

Hanne Mork Hamre

# Negotiating the legitimacy of a global palm oil standard by local affected groups in Central Kalimantan, Indonesia

Master's thesis in Geography with Teacher Education

Supervisor: Ståle Angen Rye

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Faculty of Social and Educational Sciences  
Department of Geography



# ABSTRACT

The thesis is focused on how the legitimacy of The Roundtable of Sustainable Palm Oil (RSPO) as a global palm oil standard is negotiated at a local level in Central Kalimantan, Indonesia. The RSPO is a global palm oil standard with the objective to promote the growth and use of sustainable palm oil products through credible global standards and engagement of stakeholders. It aims to help to reduce the negative impacts of the palm oil cultivation on the environment and communities. The RSPO is established by- and for stakeholders representing the private sector. As most of the negative impacts that the RSPO aim to reduce are experienced locally, such as agrarian conflicts and labour rights violations in palm oil plantation, there is a need to investigate the legitimacy of the RSPO among the affected groups at a local level.

Based on a field study in Central Kalimantan, Indonesia, the empirical material was obtained. The analysis is based on affected communities' experiences of the agrarian conflicts and a trade union's experiences of workers' rights violations in a palm oil plantation. By analyzing the affected groups' experiences related to the impacts and the implications of the RSPO through the concept of legitimacy and the legitimacy requirements; values, effectiveness and participation, and relate it to the concept of negotiation, it illustrates how the legitimacy of the RSPO as a global palm oil standard is negotiated at a local level in Central Kalimantan.

The study reveals the negotiation of the legitimacy is based on the values of the affected groups and the interaction of the RSPO's values. The actions of the members of the RSPO, which in the present study show a lack of effectiveness of the RSPO in light of the similarities in values, leads to negotiation through participation of the local affected groups. The negotiation involving the RSPO's complaints system; the trade union, demonstrations; open letters; and campaigns. However, there is not much evidence of negotiation due to the lack of- and the difficulty of participation, such as the absence of affected groups as members in the RSPO; the resistance and threats to the trade union by a member of the RSPO; the bad experience and lack of effectiveness of previous negotiation with the RSPO. The lack of participation can be understood as the affected groups perception of the RSPO's lacking ability to deal with the core of their claims based on different values, the lack of effectiveness after previous negotiations and their perception of the government as more important to work with than the RSPO. In consequence, this gives a better understanding why the affected groups in Central Kalimantan are skeptical and are raising questions about the legitimacy of the RSPO.



# SAMMENDRAG

Mastergraden fokuserer på hvordan legitimiteten til RSPO som en global palmeoljestandard forhandles på det lokale nivået i Sentral-Kalimantan i Indonesia. «The Roundtable of Sustainable Palm Oil» er en global palmeoljestandard med mål om vekst og bruk av bærekraftig palmeolje gjennom troverdige globale standarder og engasjerte interessenter. I tillegg med mål om å hjelpe å redusere de negative påvirkningene dyrkingen av palmeolje har på miljø og lokalsamfunn. RSPO er etablert av- og for interessenter som representerer privat sektor. Siden de fleste negative påvirkningene av palmeoljeproduksjonen som RSPO tar sikte på å redusere skjer på det lokale nivået, som jordbrukskonflikter og brudd på arbeidsrettigheter i palmeoljeplantasjer, er det et behov for å undersøke legitimiteten til RSPO blant de direkte berørte gruppene på det lokale nivået.

Basert på et feltstudie i Central Kalimantan, Indonesia, ble det empiriske materialet innhentet. Analysen baseres på erfaringene til berørte lokalsamfunn relatert til jordbrukskonfliktene og erfaringene til en fagforening relatert til brudd på arbeidsrettighetene i en palmeoljeplantasje. Ved å analysere de berørte gruppenes erfaringer relatert til konsekvensene av palmeoljeproduksjonen og virkningen av RSPO gjennom legitimitetsbegrepet og legitimitetskravene; verdier, effektivitet og deltakelse, illustrerer det hvordan legitimiteten av RSPO som en global palmeolje standard forhandles på det lokale nivået i Sentral-Kalimantan.

Studiene har avdekket at forhandlingen av legitimiteten skjer basert på verdiene til de berørte gruppene og interaksjonen med RSPOs verdier. Praksisen til medlemmene av RSPO, som i denne studien viser seg å være manglende effektivitet av RSPO i lys av likheten i verdiene, fører til forhandling gjennom deltakelse av de lokalt berørte gruppene. Forhandlingen innebærer bruk av RSPOs klagesystem, demonstrasjoner, åpent brev, og kampanjer. Likevel, er det ikke mye bevis på forhandling som skyldes manglende deltakelse; fraværet av de berørte gruppene som medlemmer av RSPO; motstand og trussel mot fagbevegelsen av et RSPO-medlem; dårlig erfaring- og manglende effektivitet ved tidligere forhandlinger med RSPO. Mangelen på deltakelse kan bli forstått som de berørte gruppenes manglende tro på RSPOs evne til å løse deres kjernekrav basert på ulike verdier, manglende effektivitet i tidligere forhandlinger og deres oppfatning av myndighetene som en bedre egnet aktør til å løse deres kjernekrav. Som følge av dette, er forståelsen større for at de berørte gruppene i Sentral-Kalimantan er skeptiske og stiller spørsmål ved legitimiteten til RSPO.



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# ABBREVIATIONS

CitRes	Citizen Engagement, Transparency and Transnational Resource Governance
CSO	Civil society organisation
CSPO	Certified Sustainable Palm Oil
ISPO	Indonesian Sustainable Palm Oil
NGO	Non-governmental organization
NISPO	Norwegian Initiative of Sustainable Palm Oil
NTNU	Norges teknisk-naturvitenskapelige universitet
NSD	Norwegian Center for Research Data
NSMD	Non-state market driven
PolGov	Department of Politics and Government
RSPO	Roundtable of Sustainable Palm Oil
UGM	Universitas Gadjah Mada



# 1 INTRODUCTION

## 1.1 BACKGROUND

Palm oil is the most used vegetable oil in the world today, and it is found in nearly half of the products available in most supermarket shelves (Dauvergne, 2018, p. 34; GreenPalm, n.d.). Without even knowing, each of us are probably consuming several products made by palm oil during the course of a day. The soap and shampoo you are using when showering; the cereals for your breakfast; your toothpaste when brushing the teeth; the biofuel in the bus to work; the energy bars and cookies for lunch; the noodles for dinner; the ice-cream and chocolate for desert; and the quick-fix soup for your evening meal (Amnesty International, 2016, p. 16; Meijaard et al., 2018, p. 5). The reason why this oil is used in all these products, is due to its many appealing qualities. The use of palm oil increases a product's shelf life and makes a product resistance to intense conditions, such heat and hot climates. Further, the oil is also odourless and highly versatile, and last but not least, it has a competitive price (Dauvergne, 2018, p. 34).

From originally being a relatively small subsistence crop in West and Central Africa for centuries, the palm oil crop found its way to Asia in the 1800s where it became the preferable cooking oil among Asian households (Gottwald, 2018, p. 1). During the last 20 years, it has been an increasing global demand of this vegetable oil, leading to the present production of palm oil and palm kernel to amount to three times as the amount around year 2000. Today, palm oil covers more than one-third of the global production of vegetable oils, and accounts close to two-thirds of the global trade in vegetable oils (US Department of Agriculture, 2001, 2019). It is estimated that the demand will double by 2030 and triple by 2050 (Gottwald, 2018, p. 1). The reason behind this expansion is, along with the oil's qualities, the spatial efficiency of producing palm oil compared to other vegetable oils, such as soy, rape and sunflower. While good rapeseed oil yield in Europe accounts for 1.8 tonnes of oil per hectare, and the soybean oil yield in Brazil accounts for 0.6-0.8 tonnes of oil per hectare, the current global average palm oil yields account for 3.5 tonnes per hectares (Barcelos et al., 2015, p. 1; Byerlee, Falcon, & Naylor, 2017, p. 20).

The previous section gives a clear picture of a big global industry, which is in continuously growth. Today, most of the world's palm oil has its origin in Indonesia and Malaysia, which together account for 85 percent of the global production. However, there is a rapidly expansion of the palm oil production in both Latin America and West Africa (Gottwald, 2018, p. 1). Indonesia has Southeast Asia's largest economy comprising various industries, where oil palm plantations and the palm oil industry have become a key economic industry, both at national and local level (Jiwan, 2013, p. 51). The palm oil industry is considered to be an important industry concerning the economic growth experienced in Indonesia over the last decades, due to domestic and foreign investments and a strong state regulatory intervention (Hapsari, 2017, p. 208). The Indonesian government is often stressing the palm oil industry as a crucial supporter in the reduction of poverty through creating formal jobs generating income for the rural population (Patrick, 2013, p. 244). The oil palm cultivation has for many farmers in Indonesia improved their livelihood (McCarthy, 2012, p. 1878).

Alongside with the increasing global demand and the economic benefits of palm oil, the palm oil industry has received a lot of negative attention, especially in Europe. The oil palm is by many seen as a controversial crop due to the negative impacts of the cultivation. First and foremost, due to the environmental impacts. The production leads to tropical deforestation, biodiversity loss and high greenhouse gas emissions. The fact that this is happening in big scale simultaneously with the world is facing both climate change and high scale biodiversity loss, criticism is raised against the sector from various groups, in particular environmentalists (Dauvergne, 2018, p. 35). In addition, but without the same amount of attention, the palm oil sector is being criticized for the widespread human rights abuses, related to land-grabbing, conflicts, relocations of indigenous people and subsistence farmers, and bad labour conditions at the plantations (Gottwald, 2018, p. 1878; McCarthy, 2010, 2012).

In 2004, as a response to all the aspects of palm oil described above together with not being content with the governments management of the palm oil sector, stakeholders from the private sector of the palm oil industry, the businesses and non-governmental organizations, established The Roundtable of Sustainable Palm Oil (RSPO). The RSPO was developed to meet the growing demand of palm oil in a more sustainable way, through global sustainable standards and stakeholder engagement, with a view to reduce negative impacts of palm oil cultivation on the environment and local communities (RSPO, n.d.-a).

The RSPO was the first global standard setting initiative for palm oil, and it is considered as a non-state market driven (NSMD) governance initiative (Cashore, 2002, p. 505; Marin-Burgos, Clancy, & Lovett, 2015, p. 303). There is a wide increase in NSMD governance systems working through global standards with the goal of sustainable certified products through sustainable practices in the value chain (Nikoloyuk, Burns, & de Man, 2010). The reason behind the growth of NSMD governance is that some non-governmental groups are not content with how governments or international institutions are managing corporate engagement and want to engage the market and the supply chain instead (Cashore, 2002, p. 160). With rising awareness of environmental consequences in connection with the production of palm oil, consumers, retailers and consumer goods manufacturers demand palm oil which is not leading to deforestation, such as the RSPO's apparently certified sustainable palm oil.

Legitimacy is a term used when something is widely accepted, either because it is approved by law or because it is considered legitimate and fair for other reasons (Knudsen, 2018). In non-state market driven governance, such as the RSPO, both authority and legitimacy are major concern. The reason is because these initiatives do not involve the state and therefore do not hold the status of the law. Generally, the absence of the state authority generally limits the democratic legitimacy of such initiatives (Von Geibler, 2013). Therefore, it becomes even more important to create and negotiate the legitimacy of NSMD governance through other stakeholders and in other ways. This study follows the work done by Bernstein and Cashore about the legitimation of non-state global governance, where they emphasised how NSMD governance initiatives might achieve "political legitimacy" (Bernstein, 2004, 2011; Bernstein & Cashore, 2007; Von Geibler, 2013). Hence, the thesis is based on Bernstein's conceptualization of legitimacy which states that "legitimacy always rests on shared acceptance of rules and rule by affected groups, who constitute the community that grants legitimacy and on the justificatory norms they recognize" (2011, p. 21), where Bernstein refers the community to the 'relevant audience' (Bernstein, 2011, p. 24).

As previously stated, many of the products we use daily contain palm oil. Where some consumer goods manufactures are trying to replace the palm oil with other oils, which might be less economical beneficial and land-efficient, many manufactures are supporting the vision to achieve a sustainable palm oil industry through the initiative of the RSPO. Nestlé and Unilever are big consumer goods manufacturers who both have action plans for achieving the use of 100% sustainable palm oil in their products, and they are both members of the RSPO

(RSPO, n.d; Unilever, 2016). In 2014, the Norwegian initiative for sustainable palm oil (NISPO) was established, where big retailers and companies such as Coop Norge SA, NorgesGruppen ASA, Orkla ASA, and Nordic Choice Hotels participate. Being part of the initiative, the companies commit to reduce their demand of palm oil and/or use only sustainable the RSPO-certified palm oil (NHO Mat og Drikke, 2016). Nestle, Unilever and NISPO shared stance about using the RSPO-certified sustainable palm oil, indicating the legitimacy of the RSPO in the end of the supply chain among European consumers, retail brands and consumer products manufacturers.

## 1.2 AIM OF THE STUDY AND THE RESEARCH QUESTION

The overall description tells about the global growing demand of palm oil, the importance of a viable palm oil industry and the locally cultivations' negative impacts, together with the apparent overall "solution" of the RSPO's sustainable palm oil. In addition, it indicates that the RSPO as a solution, is supported and legitimated by the market, mainly involving European retailers, companies and consumers. But how about the perception of the RSPO as the solution in the other end of the supply-chain, where the sustainable production and reduction of negative impacts of palm oil cultivation on the environment and communities are supposed to happen? Based on this, I was engaged in investigating how a global standard as the RSPO, apparently legitimated by the business sector and the consumers in Europe, is perceived and negotiated locally in Central Kalimantan in Indonesia among the locally affected groups. This interest was also significantly boosted by an informant asking: "For who is the RSPO, why do you, Europe, need it? The label "RSPO" is sustainable, but not the practise here".

In consequence, the aim of the study is to examine how the legitimacy of the RSPO is negotiated among the local actors affected by the industry in an area where the cultivation of palm oil takes place. In order to accomplish this, the study will answer the following scientific research question:

*"How is the legitimacy of the RSPO, as a global palm oil standard, negotiated at a local level in Central Kalimantan, Indonesia?"*

In order to answer this research question, I based my research on fieldwork in Central Kalimantan. Accordingly, the empirical material is mainly derived from interviews with locally affected groups complemented by observation and document analysis. The empirical data is analysed through the concept of legitimacy mainly derived from Bernstein (2004, p. 142; 2011,

p. 21), including certain legitimacy requirements derived from the sociological perspective (Marin-Burgos et al., 2015; Suchman, 1995) and democratic legitimacy (Scharpf, 1999), and the concept of negotiation partly inspired by Marin-Burgos et al. (2015) and Schouten and Glasbergen (2011).

### 1.3 JUSTIFICATION OF STUDY

The main objective of the RSPO is to “promote the growth and use of sustainable palm oil products through credible global standards and engagement of stakeholders” (RSPO, 2018c, p. 1) which includes to “help to reduce the negative impacts of palm oil cultivation on the environment and communities” (RSPO, n.d.-a). The negative impacts local people experience are often at the centre of socio-environmental conflicts, for instance conflicts concerning access to natural resources which are rooted in differences in values, inequalities in power and wealth among human groups (Escobar, 2006; Marin-Burgos et al., 2015; Martinez-Alier, 2003). Local actors involved in these conflicts tend to choose to self-exclude themselves from the industrial commodity chain since participating in a sector as such does not align with their values (Hospes & Clancy, 2011, p. 25; Marin-Burgos et al., 2015).

Attention must be given to these local actors, which on one side are the communities experiencing the negative impacts of palm oil cultivation which the RSPO aims to help and are considered as stakeholders by the RSPO. On the other side, when considering the RSPO as what Cashore (2002) called ‘non-state market driven’ governance and with the aim to evaluate its legitimacy, these local actors can be considered as affected groups which determines to grant or to contest the RSPO’s legitimacy (Bernstein, 2011, p. 24; Marin-Burgos et al., 2015, p. 303). This is based on Bernstein’s conceptualization of legitimacy, which states that: “legitimacy always rests on shared acceptance of rules and rule by affected groups, who constitute the community that grants legitimacy and on the justificatory norms they recognize” (Bernstein, 2011, p. 21). Hence, the local actors are thus part of the process of granting or contesting the legitimacy of the RSPO; a process that is depended on how their values are being reflected in the development or the implementation of the standard (Marin-Burgos et al., 2015). In the present study I consider this process to achieve a shared acceptance to be relevant to relate to the negotiation of the legitimacy, inspired by Marin-Burgos et al. (2015).

The reason why the present study focuses on the negotiation of legitimacy at the local level, among the local actors, can be justified for two reasons based on the work by (Marin-Burgos et al., 2015, p. 304). Firstly, legitimacy among local actors increases the chances that they will

participate in decision-making and the implementation process, where they can raise attention to, and ensure, that social and environmental impacts that affect them are taken into account and reflected in the measures adopted. Secondly, local actors which are contesting the legitimacy undermine the potential of NSMD governance system to protect business actors who are members of these systems (Marin-Burgos et al., 2015, p. 304).

Many researchers have been paying most attention on the environmental impacts, such as conservation and deforestation related to the legitimacy of NMBD governance (Partzsch, 2011). There has been less focus on the socio-environmental and socio-economic impacts, concerning the conflicts related to land grabbing and the violations of workers' rights (McCarthy, 2012, pp. 1872-1873). Since much of the empirical data used in this study relates to the socio-environmental and socio-economic impacts, and not much research is available on this topic, I find it relevant to stress these impacts in relation to the question of legitimacy in my thesis, inspired by the existing literature by Marin-Burgos et al. (2015).

As already mentioned, in a NSMD governance system, legitimacy is a major concern and it has become a focus area for research (Bernstein & Cashore, 2007). Nevertheless, it has not been done much research about the legitimacy of NSMD governance among local actors affected by the palm oil production. Most research have been emphasising the legitimacy of NSMD governance by how it is developed at the international level, or the legitimacy granted by actors within the commodity chain (Cashore, Egan, Auld, & Newsom, 2007; Marin-Burgos et al., 2015; Schouten & Glasbergen, 2011).

Regarding Schouten & Glasbergen there is a need of a "grassroot" analysis on the legitimacy of NSMD governance at the local level (2011, p. 1898). This recommendation has been followed up by both Burgos and Johnson, which have looked into National Interpretation of the RSPO's principles and criteria (P&Cs) in respectively Colombia and Ecuador. In their research they have emphasised the interpretation to national contexts and examined power dynamics structures and different values among local actors on a national scale (Johnson, 2019; Marin-Burgos et al., 2015). While Burgos and Johnson have examined the national scale, there is still a need for an examination of the legitimacy at the local level. Following the recommendation from Schouten & Glasbergen and with the objective to contribute to fill this gap at the local level, this study seeks to examine how the legitimacy of the RSPO is negotiated among the local actors at the "grassroot level" in Central Kalimantan where the cultivation takes place and where sustainable standards are said to be implemented. Additionally, the study attempts to

contribute with a new perspective compared to previous research in emphasizing how the legitimacy is negotiated. Based on Scharpf; “legitimacy cannot be considered an all-or-nothing proposition” (1999, p. 26), I found it relevant to examine how legitimacy is negotiated, rather than just contested or granted as previous research has done. Negotiation is for many a familiar term, but it is ambiguous, and it is therefore important to specify the meaning in relation to this thesis. Regarding Cambridge dictionary, negotiate is “to deal with something difficult” and “to have a formal discussion with someone in order to reach an agreement” (n.d.). The concept of negotiation used in the present study derives from both definitions together with literature by Marin-Burgos et al. (2015) and Schouten and Glasbergen (2011).

#### 1.4 THESIS OUTLINE

This thesis consists of seven chapters. Following the introductory chapter, the thesis will continue with the conceptual framework, including a description of the palm oil production in Indonesia and Central Kalimantan followed by a presentation of the RSPO as a non-state marked driven governance. The third chapter presents the theoretical framework, which mainly consists of the concept of legitimacy, including certain legitimacy requirements derived from sociological perspective and democratic legitimacy, and the concept of negotiation. Further, the research methodology will be presented in chapter four. Chapter five comprise the analysis of empirical evidence which is based on two impacts experienced by affected groups, the socio-environmental impact and the socio-economic, which are analysed using the presented theoretical framework. Chapter six will discuss the main findings. Finally, chapter seven give a summary of the study answering the research question and recommendations for further research related to the topic.



## **2 PALM OIL PRODUCTION IN INDONESIA**

This section will provide the context of the present study through presenting an overview of the palm oil production in Indonesia and Central Kalimantan. Thereafter, the RSPO will be presented and related to literature about non-state market driven governance initiatives and global standards.

### **2.1 THE PALM OIL PRODUCTION IN INDONESIA AND CENTRAL KALIMANTAN**

As Indonesia is the world's biggest producer and exporter of palm oil it is a relevant place to conduct research about the palm oil and the RSPO. Indonesia is a republic in South-East Asia, a tropical country located in an area with tropical wet climate and high stable temperature all-round the year, conditions which contribute to make Indonesia one of the most suitable places to cultivate palm oil (Gottwald, 2018, p. 1). In Indonesia the palm oil industry has become a key economic industry (Jiwan, 2013, p. 51) as it contributes to 1.5-2.5 percent of the country's gross domestic product (GDP) (Indonesia Investments, 2017). Hence, the industry is being followed up by strong state regulations and investments subsidies. The Indonesian palm oil industry is also based on being a product of domestic and foreign private corporations' investments. The need to spur the economic growth after the financial crises in 1997, opened up for a flow of transnational capital. Between the 1990 and 2007, the World Bank invested approximately USD 168.5 million in Indonesian palm oil plantations (Hapsari, 2017, p. 208). As a consequence, it developed an essential industry in Indonesia which has contributed to economic growth, involving creating formal jobs. There are many different numbers presented regarding the amount of people dependent on this industry, but according to Indonesia Palm Oil Producers Association (Gapki) it is about 3.5 million Indonesian household, which is about 14 million people (Bahroeny, 2009; Choiruzzad, 2019, p. 19). Indonesia counting approximately 254 000 000 inhabitants and covers a land area of 1 904 433 square kilometres distributed on more than 17 000 islands, where 3000 are inhabited (Thuesen, 2017). The palm oil industry is therefore an essential industry since the cultivation can happen in various places in Indonesia due to the primary conditions being wet climate and high stable temperature. The total land area used for palm oil is approximately 106 000 square kilometres according Glenday,

Jagau, and Safford (2015, p. 4). However, the cultivation and the industry take mainly places in three of the main islands; Sumatra, Kalimantan and Papua.

Kalimantan is the Indonesian part of Borneo, the third biggest island in the world divided between Brunei, Malaysia and Indonesia. The Indonesian part is divided into four provinces; West Kalimantan; East Kalimantan; South Kalimantan; and Central Kalimantan. Central Kalimantan is the third largest province in Indonesia, covering a land area of 153 564 square kilometres, where 12 000 square kilometres is planted oil palm, illustrated in figure 1 by (Glenday et al., 2015, p. 4).

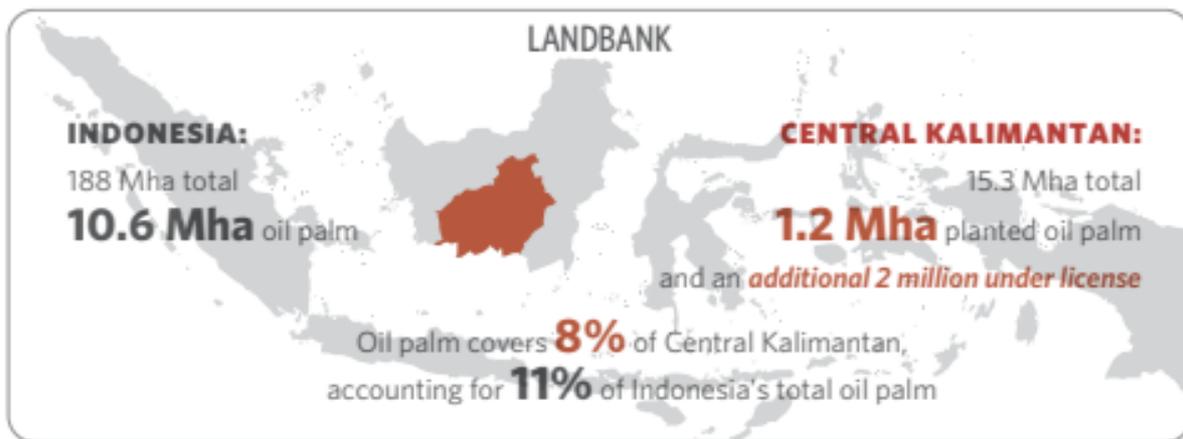


Figure 1: Central Kalimantan Oil Palm. Source: Glenday et al. (2015, p. 4)

Significant economic value is derived from the palm oil production in Central Kalimantan. The economic value stems from all phases of production, and, in 2013, the value added in the different phases were as follows: approximately USD 1 billion upstream; USD 0.95-1.25 billion midstream; and USD 30-31 million downstream (Glenday et al., 2015, p. 5). This value contributes to create jobs and income leading to reduction in poverty and increase of livelihoods. However, research stresses the possible to optimize the existing capacity at all phases of production to achieve even greater economic value and net positive environmental benefits in Central Kalimantan. Indonesian Palm Oil Statistic from 2013 by BPS (Badab Pusat Statistik) showed in the research by Glenday et al. (2015, p. 5) that the average yields in Central Kalimantan is lower than the average Indonesian yields, which again is significant lower than the average yields in Malaysia. The research by Glenday et al. (2015, p. 5) stress the importance to facilitate the companies' and smallholder farmers' transition to business models which support a highly productive and sustainable palm oil sector. In terms of the upstream industry which is the cultivation and land productive, applying better practices and technology is pointed

out as important by Glenday et al. (2015, p. 5). The Indonesian Sustainable Palm Oil (ISPO) established by the Indonesian government in 2011, is a mandatory system for businesses to start to implement steps to address negative impacts risk and is one of the systems to achieve efficient land use, leading to higher productivity, profitability, and sustainability (Glenday et al., 2015, p. 15).

However, alongside with the presented economic benefits of palm oil which creates wealth for a number of farmers and inhabitants, for some farmers and communities the palm oil makes the life more miserable (Karimasari, 2011; McCarthy, 2010, p. 826). Despite various policy revisions, reports tell about high scale of deforestation, widespread land conflicts and human right abuses related to the palm oil industry in Indonesia (McCarthy, 2012, p. 1878). Research by Colchester (cited in McCarthy, 2012, p. 1878) stated that the Indonesian land agency (BPN) recognised 3500 palm oil related land conflicts between companies and communities in Indonesia in 2010. Central Kalimantan has according Professor David Kinley become a conflict-prone area, with many conflicts between corporations and communities, but also conflicts between local government and communities, and between companies (Kinley, 2014, p. 16). Most of these conflicts are related to land-grabbing and compensation. Today there are still reports concerning recently conflicts in Indonesia, including in Central Kalimantan. Amnesty International (2016) reported of extensive violations on human right inside palm oil plantations in 2016.

## 2.2 THE EMERGENCE OF THE RSPO

As a consequence of the many aspects of palm oil as described above, together with not being content with the governments management of the palm oil sector, the Wildlife Fund for Nature (WWF) started already in 2001 the process of creating the The Roundtable of Sustainable Palm Oil (RSPO) (Schouten & Glasbergen, 2011, p. 1893). In 2004 the RSPO became formally established by WWF together with Aarhus United UK Ltd, Migros, Malaysian Palm Oil Association and Unilever (RSPO, n.d.-a). The 'roundtable' is a specific form of global private governance which aims to improve the sustainability of a global commodity chain working across of different stakeholders in the palm oil supply chain (Schouten & Glasbergen, 2011, p. 1891). The main goal with such roundtables, including the RSPO, is to make the entire commodity chain more sustainable. There are several examples on roundtables concerning various industries; responsible soy (RTRS); better cotton (BCI), better sugarcane (BSI); and sustainable biofuels (RSB).

The stakeholders in roundtables only represent the private sector, meaning only businesses and NGOs having the decision-making power (Schouten & Glasbergen, 2011, p. 1891). The members of the RSPO are categorized into seven stakeholder groups representing each a sector of the palm oil industry; oil palm producers, processors and traders, consumer goods manufacturers, retailers, banks and investors, environmental and conservation NGOs, and social and developmental NGOs (RSPO, n.d.-a). The government is not a member with decision-making power but holds merely an observatory status and may act as advisors. The reason why the government does not hold any decision-making power, is because these forms of governance has emerged as a result in the lack of sustainable management from ordinary governmental competence and action. As a consequence of what described above, it has resulted to relate the RSPO to the non-state market driven (NSMD) governance developed by Bernstein and Cashore (2007). In the lack of the state granting authority to the NSMD governance, the governing authority is granted and complied through the market and its supply chain, represented by the interests and affected groups (Bernstein, 2011; Bernstein & Cashore, 2007). For the RSPO and other NSMD governance system, which are voluntary for the members, third-party auditing is stressed to ensure compliance. The RSPO is a member of the non-state International Social and Environmental Accreditation and Labelling Alliance (ISEAL), an umbrella organisation established to develop agreement on ‘best practices’ for the members, which contributes to the importance of third-part auditing (ISEAL Alliance, 2013). In ISEAL other similar labels as the RSPO are found; the Forest Stewardship Council (FSC) promoting sustainable forestry, the Marin Stewardship Council (MSC) promoting sustainable management of marine ecosystem and fisheries; and the Fairtrade Labeling Organisations (FLO) International aiming to improve the workers’ condition in developing countries (Bernstein, 2011, p. 36).

### 2.3 THE RSPO’S VISION, OBJECTIVE & HOW TO GET THERE

Several researchers state that “sustainable products”, such as the RSPO promotes, is just a niche market, while stressing that just 19% of the palm oil globally is certified by the RSPO and that most trade take place in Europe. Dicken points out that food for some is a statement about lifestyle, while for the majority food is still about survival (Dicken, 2015, p. 424). However, while the goal of roundtables is to make the entire commodity chain more sustainable, the vision of the RSPO is to make sustainable palm oil the norm, when meeting the increasing demand and growth of the palm oil. This vision is clearly transferred into the objective of the RSPO:

“To promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders” (RSPO, 2018c). With the aim to achieve their objective, the RSPO has developed the ‘Theory of Change’ (ToC), which is a roadmap towards Sustainable Palm Oil. ToC contains three main impact areas; Prosperity; People; and Planet, which are representing the three pillars in the concept of sustainability; economic, social and environment. The roadmap gives an overview of the strategies and activities on how to move forward, leading to direct outputs, revision and the desired long-term outcome (RSPO., n.d.-b). The RSPO has developed a set of Principles and Criteria (P&C) which the companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO) (RSPO, n.d.-a). There are 7 Principles covering the three impact areas, illustrated in Figure 2. To achieve these 7 Principles, there are in total 40 associated Criteria explaining the conditions that must be met to achieve the Principles. When the companies comply with the P&C it will help to reduce the negative impact of palm oil cultivation on the environment and communities in palm oil-producing areas (RSPO, n.d.-a). Finally, when all the P&C are fully realised the RSPO Theory of change “delivers change where it matters most- on the ground; a space where the oil palm, the environment and local communities can co-exist in harmony” (RSPO., n.d.-b).



Figure 2: RSPO’s Impact Goals and Principles. Source: RSPO (2018b)



### **3 THEORIZING LEGITIMACY**

*“For who is the RSPO, why do you, Europe, need it? The label “RSPO” is sustainable, but not the practise here [in Central Kalimantan, Indonesia]”.* (Academic activist and member of an indigenous civil society organization).

Addressing the question asked by the academic activist gives a clear indication on a central geographical issue which concern the local-global dualism and how the scales are connected (Prince, 2017). This geographical issue concerning the implications of a global palm oil standard, The Roundtable of Sustainable Palm Oil (RSPO), at a local level in Central Kalimantan, I will aim to discuss by using the concept of legitimacy and the concept of negotiation. The main contribution is from outside the geographical literature. However, the main inspiration of the thesis is based on research by Marin-Burgos et al. (2015) about the influence of different local actors’ values and powers on legitimacy granting or contestation of the RSPO by local actors during national interpretation process of sustainability criteria development. The approach used by Marin-Burgos et al. (2015) combines concept of ecological economics and political ecology with the legitimacy literature based on Bernstein’s (2011) conceptualization of legitimacy related to non-state marked driven (NSMD) governance. This thesis follows to some extent the same approach, but without the concept of political ecology. In compliance with Marin-Burgos et al. (2015) the interpretation of global standards into national and further into local level is important. Hence, it is a need of local approach for understanding a global phenomenon such as a global standard as the RSPO (Prince, 2017). Thus, in the following chapter, the concept of legitimacy and its legitimacy requirements derived from the sociological perspective of legitimacy and democratic legitimacy, and the concept of negotiation are presented. Finally, the analytical approach will be outlined, addressing the specific parts of the theory which will be used in the analysis.

#### **3.1 THE CONCEPT OF LEGITIMACY AND ITS REQUIREMENTS**

As Suchman states, many researchers employ the term legitimacy, but few define it (1995, p. 572). Nevertheless, a brief description of the meaning of legitimacy I consider reasonable as an introduction. The fact that something has legitimacy means that it is widely accepted, either

because it is approved by law or because it is considered legitimate and fair for other reasons (Knudsen, 2018).

The legitimacy of the RSPO is not approved by law, since it is independent of a state authority. As Partzsch states, “only state actors have the authority to prescribe behaviour of others, and legitimacy is not simple transferable from state to non-state actors” (2011, p. 416). However, sovereign states possess legitimate authority and holds the possibility to legitimate dependent organisations or governance initiatives through their consent (Bernstein & Cashore, 2007, p. 351). This shows that authority and legitimacy are closely interlinked. Where governments with the state authority can use the law or violent force to ensure behaviour and that rules are being followed, non-state market driven (NSMD) governance rely on legitimacy without being approved by the law or a sovereign state with violent force (Schouten & Glasbergen, 2011, p. 1891). Since the RSPO lack the state-authority, it has to justify its authority and its legitimacy by being considered legitimated and fair for other reasons. According to my understanding of Bernstein (2011); Bernstein and Cashore (2007, p. 351) this is to achieve “political legitimacy”. In the following sections, these “other reasons” or requirements as called in the present study, which can contribute to consider a non-state governance legitimate and fair, and contribute to achieve political legitimacy, are outlined.

Even though many researchers do not define legitimacy explicitly, they mainly refer to Suchman’s definition: “Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Cashore, 2002, p. 506; Suchman, 1995, p. 574). Suchman adopted this definition when he saw the need for a careful and even-handed synthesis about organizational legitimacy, focusing on strategic and institutional approaches. In his work, Suchman analysed three primary forms of legitimacy: pragmatic, based on audience self-interest; moral, based on normative approval; and cognitive, based on comprehensible and taken-for-grantedness (Suchman, 1995, p. 571). According to Suchman and his definition, legitimacy is considered socially constructed because it reflects a congruence between the behaviour of the legitimated entity and the shared belief of some social groups, and it is therefore dependent on a collective audience (Suchman, 1995, p. 574). The understanding of legitimacy in this thesis, hence, reflects a broad sociological understanding (Diprose, Kurniawan, & Macdonald, 2019, p. 3). However, due to the existence of many distinct legitimacy dynamics, I follow the recommendation of Suchman to clearly identify which

aspects of legitimacy used throughout the present study (Suchman, 1995, p. 602). Together with the sociological understanding, I will also utilize aspects from democratic legitimacy from normative political theory by Scharpf (1999, p. 6).

Since the present study is about the legitimacy of the RSPO, considered as a non-state marked driven (NSMD) governance, I choose to follow the definition of political legitimacy: “the acceptance and justification of shared rule by a community” developed by Bernstein (2004, p. 142; 2011, p. 20). In terms of community, “legitimacy always rests on shared acceptance of rules and rule by affected groups, who constitute the community that grants legitimacy and on justificatory norms they recognize” in accordance with Bernstein (2004, p. 144; 2011, p. 21). Bernstein refers to the affected groups as part of the ‘relevant audience’, and emphasize that legitimacy requirements of global governance depend on “the historically contingent values, goals, and practices” of such ‘relevant audience’ (Bernstein, 2011, p. 24; Marin-Burgos et al., 2015, p. 304). The question is, therefore, who is the ‘relevant audience’ and to what degree must norms of appropriateness be shared to achieve legitimacy. The ‘relevant audience’ in NSMD governance is broad and varied, because of differences in identities such as producers, consumers and environmentalists, geographic location, and interests (Bernstein, 2004, p. 164). Marin-Burgos, Clancy and Lovett’s (2015) research about contesting legitimacy of the RSPO in Colombia emphasized local actors affected and involved in conflicts as affected groups part of the ‘relevant audience’ in the governance. This became the reason to investigate the legitimacy of the RSPO among the local affected groups, including affected communities by agrarian conflicts and the threaten trade union, in Central Kalimantan.

The concept of legitimacy has been described in the previous sections and the ideal next step would be to present the set of established legitimacy requirements for non-state marked driven (NSMD) governance. As the concept of legitimacy described above by Bernstein is derived from Suchman (1995), it reflects, as already mention, a broad sociological understanding, including the sociological legitimacy requirements; “historically contingent values, goals, and practices of the ‘relevant audience’” (Bernstein, 2011). As a consequence, a further description of the sociological perspective on legitimacy and the normative substantive requirement will be presented in the following section. However, due to the complexity of legitimacy and all the different perspective, there is not just one set of established legitimacy requirement of non-state governance. The fact is that there is a wide range of legitimacy requirements, and there is a wide disagreement in the literature on precise requirements. As Bernstein conclude on a

cautionary note, “it is unlikely that a universal formula to satisfy all legitimacy concerns will emerge” (Bernstein, 2004, p. 162).

Besides or along with the sociological legitimacy requirements, other legitimacy requirements have emerged from existing literature concerning legitimacy of NSMD governance in the context of; creating legitimacy of the RSPO by Schouten and Glasbergen (2011); conditions for successful standard setting by Von Geibler (2013); the legitimacy of biofuel certification by (Partzsch, 2011); Certifying in Contested Spaces: private regulation in Indonesian forestry and palm oil by (McCarthy, 2012); and the contesting legitimacy in the national interpretation of the RSPO in Colombia by Marin-Burgos et al. (2015). Together, these articles are describing and discussing a broad range of legitimacy requirements, also including sociological requirements. In addition, a common feature in all articles is several legitimacy requirements derived from democratic legitimacy.

Democratic legitimacy is also discussed in the work by Bernstein, but on a cautionary note as Bernstein specify that democratic legitimacy to some extent pre-judges what legitimacy requires and outlines the limits of democratic legitimacy (Bernstein, 2011, pp. 21-25). Bernstein writes that “legitimacy must be examined not only from the common perspective of democratic theory, but also from legal and sociological perspectives that may diverge from the democratic normative ideal” (Bernstein, 2004, p. 141). Several researchers agree with Bernstein and are critical to merely study the democratic legitimacy in terms of non-state global governance (Fuchs, Kalfagianni, Clapp, & Busch, 2011, p. 339; 2013, p. 42). In line with Bernstein (2004, 2011); Bernstein and Cashore (2007); Schouten and Glasbergen (2011, p. 1892) I consider legitimacy as a complex concept which arises in a multi-dimensional process of social interaction, where a combination of various perspective is crucial. Hence, in the next sections the sociological perspective on legitimacy and the associated legitimacy requirement of values will be discussed, followed by the democratic legitimacy and the associated legitimacy requirements of participation and effectiveness.

### 3.2 SOCIOLOGICAL PERSPECTIVE OF LEGITIMACY

The sociological perspective of legitimacy has already briefly been presented through the description of the concept of legitimacy. Suchman and Bernstein respectively acknowledge that legitimacy requirements of private governance depend on “socially constructed systems of norms, values, beliefs, and definitions” (Suchman, 1995, p. 574) and “the historically contingent values, goal, and practices” of the ‘relevant audience’” (Bernstein, 2011, p. 24). It

points out that legitimacy must be rooted in a community where the governance operates (Bernstein, 2011, p. 24). Whether it is a company seeking legitimacy from consumers, or a private governance seeking legitimacy from the workers at a plantation, legitimacy entails that these communities accept the governance initiative as appropriately engaged in the task at hand. Only through an ongoing process of legitimization and delegitimization of certain practices in a private governance by the community, the practices become accepted as ‘appropriate’. In consequence, rules and principles constantly interact with the social purposes and goals of the ‘relevant audience’ (Bernstein, 2011, p. 24). Within the broad range of ‘relevant audience’ of a private governance, including civil society, marketplace actors and audience of states, all have their own historically contingent values, goals and practice. Hence, the stakeholders probably share different criteria or weightings of ‘input’ versus ‘output’ legitimacy, or more traditional notions of substantive legitimacy, concerning values of justice and fairness (Bernstein, 2004, p. 157; 2011, p. 24).

### 3.2.1 VALUES

“The substantive legitimacy requirements on which the ‘relevant audience’ grant or contest legitimacy lie in both the core value of the ‘relevant audience’ and the interaction of ‘relevant audience’ values with the values and goals that the governance system represents and promotes” (Marin-Burgos et al., 2015, p. 305). The ‘relevant audience’ in non-state market-driven governance are broad and varied “in terms of identities (producers, consumers, environmentalists), geographic location, and interests” (Bernstein, 2004, p. 164). The different stakeholders or ‘relevant audience’ may have different and even conflicting core values, both between each other and with the values the private governance initiative represent and. Previous research has revealed that substantive normative divergence or contestation is likely to develop when the social and environmental negative impacts that non-state marked driven governance aim to tackle, are in arenas where there are socio-environmental conflicts at the local level promotes (Marin-Burgos et al., 2015, p. 305). The reason is that the local actors involved in the agrarian conflicts related to the palm oil production also are part of the ‘relevant audience’ of such governance initiatives. As the name of non-state marked-driven governance implies, it has a focus on the market, which explain why local affected “actors’ normative contestation often are rooted in concerns about the appropriateness of these governance instruments to deal with tension between market values and local actors’ socio-environmental values” (Marin-Burgos et al., 2015, p. 305). The focus on the marked implies that producers have to maintain sustainable behavior, because of the “market pressure or rewards in the form of market access or price

premiums” (Bernstein & Cashore, 2007, p. 305; Cashore, 2002; Marin-Burgos et al., 2015). In consequence, there have to be a market for sustainable products and the continuous growth of the industry remains uncontested, which is questioned by some ‘relevant audience’ who prioritize social and environmental values (Marin-Burgos et al., 2015, p. 305).

### 3.3 DEMOCRATIC LEGITIMACY

“The dominant answer to what legitimacy requires in global governance is democracy”, written by Bernstein (2004, p. 145; 2011, p. 21). Since democracy is considered as the central principle in contemporary politics that justifies authority, and the fact that legitimacy is dependent of some kind of authority, democratic legitimacy is present in much of the literature concerning this topic concerning NSMD governance (Bernstein, 2004, p. 145). In accordance with Bernstein (2004, p. 162; 2011, p. 21) there is a tendency that abstract legitimacy requirements is developed derived exclusively from the democratic legitimacy literature. This tendency is strengthened by several researchers using democratic legitimacy requirements such as participation (Marin-Burgos et al., 2015) and effectiveness (Fuchs et al., 2011; Partzsch, 2011; Von Geibler, 2013) as theoretical framework in their research. In this section there will be a brief presentation of the democratic legitimacy by Scharpf divided into input-legitimacy and output-legitimacy with its associated legitimacy requirements participation and effectiveness.

Scharpf, through his work on political economy and democracy, has developed two distinct but complementary perspectives, ‘input-oriented legitimization’ and ‘output-oriented legitimization’ with the aim to understand democracy and self-determination. According Scharpf, “in democratic theory, the exercise of governing authority is legitimized as a manifestation of collective self-determination” (Scharpf, 1999, p. 6). However, it is not that straight forward, given that democratic self-determination is a complex concept which is value-laden and contested.

Input-oriented authenticity emphasizes ‘government by the people’, where the political choices are legitimate if and because they reflect the will of the people if these choices are derived, directly or indirectly, from the authentic preferences of the members of that community (Scharpf, 1997, p. 19; 1999, pp. 2-6). The input-legitimacy is referred to as procedural legitimacy. From existing literature on legitimacy of NSMD governance the input-legitimacy requirements often highlighted are; participation; consensus; representation; neutrality; procedural regularity; transparency; accountability; and inclusiveness. The input-legitimacy

requirement chosen to use in the analyse of the present study is participation, and will be the one described below, supported and underpinned by the other requirements.

### 3.3.1 PARTICIPATION

Participation is the most frequently described legitimacy requirement and is considered to be one of the most important. The ‘relevant audience’, also known as the stakeholders, should have the opportunity to observe and comment on the activities of the governance initiative (Koppell, 2008, p. 191; Schouten & Glasbergen, 2011, p. 1892). In relation to participation, some researchers also stress representation as a requirement, concerning that the ‘relevant audience’ must have a voice in decision-making and the right to be represented (Koppell, 2008, p. 191; Schouten & Glasbergen, 2011, p. 1892). Participation is considered as key procedural legitimacy requirements together with inclusiveness (Bernstein, 2011; Marin-Burgos et al., 2015, p. 305). A participatory process where different stakeholder’s interests are in balance is a required condition when developing and improving standards (Von Geibler, 2013, p. 43).

In relation to participation there is a need to understand who the stakeholders in the RSPO are, thus are allowed to become members. A stakeholder is defined by the RSPO (2018a) to be “an individual or group with a legitimate and/or demonstrable interest in, or who is directly affected by, the activities of an organisation and the consequences for those activities”. A question raised by many, is which groups are affected. An essential challenge for legitimacy through participation and stakeholder inclusion, are the questions related to how stakeholder categories are defined, and how stakeholders are chosen to participate. As Partzsch (2011) states, “there is no guarantee for representative stakeholder participation”. It follows from existing literature that there is often a wide spectre of stakeholders when talking about the right to participate in the governance of natural resources. In the context of palm oil this includes local actors directly affected by the production, the workers in plantations, smallholders, the affected people representatives working in human and environmental organisations, the growers, refineries, companies and firms, and also the government. However, previous research on private food governance shows asymmetries between participation of retail companies and the rest of the product chain, between North and South, and between representatives of business and civil society interests (Partzsch, 2011, p. 417). Such an asymmetry contributes to decrease the legitimacy of private food.

Neutrality demands that all stakeholders must be treated equally (Koppell, 2008, p. 191; Schouten & Glasbergen, 2011, p. 1892). However, there are evidences from food certification

systems that such governance have a tendency to strengthen retail power at the expense of farmers, the processors, and exporters downstream the value chain, located in the developing countries, which again question the legitimacy of such initiatives (Partzsch, 2011, p. 413). Research done by Fuchs et al. (2011, p. 340) also point out the uneven amount of resources the different stakeholders hold. The farmers from the South or even “large” civil society organizations from the North have limited resources relative to the business actors. This should be considered since it is a significant factor when there is an annual fee for becoming a member of such initiatives. This is the case for becoming a member of the RSPO, where an annual fee on 2000 euros has to be paid (RSPO, n.d.-d). This shows that it advantages large companies and retailers, and disadvantages or excludes smallholders and civil society actors the ones directly affected in the developing countries where the incomes are low, to actually participate, be represented and be included in the governance and the process of such standards (Partzsch, 2011, p. 419). In terms of the government as a stakeholder, even though the present study is about a non-state market-based governance, the RSPO, it is necessary to include the fact several researchers stress; “States remain central actors controlling access to land and natural resources, and often fiercely defend principles of sovereignty over land governance processes” (Diprose et al., 2019, p. 1). It is undeniable that the governments do play an active and crucial role in palm oil the palm oil sector (Von Geibler, 2013, p. 47).

Consensus is, together with participation, one of two main requirements of input-oriented legitimacy, according Scharpf (1999, p. 7). Both consensus and participation are especially important when the focus is on local problems where all persons affected by a decision, or their representatives, can be brought together in deliberations aiming for ‘win-win’ solutions everyone can agree on (Scharpf, 1999, p. 7). Consensus or a commonly agreed ‘best’ solution are being discussed more under output- and ‘de facto’ – legitimacy.

Previous researchers have also stressed that the credibility of the participatory rhetoric breaks down as the distance between the local persons affected and their representatives increases. The same happens with the credibility of the consensual rhetoric where win-win solutions do not exist, but the decisions and solution are made by and for the majority (Scharpf, 1999, p. 7). Using input legitimacy, the justification of majority rule must be considered as the crucial problem (Scharpf, 1999, p. 7). It is important to be aware of ‘government by the people’ as a reference to the individuals rather than the collective. There is a tendency that the majority rule leads to “normatively indefensible policy outcome if it is used to aggregate the purely self-

interested preferences of individuals” (Scharpf, 1999, p. 7). It is important to be aware of this and highlight the importance that plausible legitimacy requirements cannot be based on purely input-oriented or populist notions of democracy. As Scharpf states: “In light of the danger that self-interested, or hostile, majorities could destroy the minority, plausible concepts of input-oriented democratic legitimacy are logically required to stipulate specific preferences that make it possible to think that ‘the people will do no wrong’” (Scharpf, 1999, pp. 7-8). With this statement, Scharpf thought the welfare of all had to be an argument for everyone, which led to the output-oriented legitimacy, and the legitimacy requirement effectiveness.

### 3.3.2 EFFECTIVENESS

The output-oriented effectiveness emphasizes ‘government for the people’ where “political choices are legitimate if and because they effectively promote the common welfare of the constituency in question” (Scharpf, 1999, p. 6). If the political choices of governments do not achieve a high degree of effectiveness in achieving the goals and avoiding the dangers which the community collectively care about, democracy would be an empty ritual. “Private governance is mostly understood to be legitimated because of the output” (Partzsch, 2011, p. 416). Output legitimacy, also known as the performance legitimacy, considers whether the result of an initiative is acceptable, positive and effective (Von Geibler, 2013, p. 45). An initiative is considered legitimate when it effectively supports the common welfare and effectively achieves a given objective (Fuchs et al., 2011, p. 339; Partzsch, 2011, p. 416). Effectiveness and legitimacy have therefore become two sides of the same coin and are interdependent (Von Geibler, 2013, p. 46).

According to Scharpf (1997, p. 11) output-oriented legitimization is that; “‘Government for the people’ derives legitimacy from its capacity to solve problems requiring collective solutions because they could not be solved through individual action, through market exchange, or through voluntary cooperation in civil society”. A tendency is that such problems often arise from factors that affect many individuals in the same way or because there is an interdependence of individual actions. The solution to these problems should therefore address a long-term and multi-purpose governing structure, with the perception of a range of common interests which is broad and stable enough to justify institutional arrangements for collective action (Scharpf, 1999, p. 11). ‘De facto’-legitimacy provides such a solution, a ‘neutral’ or commonly agreed ‘best solution’ (Partzsch, 2011, p. 417). However, achieving ‘De facto’-legitimacy is not always easy, especially not when the consensus or commonly agreed ‘best’

solution must consider such a complex concept as sustainability, involving three distinct aspects: economy; social; and environment, which Partzsch discusses in her article concerning sustainable biofuel production (Partzsch, 2011, p. 413).

The interplay between the concepts of legitimacy and effectiveness is being questioned by various researchers. While proponents of private governance are arguing that “the necessity of solving certain problems can be considered more important than the process leading there” and are emphasizing the effectiveness, other important aspects of legitimacy is neglected (Partzsch, 2011, p. 416). Legitimacy which is a result from the effectiveness alone need to be considered with scepticism, and there should be awareness of the importance of other requirements, such as participation of different stakeholders at the same time (Fuchs et al., 2011, p. 339). Several researchers outline the fact that representatives of firms and retailers raise different demands towards private standards than representatives of civil societies working on environmental or development. Even though there are a set of principles and criteria, or objectives, in private governance, the different stakeholders participating have different values and beliefs which will affect how they define and prioritize these objectives. In consequence, there is no objective measure of the ‘effectiveness’ in private governance (Fuchs et al., 2011, p. 339). Acceptance and consent of private governance based on its effectiveness alone is therefore considered as a weak legitimation, since it only depends on the stakeholders’ self-interest, values and belief.

### 3.4 CONCEPT OF NEGOTIATION

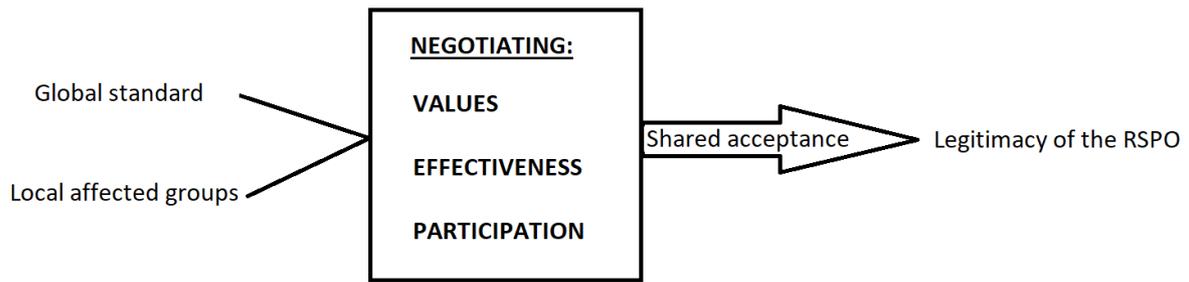
By investigating the legitimacy of the RSPO at a local level, geographical issues concerning the global-local dualism are raised (Prince, 2017). The RSPO is a global standard aiming to give global market sustainable palm oil products, as it helps to change the local practices and reduce the negative impacts experienced locally among the affected groups. As the concept of legitimacy has shown, the legitimacy of the RSPO depends on a shared acceptance of the rules by the ‘relevant audience’, which consists of a broad and varied range of groups (Bernstein, 2011). To achieve this shared acceptance within the “relevant audience” - a condition for legitimacy - I consider that there must be some kind of negotiation among the affected groups.

The research by Marin-Burgos et al. (2015, p. 303) about the influence of local actors on the legitimacy granting or contestation of the RSPO under a national interpretation process in Colombia, strengthen my argument about the need to look into the negotiation of the legitimacy at a local level. The argument was also strengthened by Scharpf (1999, p. 26) stressing that legitimacy cannot be considered as an all-or-nothing proposition, even if the statement is a bit

contractionary to all the literature I read, mainly about dividing legitimacy as either consented or granted. In addition, I also rest the argument about the need of negotiation on Schouten and Glasbergen (2011, p. 1892) statement that legitimacy is considered to arise in a multi-dimensional process of social interaction. Based on what is described above, the concept of negotiation is in development. The concept of negotiation will at the same time be based on the definitions of negotiate by Cambridge dictionary: “to deal with something difficult” and “to have a formal discussion with someone in order to reach an agreement” (n.d.). I consider, “to deal with” the legitimacy of the RSPO at a local level in Central Kalimantan as challenging, since the concept of legitimacy involves a broad and varied ‘relevant audience’ and previous literature has shown that such a form of governance comes with challenges (Marin-Burgos et al., 2015).

### 3.5 ANALYTICAL APPROACH

As the present study aim to answer how the legitimacy of the RSPO as a global palm oil standard is negotiated at a local level in Central Kalimantan, the analytical approach has to combine what the legitimacy of the RSPO depends on, together with the concept of negotiation. Based on my understanding of Bernstein (2004, p. 144; 2011, pp. 21-24), the legitimacy of the RSPO always rest on shared acceptance of rules and rule by affected groups, who constitute the ‘relevant audience’ that grants legitimacy and on justificatory norms recognized by the affected groups. In addition, the legitimacy of the RSPO is also considered to depend on various legitimacy requirements, and for the present study’s analysis I have selected these legitimacy requirements; values; effectiveness; and participation. These requirements are derived from the sociological perspective on legitimacy and the democratic legitimacy which together covers the three dimensions of legitimacy; substantive; procedural; and performance legitimacy. As the legitimacy is considered to arise in a multi-dimensional process of social interaction according (Schouten & Glasbergen, 2011), I find it relevant to relate this multi-dimensional process of social interaction to the concept of negotiation. I also consider the concept of negotiation relevant to the process of achieving the shared acceptance of rules and rule by affected groups (Bernstein, 2011, p. 21). The concepts presented above constitutes the analytical approach which is illustrated in Figure 3, a model made by using stepwise deductive-inductive method.



**Figure 3: Analytical approach. Source: Hamre H. M. (2019)**

In the present study, the legitimacy of the RSPO is considered to be a shared acceptance of the values, the effectiveness and participation related to the RSPO by the affected groups. The empirical data is the affected groups' experiences related to the impacts of the palm oil cultivation and the implications of the RSPO in Central Kalimantan, told by informants considered as affected groups, thus part of the "relevant audience". In addition, there is data on the RSPO derived from document analysis. By analyzing the affected groups experiences related to impacts of the palm oil cultivation and the implications of the RSPO through the legitimacy requirements; values; effectiveness; and participation, it will give indications on the legitimacy of the RSPO among the affected groups. However, the legitimacy of the RSPO is not set until there is a shared acceptance of these requirements. To achieve the shared acceptance, the affected group has to negotiate with each other, including the members of the RSPO representing the global standard, as illustrated in figure 3. Negotiation is mainly seen as a multi-dimensional process of social interaction, but also to "deal with something difficult" and "to have a formal discussion with someone in order to reach an agreement".

## **4 A STUDY OF PALM OIL PRODUCTION IN CENTRAL KALIMANTAN, INDONESIA**

In the following chapter the methodological framework will be presented and discussed. To begin with, the research design will be outlined and discussed. The research design consists of a brief presentation of The Citizen Engagement, Transparency and Transnational Natural Resource Governance (CitRes) research network, the justification of qualitative methodology and the development of the research question. The next sections concern the construction of empirical data, including the access to the field and selecting informants, the methods, doing cross-language research and the analysis. Further, there are one more section, including the ethical consideration, critical reflection of the methodology and the quality of the research.

### **4.1 RESEARCH DESIGN**

The following research design explains how the research has been developed. A central part is the four months in Indonesia with the CitRes network completing my fieldwork. Thus, it includes the process of the research, the justification of the use of qualitative method and the development of the research question. The research design also includes the construction of empirical data, but this is in a separate section. To ensure rigour in the research, a careful research design is essential (Stratford & Bradshaw, 2016, p. 117).

#### **4.1.1 FIELDWORK IN INDONESIA – CITRES**

Due to my interest in writing a master thesis about transnational natural resources governance and a bit of luck, a fellow student and I got the opportunity to take part in the student exchange program in the CitRes network. This made it possible to travel to Indonesia for four months to conduct fieldwork for the master thesis. The aim of the CitRes exchange program is “... to develop a high-quality research-based and work life relevant educational partnership between NTNU and UGM focusing on the dynamic between transnational natural resource governance and local citizen engagement” (CitRes, n.d.).

Through the four months in Indonesia, I was based at the research center at the Department of Politics and Government (PolGov) at University of Gadjah Mada (UGM) in Yogyakarta surrounded by experienced and helpful researchers giving me advice and recommendations for my research. Having no knowledge about the Indonesian language when arriving, and limited

knowledge about Indonesia in general, I attended a one-month long language course the first month, with the aim to learn some basic Indonesian language and gain basic knowledge and understanding about Indonesian culture, politics and history. This was important for me as a private person living in a new country with a different language and culture, but also as a researcher since this was a big part of the pre-work for my research and fieldwork. As a researcher you should try to work in more culturally sensitive ways, make an effort to learn the local language, interact with “others” on their social, political and community venues and seek to get knowledge and understanding about local concerns (Howitt & Stevens, 2016, p. 62; Smith, 2012). Four months in Indonesia and one month at a language course are limited time, which naturally gives limited language skills, knowledge and understanding. Nevertheless, I did achieve to learn some basic phrases and keywords, which was to a certain extent helpful in the field, mainly because I wanted to be respectful of the informants by using their language when introducing myself, in addition to it working as an icebreaker between the informants and myself.

My fellow student and I got the opportunity to join and conduct three different, short fieldworks during our stay at PolGov at UGM. All of the fieldworks, including the interviews and the observations, were conducted together. I had already in Norway decided the topic for the research, which is the palm oil production. Even though not all of the three fieldworks were directly linked to my topic, I chose to follow the statement of Crang and Cooks that things during fieldwork often don't happen the way they were planned. Thus, I chose to be open-minded and flexible for all kinds of opportunities (Crang & Cook, 2007, p. 2). The reason why I chose to join all three of the fieldworks, besides being flexible and my interest in learning about the different topics, was to gain as much knowledge and understanding as possible about the political system, the culture and the management of natural resources in Indonesia. In addition, it was great to get the experience to conduct fieldwork in another context than earlier conducted.

The first fieldwork took place in Bojonegoro in East Java, related to the exploitation of oil and gas resources in the area, together with other researchers from PolGov. The researchers from PolGov were conducting their own research, while my fellow student and I conducted ours. Being together, interact with- and observing experienced researchers from Indonesia in the field had a significant learning outcome and made me aware of the norms and practicalities of doing fieldwork in Indonesia. This was a good way to prepare for my own research later on, which

Howitt and Stevens state that all researchers should do when you are conducting cross-cultural research (Howitt & Stevens, 2016, p. 62). For the second fieldwork, the two of us were accompanied by an experienced and helpful researcher from PolGov who functioned as our translator. We went to Belitung Island, a part of the Sumatra region, to conduct research on mainly the transformation of industries, from tin mining through palm oil plantation to tourism. The third and last fieldwork, which also ended up being the fieldwork for my master thesis, was in Central Kalimantan concerning the palm oil sector. Since this topic was the one I had already chosen in Norway, I had more background knowledge on this topic compared to the previous fieldwork, which turned out to be of value. We were also here accompanied by a very helpful assistant from PolGov, being our guide, assistant, and translator. The following sections in the methodology chapter concerns therefore the fieldwork in Central Kalimantan about the palm oil production.

#### 4.1.2 QUALITATIVE METHODOLOGY

Based on the overall topic about the transnational natural resource governance of palm oil, together with the desire to illuminate and understand the individual, local actors' experiences and social processes in the context of human environments, I decided early to utilize qualitative approach (Winchester & Rofe, 2016, pp. 3-6). Furthermore, I desired to get deep knowledge and understanding of the RSPO as a global standard at a local level, rather than a general explanation, which also relates to a qualitative approach (Tjora, 2017, p. 24; Winchester & Rofe, 2016, p. 4).

Additionally, since my research was related to the recently established CitRes-network with several uncertain aspects of the possibilities and limitations concerning the practicalities around the fieldwork, having a flexible research design was crucial. Several researchers enlighten the flexibility using a qualitative approach, rather than a quantitative, which also influenced my choice (Crang & Cook, 2007, p. 2; Thagaard, 2013, p. 18; Wadel, 1991, p. 129). It is important to notice that there is no single correct approach to research design, and it is normal that the order of the stages in a qualitative research process may be different, involving overlap or another prioritization of the well-included stages than other research, and the one presented in this thesis differs from others in many ways (Stratford & Bradshaw, 2016, p. 118) . I followed the recommendations of Crang and Cook not to use the linear read-*then*-do-*then*-write model which is said to result in many unnecessary surprises, but chose to follow a non-linear research design involving a mix of reading, doing and writing together with a continuously combination

between theory, method and data during the research process (Crang & Cook, 2007, p. 2; Wadel, 1991, pp. 129-131). Either way, the research design is normally based on the topic and the overall goal of the research, which was the RSPO at the local level in this study. From there on, according to Stratford and Bradshaw, there is a more mixed order of the parts involving the research question, the research methods and the selection of informants, which was the case in this research (Stratford & Bradshaw, 2016). In the following paragraphs, these sections will be discussed.

#### 4.1.3 DEVELOPING THE RESEARCH QUESTION

The research question was continuously developed during the entire research process, in line with a continuously mix of theory, method and data recommended by Wadel (1991, p. 130). It was not until I had completed all the empirical data construction, followed by some more reading of literature relevant to the findings, that I decided on the final research question.

Mainly based on literature, experiences from the fieldwork in Belitung regarding palm oil and reflected discussion with researchers at PolGov and from the CitRes network, I found the initial research question, which laid the foundation for the fieldwork in Central Kalimantan and the interview guide. Already from the beginning I was interested in investigating the understanding and perceptions of the RSPO, a global palm oil standard, and the ISPO, the Indonesian sustainable palm oil standard, among the local actors. At that time, I did not think of relating it to neither legitimacy nor negotiation. The data constructed during the fieldwork made it clearer to investigate just the RSPO, rather than both, because more relevant data was constructed about the RSPO. Further on, I had to read more literature regarding the RSPO, and I came across new literature about the legitimacy of the RSPO which I felt was well suited for my collected data. Such a dynamic process, moving away from the initial research question due to different data generated than expected, followed by reading new literature and ending up with an edited- or new research question, is normal when doing fieldwork, according to Wadel (1991, p. 130). Although the research question was revised during the process, the topic and the conceptual framework were not changed much, which make is possible to discuss the initial- and final research question as one up against the selection of informants and the research method in the following sections.

## 4.2 CONSTRUCTION OF EMPIRICAL DATA

In a way, all the choices made during the research process can be considered as construction of empirical data. Already from the selection of which questions I wanted to ask during the interviews, the data was initially being generated through those questions based on my perspectives and what I wanted to illuminate. However, in this section, the focus is on the access to the field and the selection of informants and methods, as well as the research methods. The section will also include a description of conducting cross-language research as well as the analysis. The construction of the empirical data is therefore a big part of the research process, and it takes place continuously through the study.

### 4.2.1 ACCESS TO THE FIELD AND SELECTING INFORMANTS

Being part of the CitRes-network was a huge advantage since it was possible to use other researchers' previous experiences and network regarding access- and selection of informants. As Crang and Cook stress, it is important to develop early contacts in the area where you are interested to do research to find out what is possible and what is not (2007, p. 17). The selection of informants was based on purposive sampling, since I wanted informants who were relevant for the objective of the study, which again had to be related to natural resource management governance and the palm oil sector. The selection started with the head of CitRes-network at UGM, Dr. Nanang Indra Kurniawan, which became my initial "gate keeper" (Crang & Cook, 2007, p. 18). From the time he did research regarding land acquisition and participatory mapping in Central Kalimantan, he had one person who he put us in contact with. This person was working in a non-governmental organization in Central Kalimantan, mainly with participatory mapping and he became my main "gate keeper" in addition to being one of the informants, our guide and driver during the week of fieldwork. He used his own network and put us in touch with other probably relevant informants which were involved in natural resource governance in Central Kalimantan. All were, or knew, local actors affected by the upstream industry of palm oil. These strategies for purposive sampling used were therefore in line with snowball sampling and criterion sampling, where snowball sampling involves using one person to identify other relevant informants, while criterion sampling involves selecting all informants to meet a common criterion (Stratford & Bradshaw, 2016, p. 124). I also utilized the opportunistic sampling which required me to be flexible and taking advantage of the unexpected, which I did during the flight from Jakarta to Palangka Raya where we came in touch with a member of the Indonesian Chamber of Commerce and Industry (Stratford & Bradshaw, 2016, p. 124). With the help from this unexpected "gate keeper" we came in contact

with an informant from a Dayak Civil Society organization, which later during the fieldwork helped us organize a group discussion, with several university students, lecturers and himself.

Using these sampling strategies together with the objective to provide a qualitative understanding of the RSPO from local actors affected by the upstream industry of palm oil in Central Kalimantan, a total of 17 participants have been involved in the research. A total of nine interviews have been conducted, where most of the empirical data comes from the 5 semi-structured interviews (Table 1) and some from the group discussions (Table 2).

<b>Name of organization (NGO and CSO)</b>	<b>Type of organization</b>	<b>Number of representatives</b>
POKKER SHK	Community development organization	Two representatives
Human-rights NGO	Human rights NGO	One representative
Save our Borneo	Environmental and human rights NGO	Two representatives
YPPMMA-KT	Organization working with indigenous Dayak people	One representative
Walhi Central Kalimantan	Environmental NGO	Three representatives

**Table 1: Research participants in semi-structured interviews. Source: Hamre H. M. (2019)**

<b>Group discussion nr.</b>	<b>Research participants</b>
Group discussion 1 (Day 1)	<ul style="list-style-type: none"> <li>- One academic activist, also member of an organization working with indigenous Dayak (LMMDD-KT)</li> <li>- One member of the Indonesian chamber of Industry and Commerce</li> </ul>
Group discussion 2 (Day 2)	<ul style="list-style-type: none"> <li>- One academic activist, also member of an organization working with indigenous Dayak (LMMDD-KT)</li> <li>- One member of the Indonesian Chamber of Industry and Commerce</li> <li>- Two members of the community development organization (POKKER SHK)</li> </ul>

<p>Group discussion 3 (University)</p>	<ul style="list-style-type: none"> <li>- One academic activist, also member of an organization working with indigenous Dayak (LMMDD-KT)</li> <li>- One academician engaged in the social aspect of the palm oil sector</li> <li>- Three students, where one was neighbor to a big palm oil plantation</li> </ul>
<p>Group discussion 4 (Visit to a rural village located close to a palm oil plantation)</p>	<ul style="list-style-type: none"> <li>- One member from the village</li> <li>- Several people from the village interacted</li> </ul>

**Table 2: Research participants from group discussion. Source: Hamre H. M. (2019)**

As both table 1 and table 2 show, most of the informants were people in non-governmental organisations and civil society organisations, working with human rights, ecological and environmental issues and the issues concerning land acquisition. In addition, all the semi-structured interviews were also conducted with these organisations. In consequence, most of the empirical data is derived from the organisations’ representatives. These organisations were working closely with local communities affected by the palm oil production, local labour unions, workers in the local plantations or local smallholders. As a consequence, the informants from these organisations consider themselves representatives of these directly affected groups, a role I also give them in this thesis. I based this choice on my understanding of Hapsari (2017, p. 221), as she points out that one of the strategies of political mobilisation is to link actors in the palm oil commodity chain, such as smallholders and plantation labours with actors at the outer spheres, such as activists and NGOs, which have an indirect role in shaping local production relation. Stressing also, that both NGO activists and scientists have been important actors to proactively shape public debate and bring the represented experiences of affected local communities and marginalised farmers, such as smallholders, into regulatory spheres. Hapsari (2017, p. 221) states that “such representation is crucial to ensure that local demands resonate in transnational spheres”. As a consequence, and based on my understanding of Bernstein’s conceptualization of legitimacy (Bernstein, 2011; Marin-Burgos et al., 2015), I consider all the 17 informants to be affected groups, part of the ‘relevant audience’, which determine the legitimacy of the RSPO.

The other informants, including the persons from a rural village and the students living in communities surrounding palm oil plantations, have direct experience with the palm oil production and is therefore affected groups. However, the member of the Indonesia Chamber of Industry and Commerce position should be discussed. Being involved in the Indonesian industry and commerce, where palm oil is one of the key economic industry, the person is also an affected group of the RSPO rules and is considered part of the ‘relevant audience’ deciding the legitimacy of the RSPO. However, since the present study aims to discuss how the legitimacy is negotiated at the local level in Central Kalimantan among the local affected groups experiencing the negative impacts from the cultivation, the member of the Chamber considered as a representative of the downstream industries located in Jakarta is not included when referring to the ‘affected groups’ in the analysis. The choice is also based on my readings of Hapsari (2017, p. 220) stressing large-scale producers, buyers and manufactures, all representing the business, are not the actors who raise grievance at the grassroots level about the negative consequences of the palm oil industry, affecting human livelihoods, the environment and cultural dignity.

#### 4.2.2 RESEARCH METHODS

Based on the objective to provide a qualitative understanding of the RSPO from local actors affected by the upstream industry of palm oil, interviewing was the main method in constructing the empirical material, complemented by observation and document analysis (Winchester & Rofe, 2016, p. 4). The observation and document analysis is utilized to fill the gaps in the interviews or support the information constructed during the interviews (Tjora, 2017, p. 54).

The *interviews* include both the semi-structured interview and the groups discussion. Attention must be given to the diffuse difference in semi-structured interview and the groups discussion in practice. Semi-structured interviews was chosen as method because it is the main method used when studying experiences and perceptions (Tjora, 2017, p. 114). The interview form applied in the present study is located somewhere between semi-structured and unstructured interview, which provides an overall ordered, but flexible questioning (Dunn, 2016, p. 150). This form makes it possible to follow up on new aspects which the informants bring up during the interview, which in turn the researcher may not have been thinking of, which is the strength of using this form. This was clearly a strength in the present study, where I had limited knowledge about the RSPO at the local level in Central Kalimantan, and where it was important and necessary to be open and flexible around the information the informants brought up.

Although the flexibility is an important aspect in semi-structured interview, there has to be some kind of order to not move too far from the research topics, and it is therefore recommended to utilize an interview guide during these kinds of interviews. It is also used to help the researcher to remember the issues intended to be discussed (Dunn, 2016, p. 152)

Due to the unformal setting when conducting the interviews, both the semi-structured and the group discussion followed loosely a prepared interview guide. The interview guide mapped out the themes and the key question. Initially I just had one interview guide for the NGOs working with natural resource governance and involved in the palm oil sector somehow. This guide I tried as best as I could to continuously revise and update during the fieldwork, depending on the informants. However, all the interview guides were very similar and divided into three. The first part allowed the organization to present themselves and talk about what they do and their activities. The second part was mainly about the management of the palm oil in Central Kalimantan, while the third part involved the RSPO and the informant's relation to it.

The use of the group discussions was an unexpected happening during the fieldwork, mainly initiated by one of our informants also working as an academic at Palangka Raya University. The group discussion can be compared to focus group where you gather several informants discussing the same topic, and is seen as an effective method to generate data (Tjora, 2017, p. 123). When he proposed to have an informal discussion about my research at the university with some other students and lecturers, I thought of it as a good opportunity to achieve more data from different informants and a deeper understanding about the topic. Being open and flexible to such new paths during the fieldwork is as discussed earlier the strength by using qualitative methods and a non-linear and mixed research design (Crang & Cook, 2007, p. 2).

*Observation* was used in this research to provide complementary evidence and a contextual understanding. According to Kearns, observation is to achieve added value from the time during the fieldwork and to gain a descriptive complement to more controlled and formalized methods such as interviewing. He also states the importance of contextual understanding, which is to construct an in-depth interpretation of a particular time and place through direct experience (Kearns, 2016, pp. 314-315). This was done during the fieldwork mainly when we were travelling from place to place to visit the informants and I was observing the landscape, together with small talks with people we met in the field. For instance, I realized from the observations that it was not just enormous oil palm plantation after oil palm plantation along the way, but that each household had some oil palm trees and small areas with several oil palm trees close

to their house. From this observation I got complementary evidence and contextual understanding through direct experience about the big number of smallholders which was mentioned several times during the interviews. Observing this during the travelling, opened up for discussion with one of my informants, who also was my gatekeeper and driver during the fieldwork. Being able to discuss what I continuously observed with him, can to some degree be related to a “go-along” interview. Another part of the observation was when we visited a rural community close to a palm oil plantation, which showed us their village and livelihood. Due to the fieldwork’s short duration and limited time of observation, the observation was mainly used as a complementary research method to the interviews.

*Document analysis* was mainly used as a complementary research method to support the data from the interviews and the observations, which this technique is often used for (Tjora, 2017, p. 183). It was also used early in- and along the process when reading background information about the RSPO. Documents such as articles, reports and strategy and policy documents related to the RSPO both in the province, Indonesia and internationally were gathered and analyzed, to achieve the necessary background information. Some of these documents was also used to compare and validate the statements from the empirical data with official documents to see if they correlated. From the member of the human right organization, I also got several recently published and relevant documents describing the workers conditions in a palm oil plantation, which is a supplier to a RSPO-certified company, where they wrote their demands of change. These documents were used as complementary data to the data I generated through the interviews.

#### 4.2.3 CROSS-LANGUAGE RESEARCH

An important factor in the present study relating the construction of empirical data, is that it is cross-language research. A large part of the fieldwork was conducted in Indonesian, the official language of Indonesia. Even though I had been attending an Indonesian language course for one month in the beginning of my stay in Yogyakarta, my language skills were far from being able to conduct my own interviews, and I was truly dependent on a translator. However, some of my informants did speak English and these interviews were mainly conducted in English, but also in these interviews there were always some parts that needed to be translated from Indonesian. Therefore, I was accompanied by a translator. Since methodological recommendations for cross-language qualitative research stress that the trustworthiness of translated qualitative data of a study depend on providing descriptions of the translator’s

credentials (Hyldmo, 2015, p. 28; Squires, 2009, pp. 279-280), I should briefly introduce my translator and assistant in this study, Ms. Tadzki Nurshafira. Ms. Nurshafira is a young woman in her early-twenties working as the assistant in the CitRes-network and as a co-researcher at PolGov at UGM. She has a bachelor's degree in international relations from UGM and has experience of conduction research on her own and as a research assistant. Ms. Nurshafira is originally from Depok in West-Java province, and she has a strong oral and written proficiency, both in Indonesian and English. In addition to be our translator, she was also our assistant and helped us coordinate with the informants and highly valuable in interpretations of the empirical data during the fieldwork.

The factors; conducting qualitative research in Indonesian and English, both different languages from my first language; using a translator; and analyzing and reporting in English, I consider having a large impact on the empirical data generated during the present study. There was plenty of room for partially misunderstood discussion (Crang & Cook, 2007, p. 48). Just the fact that the empirical material had to go through an extra person, the translator, made the information already interpreted when it reached me. This was clearly shown during all the interviews where the informants were speaking for several minutes, while the translation often just lasted for half of the time and sometimes even shorter. Ms. Nurshafira had then already interpreted the informants' answer through her own set of assumptions, feelings and values which she thought was the most relevant regarding my topic and gave me thereafter a summary of the informants' answer. The translation in the study therefore produces a hybrid, in-between forms of cultural understanding, where some aspects have been highlighted while other barely is mentioned (Crang & Cook, 2007, pp. 24-25).

#### 4.2.4 THE ANALYSIS

Almost all the interviews were recorded, besides the group discussions and two of the interviews since they were conducted in noisy cafeterias and restaurants. However, during those interviews I did not record as I was taking notes during the whole interview. Through all the interviews I was writing memos, short notes to myself to serve as a reminder and to reflect on patterns and connections between the data (Cope, 2016 p. 374). These patterns and connections were in some degree a part of the initial analysis of the empirical material. I also wrote a field diary through the week of fieldwork, mainly from the observations and the small talks with the local people. After the fieldwork, back at PolGov I transcribed all my recordings and processed all my notes, including the field diary. During the transcribing and

the processing, there were several uncertainties regarding some of the empirical data, and still being at PolGov I could easily ask Ms. Nurshafira and get clarity in the uncertainties. From there on I started systematically going through the data, analyzing it through thematic coding and categorizing by hand. This was a necessity since I had a lot of data material which had to be reduced, organized and analyzed, which is the purpose of coding, according to Cope (2016 p. 377). Further, I chose to use the coding in an exploratory way where I used the empirical data to answer the research question and to generate theories. I was using a stepwise deductive- inductive method, meaning that I used the empirical material to find the codes (Tjora, 2017)

### 4.3 CRITICAL REFLECTION ON METHODOLOGY

#### 4.3.1 ETHICAL CONSIDERATIONS

As most human geographic research, the present study is considered as a cross-cultural research, since I have been involved in other peoples' perceptions and constructions of space, place and landscape (Howitt & Stevens, 2016, p. 46). However, the present study has been performed in a very different culture from the ones I have earlier conducted research in, which might add some more ethical considerations. Working across the differences that constitute "cultures" is challenging, which many geographers have experienced, including me during this research.

In all research methods it is necessary to consider the ethical considerations. That also applies in the present research. Certain formalities had to be followed due to ethical consideration before all the interviews, involving informed consent. The meaning of informed consent was that the informants had to consent to being part of my research and be well informed about the aim of the research (Dowling, 2016, p. 32). According the Norwegian Center for Research Data (NSD), which had to approve my research proposal and to give me permission to gather data, the informed consent should be a written document. However, discussing this with the researchers at PolGov, they told me not to bring any papers for the informants to sign. The reason was mainly that it was not normal practice to bring papers to sign, due to the historical bad experiences about signing legal documents related to property and land. It was rather preferred that I asked for verbal consent. This is a good example of cross-cultural research where I, as a non-local researcher, should be held accountable to local cultural protocols, which often go far beyond the usual university research protocol (Howitt & Stevens, 2016, p. 56).

Anonymity and confidentiality were also ethical consideration which had to be addressed, with the aim to not expose the informants to any harm and is especially important in research regarding sensitive topics (Dowling, 2016, pp. 31-32). To some degree, I consider my research as sensitive, since some issues regarding the palm oil industry is highly debated. I therefore clearly asked all my informants if they wanted to be anonymous in the research or if they wanted to be mentioned by name, both regarding the organization's name and their personal name. All representatives of the organizations besides one, accepted the mentioning of the organization's name. Most of them did not want to be cited by their personal name, besides the representatives from Walhi. Additionally, I was careful with how I stored my notes and recording, with the aim that nobody could identify my informants (Dowling, 2016, p. 31).

Much of the literature concerning cross-cultural research stress the aspects of "the others", non-locals and locals. My study can be considered to do exactly this. Howitt and Stevens state that many ethical review procedures are predicted on the need for researchers working with "the locals". In line with the assumption of cross-cultural research presented by Howitt and Stevens, the gate keeper located in Central Kalimantan can to some degree be seen as part of a "local" organization and being connected to him and his organization is by some seen at the "correct" entry point for cross-cultural research. However, they raise their own statement that this implies a relatively naive conceptualization of scale and about "locals", which I also became aware of during the research process (Howitt & Stevens, 2016, p. 57). The understanding of the RSPO I was seeking from local actors involved in-, or affected by the palm in Central Kalimantan, was maybe not that "local" as I thought initially, having relationship with other set of scale, such as other national and international organization.

#### 4.3.2 QUALITY OF THE RESEARCH

The quality of the study rests on a credible research, involving valid and reliable research. The validity and reliability of the research depend on the choices made throughout the research process and if these choices made the construction of data and the findings valid and reliable (Thagaard, 2013, pp. 193-194). In this section I will discuss some of the choices made according the methodology, which might could have been done otherwise. I reflect over the possible disadvantages and advantages of my choices and how this might impact the research credibility. The quality also relies on the research transferability. The transferability is of importance if the findings from the present study can be transferred to other similar cases. The researchers position and reflexivity is also important to outline and discuss, since the analysis of the

empirical data is not taking place in a vacuum, but where you as a research will have an influence.

The choice made to attend all three different fieldwork instead of conducting one longer fieldwork, should be discussed. The time and resources used on the first and second fieldwork could have been used either back at PolGov reading literature or on a longer fieldwork in Central Kalimantan involving participant observation, which had helped me gain even more knowledge and deeper understanding about how the legitimacy of the RSPO is negotiated by the local actors in the everyday (Crang & Cook, 2007, p. 37). It is clear that conducting fieldwork in Central Kalimantan for six days result in intense days, with a lot to take in. There was limited time to process all the data collected and constructed during the fieldwork, which made it a challenge to resolve some of the misunderstandings I became aware of during the transcription (Crang & Cook, 2007, p. 50). Although being in Central Kalimantan for a longer period would increase the understanding of the RSPO there, the other fieldworks taught me a lot about the broader picture of natural resource governance in Indonesia in general, in terms of politics, economics and cultural which was useful for my understanding before conducting the fieldwork in Central Kalimantan.

Another aspect regarding the choice of joining three fieldwork, was that it led to conducting all the fieldwork, including mostly all the interviews, together with my fellow student. Even though it was comfortable to have a co-researcher talking in Norwegian by my side with who I could discuss my thoughts and experiences, it also led me to not being “pushed” to talk in Indonesian and interact with the other people in the “field” to the same degree if I had done the fieldwork alone. Additionally, sometimes it was challenging being two researchers conducting different research at the same interview with the same informant.

Even though I chose to use three main techniques to generate data; interviewing, observation and document analysis, I realized during the fieldwork that the boundaries between some of the methods-, and the characteristics of the methods often were blurred in practice. For instance, several times the interviews were referred as discussions by the informants, and it also felt more like a discussion than an interview. Not being considered as just the moderator, but as an equal participant in a discussion by some informants, it happened that the informants was asking me about the things discussed. This seemed to some extent to be some kind of local protocol since it happened several times, and I followed the recommendations about following the local protocols from Howitt and Stevens to seek local informal authorization of the research (Howitt

& Stevens, 2016, p. 53). This was challenging in the way that they were expecting an answer, in addition that I either did not know how to not answer it politely or that I was a bit too engaged and answered before thinking too much not to share my own opinion to that extent.

Another challenge was using semi-structured interviews in combination with cross-language research, which in some cases resulted the interviews to be more as an unstructured interview with me as a weak moderator. The reason was mainly the challenges to follow the interview guide, which was too flexible in allowing the informant to lead the direction, together with the challenges with not speaking Indonesian. Indeed, Dunn is stating that an interview guide is inadvisable for first-time interviews, and more appropriate for very skilled interviews (Dunn, 2016, p. 153). Additionally, when the translation mainly consisted of several summaries through the interviews, it was challenging or impossible to come up with continuously follow-up questions, which also is a way to continuously moderate the direction of the interview. It was therefore challenging being the moderator in some cases. Related to these challenges, I should have had a clearer discussion with my translator from the beginning to try to have more continuously translation which could result in me being a clearer moderator, but I was also here considering this as the way to do in this culture and decided to follow the apparently cultural protocol. I should also have, as Crang and Cook recommend, considered the translator more as a key informant and not just my translator and assistant (Crang & Cook, 2007, p. 26). Another challenge with conduction cross-language research, was the fact that sometimes the informants were talking their local language among each other, which not even my translator was able to understand. For instance, during the focus group, the informants were sometime discussing in their local language, and some of the context was also missed by the translator.

The selection of informants was mainly made through two different gate keepers, where one of them was contacted through the CitRes-network, while the other was an unexpected and random incident during the fieldwork. Achieving these two gate keepers, I do consider as a better background to meet several and different informants, in line with the importance to developing a wide network of contacts when doing fieldwork. (Crang & Cook, 2007, p. 18). A critique of using the snowball sampling is that the informant or gate keeper may just put you in contact with similar people as this person, which may be creating a one-sided point of view of the topic. Therefore, having two different gate keepers, such as the member of the chamber of commerce and industry, and one working in the NGO, were putting us in contact with a broader network.

An important aspect by approaching NGOs as informants, is to be aware of internal differences among the members in the same NGO. In some of the interviews several people from the NGO was participating completely or partially in the interview, while in other interviews there where only one. The data generated from one person answers on behalf of an organization, should therefore in some cases be compared with documents regarding the NGOs principles and values. However, the main questions were mainly about how the organization is working, which to some extent should be a common understanding among the members.

Attention has to be given to the use of affected groups in line with the definition by Marin-Burgos et al. (2015), since I in the present study include all the different NGOs, the professors, the students and the representative of the village into these affected groups. It is easy and unfortunate to categorize these stakeholders as one homogenous affected group based on that they are all local affected people. This is especially something to be aware of regarding the NGOs. Even if they can easily be categorized into one unit as the 'NGOs', attention has to be given to the fact that different organisations still have their own set of "historically contingent values, goals, and practises" (Bernstein, 2011, p. 24) which again leads to different interest, values and definitions. Thus, this will affect the empirical material. While some are deeply engaged with the environmental issues or human rights issues, others are mainly working with indigenous communities and others with a combination, this results to different empirical material about the governance of the palm oil, their definition on sustainability, their priority and their view on the RSPO (Von Geibler, 2013, p. 47). Also, attention should be given to the present 'relevant audience' position and stance, related to their network and other organisation they are working with, since several researches already have revealed a difference of perceptions among NGOs especially regarding the RSPO. Whereas organisations WWF and Oxfam are members of the RSPO and supporting the RSPO, organisations such as Greenpeace and Friends of the Earth are considered as being critical to the RSPO as they several times have been targeting the RSPO in their campaign (Von Geibler, 2013, p. 47). It is important to be aware of its potential impacts on the empirical data and the research quality.

The transferability of the research I do consider as relevant in studies examining different global standards at a local level. The findings in the present study I do consider as reliable and valid, as long as being aware of some of the research shortcoming discussed earlier in this section. As I based much of my present study on the work by Marin-Burgos et al. (2015), a recommendation would be to read her work as well to fully understand my research.

### 4.3.3 RESEARCHER'S POSITION

I have for a long time been engaged and interested in natural resource management governance and the injustice “the locals” often face in connection with the extraction of natural resources. Additionally, when travelling to Indonesia, I was an active member in a Norwegian environmental and solidarity NGO. I was, as many climate-engaged Norwegian consumers, “aware” of the apparently completely unsustainable palm oil production mainly because of its negative impacts on the tropical rainforest leading to deforestation and the consequences for the indigenous people. Such engagement described above may have led to some preconceptions-, and a form of “locating” of me in the research. It was therefore important to be aware of the importance in acknowledging my positionality, and about the relevance of becoming self-critically aware of the ideas that form our understandings of a certain topic (Waite, 2016, pp. 295-296). Through discussions with Indonesian students, friends, researchers and informants I aimed to achieve a meta-perspective of my topics, challenge my pre-existing ideas to some degree and being self-critical. I felt during the time spent in Indonesia I became more reflexive, since my ideas was continuously being constructed through social interactivity with different perspectives.

Traditionally, objective research has been seen as the way to conduct correct research, where there is non-personal involvement between the researcher and the researched (Dowling, 2016, p. 39). However, it is impossible to achieve pure objective qualitative research, since my values and beliefs always, to some degree, are affecting the social interaction. There was one incident during the focus group where I got highly engaged because the informants’ answer was in line with my values and perspective. I quickly realized that I had been too engaged and that I should have prohibited this from happening. The key is therefore to recognize and acknowledge my personal engagement, the situated subjectivity and intersubjectivity, because once this is done, subjectivity and intersubjectivity are much less a problem. They are rather being a way of deeper understanding, according Crang and Cook (2007, p. 13; Dowling, 2016, p. 39).



## **5 EMPIRICAL ANALYSIS OF THE IMPACTS OF PALM OIL PRODUCTION AND THE IMPLICATIONS OF THE RSPO**

In the following chapter, the empirical analysis and findings will be presented. As described in the methodological chapter, the analysis is initially based on thematic coding. Further on a stepwise deductive-inductive method was used, as described in the analytical approach. Based on the thematic coding, I find it relevant to divide the empirical analysis into two sections. Each section involves a specific affected group's experiences of the impacts of the palm oil production and the implications of the RSPO in Central Kalimantan. The first section is the affected communities' experiences of the agrarian conflicts and the implications of the RSPO. The second section concerns a trade union's experience of the labour rights violations in a plantation and the impacts the implications of the RSPO.

As explained in the analytical approach, by analyzing the affected groups experiences related to impacts of the palm oil cultivation and the implications of the RSPO through the legitimacy requirements; values; effectiveness; and participation, this analysis will give indications on the legitimacy of the RSPO among the affected groups. However, the legitimacy of the RSPO is not set until there is a shared acceptance of these requirements. To achieve the shared acceptance, the affected group has to use negotiation, mainly seen as a multi-dimensional process of social interaction in combination to "deal with something difficult" and "to have a formal discussion with someone in order to reach an agreement" (n.d.).

Both of the following section will provide findings to answer how the legitimacy of the RSPO is negotiated at a local level in Central Kalimantan. However, the first section provides mainly evidence about the indications of the legitimacy, while the second section provide more findings on the negotiation.

### **5.1 THE AFFECTED COMMUNITIES AND THE AGRARIAN CONFLICT**

By taking a comprehensive look at the empirical data, most of it concerns the agrarian conflicts which according the majority of the informants is the main impact of the palm oil industry. As stated by the academic activist and member of the indigenous Dayak civil society organisation:

*“In the case of palm oil; conflict, conflict, conflict...”*. The majority of the informants tell about the conflicts related to their personal directly or indirectly experiences in their own village or through being engaged in NGOs representing affected communities exposed for land-grabbing and human rights violation. From the interviews the communities choose to focus on the conflicts because the conflicts are a clear illustration on the *“non-sustainable practises”* happening in the palm oil sector, stated by one of the informants. The opinion of the affected communities is that the conflicts constitute the main problem, and that there is an urgent need to reduce and avoid conflicts before the communities are willing to discuss *“sustainable palm oil”*. The scope -and need to tackle the conflict issue - is considered to be reflected in the how the NGOs are working in Central Kalimantan. The representatives from all the NGOs share the perspective that the core of the problem with all the conflicts, lie in the issuing of licences. In consequence, several of the organisations is working mainly to improve the practice of issuing licences, to empower the communities to know their customary and user right, and to map area of communities to claim the communities right to use the land. All the organisations are to some degree involved in projects and activities related to the conflict-issue, with the goal to improve the situation and reduce the conflicts at the local level.

#### 5.1.1 VALUES

By analysing the affected communities’ experience related to the conflict through the sociological perspective, it make sense to relate it to the affected groups’ *“socially constructed systems of norms, values, belief, and definitions”* (Suchman, 1995, p. 574) and *“values, goal, and practices”* (Bernstein, 2011, p. 24), where the values is the main focus.

The empirical material also gives an opportunity to consider how the local affected communities define sustainability, which I consider giving indications of the affected communities values. As the affected communities stresses the on-going practices of land-grabbing without consent from nearby communities and violations of human right as *“non-sustainable practices”*, their definition of sustainability might be considered to relate more to the socio-environmental aspects than the socio-economical aspect. Interestingly, when asking about the economic growth and poverty reduction as positive impact of the palm oil sector, the academic’s values and belief came out clearly through stating that this practise will lead to a *“new category of poverty: without land”*. This statement can be understood in light of what one of the members from Walhi Central Kalimantan stressed: *“We see that if the people have their own land area, we can make sure to measure the sustainability of the environment and make*

*sure the economic sustainability of these people*". These previous statements can be considered to stressing the affected communities' values on the right of land as something fundamental. Several of the informants share the belief that the land grabbing results in a monopoly of the land which then leads to other problems, such as the lack of livelihood. In consequence, the affected group points out the importance of working for customary and user right of the land. This is also seen in the practices of how the NGOs are working, where some have specific projects aiming to empower communities and educate about their rights, while others have projects to learn communities to map their land with the aim to be better equipped to claim their territory.

Derived from these findings, the core value of the locally affected communities is by my own consideration to respect the local people's land and rights, together with the goal to reduce the amount and level of conflicts. I consider the core value of the affected communities necessary to specify, since it is one of the aspects which determines if the substantive legitimacy requirements are granted or contested, based on research by Marin-Burgos et al. (2015, p. 305). As described by Marin-Burgos et al. (2015, p. 305) the substantive legitimacy requirements on which the 'relevant audience' grant or contest legitimacy, depends on two aspects; the core value of the 'relevant audience'; and the interaction of 'relevant audience' values with the values and goals that the RSPO represents and promotes. Already presenting the core value of the 'relevant audience', it is time to see how these values relates to the RSPO's values and goals.

RSPO's main goal is to "promote the growth and use of sustainable palm oil products through credible global standards and engagement of stakeholders" (RSPO, 2018c, p. 1). By just considering this sentence alone as the objective as what the RSPO promotes in relation to the local affected communities values, as it explicitly does not say anything about reducing the conflicts or respect of the local people's land and right, there is a divergence between the values and the goal, which might result in a contestation of the legitimacy (Marin-Burgos et al., 2015, p. 305). The contestation of the legitimacy is also strengthened by the locally affected communities stating that there is no sustainable palm oil as long there are conflicts and non-sustainable practises at the local level where the production take place. The RSPO is considered as a NSMD governance, where the main focus is the market. In consequence, according to Marin-Burgos et al. (2015, p. 305) local affected communities' normative contestation is often based in concerns about the appropriateness of the RSPO to deal with the tension between

market values and local actors' socio-environmental values, which the discussion of the sustainable palm oil gives an illustration of. In addition, the statement "*No problem with palm oil*" by the member of the Indonesian chamber of Industry and Commerce might support this argument about the tension between market values and affected groups values. Based on the goal focusing on the growth and sustainable, I consider the values of the affected communities' values and the goals and values of the RSPO to not interact, thus leading towards a contestation of the legitimacy of the RSPO (Marin-Burgos et al., 2015, p. 305).

Nevertheless, the RSPO's main objective stresses "sustainable palm oil", which need to be investigated further. Although 'sustainable' is a complex term, it is a term used frequently the last couple of years, even though it is many cases involving contractionary aspects related to the economic, environmental and social aspects. Whenever used, the term should therefore be defined in the context used. On the webpages of the RSPO, "What is Certified Sustainable Palm Oil?" is described. Here, the RSPO relates it to specific criteria, and through respecting these criteria it is stated that the RSPO "can help to reduce the negative impacts of palm oil cultivation on the environment and communities" (RSPO, n.d.-a). Thus, the main objective about "sustainable palm oil" will be achieved by following the Principles & Criteria for the production of sustainable palm oil 2018 (RSPO, 2018b, p. 7).

In relation to the conflict issue, Principle 4: "Respect community and human rights and deliver benefits" (RSPO, 2018b, p. 34) contains several criteria describing conditions needed to reduce the amount of conflicts. Here, the RSPO stress the need of Free, Prior and Informed Consent (FPIC) from the communities nearby the particular plantation area, and that negotiations concerning customary or user rights must involve the views of indigenous people, local communities and other stakeholders (RSPO, 2018b, pp. 34-41). These criteria promote values and goals which can be considered as similar values as the local affected communities promotes, as they both stress the customary or user rights as something which must be considered from the perspective of indigenous people and local communities. Thus, there is an interaction between the values of the affected communities and the RSPO, which can mean granting the legitimacy of the RSPO in light of the requirements of substantive legitimacy presented by Marin-Burgos et al. (2015, p. 305).

Thus, after investigating the affected communities' core values interaction with the RSPO's values and goal, I considered it to be a certain correlation of values concerning to respect communities and human rights. At the same time, there is division regarding the goal. While

growth of sustainable palm oil is the objective of the RSPO, reducing the conflicts by tackling the issues regarding the licenses is the goal for the affected communities. Overall, it is possible to consider that both the locally affected groups and the RSPO share same values and hold the same objective - to reduce the conflicts and improve the situation of the communities.

### 5.1.2 EFFECTIVENESS

However, the investigation of the RSPOs values and goals is based on what is written in their P&Cs, another aspect is how these P&Cs and its related values are negotiated into practice at the local level. As Suchman (1995, p. 574) clarifies: “Legitimacy is a generalized perception or assumption that the *actions* of an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values, beliefs, and definitions”. Several informants stressed that the palm oil company Wilmar International Limited, a member of the RSPO, several times had been land grabbing and violating the RSPO P&C without any consequences. According the RSPO (n.d.-c) Wilmar is “the largest processor and merchandiser of palm and lauric oils, a major oil palm plantation owner and the largest palm biodiesel manufacturer in the world”. Another company member of the RSPO, Genting Plantation Berhad, was also mentioned for having practices that violates the RSPO P&C.

The affected communities are experiencing “*non-sustainable practise*” in the palm oil cultivation due to several recent agrarian conflicts involving members of the RSPO and violations of the RSPO P&C. Previous research has revealed that substantive normative divergence and contestation of the legitimacy is likely to develop when the social and environmental negative impacts that the RSPO aims to tackle, constitute arenas of socio-environmental conflicts at the local level (Marin-Burgos et al., 2015, p. 305). The reason is that the local actors affected by the conflicts, similarly, are part of the ‘relevant audience’ of the RSPO. What described by Marin-Burgos can be seen in the present study, since the affected communities, part of ‘relevant audience’, is experiencing these socio-environmental impacts which the RSPO aims to tackle. In consequence, such practises make the affected communities question the RSPO’s position and their ability to negotiate the tension between market values, and the local actors’ socio-environmental values. A clear perception of the RSPO and its legitimacy, shared by the local affected communities, is that “*the label ‘RSPO’ is sustainable, but not the practise here*”, or explained by three others informants; “*a body that gives a stamp to the companies*”, “*ecolabelling*” and “*nothing more than a stamp and greenwashing of the industry*”.

Talking about the practices at the local level leads us into the effectiveness of the RSPO, which by some have been considered as a legitimacy requirement derived from output legitimacy (Partzsch, 2011, p. 416; Scharpf, 1999). By only analysing the empirical data stressing recent conflicts with RSPO members concerning land-grabbing and violating the RSPO P&Cs without consequences, this can by some be considered to illustrate the lack of effectiveness of the RSPO, leading to perceptions of the RSPO as “*ecolabelling*” and a contestation of the legitimacy (Partzsch, 2011). According Bernstein (2011, p. 40), environmental and social NGOs consideration of legitimacy is mainly rooted in their conceptions of appropriate social and environmental practices. In consequence, there is a tendency that NGOs do not accept “systems that appears lax on performance criteria or producing on-the-ground improvements in environmental or social integrity” (Bernstein, 2011, p. 40). Based on research by Bartley and Sasser (as cited in Bernstein, 2011, p. 40) in various cases concerning certification, especially labour certification, NGOs have withheld or withdrawn the support of these certification systems since there is a lack of effectiveness of meeting the standards.

However, the idea of rest the legitimacy of the RSPO on the effectiveness alone is being questioned and discussed by several researchers, and states that the effectiveness of the RSPO alone as requirements for the legitimacy should be considered with scepticism (Fuchs et al., 2011; Partzsch, 2011). The reason why not effectiveness alone can be considered, is due to the challenges in achieving a commonly agreed ‘best solution’ such as the P&C when it comes to the complexity of ‘sustainable’ palm oil (Partzsch, 2011, p. 413). In consequent, what is considered as “*non-sustainable practice*” by NGOs representatives focusing mainly on the social- or environmental issues regarding the palm oil sector might be considered “sustainable” as a representative of both commerce and the industry. The representatives from the commerce and industry might focus on the economic growth and formal job opportunities for the local community, and not being aware of or prioritizing the value of the currently informal job in the forest area involving hunting and harvesting. Based on this, the effectiveness alone cannot be a requirement of the legitimacy of the RSPO in light of Bernstein (2011, p. 40) description of business and NGOs understanding of what legitimacy requires. Recommendations is to consider it together with other requirements, from input legitimacy and the sociological perspective, involving values and participation.

### 5.1.3 PARTICIPATION

Participation is a legitimacy requirement; here it is also related to the requirements of representation and inclusion in the RSPO. Participation concerns that the relevant audience should have the opportunity to observe and comment on the activities of the RSPO. The representation concerns the relevant audiences' right to be represented and right to have a voice in decision making (Koppell, 2008, p. 191). First and foremost, none of the informants to this study are members of the RSPO. They all stress the annual fee on 2000 euros as one of the reasons why they are not members. A fee of that size constitutes a financial hindering for small NGOs located in Central Kalimantan and contribute to make it harder for locally NGOs and affected actors to be involved and participants of the RSPO, which – by its objective- aims to be open for all NGOs. A result of this is an asymmetry between the participation of business and civil society interests, which previous research has revealed, together with asymmetry also between the retail companies and the rest of the product chain, and between the North and South (Partzsch, 2011, p. 417). The discussion regarding the high cost to be represented and be able to vote and have decision-making power in the RSPO, can also be related to the requirement of neutrality. Neutrality means that all stakeholders must be treated equally (Koppell, 2008), but the uneven amount of recourse which each stakeholder holds are making the requirement of neutrality complicated, with this fee functioning as a barrier of neutrality. Thus, the empirical data in the present study and previous research share the common argument that the legitimacy of the RSPO will decrease. The legitimacy weakens with evidences illustrating the RSPO advantages large companies and retailers, and disadvantages or exclude smallholder and civil society actors, the one actually directly affected in Central Kalimantan (Partzsch, 2011). Other findings related to the participation, is the fact that two of the informants did not know about the RSPO, which might illustrate the lack of local inclusiveness and promotion locally by the RSPO themselves.

Even if the affected communities' NGO-representatives are not members of the RSPO, 'the affected communities may participate in other ways, such as observing or commenting participants of the RSPO. Observing the non-sustainable practices and violations of the RSPO P&C by its members, opens the opportunity to participate or negotiate through the RSPO Complaint system. This is leading us into the concept of negotiation, being a combination of social interaction, to deal with something difficult and to have a formal discussion with someone.

#### 5.1.4 NEGOTIATION AND PARTICIPATION

Even if effectiveness alone cannot determine the legitimacy of the RSPO, in the present study concerning the *negotiation* of legitimacy, the effectiveness is considered to be of importance and is therefore included. The experienced lack of effectiveness of the RSPO and the divergence in the P&C and the practise of the RSPO, I consider as being transformed into a reason to negotiate with the RSPO, including its legitimacy. In consequence to agrarian conflicts, land grabbing and violations of human rights involving members of the RSPO, several of the informant tell about their experiences using the RSPO Complaints System.

The Complaints System is a fair, transparent and impartial process to duly handle and address complaints against RSPO members. It is not intended as a replacement for legal requirements and mechanisms in force. (RSPO, n.d.-b)

The Complaints System can be used by both the RSPO members and non-members including affected communities and their representatives, workers and other interested actors. Thus, I do consider the Complaints System as a way to negotiate with the RSPO and thus its legitimacy. This system is among the conditions mentioned in one of the criteria to achieve Principle 4: Respect community and human rights and deliver benefits (RSPO, 2018b). However, also in the case of the complaint system, the affected groups consider it to lack effectiveness, explained by the member of the human-rights organisations:

I have the experience with the RSPO complaint mechanism from 4 cases about land grabbing. (...) All cases were dismissed after two years struggling. (...) We just had the mediation, with the people, us [the organisation], the company and the RSPO. This was just two times, and the other was just the RSPO and the company, but without us [the organisation] and the people. That is why we have doubt about the RSPO. Where are the RSPO? Because we also know that the members of the RSPO are mostly the growers and the supply chain, right... (Member of the human rights organisation)

As the statement shows, the lack of effectiveness observed also in connection with the complaint system, raise a question as to the position of the RSPO's to businesses and to the affected groups. Sharing the experience with the complaint system and its outcome being without any consequences for the RSPO company in question, several of the member from the NGOs share the same perspective as Gemma Ade Abimanyu from Walhi: "*In fact, they [the RSPO] cannot do anything when the members violate the rules*".

This statement can be considered as a perception that the RSPO do not have the ability or authority to prescribe behavior of others (Partzsch, 2011, p. 416). As the RSPO is considered as a NSMD governance in light of the work of Bernstein and Cashore (2007), the government who possess legitimate authority, is absent in the RSPO. According Bernstein and Cashore

(2007, p. 351) sovereign states has the possibility to legitimate governance initiatives, such as the RSPO, through their consent. However, in the case of the RSPO in Indonesia, it might seem that the Indonesian government do not give the RSPO its consent as they in 2011 developed their own initiative of sustainable palm oil, The Indonesian Sustainable Palm Oil (ISPO), with the aim to increase the competitiveness of Indonesian palm oil (Von Geibler, 2013, p. 47). Even if the government can be working as an observer and adviser, this can be considered not sufficient. Based on the reading of Diprose et al. (2019, p. 1), the establishment of the ISPO by the Indonesian government can be understood as the Indonesian government want to control the access to and practices of the natural resources, such as the palm oil, on their territory. Diprose et al. (2019, p. 1) states namely that states often fiercely defend principles of sovereignty over land governance processes, which I consider also to apply for the sovereignty over natural resources governance processes, such as the palm oil. Not going further into the aspect, but one should have in mind the economic interest the Indonesian government have in the palm oil industry. Being controlled by the European established RSPO and European market might not be their vision, as they have an increasing market in Asia, yet not demanding the requirements of the RSPO.

The RSPO can be considered to not have authority nor strict enforcement of the criteria supposed to prescribe behavior of its members with the aim to achieve sustainable palm oil. One of the reasons can be considered to be the lack of support from the Indonesian government. According Schouten and Glasbergen (2011, p. 1891) it is the government with state authority which is competent to use the law or violent force to enforce behavior and rules being followed. Revealed in previous research about the Marine Steward Council (MSC) Fisheries Certification by Foley (2013, p. 284), the implementation and maintenance of the MCS certification depended of significant support from the government. Thus, I consider the absence of the Indonesian government in the RSPO as a weakness, which also is based on a statement from academic activist working with indigenous Dayak (LMMDD-KT):

“When RSPO does not respond [to the complaints], what to do then? The RSPO are not related to the government. The government cannot interact with the RSPO to monitor or check their practice.” (Academic activist from LMMDD-KT)

From the statements above, parallels can be drawn to the work by Marin-Burgos et al. (2015, p. 312), stating that legitimacy granting depends on the affected communities perception “about the RSPO’s ability to deal with the core of their claim”. In this case, the core of the claims is to end the conflicts, involving the issuing of licenses which according to the affected communities

the RSPO cannot do much about. Based on this, it makes more sense that the “affected communities” mainly are working towards the government, rather than the RSPO, which this statement reflects:

“The main focus is the government, the one who grant the permits and the license. The only one who have the capability to take of the permits. That is why the campaign we do is towards the government, the responsible”. (Ayu Kusuma Pertiwi from Walhi Central Kalimantan)

In addition, Hapsari (2017, p. 223) points out that engagement with the State is a mainstream strategy for many organisations working with human livelihood and points out Walhi as an example of organisations working much toward the state. This argument is also being strengthened by previous research pointing out the government as a “central actor controlling access to land and natural resources” (Diprose et al., 2019, p. 1). Von Geibler (2013, p. 47) even explicit highlights that “governments play an active role in the palm oil sector”. Thus, the Indonesian government is seen as a crucial actor in this question. among the affected communities.

Based on the findings in the section, I will again draw attention to the work by Marin-Burgos et al. (2015, p. 312) where one argument is that legitimacy granted by local actors opposing the industries governed by the RSPO depends on two factors. First, the affected community’s perception about the RSPO’s ability to deal with issues at the core of their claims, which is shaped as the affected communities core values which correspond with the RSPOs values. As discussed previously, a correlation of the values between the RSPO and the affected groups were shown, even though there were some divergence as well. To some degree this could be considered to lead towards granting the legitimacy. Despite the correlation of values, it does not comply with the RSPO P&C. This means there is lack of effectiveness of the RSPO, which results in being used to negotiation by using the RSPO complaints system. The lack of effectiveness of the RSPO complaint system, can be considered to result in a need to consider the importance of the government. The way all the NGOs are working towards the government rather than the RSPO shows that the legitimacy of the RSPO is weak. The affected communities are questioning the ability of the RSPO to deal with the core problem. Secondly, the ‘relevant audience’ effective participation and inclusion in process of standard-setting creation and implementation at local level is also a factor which the legitimacy granting depends on (Marin-Burgos et al., 2015). First and foremost, the absence of organisations representing the affected communities as members in the RSPO no not correspond with the second factor. Attention to

inclusion must be given, as the informants point out the high fee as one of the reasons not involving. The aspects addressed leads to decreasing the legitimacy of the RSPO. In addition, the legitimacy is decreasing due to affected communities' perception of the government as a crucial stakeholder in solving the core problem of the conflicts; the issuing of licenses, instead of the RSPO since the government is not part of the RSPO (Marin-Burgos et al., 2015).

## 5.2 THE TRADE UNION AND THE VIOLATIONS OF WORKERS' RIGHTS

The impacts of the palm oil production concerning the conditions of the workers inside the palm oil plantation, was also recognized by one of the informants working closely with a trade union inside a RSPO certified company. The informant told about; the lack of minimum wage enforcement; unrealistically high workload from daily target system; poor occupational health and safety; substandard housing and living conditions; non-implementation of the Top-Up system; and inadequate healthcare facilities. All mentioned conditions are violating the RSPO P&C and the Indonesian law. In consequence, the organisation is working on these issues through research and campaign, but most important, through capacity building and education for the workers. The representative pointed out the importance of not only doing research and campaigning, as this could lead to negative impacts on the workers at their workplace and with the company as the employer. The way to do it more efficiently and secure, according to the representative, is:

To have education with them [the workers] and encourage them to have their own organization, because they cannot always 'please help us doing this, solve this, please help us'. We cannot do that, because they are the one face to face with the company. The people and the workers must have their organisations. This is what we do. (Representative from the human rights organisation)

This organisation is encouraging workers in plantations and factories to establish their own trade unions. It is a tendency that currently established trade unions are established by the company itself due to formality of the law, while this organisation is trying to encourage the workers to establish independent trade union - unions established by the workers themselves. Currently in Central Kalimantan, there is only one such independent trade union, according to the informant. This present trade union is established by the workers in a company, which is a branch of a well-known plantation company, that is also a supplier for Wilmar Group. Both the plantation company and Wilmar group are members of the RSPO and should therefore comply with the RSPO P&C in order to produce Certified Sustainable Palm Oil (CSPO).

As a result of the independent union, the cooperation and communication between the company and the workers is better compared to other companies. Although the process leading to the establishment have not been easy, and there are still a lot of issues to handle regarding workers' rights and the situation of the present trade union, explained below, the informant points out the importance of the company in which the trade union has emerged from their workers, and that the company actually to a certain extent have met them in the negotiations. Compared to many other companies, which do not allow or make it really hard to create an independent trade union, this present company is moving in the right direction, and the informant praises it for it.

The reason why the organisation is working so hard to encourage the workers to establish a trade union is mainly because it is stated both in Indonesian law and in the RSPO P&C that every worker has the right to form or become a union member. The RSPO highlights directly the right to organize through the Principle 6, Respect workers' rights and conditions:

The unit of certification respect the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the rights to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel. (RSPO, 2018b, p. 48)

Through Principle 2, Operate Legally and Respect Rights, which includes criteria 2.1: "*There is compliance with all applicable local, national, and ratified international laws and regulations*" (RSPO, 2018b, p. 18), the RSPO is referring the Indonesian law. According to Indonesian Law No. 21 of 2000 Concerning Trade Union/Labour Union by the Ministry of Manpower and Transmigration it follows from respectively in chapter 2 article 4 and chapter 3 article 5:

Trade unions/labour unions, federations and confederations of trade/unions aim to protect, defend the rights and interests of, and improve the welfare of workers/laborers and their family, as is proper. (...) Every worker/labourer has the right to form and become a member of a trade union/labour union. (International Labour Organisation, 2000a, p. 4; 2000b)

Chapter 7 in article 28 lays down a prohibition against preventing a worker from forming a trade union, becoming union member or carrying out trade union activities, for example by terminating the workers employment and intimidating the worker (International Labour Organisation, 2000a, p. 9). Thus, based on both the Indonesian law and the RSPO P&C there is no doubt that workers in palm oil plantations in Central Kalimantan have a right to form and join a trade union with the aim to defend their rights and interests, and improve their own and their families welfare. There is also with good reason the present organisation interviewed offer

education, capacity building and encouragement to create trade unions as one of their main activities.

The representative tells about workers, and especially women, that are not very active nor involved in trade union activity. Workers agree to become members, but they are not joining the activities. Not because there is no involvement, but because they are afraid of carry out activities related to the trade union. One of the reasons behind this, is due to the workers background. In many palm oil plantations, 20-30% of the workers origins from the nearby local communities, while 70% is mainly domestic migrants coming from the region of East Nusa Tenggara in Indonesia and other parts of Indonesia. These domestic migrants often come from poor conditions without much resources, due to lack of employment and land in their original hometown. In consequence, the job at the palm oil plantation is important for them, and they are afraid of getting fired if they organize and become active in a trade union. It is not without reason the workers are afraid to organize. The company has attempted to jeopardise the workers' unionising. The informant tells that union busting is not unusual:

In one case, the workers in a palm oil plantation and a supplier of Wilmar Group [a palm oil company], have organised a series of protests to demand a living wage and better occupational health and safety. As a result, from October 2018 until February 2019 more than 40 workers, including two union leaders, were terminated without any clear reasons. (Research note from the representative from the human right organisation)

Related to the same case as the one described above, there was a big protest gathering 700 palm oil workers from the company in February 2018. The reason behind was the slow response on the workers' demand about a properly implementation of the minimum wage for palm oil workers in Central Kalimantan, a demand of 2 550 000 IDR (187.5 USD) per month. The workers had continuously been carrying out actions, such as request for mediation with the company about the wages, but several times they were intimidated from their actions by the company which was utilising both the police and other civilians to ask questions to the union and to tell the union to stop their action, the informant tells. Not only that, and as the citation states, several workers lost their job this period. In total 391 workers were terminated due to different reasons. 40 of them was from the union which included two union leaders. According to the statement of the company, the terminations was due to efficiency, but according to the trade union, the company hired new employees simultaneously, which did not make any sense. In consequence, as recent as in this March 2019, the trade union wrote an open letter to the same company responsible for this palm oil plantation, with the message "*Stop intimidation*

*and unilateral termination of employment palm oil worker*” [The open letter given to me from the representative in the human right organisation]. In addition, the trade union sent it to the plantations’ main company and the RSPO. The letter was signed and supported by the present organisation and 38 others, local, national and international organisations. In the open letter the trade union pointed out the fact that the company is a member of the RSPO and have some P&C to follow, involving their rights based on Indonesian law. Among several demands, the most significant demand was the right to Indonesian minimum wage and their right to organize, without being intimidated or with fear of losing their job. As the member of the human right organisation pointed out: *“The minimum wage is the minimum wage”*.

On the other hand, the company did meet the trade union to negotiation during this period. As described by the member from the human right organisation: *“The demand they [the workers] really want to achieve is the wages, but they [the company] try to distract by choosing the other demands which is easier to give.”* For instance, after the mass action in February 2018, which involved many demands, the company only complied with the smallest demand; the water. In the accommodation for the plantation workers, water was usually running only 2-3 times pr. week, but after this protest, water is accessible daily.

The answer to the open letter from March 2019 came after seven days, and lead to a visit to the main company in Central Kalimantan to talk with the trade union. According the informant, the representative from the main company said they just wanted to know about the open letter, because it was unclear for them: *“They came to clarify, not to respond actually. Not to give the demand”*. Since the company is a supplier to Wilmar, the trade union also considered to submit a complain through the RSPO’s complaint system. However, they want to await until the company responds them properly, due to their doubts about the RSPO complaints system:

The company is a member of the RSPO, yes. But we are not yet to submit the complaint to the RSPO. But I have the experience with the complaint mechanism of the RSPO, and it is not working. But we are trying. (Representative from the human right organisation)

Attention must be given that the open letter was relatively recently sent when conducting this research in May 2019. It might be other answers present today from the open letter than what was present in May.

### 5.2.1 VALUES, EFFECTIVENESS AND PARTICIPATION

The empirical data presented in the previous sections, illustrates the organisation's and trade union's experience of the impacts of the palm oil production and the implications of the RSPO. The trade union is established by and for the plantation's workers, considered as affected groups in Central Kalimantan. The empirical analyse also provides an illustration on how a NGO is working closely with the trade union and are working actively to empower the workers and encourage them to establish trade unions. Thus, by analysing the empirical data through the requirements of legitimacy; values, effectiveness and participation, it is possible to illustrate some aspects about how the legitimacy of the RSPO is negotiated at the local level from a trade unions perspective. Here, the main focus will be on the negotiation.

Based on (Marin-Burgos et al., 2015) the correlation of values between the trade union and the RSPO might strengthen the legitimacy of the RSPO. The organisation and the trade union have clear values concerning the workers' rights and their ability to improve their welfare. This is shown by their extensive work on education, capacity building and encouraging of the workers to unionising. Through their work, the organisation and the trade union are socially constructing systems of values, goal and practices for the workers with the goal to achieve better working conditions and thus a better welfare for themselves and their family. These values can be related to the values the RSPO presented by their P&C criteria 6, explicitly requiring to "respect workers' rights and conditions which illuminate the right to form and join a trade union and bargain collectively" (RSPO, 2018b). Based on my understanding of Marin-Burgos et al. (2015), the correspondence of the values between the trade union and the RSPO can be considered to be one of the requirements of granting the legitimacy of the RSPO.

In line with the effectiveness as a legitimacy requirement based on (Scharpf, 1999) the trade union's experiences of intimidations of the union, termination of the members without a good reason and fear for doing union activities can be considered to lead to contesting the legitimacy of the RSPO. In accordance with (Partzsch, 2011) the actions done by the member of the RSPO can be considered as lack of effectiveness of the RSPO as these mentioned experiences contradict the RSPO P&C, Principle 6. As we know, the RSPO's relevant audience consist of a broad and varied spectre of stakeholders "in terms of identities, geographic location and interests" (Bernstein, 2004, p. 24). Thus, this "de facto"-legitimacy (Partzsch, 2011, p. 417) or consensus (Scharpf, 1999, p. 7) which the P&C is assumed to be, is being questioned when the practice or effectiveness of the RSPO is characterized as different weightings of 'input' versus

'output' regarding the different values, as explained by Bernstein (2011, p. 24). This different weightings of input and output by the stakeholders is what the empirical material shows. Even though the RSPO communicate, through the P&C, some of the same values as the organisations and the trade union, a local company in Central Kalimantan might not have criteria 6 as their main core value. Their priority might be some of the other 40 criteria. This argument may be strengthened through the negotiation of the RSPO at a local level, which is presented further down and give an illustration on the stance of the legitimacy.

First of all, the trade union is certainly a stakeholder according the RSPO's definition of a stakeholder as a "group with a legitimate and demonstrable interest in, or who is directly affected by, the activities of an organisation and the consequences for those activities" (RSPO, 2018a, p. 105). In this case, the trade union is representing the plantation workers in Central Kalimantan who both have the interest in, and are directly affected by, the activities of the RSPO. Based on my interpretation of Marin-Burgos et al. (2015), I consider the trade union as an affected group, which form part of the 'relevant audience' in the present study. Thus, the trade union as part of the 'relevant audience' should have the opportunity to join the decision-making, have a right to be represented, observe and comment on the activities of the RSPO (Koppell, 2008; Schouten & Glasbergen, 2011).

Thus, the trade union is a clear stakeholder in the RSPO. Since the plantation workers and other workers in the industry constitutes major group of stakeholders, it should be questioned why the RSPO has not included this group as one of the main stakeholder group in the same way as the oil palm producers, processors or traders, consumer goods manufacturers, retailers, banks/investors, and environmental and social NGOs. When studying the members of the RSPO from Indonesia, there is one member which is a trade union, Hukatan. Hukatan protects workers' rights in plantation sector and is part of the All Indonesian Trade Union Confederation (KSBSI). It is categorized under the Social and development organisations and became a member as recently as 19<sup>th</sup> of September 2019 (RSPO., n.d.-a). The reason why there is just one trade union member, representing the plantation workers in the RSPO, might be related to the high fee to actually become a member and get the decision-making power. However, there are other ways to participate without being a member of the RSPO, leading towards the negotiation, which will be described more in the next section.

### 5.2.2 NEGOTIATION AND PARTICIPATION

Although the trade union in Central Kalimantan is not a member of the RSPO nor has decision-making power, the trade unions are participating at the local level towards the RSPO-certified company. Through protest, demonstrations, open letters and also considering using the RSPO complaint system, the trade union is trying to fight for their rights and a better welfare through multi-dimensional social interaction, namely negotiation. Using both the law, and the RSPO P&C as tools to claim their rights when negotiating with the company, they also negotiate the legitimacy of the RSPO. The trade union can be seen as a tool of negotiation established to improve the labour conditions at the plantation, including comply the RSPO P&C about minimum wage. However, the negotiation for the trade union is considered to be difficult, as the methods of negotiating such as creating a trade union and demonstrations results in the company trying to jeopardise the union. The company's intimidations to the trade union shows how a member of the RSPO meeting the affected groups in negotiation, namely by make it hard for the affected groups to participate. Here the affected group, the trade union, is fighting to participate even though the RSPO P&C clearly states the right to unionising. Hence, this company do not comply with the RSPO P&C, and there is a lack of effectiveness.

The current situation, with the union busting, experiences of intimidations, threats and union members being fired without a good cause, illustrates how the legitimacy of the RSPO is negotiated at a local level, when the company in question is a RSPO member. Such practises are evidence on how the lack of effectiveness is weakening the legitimacy, since the requirements such as effectiveness is far from complying with the RSPO P&C. As pointed out by several researchers, the legitimacy cannot be granted or contested by evaluating the effectiveness alone (Fuchs et al., 2011, p. 339). However, the practise at the local level also points out the difficulties for the trade union to participate and be included in the governance of the palm oil sector and the RSPO, as the company jeopardise the trade union. Considering both the lack of effectiveness and the lack of inclusiveness of the trade union, it gives the opportunity to claim that the legitimacy of RSPO in this case is decreasing.

Nevertheless, there are some evidence on negotiation in form of formal discussion (n.d.) and social interaction (Schouten & Glasbergen, 2011, p. 1892) where some of the demands are met, such as the access of water daily. The open letter resulted in a visit from the company and discussion took place. However, the demand mainly requested by the trade union, such as the minimum wage, is not being prioritized by the company. The effectiveness of the negotiation

can be understood in light of the difference in values and interest in accordance with (Fuchs et al., 2011). Evidence show that in the case of the situation inside a company and with the trade company the RSPO and the company are to some extent meeting the trade union to discussion, thus negotiation. Thus, it illustrates how a global palm oil standard, the RSPO, is being negotiated at the local level, which again can tell something about its legitimacy. With the help of legitimacy requirements, such as values, effectiveness and participation, it has been possible to analyse how the affected groups actually interact with the RSPO and try to negotiate their values in the lack of effectiveness in the RSPO. The effectiveness of the negotiation again gives new indications on the legitimacy. In the previous section, what is illustrated explicitly, is the “fight” for the trade union to participate, which also reveals the weak effectiveness of the RSPO P&C at the local level, based on (Fuchs et al., 2011). However, attention must be drawn to the fact that values and priorities ranging among the different stakeholders in the unit of the RSPO are broad and varied, making the negotiation of the 40 criteria seen as the consensus in line with Scharpf (1999) is not an easy task. On the other hand, the RSPO P&C are being used as a tool by the organisation and the trade union to claim their right in light of the RSPO’s own claims.

## **6 THE NEGOTIATION OF THE LEGITIMACY OF THE RSPO**

In this chapter there will be a concluding discussion of the main findings presented in the previous empirical analysis. The concept of legitimacy and its requirements, the concept of negotiation and related literature are used actively to discuss the findings in light of the research question; “How is the legitimacy of the RSPO as a global palm oil standard negotiated at a local level in Central Kalimantan?” I will discuss the negotiation based on the three legitimacy requirements; values, effectiveness and participation.

### **6.1 VALUES**

The starting point in both cases, was that the values from both affected groups interacted to some degree with the values of the RSPO. The legitimacy requirements concerning values from the sociological perspective is mainly based on the correspondence between the core values of the affected groups and the values and goals of the RSPO, based on the work of Marin-Burgos et al. (2015, p. 312). In the first analysis the values of the affected communities are discussed in their work to reduce the conflicts, empower the affected communities to make them aware of their territory and their rights, and achieve a better practise of issuing of licenses from the governmental side. In the second analysis the values of the trade union are seen through the organisation working closely with the workers and the trade union. Working to educate about the workers’ rights, capacity building and to encourage the workers to unionise. The affected communities’ values concerning the conflicts in the first section and the right to join a trade union in the second section, are both interacting with the RSPO P&C. Principle 4 “Respect community and human rights and deliver benefits” in the RSPO P&C contains several criteria concerning the need of FPIC from affected communities and negotiations about the user right which involve the indigenous people and the local communities. Principle 6 “Respect workers’ rights and conditions” stresses to “respect the rights of all personnel to form and join trade unions of their choice and to bargain collectively” (RSPO, 2018b). These principles and its criteria represent certain values which can be considered to correlate with the affected groups core values, and the requirement of legitimacy in terms of similar values being considered as achieved, at least theoretically.

The values of the RSPO as a unit is to be seen through its main goal: “Promote the growth and use of sustainable palm oil products through credible global standards and engagement of stakeholders” (RSPO, 2018c, p. 1). As all the informants were involved with the conflicts, they all agreed that “sustainable palm oil” does not exist until the conflicts has stopped. The values of “sustainable palm oil” is therefore not similar among the RSPO and the affected groups. Although attention must be given to “sustainable palm oil” due to sustainability as a comprehensive and complex terminology, the RSPO gives a clear indication what they consider as sustainable palm oil through their P&C, which makes it possible to consider the value of ‘sustainable palm oil’ in the present study.

## 6.2 EFFECTIVENESS

One thing is global and standardized values written on the paper; another is how the values are negotiated into practise at the local level. As Suchman (1995, p. 574) clarifies: “Legitimacy is a generalized perception or assumption that the *actions* of an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values, beliefs, and definitions”. Here, illuminating actions, lead to the requirement of legitimacy concerning the effectiveness, which is derived from the work by Scharpf (1999, p. 11) on output legitimacy. Output legitimacy concerns that an initiative may be considered legitimate based on the effectiveness in achieving a given objective or effectively support the common welfare (Fuchs et al., 2011, p. 339).

With this in mind, the effectiveness of the RSPO are; several recent agrarian conflicts where members of the RSPO are involved; a RSPO member land-grabbing without the proper permission; a company member of the RSPO attempted to jeopardize the workers’ unionising; intimidations of workers unionised; and terminated working conditions without clear reason for union leaders, union members and other workers. Thus, considering these actions in light of the effectiveness of the RSPO in achieving principle 4 and principle 6 and their related criteria, they may be a source of weakening the legitimacy of the RSPO at the local level.

However, legitimacy cannot be derived from effectiveness alone, since different stakeholders in the RSPO have different priorities and aspects of the objective of “sustainable palm oil” (Fuchs et al., 2011, p. 339). The RSPO have a goal to achieve sustainable palm oil as the norm and has developed the Principles and Criteria (P&C) to achieve it. A central aspect in output legitimacy is ‘de facto’-legitimacy which is a neutral consensus or commonly agreed ‘best solution’, which in the case of the RSPO is to be considered as the RSPO Principles and Criteria

(P&C). The P&C is considered as a long-term and multi-purpose governing structure, with the perception of a range of common interests which is broad and stable enough to justify institutional arrangements for collective actions (Scharpf, 1999, p. 11). These P&C have been developed by the members of the RSPO, today counting over 4000 members divided into seven main stakeholder groups. The P&C containing seven principles and 40 criteria, developed across these seven different stakeholder groups, all with different interests, goals and values. Hence, the P&C reflects both a multi-purpose and a broad range of interest coming together. Achieving a commonly agreed ‘best solution’ such as the P&C, is not an obvious thing, when it comes to the complexity of ‘sustainable’ palm oil (Partzsch, 2011, p. 413). Of these seven groups of stakeholders, some may prioritize the prosperity area or the economical aspect of sustainability, such as the growers focusing on economic growth, income and jobs. Some of these might also be more aware of and to some extent prioritize the environmental aspects, due to international campaigns and boycott of palm oil mainly because of the deforestation. NGOs and CSOs, either they focus on the environment or human-rights, are respectively prioritizing the environmental-, or the social aspect of sustainability.

In the development process of the P&C there have certainly been disagreements among these stakeholders to achieve a “win-win solution”, and there is no doubt that these differences in interest, prioritizing and values remain influential when these criteria are turned into practice at the local level in Central Kalimantan. Hence, it is problematic to measure the ‘effectiveness’ of the P&C since there is no objective measure of the ‘effectiveness’ of the RSPO. In this present study we have a subjective measure of the ‘effectiveness’ of the RSPO based from the NGOs values and point of view. Most probably, the companies in question which are members of the RSPO and are causing the conflicts and jeopardise the trade union in Central Kalimantan, do not have the same interests and values as the affected communities and the trade union. In consequence, they do not prioritize principle 4 and principle 6, and the correlation in the values of the affected groups and the RSPO P&C do not correlate in practise with these specific companies. The legitimacy of the RSPO is therefore decreasing. Parallels can be drawn to the substantive normative divergence which often emerge when social and environmental negative impacts that the RSPO aim to tackle, constitute arenas of socio-environmental conflicts at the local level (Marin-Burgos et al., 2015, p. 305).

Attention must be given to these companies with 40 different criteria to comply. One might assume that the companies prioritize some of the 40 criteria most related to their own values

and interest, if not just the value and interest of 'growth' which is the main goal of the RSPO. From their perspective, this might be considered as effectiveness as they generate jobs and their palm oil is competitive on the market. However, from the affected groups perspective, it is lack of effectiveness of the RSPO. In consequence, effectiveness cannot be used as a legitimacy requirement alone, but researchers recommend considering it together with other requirements such as participation, leading us to the next requirement.

### 6.3 PARTICIPATION

The legitimacy requirement concerning participation is derived from input legitimacy in Scharpf's (1999, pp. 2-6) work about democratic legitimacy. Several researchers and previous literature have elaborated the need of participation in non-state market driven governance, such as the RSPO. All the stakeholders or the 'relevant audience' should have the opportunity to be represented, comment and have a voice in the decision-making (Koppell, 2008, p. 191; Schouten & Glasbergen, 2011, p. 1892). Questioning the participating among the affected groups revealed a lack of representation of both the affected communities and the trade union as members in the RSPO in the present study (Koppell, 2008, p. 191; Schouten & Glasbergen, 2011, p. 1892). None of the organisations or informants described in the present study are members of the RSPO. Although they can be members and there are categories for both environmental NGO and social/development NGO (RSPO, n.d.-a), there is a fee on 2000 euros which make most of the organisation excluded from the RSPO. In accordance with Partzsch (2011, p. 419) this strengthen the argument that the RSPO disadvantages and excludes local affected civil society actors in the South. Not being able to be part of the decision-making may contribute to a lack of realistic perspective from the local level. This is related to inclusiveness also an aspect pointed out as important in NSMB governance (Marin-Burgos et al., 2015). As two of the informants told they did not know about the RSPO, strengthen the argument that local affected groups might not be included. Hence, the lack of representation in RSPO and not being included and aware about the RSPO is contributing to decrease the legitimacy of the RSPO.

Despite not being a member of the RSPO and with decision making power, there are other ways to participate in term of observe and comments. This participation is considered to be a result of the lack of effectiveness of the RSPO, where the affected groups see a need to take action, leading to negotiation.

### 6.4 NEGOTIATION AND PARTICIPATION

Examining the values in line with Marin-Burgos et al. (2015), the values of the affected groups and the RSPO is considered to be the origin of the negotiation of the legitimacy of the RSPO as illustrated in figure 4. The core value of both the affected communities and the core value of the trade union were to be found in Principle 4 and Principle 6 of the RSPO P&C. This gives an indication that the RSPO members should comply with the criteria. However, these common values are not transferred into practise as the actions by the RSPO member do not comply with the Principles 4 and Principle 6. Hence, there is evidence of lack of effectiveness of the RSPO from the affected groups perspective. This lack of effectiveness gives the affected groups an opportunity to react and comment on the actions of the RSPO members which not comply with the stated RSPO P&C and their common values. The actual negotiation happens therefore in the interaction between the lack of effectiveness and the participation.

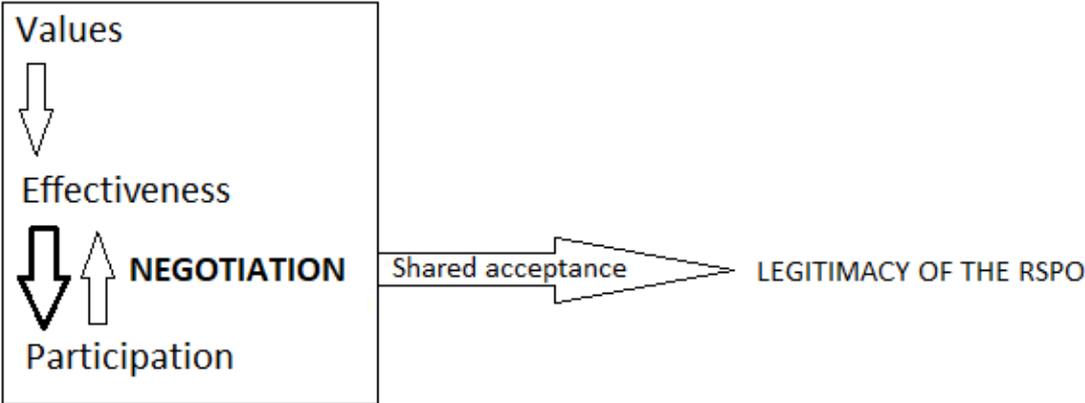


Figure 4: The negotiation of the legitimacy of the RSPO. Source: Hamre H. M. (2019)

At the local level the lack of effectiveness is experienced as land-grabbing and intimidations of the trade union, which leads to concrete participation and negotiation in terms of observations and commenting, through using the RSPO’s complaints system. The RSPO’s complaints system is the official mechanism to negotiate. The majority of the informants had used this when experiencing these “*non-sustainable practices*”. Despite the interaction and meeting between the affected community, the company and the RSPO after the complaint, the effectiveness of the complaints was disappointing and no shared acceptance was achieved (Bernstein, 2011), according to several of the informants. There was a meeting, but it did not result in any consequences for the company, since the RSPO do not have the authority to punish the companies, was stated by several informants. This give an indication that through the participating and negotiation with the complaint system, the affected groups vision is to see a

better effectiveness of the RSPO. However, according to the affected communities the response and process of the complaint system is still leading to a lack of effectiveness. But as the informant from the human right organisation stresses, “*at least we try*”. As a consequence, in line with Marin-Burgos et al. (2015) the affected groups perception of the RSPO ability to tackle the core of their claim is weak. Instead of engaging with the RSPO, which also is considered expensive, this study shows a tendency from the affected groups rather working towards the government. The affected groups consider, as several researchers (Diprose et al., 2019, p. 1; Von Geibler, 2013, p. 47), the government as a crucial stakeholder in handling the core of their claim, the issuing of license and the stakeholder which actually can enforce the law and influence the behaviour of others (Schouten & Glasbergen, 2011). In line with (Foley, 2013, p. 284) certifications depend of significant support from the governments. However, the factors that the Indonesian government is not a member of the RSPO and instead has developed their Indonesian Sustainable Palm Oil, might be seen as lack of support to the RSPO by the Indonesian government. The previous stressed aspects about the agrarian conflict, the RSPO’s role to handle them and the importance of the government by the affected groups, result to decrease the legitimacy of the RSPO.

In addition, the affected groups are negotiating, in terms of other unformal mechanism to interact and deal with the difficult issue regarding worker’s rights violations (n.d.). The use of demonstrations, open letters, campaigns and research where they take advantage of the membership of the RSPO and its P&C and use it as means to push the RSPO to take action. The RSPO P&C are used to raise awareness through campaigns and research about the “*non-sustainable-practices*” going on in Central Kalimantan. Principle 6 regarding the right to create and join a trade union, are being used by the workers as an affected group. The establishment of a trade union can be considered as a negotiation tool when the workers want to negotiate, in terms of a formal discussion (n.d.), with the company in question about their rights. The informant telling about labour conditions not in compliance with neither the RSPO P&C nor the Indonesian law; lack of minimum wage; poor occupational health and safety; and inadequate healthcare facilities. In order to change these conditions inside the palm oil plantation, the organization focuses on education and capacity building among the workers with the aim to create trade union. With independent trade union the workers themselves can go to their leaders and negotiate, instead of using organisations on the outside to negotiate on their behalf. Despite having created a trade union, with the vision to work as a negotiating

mechanism, the trade union seems to not be recognized by the member of RSPO as the company has attempted to jeopardise the worker's unionising. This indicates the difficulties the affected group stands above when trying to engage and participate to improve their conditions and illustrates the negotiating as not an easy and granted process.

On the other hand, the negotiating is helping to some extent according the informant which stressing that the conditions in the company in question is much better compared to other companies. Just having an independent trade union is not a matter of course among the companies in Indonesia. The informant from the human right organisation points out the negotiating through one of the demonstrations demanding living wage, resulting to daily access to water. From the informant perspective the company just gave the smallest demand since that is most efficient for the company. The similar experience was related to the open letter as representatives from the company came for a meeting with the trade union. However, this time the meeting did not result in anything more than a discussion, according the informant at that time the interviews was conducted.

From the perspectives from the affected communities and trade union the effectiveness of the negotiation is not considered to result in a shared acceptance (Bernstein, 2011, p. 21), the condition for the RSPO to achieve legitimacy in Central Kalimantan. This argument is supported by affected groups perception of the RSPO based on their statements of the RSPO as *“the label ‘RSPO’ is sustainable, but not the practise here”*, *“a body that gives a stamp to the companies”*, *“ecolabelling”* and *“nothing more than a stamp and greenwashing of the industry”*. Anyhow, negotiating, in terms of deal with something difficult, social interaction and formal discussions (n.d., p. 1892; Schouten & Glasbergen, 2011) is taking place is in the interaction of the lack of effectiveness and the participating, based on the values of the affected groups and the RSPO, illustrated in Figure 4.



## 7 CONCLUDING REMARKS

The following chapter will summarise the previous discussion of the empirical findings and literature with the objective to answer the research question: “*How is the legitimacy of the RSPO as a global palm oil standard negotiated at a local level in Central Kalimantan?*”. This chapter will also include recommendations for further research regarding the topic.

### 7.1 SUMMARY

To proficiently address all aspects of the research question, it was necessary to understand what the legitimacy of the RSPO relied upon and how it was related to the concept of negotiation, in terms of social interaction, to deal with something difficult and a formal discussion (n.d.; Schouten & Glasbergen, 2011, p. 1892). Through the use of secondary research on topics of legitimacy of non-state market driven (NSMD) governance, the thesis’s analysis is underpinned by Bernstein’s conceptualization of legitimacy: “legitimacy always rests on shared acceptance of rules and rule by affected groups, who constitute the community that grants legitimacy and on justificatory norms they recognize” (Bernstein, 2004, p. 144; 2011, p. 21). In addition, the legitimacy of the RSPO is also considered to depend on various legitimacy requirements. This thesis features the following legitimacy requirements; values, effectiveness and participation. Based on the statement by Schouten and Glasbergen (2011, p. 1892) whom consider legitimacy to arise in a “multi-dimensional process of social interaction”, along with Bernstein’s definition: “a shared acceptance of rules and rule by affected people” (2011, p. 21), the concept of negotiation is a fundamental condition in achieving this shared acceptance of rules of the RSPO and thus, also the legitimacy.

The legitimacy of the RSPO is considered upon a shared acceptance of the values, effectiveness and participation by affected groups related to the RSPO. To achieve this shared acceptance through negotiation, the process of negotiation must be given significance as a social interaction (Schouten & Glasbergen, 2011), “to deal with something difficult” or as “a formal discussion with someone in order to reach an agreement” (n.d.).

In accordance with Marin-Burgos et al. (2015), to strengthen the legitimacy of the RSPO, the correlation of the core values between the affected communities and the trade union, and the values and goals of the RSPO was analysed. Similarities in the values was revealed in Principle

4: “Respect community and human rights and deliver benefits” and Principle 6: “Respect workers’ rights and conditions” in the RSPO Principle and Criteria (RSPO, 2018b).

Further, moving from the theoretical values into the practise in accordance with Suchman’s (1995, p. 574) statement that legitimacy depends on the actions of an entity, also within socially constructed systems of values. This resulted in investigating the effectiveness of the RSPO P&C related to the common values, based on (Partzsch, 2011; Scharpf, 1999). The effectiveness of Principle 4 and Principle 6 was: several recent agrarian conflicts where members of the RSPO are involved and a company member of the RSPO attempted to jeopardize the workers’ unionising. These actions by the RSPO members indicates a clear lack of effectiveness of Principle 4 and Principle 6, thus the RSPO, from the perspective of the affected groups.

While observing the lack of effectiveness of the RSPO, this give an opportunity to comment, act and raise awareness around the RSPO members who do not comply with the P&C, leading to the negotiation of the RSPO in terms on interaction, to deal with these difficult issues and formal discussions. The main negotiation involving the RSPO’s complaints system, the trade union itself, demonstrations, open letter to the main company and the RSPO, campaigns, approaching the government, research and other activities done by the affected groups. However, the experience of such negotiation is limited, due to the lack of participation seen as; the absence of affected groups as members in the RSPO; the resisting and jeopardizing of the trade union by a company member of the RSPO; and the bad experience of the RSPO complaint mechanism. The lack of participation can be understood in light of the divergence in the values, the high fee to become members of the RSPO and the lack of effectiveness after previous negotiations using the complaints system, demonstrations, the open letter. It can also be understood as they rather participate with the government than the RSPO, due to the affected groups perception about the RSPO’s ability to deal with the core of their claims is weak. This gives a better understanding why the affected groups in Central Kalimantan are skeptical and raising questions about the legitimacy of the RSPO. Thus, if the RSPO really want to engage and involve the local directly affected groups, an initiative to reduce the fee could be considered to be the first step.

The study aimed to follow the recommendation of Schouten and Glasbergen (2011, p. 1898) by contribute with a ‘grassroots’ analysis on the legitimacy of Roundtables at the local level, where sustainability standards need to be implemented. By studying the negotiation of the legitimacy of the RSPO using a local approach on a global phenomenon, the understanding of

legitimization process of Roundtables has been broadened. Even though the research gives an illustration on how the legitimacy is negotiated at the local level, there is still a need for more research on this topic. As certifications and global standards continues to increase, with the aim of improve the conditions where production take place, suggestions for further research would be to investigate the experiences of other affected groups being part of the 'relevant audience' at the local level. Experiences from affected groups such as smallholders, other trade unions, growers and local factories related to implications of the RSPO. The trade union seems to be a relative recent established actor and it is yet not much research concerning their role. As a consequence, the more reason to do research on trade unions related to the palm oil industry should be done. In addition, knowing that Roundtables shows signs of asymmetries in stakeholders from the North, at the expense of farmers, processors and exporters downstream the value chain in the South, this is another reason for further research to use a local approach.

Another recommendation for potential expansion and in further research would be to broaden the scope of the topic, to include power relations. A crucial aspect in geographical issues concerning local-global dualism such as a global standard at a local level is the power relations among the affected groups. Already being aware of the different stance about the RSPO among NGOs organisations, a further investigation of their relations and network would be of interest when understanding where the influence comes from.



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