, 2011; Pichler, 2013). Multistakeholder initiatives include certification schemes that play a progressively significant role in the context of privatized neo-liberal governance (Bartley, 2003; Busch, 2011). According to Busch (2011), the increased desire for power among nonstate actors can be attributed to their pursuit of establishing autonomous governance, which is driven by the neoliberal aspiration for individuals to operate freely within a market-oriented society, free from state intervention. Multistakeholder initiatives can be seen as exemplifying the prevalence of neoliberalism, as they transfer governance authority from the state to the corporate sphere (Busch, 2011, pp. 517). In contrast, Pichler (2013), argues that voluntary certification systems have the capacity to alter the dynamics of state power. This phenomenon becomes apparent in the context of a more globalized world market when the dynamics of

power inside a nation-state have shifted their focus from the national level to a transnational political entity that serves their respective interests whether outside of the state or inside the state certification is influential.

Certification has been presented as a new environmental policy instrument. The certification of novel instruments operates under the premise that corporations, in conjunction with market incentives, can effectively manage the environment while minimizing the need for external enforcement mechanisms provided by the state (McCarthy and Zahars 2010 in Pichler 2013). According to Reynolds, Murray, and Heller (2006), consumers are concerned with the environmental and social aspects associated with their purchases. This heightened concern has led to an increased demand for certified items, particularly those that are sourced internationally. Hence, the utilization of certification and labeling mechanisms serves as a significant institutional approach to foster social and environmental sustainability (pg. 148). Auld (2010) also views certification as a market pressure to mitigate the environmental and social negative consequences of traded commodities like coffee.

In Marx and Cuypers (2010), certification is strongly portrayed as an informational tool that structures market interactions (pg.410). As a market mechanism, it encompasses many incentives such as market access, price premiums, and reputation. The realization of market access is claimed to occur as a result of increased demand for certified products at higher levels of the supply chain. The authors assert that price premiums may arise due to customers' inclination to allocate a higher monetary value to sustainable products. Regarding the concept of reputation, the author concurs with Marx (2008) in asserting that certification is employed as a mechanism for managing reputation and mitigating risks when engaging with external stakeholders. On the one hand, scholars align certification as an environmental policy instrument. On the other hand, it is also a market governance tool. Certification has also been described as a market governance tool (Cashore et al., 2004) that alters the commodity chain

by imposing regulations on market access and establishing standardized quality criteria (Renard, 2005). The concept of quality in a product is not an inherent condition, but rather a construct that must be deliberately developed and promoted in order to gain a collective comparative advantage. Consequently, there arises a necessity for an organization that can establish precise quality definitions and advocate for them through certification practices, thereby assuming the role of a quality guarantor. In this context, the capacity to attribute worth through the validation of a certain definition of quality necessitates the implementation of certification procedures. This implies that certification inherently confers a form of authority.

2.4.1 Systems and Institutions of Certification

Renard (2005) further describes the mechanisms through which the autonomy of certifiers is guaranteed. Established norms include the utilization of third-party, professional inspections as opposed to peer inspections. Furthermore, certifying organizations are now subject to certifications, necessitating conformity with regulatory frameworks and international authorities. These external entities guarantee that the inspectors employed by these organizations possess the necessary training and expertise. It is important to acknowledge that producers of products are subsequently subjected to a proliferation of regulations and verification procedures, which impose a significant administrative and financial burden.

Marx and Cuypers (2010) present a comprehensive analysis of certification systems, encompassing a spectrum of certification types, ranging from first-party to third-party certification. They argue that all parties involved function separately from one another, and the certification process represents a mode of independent market regulation that is not influenced by the state. The regulatory authority is derived from the capacity to secure producer endorsement through the assurance of consumer allegiance, market shares, and often price premiums (Raynolds, Murray and Heller, 2007). First-party certification refers to the process

in which an organization establishes its own set of standards and evaluates its adherence to these criteria. One illustration can be found in the form of a company's code of conduct. Second-party certification refers to a certification process involving two parties. One party establishes the standards, while the other party seeking certification is evaluated to determine their compliance with these standards. The first party establishes the criteria encompassed within a certificate, whilst the second party requests a certificate to verify adherence to these criteria. A certification conducted by a third party evaluates the extent to which the second party complies with the established standards. The first party grants accreditation to the third party for the purpose of conducting the evaluation of conformance. In the context of the RSPO, the third-party certification exists.

2.5 RSPO Knowledge and Power in Certification

RSPO's knowledge guides the establishment of the organization's standards, such as the Principles and Criteria, Supply Chain Certification Standard, and Independent Smallholder Standard, which claim to encapsulate best practices regarding sustainable palm oil. According to RSPO, its Principles and Criteria have been widely recognized as the most stringent requirements globally for sustainable agricultural production. In addition, they assert these standards have been adapted to other crops in different contexts. That is to say, the organization sees its standard as the most suitable for the sustainable production of palm oil.

The RSPO governs and is the authority for sustainable palm oil through certification. Therefore, the RSPO power that comes from knowledge I argue, is leveraged in its certification system which are new conditions for production. Its process of certification involves stakeholders' compliance with the developed sustainability standards (principles and criteria) which ultimately enhances their access to the global market, failure to comply could limit one's access.

There is an exclusionary effect of RSPO standards on smallholders in developing countries who simply lack the administrative, technical, and scientific capacities to comply with certification requirements. It will be instructive to examine an important question Strange asks “Who benefits” in her theory to understand who benefits from the RSPO particular expression of knowledge. Northern stakeholders undoubtedly, benefit from the RSPO knowledge structure. This thesis asserts that the administrative and technical competence of large-scale plantation owners gives them leverage to easily meet the RSPO certification criteria. Whereas, smallholders find it difficult to adopt and internalize these standards. Therefore, the RSPO certification objectives are not necessarily aligned with the needs, interests, and preferences of the smallholder producers (Glasbergen, 2018).

2.6 Conclusion

The review has provided an overview of how certification has become a practice in the agri-food industry and has become a knowledge tool to proffer solutions for environmental and social problems resulting from natural resource extraction. Drawing from Susan Strange knowledge power dimension, this thesis argues that the RSPO possesses knowledge power that confers them the authority to set standards for sustainable palm oil production. In addition, this study presented the RSPO certification system as the avenue through which RSPO knowledge power is demonstrated. This is true since the certification of stakeholders guarantees their access to the global palm oil market. This thesis opines that the RSPO knowledge power has implications for smallholders whose practices and knowledge contradict the RSPO’s.

Chapter 3: The Roundtable on Sustainable Palm Oil: Evolution of Certification System

3.1 Introduction

This thesis addresses the research questions: How does knowledge as power operate in the RSPO? What are the implications for smallholders in the palm oil industry? This helps gain insights into how RSPO reinforces unequal power relationships through knowledge as a form of power and its challenges to smallholders in the palm oil industry. This chapter will delve into aspects of Roundtable on Sustainable Palm Oil (RSPO), a non-profit organization that was established in response to the global demand for palm oil produced in a sustainable manner. It seeks to work towards the transformation of the palm oil industry to ensure its sustainability (RSPO, 2011). The chapter will explore the RSPO's objective, governance, and approach to reaching a consensus within the palm oil industry. Additionally, the chapter will examine the evolution of the RSPO certification system. The RSPO's knowledge structure and its use of the certification system is a passport for palm oil producers to access palm oil supply chains and global markets.

3.2 The RSPO Background

Palm oil production remains an important economic resource. This significance stems from its numerous applications, which include being a vital ingredient in the production of cosmetics, cleaning products, and consumables, as an alternative to fossil fuels, and as a biodiesel feedstock (Sarjono *et al.*, 2022; Sylvia *et al.*, 2022). Palm oil's various applications, combined with the world's growing population, have resulted in an ever-expanding supply and demand for palm oil. Consequently, the palm oil sector's impact on the environment has also expanded. These threats include encroachment on forest reserves (deforestation), biodiversity loss, increased greenhouse gas emissions, communal conflicts, and further endangering of endangered species (Meehan *et al.*, 2019; Busch *et al.*, 2022). The industry's growth and its

increased environmental impact led to increased pressure from environmental groups, social movements, and NGOs' calls for sustainable palm oil.

To address these issues, the World Wildlife Fund (WWF) and various stakeholders from businesses and civil society including the Malaysian Palm Oil Association (MPOA), Unilever, AAK, and Migros, formally established on 8 April 2004 in Zurich the Roundtable on Sustainable Palm Oil (RSPO) under Article 60 of the Swiss Civil Code. Some scholars have argued that private governance initiative such as the RSPO is shaped by political actors who create standards and regulations to gain political control over others (Grabs et al., 2021). For some others, it is described as a private sector-driven initiative that was established due to “the weakness of local policies and their implementation” (Nikoloyuk et al., 2010: pg. 65). Others say it is an evolving attempt of NGOs to use the market to exert environmental and social values on production processes (Klooster, 2005). However, the RSPO asserts that its formation was driven by the goal of promoting the growth and usage of sustainable oil palm products by implementing internationally recognized standards and engaging all stakeholders (RSPO, 2019). This thesis, nevertheless, presents the RSPO as the authority for sustainable palm oil through its certification system which is a formalized practice of knowledge power. This is because the RSPO certification constrains and enables market access for a variety of actors.

3.3 RSPO Legitimacy and the Multi-Stakeholder Governance

Organizations, like the RSPO understand the importance of being seen as legitimate. For knowledge as power to be effective, an organization must be legitimate. Legitimacy is crucial to the credibility and acceptance of claims associated with knowledge. It is a way of establishing trust and gaining recognition, from stakeholders including members, customers, governments, and non-governmental organizations (NGOs). The RSPO gains legitimacy

through its multi-stakeholder structure, its governance structure, and its knowledge practices including environmental and social criteria, and certification.

RSPO asserts its legitimacy through its stakeholder approach, which involves a broad range of participants, across the palm oil supply chain. These include oil palm producers, processors, traders, consumer goods manufacturers, retailers, financial institutions, environmental and nature conservation NGOs as well as social and developmental NGOs. RSPO believes that its commitment to inclusivity is crucial in ensuring a diverse range of perspectives that are considered in the decision-making processes of the organization. By adopting a consensus-based approach RSPO claims to allow all stakeholders to express their views and collectively shape the standards and policies of the organization to promote transparency, inclusiveness, and a shared sense of responsibility, among members ultimately strengthening RSPO's perceived legitimacy (RSPO, 2018). This thesis asserts that the various multi-stakeholders communication of their diverse realities, methodologies, and practices pertaining to palm oil constitutes the organization's knowledge structure around sustainable palm oil production.

The RSPO's membership program is designed to ensure the inclusion and proportionality of stakeholders at various levels involved in the palm oil supply chain (RSPO, 2024). The RSPO has established a comprehensive membership structure, endorsed by the Board of Governors on 25 June 2020, in Kuala Lumpur Malaysia, which encompasses four distinct categories catering to a wide range of stakeholders with varying degrees of involvement or interest in the palm oil supply chain. This structure is highlighted in the RSPO Membership Rules document. The membership categories are Ordinary Members, Affiliate Members, Supply Chain Associates, and Honorary Members (RSPO, 2020).

Ordinary Membership consists of organizations and individuals who are part of the palm oil supply chain, such as oil palm growers, processors, traders, consumer products manufacturers, retailers, banks, investors, environmental NGOs, and social NGOs (RSPO, 2021). This segmentation enables tailored engagement with entities contributing at different stages of the palm oil industry. Ordinary Members have voting rights at the RSPO General Assembly and can publicly identify themselves as RSPO members (RSPO, 2017).

Affiliate Membership is designed for individuals or organizations with indirect involvement or a general interest in the palm oil supply chain. This category includes individuals, organizations, and associations. Affiliate Members actively engage with RSPO's mission but do not possess voting rights at the RSPO General Assembly, although they can declare their affiliation with RSPO publicly (RSPO, 2017).

Supply Chain Associate Membership is open to organizations actively participating in the supply chain of RSPO-certified palm oil. This category includes organizations directly engaged in supply chain activities described under Ordinary Members and supply chain group managers. Supply Chain Associates, like Affiliate Members, do not hold voting rights at the RSPO General Assembly but can publicly indicate their status as RSPO Supply Chain Associates (RSPO, 2020).

Honorary Membership is an exclusive category reserved for individuals recognized by the RSPO Board of Governors for their exceptional and longstanding contributions to the organization. While Honorary Members are acknowledged for their valuable input, they do not possess voting rights at the RSPO General Assembly but can publicly acknowledge their honorary status (RSPO, 2020).

The chart below shows the growth in RSPO membership and certified areas from 2016 to 2021. This data shows acceptance by palm oil producers and indicates the legitimacy of the

organization. However, many scholars question smallholders' adequate inclusion in the RSPO membership structure which raises concerns, about representation as a marker of its legitimacy.



FIGURE 2: GROWTH OF RSPO MEMBERSHIP AND CERTIFIED AREAS

Source: RSPO Impact Report. (2022, pg.8)

3.3.1 Governance Structure

RSPO takes pride in highlighting that its legitimacy stems from a governance structure outlined in the RSPO Governance Manual 2018. This manual received endorsement by the RSPO Board of Governors on June 27, 2018. RSPO emphasizes its dedication to being accountable. The organization believes that this commitment to accountability is an aspect of governance with the Board of Governors consistently held responsible for their choices and

outcomes. Furthermore, RSPO asserts that its transparency and willingness to report and clarify its actions instill confidence, among stakeholders including members, consumers, and NGOs ultimately enhancing the organization's perceived legitimacy (RSPO, 2018).

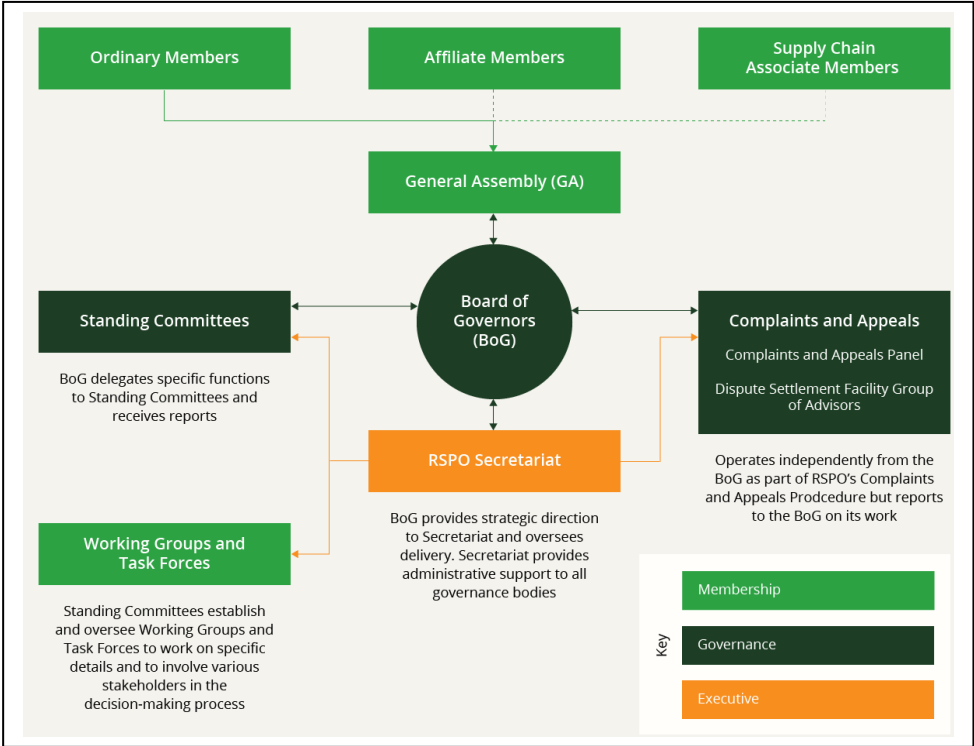


FIGURE 3: RSPO GOVERNANCE STRUCTURE

Source: RSPO (2022, pg. 7)

RSPO takes pride in its dedication to transparency, in its governance framework. The organization claims that it strives to ensure that its decision-making processes are easily understandable and accessible to all stakeholders. It believes that this commitment to clarity and openness helps build trust by allowing stakeholders to see the reasoning behind their decisions. RSPO also emphasizes the importance of seeking input, advice, and feedback from stakeholders during consultations, which further enhances their legitimacy. Furthermore, RSPO claims to be firmly committed to complying with all laws and regulations ensuring that their decisions consistently align with established statutes and policies. The RSPO’s

commitment to a legal framework further supports its claim to legitimacy (RSPO, 2018). The implementation of these principles of governance is perceived to have enhanced RSPOs legitimacy, within the palm oil industry.

3.3.2 Comprehensive Environmental and Social Criteria

The RSPO claims it is a leading authority in sustainable palm oil production through its environmental and social criteria enshrined in the RSPO Principles and Criteria. It was endorsed by the Executive Board and General Assembly (GA4) and adopted In November 2007; it serves as the cornerstone of Certified Sustainable Palm Oil. RSPO claims that these criteria act as a potent tool for enforcing environmental and social accountability upon palm oil producers. RSPO emphasizes that these criteria have been instrumental in mitigating the adverse consequences of palm oil cultivation, including deforestation and the displacement of communities, propelling the entire palm oil industry toward higher levels of transparency and responsibility. According to RSPO, this process has played an essential role in reshaping the industry and aligning it with more sustainable and responsible practices (RSPO, 2018).

Essentially, the RSPO's capacity to set environmental and social standards for certified sustainable palm oil with the input of multi-stakeholders legitimizes the role RSPO plays as a governing institution. However, the most significant focus of this thesis is the RSPO's ability to enforce its standards through certification demonstrating that the RSPO knowledge framework is a powerful regulatory tool in the palm oil industry.

3.4 The RSPO and Smallholders

Smallholders in the context of RSPO refer to individuals or entities, often farmers, who own or manage relatively small plots of land for oil palm cultivation. Smallholdings account for almost 40% of the total land area dedicated to oil palm production in Malaysia and Indonesia (RSPO, 2024). These smallholders typically have limited resources, and smaller land areas, and may operate independently or as part of a cooperative. They are an important and diverse group within the palm oil industry and play a significant role in the global palm oil supply chain (RSPO, 2017). Smallholders in Indonesia can grow oil palms under the RSPO certification either independently, as members of an independent smallholder group, or as participants in a smallholder scheme. These two categories are clarified below:

Independent smallholders are individual farmers or small farming families who own or manage their oil palm plantations independently. They may cultivate palm oil on a relatively small scale, often on family-owned land. Independent smallholders usually have limited access to resources, technical knowledge, and market information. All smallholder farmers who are not considered Scheme Smallholders (see below) are considered Independent Smallholder farmers. In addition, the total size of their oil palm production area is smaller than or equal to 50 hectares (ha) or smaller than or equal to the maximum size defined in a National Interpretation (RSPO, 2020). In the case of Indonesia, smallholders with 20 hectares in total size are considered independent smallholders (RSPO, 2020).

Scheme smallholders consist of smallholder farmers, landowners, or their delegates who do not have: The enforceable decision-making power on the operation of the land and production practices; and/or the freedom to choose how they utilize their land, types of crops to plant, and how they manage them (how they organize, manage and finance the land); Smallholders that may be structurally bound by contract, credit agreement or by planning to a particular mill, but the association is not necessarily limited to such linkages (de Vos et al.,

2023). Other terms commonly used for schema smallholders include associated and/or plasma smallholders (RSPO, 2017).

Key problems continue to prevent smallholders' inclusion into the RSPO system. Smallholders claimed that the RSPO governance structure did not enable sufficient representation to voice their interests which impeded clear decision-making on smallholders' issues (Martens *et al.*, 2019; Wijaya and Glasbergen, 2016). Smallholders struggle to obtain the necessary land titles, seemingly lack agronomic technical knowledge, organizational skills, access to high-quality seedlings, adequate financial resources, and fair market opportunities. Therefore, smallholders perceive that the RSPO certification system was designed for large-scale farmers and may not fully consider the specific context, capacity, and resources of small-scale farmers (Dharmawam *et al.*, 2020; Brandi 2015; Apriani *et al.*, 2020; Hutabarat *et al.*, 2018).

The RSPO in response to the smallholders' challenges adopted a new set of requirements for the independent smallholder certification scheme. These standards RSPO claims that it aims to improve the livelihoods of smallholders while promoting environmentally responsible palm oil production (RSPO, 2017). In contrast to the standard Principles and Criteria, the RSPO version for independent smallholders, for example, allows the use of fire during the preparation of new plantings under specified situations. Similarly, the RSPO Task Force on Smallholders developed a group certification approach that allows smallholders, particularly independent smallholders, to share certification costs and be certified under a single certificate. The RSPO now provides financing to assist smallholders in obtaining certification, for example, through the RSPO Smallholders Support Fund (RSSF) and its mechanism, which allocates 10% of the income generated from trading in certified sustainable palm oil to smallholders (RSPO, 2018; RSPO, 2019; RSPO, 2022).

The RSPO Independent Smallholder Standard established as a governing framework for independent smallholders' participation in the palm oil industry is yet to alleviate the challenges smallholders face in order to be certified. The knowledge that guides the Independent Smallholder Standard emphasizes management narratives in palm oil production. Therefore, the certification process remains cumbersome for smallholders who are not accustomed to and lack the financial resources and expertise to implement the RSPO management model of palm oil production.

3.5 Elements of the RSPO Certification Scheme

RSPO employs certification as a crucial tool to advocate and ensure the sustainable production and sourcing of palm oil. RSPO certification promises that RSPO members involved in producing or handling RSPO Certified Sustainable Palm Oil have complied with the organization's principles and criteria. The RSPO Certification Scheme encompasses several key elements, including standards, accreditation, and process requirements (RSPO, 2020).

The RSPO Independent Smallholder Standard is a component of the broader RSPO system. This policy is specifically intended for independent smallholders and applies to the global production of sustainable palm oil (RSPO, 2019).

RSPO Standards, which form the basis for certification assessments, define the sustainability criteria that members must meet. These standards, such as the RSPO Principles and Criteria, RSPO Supply Chain Certification Standard, and RSPO Independent Smallholder Standard, were developed using a multi-stakeholder approach. They are reviewed every five years to adapt to evolving sustainability contexts (RSPO, 2020).

The RSPO Principles and Criteria address the major environmental and social effects of palm oil production, as well as the essential factors that contribute to production, such as seeds, chemicals, and water. They also consider the social consequences connected to on-farm

labour and community connections (RSPO, 2018). The RSPO Principles and Criteria apply to all companies involved in production, specifically mills, with the exception of independent mills that are accredited under the RSPO Supply Chain Certification Standard. Additionally, the Principles and Criteria also apply to growers, except for independent smallholders. This certification unit is in charge of certifying scheme smallholders (RSPO, 2018).

The RSPO Supply Chain Certification Standard is a set of auditable requirements that is designed for organizations in the palm value chain to showcase their established systems for controlling RSPO-certified oil palm production (RSPO, 2020). Organizations can assume many roles in the supply chain, such as oil palm producers, palm oil processors, traders, or consumer goods makers. Palm oil or palm oil derivatives that have been approved by the RSPO can be obtained through different supply chain models.

1. The Identity Preserved Model ensures that RSPO Certified Sustainable Palm Oil is obtained from a single identifiable certified source and is kept separate from regular palm oil throughout the entire supply chain.
2. The segregated model involves obtaining RSPO Certified Sustainable Palm Oil from certified sources and ensuring that it is maintained separate from regular palm oil at every stage of the supply chain.
3. The Mass Balance Model involves the blending of RSPO Certified Sustainable Palm Oil from certified sources with regular palm oil at every stage of the supply chain.
4. The Book and Claim Model is a method used to track and verify the origin of the Certified Sustainable Palm Oil. This involves retailers and manufacturers purchasing RSPO credits from crushers and independent smallholders. This encourages the production of RSPO Certified Sustainable Palm Oil.

Accredited third-party Certification Bodies (CBs) are responsible for conducting audits to assess members' compliance with RSPO Standards. These CBs according to the RSPO, play a vital role in ensuring the credibility and consistency of audits. Accreditation is carried out by Assurance Services International (ASI), an accreditation body with expertise in monitoring CBs worldwide. The performance of CBs is closely monitored by ASI (RSPO, 2020). The process for determining compliance with RSPO requirements is executed by accredited CBs and is detailed in documents like the RSPO Certification System for Principles and Criteria, the RSPO Independent Smallholder Standard, and the RSPO Supply Chain Certification Standard Systems (RSPO, 2020). This thesis claims that the knowledge framework that shapes the standard used in accrediting palm oil production superimposes administrative and technical practices. For instance, the third-party accreditation is facilitated by a bureaucratic Internal Control System (ICS) which requires smallholders to be organized in groups and operate their farms in agreement with group choices and management control. The ICS reveals that the RSPO knowledge structure has a management model and at the same time requires capital.

3.6 The Evolution of RSPO Certifications

Today, certification serves as a regulatory instrument that operates within a market-oriented society, independent of government interference, to foster social and environmental sustainability. RSPO certification has undergone many important developments over the years. The milestones and dates reflect the journey towards increased RSPO certification and the changes to sustainability in the palm oil industry.

3.6.1 Key milestones and dates of RSPO certification

In November 2007, the RSPO certification Principles and Criteria were officially approved and adopted by the RSPO Executive Board and General Assembly. It was formally launched at the 5th Roundtable Meeting on Sustainable Palm Oil in Malaysia. The inaugural

shipment of Certified Sustainable Palm Oil arrived in Rotterdam in November of 2008 signifying the first tangible outcome of RSPO certification (RSPO, 2011).

The RSPO Supply Chain Certification Systems was developed and finalized in August, 2008. It is a set of auditable requirements that are utilized by organizations that are part of the palm oil supply chain in order to verify that they have implemented systems for the control of palm oil products that have been approved by the RSPO (RSPO, 2011).

The 8th Roundtable Meeting in Jakarta, Indonesia, in November 2010 saw the official unveiling of the RSPO trademark design and the finalization of the regulations governing its use. By August 2011, just three years after the certification of sustainable palm oil began, the industry recorded a major milestone by reaching its first one million hectares of certified production area around the world. This highlighted the rapid growth of certified sustainable palm oil production (RSPO, 2011).

RSPO members applied RSPO Principles and Criteria 2007 for five years before it was evaluated in 2012-2013, resulting in the development of RSPO Principles and Criteria in April 2013. The RSPO Principles and Criteria Review Task Force examined and revised them in 2017-2018 after a further five years of application. The goal of each review and revision is to enhance the relevance and effectiveness of the Principles and Criteria for RSPO members, in line with the common goal of establishing sustainable palm oil as the norm (RSPO, 2020). This illustrates the expansion of certification and its consistent use as a governing tool.

On November 6, 2019, the RSPO Independent Smallholder Standard for the production of sustainable palm oil was endorsed by the RSPO Board of Governors and adopted at the 16th Annual General Assembly by RSPO members. This standard was developed in response to the growing recognition that smallholders were excluded by the RSPO system. The aim of the RSPO Independent Smallholder Standard was to consider the diversity of challenges and situations faced by smallholders globally, together with their varying needs and concerns

(RSPO, 2019). However, this thesis asserts that despite the adoption of the RSPO Independent Smallholder Standard, independent smallholders in Indonesia still find the process of RSPO certification challenging. This includes difficulty in obtaining land titles, and the high cost of organizing independent smallholders in groups which includes costs related to Internal Control System (ICS) establishment, training, and internal assessment for third-party accreditation.

The table below presents key milestones of the RSPO certification

TABLE 2: KEY MILESTONES OF THE RSPO CERTIFICATION

Year	Accomplishment	Reference
November 2007	The RSPO certification system (Principles and Criteria) was officially launched	RSPO, 2011
August 2008	The RSPO supply chain certification was developed and finalized	RSPO, 2011
November 2008	The inaugural shipment of Certified Sustainable Palm Oil (CSPO) arrived in Rotterdam	”
November 2010	The official unveiling of the RSPO trademark and finalization of the rules governing its use	”
25 August, 2011	The RSPO recorded its first 1 million hectares of certified production area around the world	”
April 2013	Reviewed RSPO P and C	RSPO, 2013
November 2018	Reviewed RSPO P and C	RSPO, 2018
November 2019	The RSPO Independent Smallholder (ISH) Standard was endorsed	RSPO, 2019

3.7 Certification, Knowledge as Power, and Challenges for Smallholders

RSPO certification holds considerable value for producers. According to a study by the WWF in 2012, obtaining RSPO certification can lead to greater profitability by improving various operational aspects of palm oil production. This improvement necessitates upgrades in multiple areas, including operational procedures, documentation systems, and labour relations (Shibao, 2016). RSPO certification not only boosts profitability but also can increase the market value of the palm oil produced. Producers with extensive RSPO-certified areas are able to sell their palm oil at higher prices compared to those with less-certified land (RSPO, 2016). Furthermore, being RSPO-certified facilitates entry into the global marketplace (de Vos et al., 2023). While compliance with RSPO sustainability standards is optional, the demands of international markets often require producers to conform to these standards to gain market access. This scenario presents both an opportunity and a challenge for smallholders aiming to compete globally (Apriani et al., 2020).

RSPO certification offers smallholders various advantages, including financial and non-financial benefits. Direct financial benefits are seen in higher prices for palm oil and profits from the sale of RSPO credits (Hidayat, 2015). However, research by Hutabarat et al. (2018) and Rietberg and Slingerland (2016) show limited proof of increased prices or productivity for small-scale farmers. Additionally, the income from RSPO credits often does not offset the costs involved in obtaining certification. Non-financial benefits include acquiring technical expertise through certification training sessions, access to new markets such as Palm Trace—a trading platform for RSPO credits—and opportunities for engaging with new mills, alongside enhanced social recognition of farmers. These non-financial benefits can translate into higher crop yields and increased earnings for farmers (Apriani, et al., 2020).

The growing knowledge and influence of the RSPO in the palm oil industry has contributed to the development of widespread sustainability standards. Over time, the RSPO certification has shown the organization's demonstration of knowledge as power in the palm oil sector. Ogahara et al., (2022) argue that relying solely on certification as a method to conceptualize and assess the sustainability of smallholder practices appears to be fundamentally flawed and inadequate. Smallholders think that the RSPO standard-setting and the management models that go with it, like audits and certification processes, focus on promoting technical and organizational practices over their local expertise and preferences (de Vos et al., 2023; Brandi, 2015; Hutabarat et al., 2018). The RSPO managerial approach does not effectively deal with the fundamental social interactions in the commodity production process, which needs improvement for truly environmentally sustainable palm oil production. This includes land and labour rights concerns, unfair distribution of profits, and the notable decline in biodiversity linked to RSPO-certified palm oil monocultures in Indonesia (Purwanto et al., 2020). This insight prompts a critical re-evaluation of the prevailing knowledge structure that has thus far guided discussions and policies surrounding smallholder participation in the palm oil industry. The thesis will reveal that existing certification standards intend to change smallholders' production methods but struggle to adequately address and mitigate the persistent issues faced by smallholders, including but not limited to low incomes, meager yields, and insecure land tenure.

3.8 Conclusion

In this chapter, we have covered a range of topics related to the RSPO. We discussed its legitimacy through its multi-stakeholder structure, its governance structure, and its knowledge practices including environmental and social criteria, and certification. Again, the RSPO's smallholders' strategy and the evolution of RSPO certification were examined. RSPO

claims that its approaches to sustainability and commitment to inclusion contribute to its role as a leading advocate for sustainable palm oil production. These efforts it asserts position the organization as a leading advocate for palm oil production. It is important to note that this thesis asserts that the RSPO implements its knowledge power through certification which poses challenges for smallholders in the industry. This thesis will focus on analyzing these challenges in detail in the following chapter.

Chapter 4: RSPO Certification Standard and its Implications for Smallholders

4.1 Introduction

The RSPO in its pursuit of sustainable palm oil production has established guidelines - through its Independent Smallholder Standard 2019 for local palm oil producers - in which local farmers in Indonesia are major actors. This thesis analyses how the RSPO leverages knowledge as a form of power with an aim to understand how this knowledge structure creates administrative and technical complexities, which present obstacles for smallholders in the palm oil industry. By filling this knowledge gap, we can gain insights into the implications for palm oil production.

Through the lens of Susan Strange's theory of structural power, this thesis builds on the idea of how the RSPO uses power within the global palm oil industry through the creation of a certification system to promote administrative and technical knowledge. As a form of structural power, the certification system contributes to and dictates who is acceptable in the palm oil production market and who benefits from the supply chain. Principally focusing on legal requirements, group administration, certification costs, and the clash between traditional and modern knowledge systems, the thesis highlights significant barriers hindering smallholders' access to RSPO certification. Legal complexities, including the lack of essential documentation and difficulties in meeting land-related criteria, pose a challenge to certification. These limit smallholders' access to crucial resources and markets. The dependence on external facilitators (NGOs, donor supports) to meet certification requirements undermines smallholders' institutional independence, while the high upfront costs contribute to a financial shortfall for small farmers.

This thesis posits that the RSPO's modern knowledge is codified and can be found in its requirements for certification. It provides a system where evidence of ownership of a tract

of land is based on possessing a legal land title. That is to say, modern knowledge has a sense of legalness. The RSPO emphasizes transparency, mandating that producers wishing to gain certification must confirm their legal ownership of land. This requirement, however, poses significant challenges for small-scale landowners entangled in modern land tenure systems. Traditionally, land ownership in many rural areas is established and recognized through social norms within local communities, rather than formal legal titles. Land tenure in these areas often relies on communal acknowledgment rather than documented ownership (Dharmawan et al., 2021).

Moreover, for smallholders who do hold formal property rights, the process of transferring these rights is both time-consuming and costly. Typically, the official transfer of property rights necessitates filling out government paperwork and payment of a processing fee. Yet, in Indonesia, it is common for land transfers to occur through informal agreements, where rights are exchanged directly between the buyer and seller. For RSPO certification, a landowner is required to provide a deed in their name or evidence of a legal transfer from the person named in the deed. This becomes problematic when former owners have moved away and are difficult to trace, complicating the verification of legal ownership for smallholders who acquired land through informal means (Oliphant and Simon, 2022).

The RSPO management regime has modern knowledge with the idea that a bureaucratic internal control system would enhance smallholder groups' compliance with RSPO standards and in addition facilitate the process of third-party auditing that requires capital. Conversely, smallholders' have a traditional management structure that is not accustomed to the RSPO management model of record-keeping and maintenance of smallholder groups necessary for third-party certification.

TABLE 3: A COMPARISON OF THE DIFFERENCES BETWEEN RSPO MANAGEMENT STRUCTURE AND THAT OF THE SMALLHOLDER’S MANAGEMENT STRUCTURE.

RSPO Modern Management Structure		Smallholders Traditional Management Structure
1.	Group Organizational Demand: This involves operating the farms in accordance with group choices and management control	Smallholders are not accustomed to grouping and joint decision-making but rather were free to choose how to run their farms independently
2.	There is an established Standard Operating Procedure (SOP) for managing palm oil production as well as, an Internal Control System that plans and prescribes fertilizer use and harvesting frequency. This system enables third-party auditing which requires capital.	Smallholder’s traditional management practice does not involve either developing Standard Operating Procedure (SOP) or establishing an Internal Control System. Smallholders' practices on their farmlands are traditionally conducted according to their judgment of what constitutes good agricultural practices. Moreso, smallholders do not conduct internal auditing of their farmland operations.

The clash between traditional and modern knowledge systems further exacerbates the knowledge gap, hindering the successful participation of independent smallholders in the RSPO certification system. By raising these concerns, this thesis advocates for better equitable practices and governance in the palm oil industry. The findings might be utilized to support policy recommendations and strategic decisions aimed at increasing the inclusiveness, transparency, and sustainability of the palm oil business through RSPO certification.

4.2 RSPO Certification, a Force of Modern Knowledge

Osei Darkwah and Ong-Abdullah (2022) study showed that subjecting the entire production of a country's palm oil to RSPO certification can have a significant impact on the palm oil business. Certification promotes the transformation of a disorganized, fragmented, and unregulated production plantation into a well-organized one (Osei Darkwah and Ong-Abdullah, 2022). First, certification necessitates organizational adjustments, which are required as part of the certification process. Second, the new organizational structure provides smallholders with access to training, valuable relationships among actors in the industry, and technology, ensuring their capacity to meet the necessary requirements while also improving production techniques (Hidayat *et al.*, 2015).

However, the RSPO fosters sustainable palm oil production via a management narrative of sustainability. Certification under these standards often overlooks the basic issue of eviction of local communities from their lands, as well as the broader issue of industrial production, favouring agribusiness models over alternative ones, such as smallholder agriculture (Ruysschaert *et al.*, 2019). Having established this, this thesis does not discredit the RSPO's continuous sustainability efforts, especially towards mitigating climate change by increasing the global certified area spread across 94 member countries through RSPO certification and ending the exploitation of workers. But rather raises concerns about the ongoing implication the RSPO knowledge structure has on smallholders which underscores the need for an inclusive policy that benefits smallholders in the industry.

This thesis posits that the RSPO and its certification system are a lever of knowledge power. Since, the RSPO knowledge around sustainability superimposes administrative and technical skills, characterized as a modern practice, there is, therefore, a knowledge departure from what smallholders are traditionally accustomed to. As opined by Markne (2015), the incongruity in knowledge systems poses a significant hurdle for independent smallholders in

Indonesia, with the RSPO's reliance on modern knowledge conflicting with the traditional knowledge often employed by local farmers. The complexities experienced by these smallholders during the certification process are rooted in the clash between these divergent knowledge paradigms. This dichotomy sheds light on the evolving nature of normative knowledge, shaped by the forces of modernity.

Traditional knowledge, characterized by its tacit and practical nature, and rooted in the traditions of local communities, stands in stark contrast to modern knowledge, which is articulated, theoretical, and sanctioned by technical experts or institutions. The tension between these knowledge systems becomes particularly evident in the development discourse, where endeavors to replace traditional practices with those aligned with modern knowledge are commonplace. Modernization, as a transformative force, has led to the delegitimization of alternative knowledge systems, casting traditional knowledge as 'unscientific' and, consequently, undesirable in the context of sustainable palm oil production (Markne, 2015). Smallholders assert that RSPO does not accept the credibility of people talking about their "real life," and instead prioritizes technical narratives (Cheyns, 2014). As a result of RSPO coding practices, different conceptions of sustainability have been excluded, particularly those based on 'civic' solidarity (i.e., the redistribution of value and land) or on local ecologies and place-based attachments of local dwellers impacted by palm oil expansion (Ruysschaert *et al.*, 2019).

The RSPO's emphasis on modern knowledge requirements in sustainable palm oil production becomes a significant barrier for smallholders who are enshrined in the traditional approach to palm oil production. The clash between these knowledge systems not only complicates the certification process for smallholders but also creates a discernible knowledge gap. In this dynamic, the RSPO effectively wields knowledge as a form of power, influencing and controlling the knowledge dynamics within the sustainable palm oil production sector. The inherent bias towards modern knowledge within the RSPO's framework further marginalizes

traditional practices, posing a formidable challenge for independent smallholders attempting to meet the certification standards set by the RSPO.

4.3 Legal Requirements in Smallholder Certification Projects

The 2019 RSPO Independent Smallholders Standard, while emphasizing the importance of land legality and community well-being through legal documentation, inadvertently places formidable obstacles before smallholders who cannot independently obtain such documents without external support. Principle 2 of the RSPO ISH 2019 underscores the legal prerequisites imperative for smallholders to acquire land for palm oil production. The principle asserts its commitment to legality, land rights, and community well-being. The first criterion mandates that smallholders possess legal or customary rights following national and local laws and customary practices (RSPO, 2020). To fulfill this criterion, smallholders must furnish coordinates or maps of their plots, along with evidence of ownership or usage rights. Two milestones must be achieved: demonstration of legal ownership or native/customary rights, and visibly demarcated plots operated within defined boundaries. The second criterion necessitates that smallholders refrain from acquiring lands without free, prior, and informed consent (FPIC) from indigenous peoples, local communities, or other users (RSPO, 2021). Smallholders must demonstrate compliance with FPIC, ensuring they have not acquired land without consent for existing plots. The third criterion mandates that the right to use the land remains undisputed by indigenous peoples, local communities, or other users (RSPO, 2021). Eligibility requires smallholders to declare any existing disputes, commit to a resolution, and provide status updates. Milestones include the absence of disputes or the successful implementation of dispute resolution processes accepted by all parties (RSPO, 2019).

In order to obtain RSPO certification in Indonesia, there are several essential legal documents required. These include land titles (SKT and SHM), business permits (STDB: Surat Tanda Daftar Usaha Perkebunan), and a statement affirming the ability to effectively manage

and monitor the environment (SPPL: Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup) (Aprani et al., 2020) Smallholders consider compliance with this legal standard challenging owing to the cost and time associated with obtaining such documentation (Aprani et al., 2020; de Vos 2023; Hutabarat et al., 2018). They perceive that land legality can be an important bottleneck since they lack the technical knowledge, including digital proficiency, and connections necessary to navigate the bureaucratic process of obtaining government-issued documents.

The smallholders face increased difficulty in meeting the requirements of the RSPO legal concept due to the presence of local government bureaucracy. This challenge is particularly pronounced in cases when authorities are incapable or unwilling to conduct the required inspections and grant approvals (Oghara et al., 2022; de Vos 2023). Furthermore, local governments have insufficient resources and expertise to adequately assist oil palm smallholders. This is seen in their inability to provide or determine crucial information, such as identifying areas designated as High Conservation Value (HCV) (Oghara et al., 2022, Brandi, 2017). This challenge becomes insurmountable in cases where land use is contested. The exorbitant costs and time-intensive nature of registering non-scheme plots, along with challenges in obtaining essential documents, not only impede smallholders from achieving certification but also deprive them of crucial opportunities to access resources and markets (de Vos et al., 2023, pg. 7).

According to scholarship on land tenure, land titling can yield numerous advantages, including increased land security, more agricultural productivity, improved access to a wider range of credit and bank loans, and an overall higher value attributed to the land. Nevertheless, Johnson (2014) made a key observation related to land registration as an important requirement for RSPO certification. She argues that land titling does not inherently preclude conflict, but rather facilitates the commodification of land and increases its vulnerability to land-grabbing

actions. Acquiring a land title facilitates the efficient allocation of land through market-driven systems such as the RSPO regime. This is because land titles make the plots of land more clearly identifiable to market representatives, allowing them to be converted into commodities more quickly. The study submits that as long as the RSPO knowledge continues to have a sense of legalness that endorses Western legal land titles over customary land tenures, smallholders will be shortchanged in the palm oil industry.

4.4 Group Organizational Demand and Smallholder's Dependence

The RSPO Task Force on Smallholders established a group certification scheme that enables smallholders—particularly independent smallholders—to share the certification process expenses and receive certification under a single certificate. Certification bodies are authorized to either grant or revoke certificates pending group compliance with RSPO standards (RSPO, 2010). In the context of RSPO certification of independent smallholders, it is necessary to differentiate between two distinct types of groups: first, the certification group and its manager, whose existence is mandated by the RSPO and who is in charge of getting the smallholders ready for certification and making sure their standards are being followed through an Internal Control System; and second, smallholder organizations (bigger ones, like kelompok or cooperatives, as well as smaller ones, like gapoktan), which are not formally required for RSPO certification (RSPO, 2010b), but are nevertheless crucial to the certification process (Brandi et al., 2015).

Given the aforementioned requirements, independent smallholders cannot obtain RSPO certification on an individual basis; instead, they must organize as a group. They must set up an Internal Control System (ICS), a documented quality assurance system that enables the external certification authority to assign a specific body or unit within the certified operator to conduct the yearly inspection of each individual group member. As a result, the third-party certification body only evaluates how well each group's Internal Control System functions and

conducts audits on a limited number of individual smallholders within the group (Aprani et al., 2020).

Since certification encompasses grouping and joint decision-making, certified smallholders cannot be seen as merely individual managers. Smallholders were free to choose how to run their farms prior to certification, and independent oil palm growers used different management strategies. On the other hand, after the farmers joined the group, they were forced to operate their farms in accordance with group choices and management control. On their oil palm plantations, individual farmers are no longer able to make decisions for themselves. The Internal Control System then plans and prescribes fertilizer use and harvesting frequency, and a spraying unit team (Team Unit Semprot, TUS) plans and carries out integrated pest controls (weeding and herbicide use). From the foregoing, we can see how the definition of sustainability by the RSPO valorizes certain managerial knowledge about farm management.

4.4.1 Smallholders and External Stakeholders

Participation in the RSPO certification puts the smallholders in a system of new dependency relationships. The smallholders rely on the involvement of other stakeholders to obtain the RSPO certification and gain benefits from their engagement in the certification process (Woittiez et al., 2018). In the case of scheme smallholders, the reliance on the nucleus firm becomes more pronounced after engaging in certification, mostly as a result of the regulations stipulated by RSPO. According to these regulations, it is mandatory for palm oil growers who are certified under the Nucleus Estate Smallholder (NES) programme to ensure that their smallholders are also certified within a period of three years after the certification of the nucleus. The nucleus company assumes direct involvement in the certification process by covering the expenses associated with RSPO membership, audits, and capacity-building initiatives for affiliated smallholders, such as training and strengthening of farmer organizations. The company is obligated by contractual agreements to get certified Fresh Fruit

Bunches (FFB) from smallholders participating in the programme. Additionally, the company is responsible for distributing a premium for the sales of Certified Sustainable Palm Oil, provided that there are potential purchasers ready to pay a premium for it. Therefore, it is difficult for scheme smallholders to enjoy any form of autonomy during and after the certification since the certification is issued directly to the companies. Smallholders have to always be responsive to the demands of the company. For instance, companies compel smallholders to specialize in oil palm leading to food insecurity (Dharmawan et al 2021), as well as demands to adhere to the company's production and ecological policies. These companies exert control over smallholders by establishing intentionally complex contracts, particularly with regard to complicated pricing mechanisms (Purwanto et al., 2020).

In contrast to scheme smallholders, independent smallholders possess their sustainability certification. Nevertheless, despite the perception of independent smallholders as autonomous entities not constrained by contractual obligations to a central organization, their involvement in the certification process renders them dependent on external players (NGOs and donor supports). The aforementioned dependency arises from the smallholders' need for credit, risk management, information, technology, and market access, coupled with their inability to acquire these resources. Therefore, this creates a rising dependence of smallholders on stakeholders who support these certification costs and processes for smallholders to maintain their certification membership. This undermines smallholders' institutional independence since before now local farmers lack familiarity with group formations, except for applications for government aid (Aprani et al 2020, de Vos 2023). Organizing smallholders into groups has also been considered a complex task especially if the smallholders differ in size and socio-economic background (de Vos 2023). Suffice it to say that, for RSPO certification to be sustainable over the long run and scalable, structural changes have to be made to enable the certification of smallholders on an individual basis.

4.5 The Cost Implication of RSPO Certification

RSPO has acknowledged the problem of investment by smallholders in certification-related costs and has set up an RSPO Smallholder Support Fund to cover the upfront costs of certification. In addition to selling Green Palm certificates, which account for 10% of RSPO revenue, the organization also distributes 50% "of any remaining surplus of income" to the Fund. To prepare for certification (up to 50% of costs) and auditing (up to 100%), smallholder groups are eligible to apply for financing for support and training. (RSPO, 2022).

As reported by The Jakarta Post on November 10, 2023, the RSPO experienced a substantial 19 percent growth in Indonesian membership during the initial 10 months of 2023. Leading this surge are environmental NGOs, consumer goods manufacturers, and small farmers. The RSPO's certified area in Indonesia has witnessed continuous expansion, surpassing 2.5 million hectares, encompassing both plantations and areas certified for independent smallholder cultivation. In the year 2022, 25 new mills obtained certification under the RSPO Principles and Criteria standard, with an additional 18 units certified by the third quarter of 2023. Remarkably, RSPO certification among independent smallholder groups has exhibited a robust growth of 41 percent in comparison to 2021, bolstered by substantial funding of up to \$180,000 distributed through the RSPO Smallholder Support Fund (RSSF). A noteworthy allocation of approximately \$141,000 has been directed towards 17 smallholder projects between November 2022 and October 2023, benefiting a total of over 5,000 farmers. However, the pertinent question remains whether this is enough to make certification attractive, as this would cover only half of the costs for certification preparation, and farmers still need to pay the additional costs of complying with RSPO standards.

Hutabarat et al.'s (2018) study of Amanah Association smallholders found that since smallholders are meant to be the primary economic beneficiaries, they must pay for both the initial and ongoing certification expenses as well as the rise in production costs. The main cost

of RSPO certification is the time and money required to organize independent smallholders; this includes the price of setting up an ICS, providing training, and conducting internal evaluations. According to Hutabarat et al. (2018), the cost of organizing smallholders makes up 83.6% of the total or roughly \$62,000 per year. The projected annual monitoring cost was \$6200 and the estimated total certification cost was either \$100/ha or \$200/farmer. However, the average smallholder income per household, according to the Aprani et al. (2020) survey, ranged from \$190 for normal group members to \$300 for governing group members.

Along this line, Ariadhy and Arkum (2023) observed that smallholders found it extremely difficult to achieve the RSPO production guidelines. The third-party certification process, which is estimated to cost between \$20 and \$25 per acre, has been attributed to this difficulty. Furthermore, the RSPO charges an annual certification fee of \$1–\$3/ton for the production of Certified Sustainable Palm Oil in the palm oil industry. GAPKI claims that these expenses are far excessive when compared to the selling price of RSPO-certified palm oil commodities. Also, smallholders interviewed by de Vos et al. (2023) expressed serious concerns about the annual compliance monitoring fees particularly when the income from selling RSPO credits decreased or production was momentarily lower, possibly as a result of replanting. Therefore, according to Pichler (2013), the RSPO certification program encourages economies of scale because the costs of certification are more economical for larger manufacturing units whereas, it is clear that without outside funding, the majority of smallholders could not afford these certification fees.

This table presents a summary of the cost implications discussed in the text above

TABLE 4: COST OF RSPO CERTIFICATION

Category	Estimated Cost Implication	Reference
Cost of Organizing Smallholders in Groups	\$62,000 per annum	Hutabaret et al 2018
Projected Annual Monitoring Cost	\$6,200	”
Total Certification Cost	\$100/ ha Or \$200/Farmer	”
Average Smallholder Income Per Household	\$190 for Normal groups to \$300 for Governing Group Members	Aprani et al 2020
3 rd Party Certification Process	\$20- \$ 25 per acre	”
RSPO Annual Certification fee	\$1- \$3/ton for Production of Certified Sustainable Palm oil	”

4.6 Smallholder Support Organizations and Sustainable Palm Oil Production

As mentioned in the introduction of the thesis, this thesis has a keen interest in examining smallholders' governance in the palm oil industry as well as their resistance to governance mechanisms. However, the research did not uncover smallholder organizations championing smallholders' pushback of the RSPO governance mechanisms. Nevertheless, this thesis was able to obtain more information on organizations/developmental initiatives such as Apical Group (a business corporation), Serikat Petani Kelapa Sawit (SPKS) (a farmer’s union), and Assosiasi Petani Kelapa Sawit Indonesia (APKASINDO) (a government-led cooperative). This section of the chapter brings into conversation these different organizational setups,

promoting the production of sustainable palm oil by smallholders. The focus is on understanding their efforts in supporting smallholders' sustainable production of palm oil in comparison to the RSPO's. These organizational setups emphasize the significance of implementing development interventions in conjunction with RSPO certification in order to tackle the apparent rise in inequality within the palm oil industry.

The difference between the SPKSS, APKASINDO and the Apical Group (SMILE) on the one hand and the RSPO certification scheme on the other hand lies in the purpose for establishing the organizations. SPKSS, APKASINDO, SMILE are developmental interventions that provide support to smallholders to enable them produce palm oil in a sustainable manner. This characteristic stands in stark contrast to the RSPO Certification scheme that serves as a regulatory instrument for the governance of palm oil production and supply. Furthermore, the RSPO certification scheme connects to farmer groups rather than to individual farmers. As a result of this, farmer organizations are established as de facto mandatory for smallholders to become RSPO certified. In contrast, the Apical group (SMILE), SPKS, and APKASINDO appear to have a stronger connection with smallholders on an individual level. This is evident in their involvement with smallholders.

Apical group through its SMILE programme, has sought active engagement with smallholders who are part of their supply chain. This proactive engagement is facilitated through field visits, face-to-face meetings, training, monitoring activities, and providing support services such as audit preparations. This approach has resulted in enhanced yield for smallholders and reduced the pressure to clear more land (Apical Group, 2024). SPKS efforts towards strengthening the scale of sustainability, welfare, and independence of smallholders continue to be promoted through capacity building, legal and policy assistance, and advocacy of smallholders' needs to expand support for palm oil organizations and farmers (SPKS, 2024). APKASINDO has over the years, advocated for the equality of palm oil farmers and companies

by helping farmers understand their rights and obligations, they foster critical participation of smallholders in an integrated agric business model of palm oil production and a more equitable system for distributing value, and protected smallholders from the low world prices of palm oil (APKASINDO, 2019).

The significant similarity between the development interventions and the RSPO certification is the ultimate goal of ensuring that smallholders produce palm oil sustainably. The use of power appears to be a common means of achieving this aspiration. However, each institution has a different dimension of power. The RSPO uses its knowledge power leveraged on certification to promote smallholders equitable and sustainable production of palm oil. On the other hand, Apical Group has economic power which is attributed to its important position as a leading processor of palm oil. So, in order for its customers to be satisfied and in turn boost its profit margin, the group places compliance with global sustainability standards as the condition smallholders must meet to be included in their supply chain. Whereas, SPKS and APKASINDO power to get smallholders to farm sustainably lies in the unions' primary concern to empower smallholder members. This is by facilitating farmer access to agricultural production facilities, finance, and markets and thus enhancing their welfare and capacity to produce palm oil sustainably.

4.6.1 Apical Group

Apical Group is a major exporter of processed palm oil in Indonesia. The company owns and controls a wide range of activities included in the palm oil business value chain, starting from the acquisition to the distribution. It is involved in the refining, processing, and trading of palm oil for both local consumption and global trade (Apical Group, 2024). Apical Group became an RSPO member under the category of palm oil processor and trades on 11 August 2011. Today, Apical Group through the Smallholder Inclusion for Better Livelihood & Empowerment (SMILE) Program seems to be making a huge impact on smallholders in

Indonesia. Focused on fostering inclusion, SMILE has positively transformed the circumstances of some smallholders.

The program has effectively cultivated a more inclusive environment for independent smallholders by giving them tools to empower and encourage them to adopt responsible agricultural practices (Apical Group, 2024). This is because the inadequate support for independent smallholders within the palm oil industry has emerged as a pressing concern. The SMILE programme uplifts the livelihoods of smallholder farmers in Indonesia by furnishing them with essential training, resources, and RSPO certification (Palm Oil Magazine, 2023). The programme launched in 2020, has made significant strides, certifying 390 independent smallholders in 2022, affirming its commitment to fostering sustainability in the agricultural sector. Through rigorous auditing and certification processes, the SMILE programme ensures adherence to high-quality and sustainable standards, thereby safeguarding the environment, supporting local communities, and fostering ethical business practices (Apical Group, 2024).

Testimonials from beneficiaries, such as Khairul Anam, underscore the program's positive impact, enhancing yields, implementing better management practices, protecting the environment, and ultimately improving the lives of smallholders. The success of the initial phase has not only benefited individual smallholders like Khairul Anam but has also contributed to broader community engagement and interest in the SMILE programme (Apical Group, 2024). Additionally, Musim Mas collaborates with government agricultural extension offices at the farmer level to engage with independent smallholders. The training provided follows a comprehensive curriculum aligned with the RSPO Principles & Criteria aiming to bridge the gap between the traditional farming practices of smallholders and the standards required for RSPO certification (RSPO, 2022).

4.6.2 Union of Oil Palm Smallholders (Serikat Petani Kelapa Sawit/ SPKS)

SPKS, founded in 2006, serves as a platform to advocate for the interests of palm oil smallholders, farmers, and plantation workers. The establishment of the SPKS farmers' union was facilitated by the financial and logistical assistance provided by two non-governmental organisations, namely Sawit Watch from Indonesia and Forest People Programme from the United Kingdom. One of the objectives of this union is to enhance the participation of family farmers in the RSPO (Cheyns, 2014). They became an ordinary member of the RSPO on 22 March 2023. The organization's vision is to improve oil palm plantation governance through capacity building of palm oil farmers and smallholders, as well as contributing to the improvement of palm oil policy. SPKS champions smallholders, farmers, and plantation workers as key actors within the palm oil sector. It is committed to helping them by strengthening producer associations, such as cooperatives. To achieve this, SPKS promotes collaborative actions with other palm oil stakeholders, such as large plantations, processing mills, banks, local and national governments, and NGOs (Tamtama, 2017).

On the other hand, Greenpeace and the SPKS developed a roadmap towards sustainable independent smallholder oil palm plantations. This was done with efficiency, to increase production without aggressive expansion in forests and peatlands. That was the discussion of the workshop entitled "Building a roadmap for Sustainable independent oil palm smallholders towards zero deforestation," in Jakarta, on the 10th November 2014 (Nugraha, 2014). This was a strategy to elevate smallholders as key stakeholders striving to improve the social, economic, and environmental conditions affecting palm oil smallholders. SPKS also helps in advocating for smallholders when they are in dispute (for instance, between the smallholders and large palm oil companies). They also encourage the Government to empower farmers in the organization and help tackle farmers' problems before certifying their plantation (Astari, 2019). SPKS enhances the smallholders' bargaining power in agreements with enterprises regarding

land or commodity prices through community seminars. Additionally, the organization's main goals include effectively managing and resolving conflicts, as well as disseminating knowledge regarding the development of oil palms (Pichler, 2010).

The SPKS had on 24th July 2018 called on the government to set a minimum FFB purchase price for mills and companies to protect the smallholders from the low prices. The group, however, set the minimum price arbitrarily at Rp 1,500 per kilogram, saying that it was the minimum level that would allow farmers to cover their operational costs while still leaving cash for some of their daily needs (Suwastoyo, 2018). In another development, Suwastoyo (2019) reported that SPKS in the West Kalimantan District of Sintang had submitted an academic draft for the District Regulations Draft on Plantation Business Partnerships and Facilitation of Community Plantation Development, as part of their efforts to improve cooperation between farmers and plantation companies.

The SPKS has also been involved in developing and testing the criteria and indicators of the RSPO standard (Sirait, 2009). In 2006, a representative from SPKS spoke to the RSPO audience for the first time, revealing the violations that certain firms carried out against local communities. Infuriated by SPKS's allegations, delegates from the major producer associations issued a warning of their intention to leave the premises. However, social and environmental NGOs managed to convince RSPO members of the necessity to provide a space for such contributions (Pesqueira & Glasbergen, 2013).

Furthermore, SPKS members and rural communities took advantage of the opportunity that the RSPO provided them to uncover local reality that was not widely recognized on a global scale and then to bring about transformation in their living conditions. They actively participated in criticizing the subordination of the domestic and market sectors to the integrated agri-business model of palm oil production. Their assertions have been focused on the right to

oversee and control one's small-scale agricultural activities, as well as advocating for a fairer manner of allocating economic worth (Cheyns, 2014). In addition to the thorny issue of land conflicts that have arisen with the arrival of plantation companies, the SPKS members' concern in the RSPO focus on the revaluation of the "k index" (a measure of the monetary share of the oil sold by the factory that comes to the smallholders, the rest remaining with the factory), a desire not to be marginalized by certification, the need for transparent contracts, and, finally, the possibility of becoming independent of plantation companies.

4.6.3 Indonesian Association of Palm Oil Farmers (Assosiasi Petani Kelapa Sawit Indonesia/APKASINDO)

APKASINDO was established in 2000 as a unifying forum for Indonesian palm oil smallholder farmers. It was facilitated by the Indonesian Government, through the Ministry of Agriculture. It is currently not a member of the RSPO. APKASINDO is currently spread across 22 provinces and 144 districts/cities producing palm oil in Indonesia (APKASINDO, 2019). Studies by Maya et al. (2022) show that APKASINDO was present in the Palm Oil Replanting Program with support and assistance to smallholders to increase sustainable palm oil productivity. APKASINDO plays a role in assisting people's palm oil rejuvenation, namely: land measurement/mapping, making work plans, facilitating the provision of seeds by seed producers; and assisting with administrative documents and audit reporting. According to Chalil (2008), APKASINDO accommodates some of the smallholders' aspirations, but this association is unlikely to deal with marketing arrangements.

On 25th July 2018, APKASINDO sought ways to protect smallholders from the pressure of low world prices by setting up a programme in Pekanbaru, Riau province, involving various stakeholders in the palm oil industry, including farmers, companies, local governments, and academics, to seek ways to protect the small palm oil farmers from the vagaries of low global prices (Suwastoyo, 2018). According to Karyza and Tanamal (2022), APKASINDO

previously organized hundreds of smallholder farmers to stage a protest in Jakarta and other parts of the country on April 19, 2022, demanding the government end a palm oil export ban that has slashed their income as fresh fruit bunch prices continue to free fall amid an expected domestic supply glut. The chairman of APKASINDO, Gulat Manurung had threatened that, if the ban was not reviewed within the near future, the organization had plans to bring 1 million palm kernels to the Hotel Indonesia traffic circle in Central Jakarta, where the kernels would be processed into red palm cooking oil then sold, as a form of protest. Similarly, on 29 March 2023, APKASINDO also was among the groups of oil palm smallholders who staged a demonstration against the European Union's (EU) deforestation law that would ban all exports and imports of commodities, including palm oil, which are considered to have caused deforestation (GAPKI, 2023).

Raharja et al. (2020) suggest that there is a need to revitalize the APKASINDO model based on the fact that, at the moment, the APKASINDO's function is still being limited to programs and developmental activities, training, or capacity building for its members. To enhance the performance of independent smallholders, several key issues must be addressed. These include resolving the legality of their land and agricultural products, as well as obtaining certification for their plantation business. These measures are crucial in providing assurance and instilling confidence in palm oil processing companies downstream. Furthermore, it should be noted that the APKASINDO is an organization that operates voluntarily, and not all independent smallholders are inclined to become members of this association Raharja et al. (2020).

4.7 Conclusion

This section delved into the implications of the RSPO certification standard for smallholders in Indonesia's palm oil industry and examples of organizations seeking to support smallholders. By examining the RSPO's use of knowledge as a form of power and its impact

on small-scale farmers, the thesis identified significant barriers hindering smallholders' access to certification. The clash between traditional and modern knowledge systems emerged as a central theme, highlighting the RSPO's reliance on modern practices conflicting with the traditional knowledge employed by local farmers. This incongruity poses a substantial hurdle for independent smallholders, exacerbating the complexities experienced during the certification process. The RSPO, through its certification system, effectively wields knowledge as a form of power, influencing and controlling dynamics within the sustainable palm oil production sector. The bias towards modern knowledge further marginalizes traditional practices, creating a formidable challenge for smallholders striving to meet RSPO certification standards. The thesis advocates for more equitable practices and governance in the palm oil industry, emphasizing the need for inclusive, transparent, and sustainable approaches.

Furthermore, the chapter explored specific challenges faced by smallholders, including legal requirements, group organizational demands, dependence on external entities, and the cost implications of RSPO certification. Legal complexities, compounded by difficulties in obtaining essential documentation, hinder smallholders' access to certification, limiting their resources and market opportunities. The group certification scheme, while designed to share expenses, introduces a new layer of dependency for smallholders. The RSPO's emphasis on modern knowledge becomes a significant obstacle for those rooted in traditional approaches to palm oil production. The chapter also shed light on the substantial costs associated with certification, questioning the adequacy of the RSPO Smallholder Support Fund to make certification attractive and financially viable for smallholders. Despite these challenges, the thesis acknowledged initiatives like the SMILE Programme, SPKS, and APKASINDO, which strive to support smallholders, bridge knowledge gaps, and enhance sustainability in the palm oil industry.

Chapter 5: Conclusion and Recommendations

5.1 Introduction

This conclusion section serves as the reiteration and culmination of this study. It aims to synthesize the key arguments and insights derived from an exploration of the Roundtable on Sustainable Palm Oil and its application of knowledge as a form of power through the lens of Susan Strange's theoretical framework. Throughout the thesis, the objective has been to unravel the complexities inherent in RSPO's influence of its knowledge structure on smallholders in the palm oil industry. By incorporating Susan Strange's theoretical framework, the thesis delves into the structural dimensions of power, revealing the nature of RSPO's knowledge-based authority. The comprehensive analysis encompasses challenges faced by smallholders, ranging from legal intricacies to clashes between traditional and RSPO modern knowledge systems implicated in its certification requirements. While emphasizing the significance of the thesis in addressing overlooked dynamics, the conclusion acknowledges its limitations, setting the stage for future researchers to build upon this foundational understanding of knowledge-power dynamics in the palm oil sector.

5.2 Recapping Research Arguments

In recapitulating the key arguments presented in this thesis, it is evident that the RSPO wields a distinctive form of power rooted in knowledge. This power emanates from the intricate administrative and technical framework of the RSPO's knowledge, which has exerted a discernible influence on sustainability discourses and policies. Notably, the focal point of this influence revolves around the incorporation of smallholders into the palm oil sector.

However, the perspectives of smallholders stand in stark contrast to the RSPO's conceptualization of sustainability, casting them as subjects of Western power constructs that do not align with their traditional practices and knowledge systems, particularly in the

Indonesian palm oil industry. Consequently, an exclusionary dynamic emerges, accentuated by the formidable administrative and technical demands embedded in RSPO certification requirements. Smallholders in developing countries such as Indonesia find themselves grappling with a deficiency in capacities necessary for compliance, further exacerbating their marginalization within the RSPO's palm oil sustainability framework.

Central to the RSPO's projection of knowledge power is its certification system, which epitomizes the manifestation of RSPO knowledge in action. Certification, positioned as a paramount element in the agri-food industry lexicon, signifies the RSPO's vision of a sustainable world. Compliance with the RSPO's sustainability criteria through its certification system becomes not only a prerequisite for conducting palm oil business but also a gateway to sustained or augmented access to the global market.

This thesis underscores that the RSPO's certification system serves as more than a procedural formality; it functions as a market-based alternative to potential environmental disruptions, aligning with Bartely's assertion (2007: 229 in Elgert, 2012). Furthermore, the RSPO's development of standards for commodity production and the establishment of rigorous verification mechanisms accentuate the certification system as an instrument for erecting market barriers, as articulated by Klooster (2005). Thus, the RSPO's certification system emerges as a pivotal component in the complex interplay of knowledge, power, and sustainability within the palm oil industry in Indonesia which poses challenges to smallholders.

5.3 The Study through the Lens of Susan Strange's Theoretical Framework

By applying Susan Strange's theoretical framework, specifically her theory of structural power with an emphasis on the knowledge structure, this thesis navigates the complexities of power dynamics inherent in the RSPO, distinguishing it from the works of David and Meersohn (2018) and Haggart (2019). Susan Strange's conceptualization of structural power, advancing beyond traditional relational theories, posits that it bestows the authority to determine processes and shape frameworks through which states, individuals, and corporate entities engage with one another (Strange, 1988, p. 18).

The genesis of the RSPO as a voluntary, multi-stakeholder entity, dedicated to environmental palm oil regulation, aligns with Strange's assertion that the power derived from knowledge structures is consensual rather than coercive. The formation of the RSPO was voluntary, rooted in shared belief systems and a collective recognition of the significance of sustainable development (Strange, 1988, p. 65). This voluntary nature underscores the legitimacy of the RSPO's knowledge-based power, emphasizing the importance of shared beliefs that underpin both political and economic arrangements acceptable to society (Strange, 1988, p. 67).

Furthermore, this thesis underscores that the RSPO's legitimacy and authority within the knowledge structure emanate from a shared belief in environmental responsibility. This belief served as a driving force behind the collective effort to mitigate the adverse environmental impact associated with the palm oil industry's expansion. Consequently, the RSPO is endowed with legitimate power, empowering it to convene diverse stakeholders and facilitate the development of globally accepted standards and multistakeholder governance for the oil palm sector.

In essence, Susan Strange's theoretical framework provides a nuanced understanding of the RSPO's power dynamics, revealing the intricate interplay between voluntary consent,

shared belief systems, and the multifaceted dimensions of structural power within the context of sustainable palm oil production and governance.

5.4 Summarizing the Findings

An exploration of the RSPO and its utilization of knowledge as a form of power has been undertaken. This thesis elucidated profound challenges impeding small-scale farmers' access to certification within the RSPO framework. An examination of specific hurdles faced by smallholders revealed complexities arising from legal requirements, organizational demands within group certification, reliance on external entities, and the cost implications associated with RSPO certification.

The clash between traditional and modern knowledge systems stood out prominently, underscoring the RSPO's reliance on modern practices that have an administrative and technical overlay in conflict with the traditional knowledge employed by local farmers. This incongruity posed a substantial challenge for independent smallholders, amplifying the complexities faced during the certification process. Legal intricacies, compounded by obstacles in acquiring essential documentation, emerged as formidable barriers hindering smallholders' entry into the certification process. This not only curtailed their resources but also limited market opportunities. The group certification scheme, designed to distribute expenses, paradoxically introduced a new layer of dependency for smallholders. This thesis also spotlighted the substantial costs associated with certification, questioning the efficacy of the RSPO Smallholder Support Fund in rendering certification financially viable for smallholders.

Despite these challenges, the research acknowledges development interventions such as the SMILE Program, SPKS, and APKASINDO, which actively strive to support smallholders, bridge knowledge gaps, and enhance sustainability in the palm oil industry. Addressing a significant gap in our understanding, the thesis delineated how the RSPO, through

its certification system, effectively exerts knowledge as a form of power, thereby influencing and controlling dynamics within the sustainable palm oil production sector. The thesis staunchly advocates for more equitable practices and governance in the palm oil industry, underscoring the imperative for inclusive, transparent, and sustainable approaches to foster positive change within this critical sector.

5.5 The Importance of the Study

By delving into the RSPO and its utilization of knowledge as a wielder of power, this thesis fulfills a substantial informational void. Despite the pivotal role played by the RSPO in shaping sustainable practices within the palm oil sector, the intricate dynamics of its knowledge-power interplay have been relatively overlooked in scholarly discourse.

The thesis casts a spotlight on the challenges confronted by smallholders in the Indonesian palm oil industry, stemming from the knowledge structure instituted by the RSPO. This structural framework results in the underrepresentation of smallholders and their marginalization in RSPO decision-making processes, raising concerns about the equity and sustainability of the industry. By shedding light on these issues, the thesis contributes to the enhancement of equitable practices and governance within the palm oil sector.

Moreover, the findings of this thesis hold significance for policymakers, industry stakeholders, and entities such as the RSPO. The insights garnered may serve as a valuable resource for shaping policy recommendations and strategic decisions aimed at fostering inclusivity, transparency, and sustainability within the palm oil business. The thesis lays the groundwork for collaborative efforts among stakeholders, fostering the development of a more balanced and socially responsible palm oil sector.

5.6 Research Recommendations

Based on the comprehensive findings that unearthed significant challenges faced by small-scale farmers in obtaining RSPO certification due to the organization's use of knowledge as a form of power, the following recommendations are proposed to address the identified issues and enhance the accessibility and sustainability of the palm oil industry:

Streamlining Legal Requirements: Advocate for simplified and accessible legal requirements for smallholders seeking RSPO certification. Collaborate with relevant authorities to create a streamlined process that reduces bureaucratic hurdles and facilitates easier compliance.

Enhancing Documentation Processes: Implement measures to alleviate difficulties in obtaining essential documentation. Develop support systems or agencies to assist smallholders in navigating the documentation process, ensuring that the requirements are clear, accessible, and tailored to the specific needs of small-scale farmers.

Reforming Group Certification Scheme: Review and reform the group certification scheme to mitigate the introduced dependency for smallholders. Explore options for more equitable distribution of responsibilities and costs within the group, ensuring that the scheme genuinely facilitates collaboration without placing undue burdens on individual farmers.

Balancing Traditional and Modern Knowledge: Encourage a balanced approach to knowledge within the RSPO framework by recognizing and respecting both traditional and modern knowledge systems. Develop training programs that integrate traditional practices with modern requirements, fostering a harmonious coexistence that aligns with the diverse backgrounds of smallholders.

Financial Support and Cost Management: Evaluate and augment the RSPO Smallholder Support Fund to better address the financial challenges associated with

certification. Ensure that the fund is adequate, accessible, and tailored to the diverse financial needs of smallholders, making certification a more attractive and viable prospect for them.

Promoting Stakeholder Initiatives: Collaborate with and support existing initiatives like the SMILE Program, SPKS, and APKASINDO that aim to empower smallholders, bridge knowledge gaps, and enhance sustainability. Encourage the expansion of such programs and foster synergies between these initiatives and RSPO objectives.

Capacity Building and Education: Invest in capacity-building programs and educational resources that empower smallholders with the necessary knowledge and skills for RSPO certification. This may involve workshops, training sessions, and mentorship programs conducted in collaboration with local agricultural extension services and non-governmental organizations.

Continuous Monitoring and Feedback Mechanisms: Establish a robust monitoring and feedback system to continuously assess the impact of RSPO initiatives on smallholders. Regularly solicit feedback from smallholders to identify evolving challenges and promptly address them through adaptive policies and support mechanisms.

By implementing these recommendations, the RSPO can work towards fostering a more inclusive, transparent, and sustainable palm oil industry, ensuring that the benefits of certification are accessible to all stakeholders, especially small-scale farmers.

5.7 Need for Future Research

In light of the thesis limitations, it is crucial to underscore that this study, while offering a foundational understanding of the role of knowledge as a form of power within the RSPO, may not capture the entirety of the complex landscape. Researchers and stakeholders must exercise caution when interpreting and applying the study's findings in practice, considering the inherent constraints in data sources, generalizability, and the absence of direct input from

key stakeholders. By recognizing these limitations, future research endeavors can refine and build upon this foundation to further deepen our understanding of knowledge-power dynamics within sustainability initiatives in the palm oil industry.

References

- Apical Group (2024). Overview. Accessed on 14/01/2024 from <https://www.apicalgroup.com/>
- APKASINDO (2019). Overview. Accessed on 10/01/2023 from <https://dpp-apkasindo.com/>
- Apriani, E., Kim, Y. S., Fisher, L. A., & Baral, H. (2020). Non-state certification of smallholders for sustainable palm oil in Sumatra, Indonesia. *Land use policy*, 99, 105112.
- Ariadhy, S. Y. & Arkum, D. (2022). Sustainable Palm Oil Governance A Case Study of Sustainable Palm Oil Certification in Indonesia. Proceedings of the International Conference on Sustainable Environment, Agriculture and Tourism (ICOSEAT 2022), Atlantis Press (pp. 334 – 343). https://doi.org/10.2991/978-94-6463-086-2_44.
- Astari, A. J. (2019). Power Relations, Historical Institutionalism, and Discourse Analysis in the Indonesian Palm Oil Sector: Global Sustainability Agenda and Institutional Change. A Dissertation to obtain the degree of doctor at the University of Twente. Apical Group. (2023). Moving Towards Smallholders Sustainability with a SMILE, a Progress Update 2022. <https://www.apicalgroup.com/articles/moving-towards-smallholders-sustainability-with-a-smile-a-progress-update-2022/>
- Auld, G. (2010). Assessing certification as governance: Effects and broader consequences for coffee. *The Journal of Environmental Development* 19 (2) 215- 241. Doi:10./177/1070496510368506
- Barahamin, A. (2023). Indonesia's Oil Palm Smallholders Need Both State and EU Support (Commentary). Accessed on 26/04/2024 from <https://news.mongabay.com/2023/10/indonesias-oil-palm-smallholders-need-both-state-and-eu-support-commentary/amp/>
- Bennett, E. (2017). Who governs Socially-Oriented Voluntary Sustainability Standards? Not the Producers of Certified Products. *World Development* Vol. 91, pp.53-69. <http://dx.doi.org/10.1016/j.worlddev.2016.10.010>

- Biermann, F. & Pattberg, P. (2008). Global environmental governance: Taking stock, moving forward. *Annual Review of Environment and Resources*, 33(1), 277-294.
- Brandi, C.A., (2017). Sustainability standards and sustainable development - synergies and trade-offs of transnational governance. *Sustainable Development*, 25 (1), 25–34. <https://doi.org/10.1002/sd.1639>.
- Brandi, C.A., Cabani, T., Hosang, C., Schirmbeck, S., Westermann, L., Wiese, H., (2015). Sustainability standards for palm oil: challenges for smallholder certification under the RSPO. *J. Environ. Dev.* 24 (3), 292–314. <https://doi.org/10.1177/1070496515593775>.
- Busch, J., Amarjargal, O., Taheripour, F., Austin, K. G., Siregar, R. N., Koenig, K., & Hertel, T. W. (2022). Effects of demand-side restrictions on high-deforestation palm oil in Europe on deforestation and emissions in Indonesia. *Environmental Research Letters*, 17(1), 014035.
- Busch, L. (2011). *Standards: Recipes for reality*. Cambridge, MA: MIT Press.
- Cashore, B., Auld, G., & Newsom, D. (2004). *Governing through markets: Forest certification and the emergence of non-state authority*. New Haven, Connecticut: Yale University Press.
- Chalil, D. (2008). Market power and subsidies in the Indonesian palm oil industry. *Research in Agricultural & Applied Economics*. AARES 52nd Annual conference.
- Cheyns, E. (2014). Making “minority voices” heard in transnational roundtables: the role of local NGOs in reintroducing justice and attachments. *Agriculture and Human Values*, 31(3), 439–453. doi:10.1007/s10460-014-9505-7
- Colchester, M., Jiwan, N., Andiko, M., Sirait, A.Y., Firdaus, A., Surambo, and Pane, H. (2006) *Promised Land: Palm Oil and Land Acquisition in Indonesia, Implications for Local Communities and Indigenous Peoples :Forest Peoples Programme and Perkumpulan Sawit Watch*

- Conroy, M. (2006). *Branded: How the certification revolution is transforming global corporations*. Gabriola Island, B.C: New Society Publishers.
- Córdoba, D., Abrams, J., & Selfa, T. (2022). Achieving Palm Oil Sustainability Under Contract: Roundtable on Sustainable Palm Oil and Family Farmers in the Brazilian Amazon. *Current Research in Environmental Sustainability*, 4, 100160.
- David M., & Meersohn Schmidt, C. (2018). Power and Counter-Power: Knowledge Structure and the Limits of Control. Volume 24, Issue 1. <https://doi.org/10.1177/1360780418797>
- De Bakker, F., Rasche, A., Ponte, S. (2019). Business Ethics and Multi-stakeholder Initiatives on Sustainability: Examining Hidden Issues and Proposing a Research Agenda. Paper presented at 35th EGOs Colloquium 2019, Edinburgh, United Kingdom.
- de Vos, R. E. & Suwarno, A., Slingerland, M., van der Meer, P. J. & Lucey, J. M. (2023). Pre-certification conditions of independent oil palm smallholders in Indonesia. Assessing prospects for RSPO certification. *Land Use Policy, Elsevier*, 130. doi:10.1016/j.landusepol.2023.106660.
- Dharmawan, A., Mardiyarningsih, D., Ghazoul, J., Amalia, R. & Pacheco, p. (2021). The Agrarian, Structural and cultural Constraints of Smallholders'' Readiness for Sustainability Standards Implementation: The Case of Indonesian Sustainable Palm oil in East Kalimantan. *Sustainability*, 13(5), 2611; <https://doi.org/10.3390/su13052611>
- Dharmawan, A.H., Mardiyarningsih, D.I., Komarudin, H., Ghazoul, J., Pacheco, P., & Rahmadian, F. (2020). Dynamics of rural economy: a socio-economic understanding of oil palm expansion and landscape changes in east Kalimantan, Indonesia. *Land* 9 (7). <https://doi.org/10.3390/land9070213>.
- Elgert, L. (2012). Certified discourse? The politics of developing soy certification standards. *Geoforum* 43, 295-304.

- EPOA, IDH, RSPO (2022). Sustainable Palm Oil: Europe's Business European Commission. Regulation on Deforestation-free products. Accessed on 12/09/2023 from https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en
- Erniwati, Zuhud E. A. M., Anas, I., Sunkar, A., & Santosa Y. (2017). Independent Smallholder Oil Palm Expansion and Its Impact on Deforestation: Case Study in Kampar District, Riau Province, Indonesia. *Journal Manajemen Hutan Tropika*, 23(3), 119-127, <https://doi.org/10.7226/jtjm.23.3.119>
- Euler, M., Hoffmann, M. P., Fathoni, Z., & Schwarze, S. (2016). Exploring yield gaps in smallholder oil palm production systems in eastern Sumatra, Indonesia. *Agricultural Systems*, 146, 111-119.
- GAPKI (2023). *Oil Palm Smallholders Rally against EU's Deforestation Law*. Accessed on Nov. 23, 2023 from <https://gapki.id/en/news/22917/oil-palm-smallholders-rally-against-eus-deforestation-law>.
- Glasbergen, P. (2018). Smallholders do not eat certificates. *Ecological Economics*, 147: 243-252.
- Grabs, J., et al. (2021). Private regulation, public policy, and the perils of adverse ontological selection. *Regulation & Governance*, 15, 1193-1194. doi:10.1111/rego.12354.
- Haggart, B. (2019). Taking Knowledge Seriously: Towards an International Political Economy Theory of Knowledge Governance. In *Information, Technology, and Control in a Changing World* (pp. 25–51). Accessed on 16/08/2023 from <https://link.springer.com/book/10.1007/978-3-030-14540-8>
- Heilmayr, R., Carlson, K. M., & Benedict, J. J. (2020). Deforestation spillovers from oil palm sustainability certification. *Environmental Research Letters*, 15(7), 075002.

- Hidayat, N. K., Glasbergen, P. & Offermans A. (2015). Sustainability Certification and Palm Oil Smallholders' Livelihood: A Comparison between Scheme Smallholders and Independent Smallholders in Indonesia. *International Food and Agribusiness Management Review*, 18(3), 25 – 48.
- Higgin, V. & Richards, C. (2019). Framing sustainability: Alternative standards schemes for sustainable palm oil and South-South trade. *J. Rural Stud.*, 65, 126–134
- Hirschmann, R. (2019). Statista. Accessed on 30/04/2024 from <https://www.statista.com/statistics/971424/total-area-of-oil-palm-plantations-indonesia/>.
- Hutabarat, S., Slingerland, M., & Dries, L. (2019). Explaining the “Certification Gap” for Different Types of Oil Palm Smallholders in Riau Province, Indonesia. *The Journal of Environment & Development*. doi:10.1177/1070496519854505.
- Hutabarat, S., Slingerland, M., Rietberg, P., Dries, L. (2018). Costs and benefits of certification of independent oil palm smallholders in Indonesia. *Int. Food Agribus. Manag. Rev.* 21 (6), 681–700. <https://doi.org/10.22434/IFAMR2016.0162>.
- IPCC (2018). Summary for Policymakers. In: Global warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty. World Meteorological Organization, Geneva, Switzerland.
- IPOA (2021). EU's Palm Oil Ban Ruins Global Smallholders' livings. Accessed on May 2, 2023 from <https://gapki.id/en/news/20775/eus-palm-oil-ban-ruins-global-smallholders-livings>.
- Jelsma, I., Woittiez, L. S., Ollivier, J., & Dharmawan, A. H. (2019). Do wealthy farmers implement better agricultural practices? An assessment of the implementation of Good Agricultural

Practices among different types of independent oil palm smallholders in Riau, Indonesia. *Agricultural Systems*, 170, 63–76. <https://doi.org/10.1016/j.agsy.2018.11.004>.

Johnson, A. (2014). Green Governance or Green Grab ? The RSPO and its governing processes in Ecuador. The Land Deal Politics Initiative (LDPI) working paper 54. Accessed on 12/12/2023 from https://www.researchgate.net/publication/260186491_Green_Governance_or_Green-Grab_The_Roundtable_on_Sustainable_Palm_Oil_RSPO_and_its_governing_processes_in_Ecuador

Julia (2010). A Certified Sustainability Market-Based Voluntary Standards in Palm Oil Industry. [Masters dissertation, International Institute for Social Studies, Netherlands]

Karyza, D. & Tanamal, Y. (2022). *Palm oil farmers plan second street protest over export ban*. The Jakarta Post. Accessed 14/09/2023 from <https://www.thejakartapost.com/business/2022/05/18/palm-oil-farmers-plan-second-street-protest-over-export-ban.html>

Khatun K., Maguire-Rajpaul V. A., Asante E. A., and McDermott C. L (2020). From Agroforestry to Agroindustry: Smallholder Access to Benefits From Oil Palm in Ghana and the Implications for Sustainability Certification. *Front. Sustain. Food Syst.* 4:29. [doi: 10.3389/fsufs.2020.00029](https://doi.org/10.3389/fsufs.2020.00029).

Klooster, D. (2005). Environmental certification of forests: the evolution of environmental governance in a commodity network. *Journal of Rural Studies* 21(4), 403-417.

Marin-Burgos, V., Clancy, J. S., & Lovett, J. C. (2015). Contesting legitimacy of voluntary sustainability certification schemes: Valuation languages and power asymmetries in the Roundtable on Sustainable Palm Oil in Colombia. *Ecological Economics*, 117, 303–313. <https://doi.org/10.1016/j.ecolecon.2014.04.011>.

- Markne, M. (2015). Certifying sustainability Independent oil palm smallholders' experiences of the RSPO certification process in the Riau province, Indonesia. UPPSATSER Kulturgeografiska institutionen. Pp. 29-30. <https://www.diva-portal.org/smash/get/diva2:898810/FULLTEXT01.pdf>
- Martens, K., Kunz, Y., Rosyani, I., & Faust, H. (2019). Environmental Governance Meets Reality: A Micro-Scale Perspective on Sustainability Certification Schemes for Oil Palm Smallholders in Jambi, Sumatra. *Society & Natural Resources*, 1–17. doi:10.1080/08941920.2019.1674436.
- Marx, A. & Cuypers, D. (2010). Forest Certification as a global environmental governance tool: What is the macro-effectiveness of the forest stewardship council regulation and governance. 4, 408-434. Doi:10.1111/j.1748-5991.2010.01088.x
- Marx, A. (2008). Limits to non-state market regulation: A qualitative comparative analysis of the international sport footwear industry and the fair labour association. *Regulation & Governance* 2, 253-273.
- May, C. (1996). Strange fruit: Susan Strange's theory of structural power in the international political economy. *Global Society: Journal of Interdisciplinary International Relations*, 10(2), pp.167-189.
- Maya, M., Tinov, M. Y. T., Adiarto & Asari, H. (2022). Governance of the Sustainable Public Palm Oil Replanting Program (PSR) in Riau Province. *Journal of Governance*, 7(1), 260-274. <http://dx.doi.org/10.31506/jog.v7i1.14564>.
- Meehan, F., Tacconi, L., & Budiningsih, K. (2019). Are national commitments to reducing emissions from forests effective? Lessons from Indonesia. *Forest Policy and Economics*, 108, 101968.
- Musim Mas (2023) Smallholders. Accessed on 23/11/2023 from <https://www.musimmas.com/sustainability/smallholders/>
- Nikoloyuk, J., T. Burns, and R. de Man (2010) The Promise and Limitations of Partnered Governance: the Case of Sustainable Palm Oil. *Corporate Governance*, Vol. 10, No. 1, pp. 59-72

- Nugraha, I. (2014). Sustainable Oil Palm Plantation Roadmap for Independent Smallholders, What is it like? Mongabay Indonesia New. <https://www.mongabay.co.id/2014/11/12/roadmap-kebun-sawit-berkelanjutan-bagi-petani-mandiri-seperti-apa/>.
- Ogahara, Z., Jespersen, K., Theilade, I., & Nielsen, M. R. (2022). Review of smallholder palm oil sustainability reveals limited positive impacts and identifies key implementation and knowledge gaps. *Land Use Policy*, 120. <https://doi.org/10.1016/j.landusepol.2022.106258>
- Oliphant, E. and Simon, A. (2022). The Cost of Sustainable Palm Oil: Should an Indonesian Smallholder Pursue RSPO- Certification? *World Development Perspectives*. Vol 26, 100432. <https://doi.org/10.1016/j.wdp.2022.100432>
- Osei Darkwah, D., & Ong-Abdullah, M. (2022). Sustainability of the Oil Palm Industry. IntechOpen. <https://doi.org/10.5772/intechopen.100156>.
- Palm Oil Magazine (2023). SMILE Program Achievements in Independent Smallholder Assistance and RSPO Certificate. Accessed on 16/01/2024. <https://www.palmoilmagazine.com/rsपो/2023/11/22/smile-program-achievements-in-independent-smallholder-assistance-and-rspo-certificate/amp/>.
- Pareira, S. P. (2021). Roundtable on Sustainable Palm Oil (RSPO) Certification in Indonesia: A Complex Case of Global Environmental Governance, [Masters dissertation, The Graduate Institute Geneva]. <https://doi.org/10.13140/RG.2.2.10840.57605>.
- Pesqueira, L. & Glasbergen, P. (2013). Playing the politics of scale: Oxfam's intervention in the Roundtable on Sustainable Palm Oil. *Geoforum*, 45, 296–304. doi:10.1016/j.geoforum.2012.11.017.
- Petrenko, C., Paltoeva J., Searle, S. (2016). Ecological Impact of Palm oil Expansion in Indonesia. Accessed on 12/09/2023 from <https://theicct.org/publication/ecological-impacts-of-palm-oil-expansion-in-indonesia/>

- Pichler, M. (2010). Agrofuels in Indonesia: structures, conflicts, consequences, and the role of the EU. *ASEAS - Austrian Journal of South-East Asian Studies*, 3(2), 175-193. <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-361244>.
- Pichler, M. (2013). "People, Planet & Profit": Consumer-Oriented Hegemony and Power Relations in Palm Oil and Agrofuel Certification. *The Journal of Environment & Development*, 22(4), 370–390. Doi:10.1177/1070496513502967.
- Potts, J., Meer, van der J., Daitchman, J., (2010). The state of sustainability initiatives review 2010: Sustainability and transparency. International Institute for Sustainable Development (IISD) and the International Institute for Environment and Development (IIED).
- Pramudya, E. P., Hospes, O., & Termeer, C. J. (2017). Governing the palm-oil sector through finance: the changing roles of the Indonesian State. *Bulletin of Indonesian Economic Studies*, 53(1), 57-82.
- Purwanto, E., Santoso, H., Jelsma, I., Widayati, A., Nugroho, H., & van Noordwijk, M. (2020). Agroforestry as Policy Option for Forest-Zone Oil Palm Production in Indonesia. *Land*, 9(12):531. <https://doi.org/10.3390/land9120531>
- Pye, O. (2010). The biofuel connection-transnational activism and the palm oil boom. *Journal of Peasant Studies*, 37 (4), 851-874.
- Raharja, S., Marimin, Machfud, Papilo, P., Safriyana, Massijaya, M. Y., Asrol, M. & Darmawan, M. A. (2020). Institutional strengthening model of oil palm independent smallholder in Riau and Jambi Provinces, Indonesia. *Heliyon*, 6. <https://doi.org/10.1016/j.heliyon.2020.e03875>.
- Raynolds, L. T., Murray, D. & Hekker, A. (2007). Regulating sustainability in the coffee sector: A comparative analysis of third-party environmental and social certification initiatives. *Agriculture and Human Values*, 24, pp.147-163. Doi:10.1007/s/0460-006-9047-8
- Renard, M. C. (2005). Quality Certification, regulation and power in fair trade. *Journal of Rural Studies*, 21, 419-431.

- Rietberg, P. & Slingerland, M (2016). Costs and Benefits of RSPO Certification for Independent Smallholders. A Science for Policy Paper for the RSPO. Wageningen University.
- Rival, A., Montet, D., & Pioch, D. (2016). Certification, labelling and traceability of palm oil: can we build confidence from trustworthy standards? OCL, 23(6), D609. <https://doi.org/10.1051/oc/2016042>.
- RSPO (2016). The Connection between Economic and Financial Viability with Sustainability for Palm Oil Plantations Study. Accessed on 27/04/2024 from <https://rspo.org/the-correction-between-economic-and-financial-viability-with-sustainability-for-palm-oil-plantations-study/>
- RSPO (2017). RSPO Membership Rules. Accessed on 12/08/2023 from <https://rspo.org/wp-content/uploads/rspo-membership-rules-2016-english.pdf>
- RSPO (2017). Smallholder Strategy. Accessed on 10/09/2023 from <https://rspo.org/wp-content/uploads/rspo-smallholder-strategy-english.pdf>
- RSPO (2018). RSPO 16th Annual Roundtable Conference on Sustainable Palm Oil (RT16). Accessed on 10/09/2023 from https://rspo.org/wp-content/uploads/rt16-report_2018.pdf
- RSPO (2018). RSPO Governance Manual. Accessed on 10/09/2023 from <https://rspo.org/wp-content/uploads/rspo-governance-manual-2018.pdf>
- RSPO (2018). RSPO Principles and Criteria. Accessed on 12/09/2023 from <https://rspo.org/wp-content/uploads/rspo-principles-criteria-for-production-of-sustainable-palm-oil-2018revised-01-february-2020-with-updated-supply-chain-requirements-for-mills.pdf>
- RSPO (2019). RSPO Independent Smallholders Standard. Accessed on 11/09/2023 from https://rspo.org/wp-content/uploads/RSPO_ISH_Standard_2019-English.pdf
- RSPO (2020) RSPO Membership Rules. Accessed on 10/09/2023 from https://www.rspo.org/wp-content/uploads/RSPO_Membership_Rules_20202.pdf

- RSPO (2020). RSPO Certification Systems for P&C and RSPO ISH Standard. Accessed on 12/09/2023 from [https://rspo.org/wp-content/uploads/RSPO Certification Systems Document - November 2020-ENG-1.pdf](https://rspo.org/wp-content/uploads/RSPO_Certification_Systems_Document_-_November_2020-ENG-1.pdf)
- RSPO (2021) Delivering Deforestation-free Sustainable Palm Oil: A Response to US Engagement on Supply Chain. Accessed on 10/08/2023 from <https://rspo.org/delivering-deforestationfree-sustainable-palm-oil-a-response-to-us-engagement-on-supply-chain/>
- RSPO (2021). Simplified Free, Prior, and Informed Consent (FPIC) Approach for RSPO Independent Smallholder. Accessed 12/09/2023 from <https://www.planetgold.org/sites/default/files/Simplified%20FPIC%20Approach%20for%20ISH%20-%20English.pdf>
- RSPO (2022). Impact Report 2022. Accessed on 10/09/2023 from <https://rspo.org/wp-content/uploads/RSPO-Impact-Report-2022.pdf>
- RSPO (2022). New Report Shows Europe is the Biggest Market for Sustainable Palm Oil. Accessed on 30/04/2024 from <https://rspo.org/new-report-showsoeurope-is-the-biggest-market-for-sustainable-palm-oil/>
- RSPO (2022). Smallholder Support Fund. Accessed on 14/09/2023 from <https://rspo.org/wp-content/uploads/RSPO-Smallholder-Support-Fund-RSSF-Governance-Policy-June-2022.pdf>
- RSPO (2023, October 16). RSPO Press Release; RSPO appoints digital transformation consortium to develop a new traceability system for enhanced trade and regulatory compliance. Accessed on 10/09/2023 <https://rspo.org/rspo-appoints-digital-transformation-consortium-to-develop-a-new-traceability-system-for-enhanced-trade-and-regulatory-compliance/>
- RSPO (2024) RSPO Certification. Accessed on 08/03/2024 from <https://rspo.org/as-an-organization/certification/>

- RSPO (2024). As a Smallholder Gaining Certification Changes Everything. Accessed on 12/03/2024 from <https://rspo.org/as-a-smallholder/>
- RSPO (2024). As a Smallholder Journey to Certification. Accessed on 08/03/2024 from <https://rspo.org/as-a-smallholder/journey-to-certification/>
- RSPO (2010). RSPO principles and criteria for sustainable palm oil production: Guidance for independent smallholders under group certification. Jakarta, Indonesia: RSPO Task Force on Smallholders.
- RSPO (2011) RSPO Fact Sheet. Accessed on 10/09/2023 <https://rspo.org/wp-content/uploads/RSPOFACTSHEETFINALRT91.pdf>
- RSPO. (2020). RSPO Creates New Position to Build Strong Relationships with Stakeholders. Accessed on 12/09/2023 from <https://rspo.org/rspo-creates-new-position-to-build-strong-relationships-with-stakeholders/>
- RSPO. (2022). RSPO Who We Are. Accessed on 14/09/2023 <https://rspo.org/wp-content/uploads/RSPO-Who-We-Are-Dec-2022.pdf>
- Ruysschaert, D., & Salles, D. (2014). Towards global voluntary standards: Questioning the effectiveness in attaining conservation goals. *Ecological Economics*, 107, 438–446. <https://doi.org/10.1016/j.ecolecon.2014.09.016>.
- Ruysschaert, D., Carter, C., & Cheyns, E. (2019). Territorializing effects of global standards: What is at stake in the case of “sustainable” palm oil? *Geoforum*, 104, 1–12. doi:10.1016/j.geoforum.2019.05.009.
- Sarjono, H., Christofer, K., Nayoan, G. F., & Nugraha, M. D. (2022). Performance Analysis in Palm Oil Industry Using Supply Chain Operations Reference (SCOR) Model. *Binus Business Review*, 13(2), 213-222.

- Schleifer, P. & Sun, Y. (2018) Emerging markets and private governance: the political economy of sustainable palm oil in China and India. *Review of International Political Economy*, 25:2, 190-214, DOI: [10.1080/09692290.2017.1418759](https://doi.org/10.1080/09692290.2017.1418759)
- Schouten, G., & Glasbergen, P. (2011). Creating legitimacy in global private governance: The case of the Roundtable on Sustainable Palm Oil. *Ecological Economics*, 70(11), 1891–1899. doi:10.1016/j.ecolecon.2011.03.012.
- Shibao, P.(2016) Study Finds Link Between RSPO Certification and Profitability for PalmOil Companies. Accessed on 28/04/2024 from <https://news.mongabay.com/2016/04/study-finds-link-rspo-certification-profitability-palm-oil-companies/>
- Sirait, M. T. (2009). Indigenous Peoples and Oil Palm Plantation Expansion in West Kalimantan, Indonesia. Amsterdam University Law Faculty. Accessed on 12/09/2023 from <https://apps.worldagroforestry.org/downloads/Publications/PDFS/RP16385.pdf>.
- SPKS (2024). Overview. Accessed on 12/01/2024 from <https://spks.or.id/#>
- Strange, S. (1994). *States and Markets: An Introduction to International Political Economy*. Printer Publishers Limited.
- Strangio, S. (2023, February 09). New EU Regulation Could Hurt Small Palm Oil Producers: Watchdog. *The Diplomat*. Accessed on 23/10/2023 from <https://thediplomat.com/2023/02/new-eu-regulation-could-hurt-small-palm-oil-producers-watchdog/>
- Sukiyono, K, Romdhon, M. M., Mulyasari, G., Yuliarso, M. Z., Nabiu, M. (2022). The Contribution of Oil Palm Smallholders Farms to the Implementation of the Sustainable Development Goals-Measurement Attempt. *Sustainability*, 14(6843). <https://doi.org/10.3390/su14116843>.
- Suroyo, G., Sulaiman, S., & Teresia, A. (2023, June 8). Indonesia accuses EU of 'regulatory imperialism' with deforestation law. *Reuters*. Accessed 12/09/2023 from

<https://www.reuters.com/business/environment/indonesia-accuses-eu-regulatory-imperialism-with-deforestation-law-2023-06-08/>

Suwastoyo, B. (2018). APKASINDO Seeks Way to Protect Smallholders from Pressure of Low Prices. *The Palm Scribe*. Accessed on 12/09/2023 from <https://thepalmscribe.id/apkasindo-seeks-way-to-protect-smallholders-from-pressure-of-low-prices/>.

Suwastoyo, B. (2019). Palm Oil Farmers Union Takes Initiative on Partnership. *The Palm Scribe*. Accessed on 07/10/2023 from <https://thepalmscribe.id/palm-oil-farmers-union-takes-initiative-on-partnership/>.

Sylvia, N., Rinaldi, W., Muslim, A., & Husin, H. (2022). Challenges and possibilities of implementing sustainable palm oil industry in Indonesia. In *IOP Conference Series: Earth and Environmental Science* (Vol. 969, No. 1, p. 012011). IOP Publishing.

Tamtama, D. (2017). *The Politics of Environmental Certification Surrounding the Indonesia's Palm Oil Industry: Emergence of the Indonesian Sustainable Palm Oil (ISPO)*. A thesis submitted for the degree of Doctor of Philosophy at Monash University.

The Jakarta Post. (10 November 2023). RSPO Reaffirms Commitment to Develop Indonesia's Sustainable Palm Oil Sector. Accessed 10/12/2023 from <https://www.thejakartapost.com/amp/front-row/2023/11/10/rspo-reaffirms-commitment-to-develop-indonesias-sustainable-palm-oil-sector.html>

USDA (2023). *Indonesia Palm Oil: Historical Revisions Using Satellite-Derived Methodology*. Accessed 28/04/2024 from <https://ipad.fas.usda.gov/highlights/2023/11/indonesia/index.pdf>

Wijaya, A., & Glasbergen, P. (2016). Toward a New Scenario in Agricultural Sustainability Certification? The Response of the Indonesian National Government to Private Certification. *The Journal of Environment & Development*, 25(2), 219–246. <https://doi.org/10.1177/1070496516640857>.

Woittiez, L. S., Slingerland, M., Rafik, R., & Giller, K. E. (2018). Nutritional imbalance in smallholder oil palm plantations in Indonesia. *Nutrient Cycling in Agroecosystems*, 111(1), 73-86.