

Palm Oil, Eco-Labels, and Greenwash in a Liberal Environmental Regime

by

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Abstract

Eco-labels and multi-stakeholder certification bodies have risen in prominence as tools through which the sustainable production of certain goods can be signaled to consumers. Consumers have accordingly been framed as key actors upon whom environmental custodianship rests, in what has been popularly termed the “individualization of responsibility.” Despite their seeming importance, I argue that eco-labels may be no more than a form of global greenwash, which is the practice of making unsubstantiated claims of environmental sustainability in a concerted effort to preserve or gain market share. I contend that they are instruments of liberal environmentalism which aims to unify disparate goals of economic growth and environmental protection. Moreover, I demonstrate that liberal environmentalism is indeed an extension of neoliberal and capitalist economic ideals that seek unrestricted market expansion, economic growth, and the accumulation of profit.

Thus, eco-labels and certifications being a manifestation of a neoliberal economic order merely encourage continued consumption. Within the liberal environmental framework, individuals are encouraged to use eco-labels and certifications in making “green” buying decisions. I argue that given their current position in a neoliberal economic regime, certifications and eco-labels are ineffective for assuring positive long-term environmental change. I rely on the Roundtable on Sustainable Palm Oil (RSPO) as the case study for this inquiry because the RSPO has positioned itself as the organization and industry standard that certifies sustainable palm oil. I find that the RSPO has failed to substantiate sustainability claims given continued environmental decline associated with palm oil production.

Although there is a body of research on greenwash present in certifications and eco-labels, not many have attempted to uproot its source. This research, thus, aims to underscore the neoliberal underpinnings of certifications and eco-labels. Importantly, I hope to demonstrate that by relying on these tools as solutions to environmental degradation, we fail to address the structural and contradictory institutions that promote them, which disempowers consumers through the false narrative that asserts that individuals' best avenue for environmental protection is through their shopping habits. Ultimately, this failure is dangerous for the environment and society at large.

Lay Summary

These days numerous consumer goods feature various eco-labels, obtained through specific certification standards, claiming responsible production which benefits the environment. By targeting consumers and individuals, these eco-labels place the responsibility of environmental protection on consumers, which is termed “individualization of responsibility.” This research argues that eco-labels and certifications may be attempts at greenwash (a practice that enables brands to market their products as environmentally friendly when, in reality, they are not) due to their current position in a neoliberal economic order, promoted by liberal environmentalism which pursues simultaneous economic growth (through continued individual consumption) and environmental protection. I use the Roundtable on Sustainable Palm Oil (RSPO) as this research’s case study because it has presented itself as the organization that certifies sustainably produced palm oil. Further, I demonstrate that the RSPO’s failure to produce tangible environmental improvement provides support for the greenwash inherent in certifications and eco-labels.

Preface

This thesis is the original, unpublished work of the author, Deborah Ajayi.

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Dedication

To My Sisi,

I know I have made you proud.

1. Introduction

At the end of 2018, Iceland, a United Kingdom based supermarket chain, attempted to launch a Christmas commercial which would have showcased the effects of palm oil on the environment. It was, however, banned by Clearcast, the United Kingdom's reviewing body for commercials, for being too political.¹ Nevertheless, Iceland uploaded the commercial to their social media channels, and it currently has over 6 million views on YouTube.² With appealing graphics and rhythmic storytelling, the commercial features "Rang-tan," a baby orangutan that had "invaded" and was ransacking a little girl's bedroom. The little girl is obviously distressed by this and shoos Rang-tan out of her room, but not before asking her why she is in her bedroom anyway. At this point, viewers get a harrowing glimpse of the humans in the Rang-tan's forest destroying all her trees "for [their] food and [their] shampoo."³ We see bulldozers tearing down trees and burning forests to make way for what will become palm oil plantations, and one cannot help but sympathize with Rang-tan and the critically endangered Orangutans. The video ends with a promise from Iceland to remove palm oil from their label products until all oil palm production causes zero deforestation.

Iceland's promise may be viewed by some as a radical response to the palm oil issue. Many of the products we use contain ingredients and resources whose production have been shown to have adverse environmental effects. Increased awareness by consumers about industries' negative effects on the environment has resulted in more scrutiny on corporations, organizations, and firms. Consumer goods are now plastered

¹ Delphine Gibassier, "The Banned Iceland Ad: to be political or not to be?," Research, University of Birmingham, accessed May 9, 2021, <https://www.birmingham.ac.uk/research/perspective/banned-iceland-ad.aspx>.

² Iceland Foods, "Iceland's Banned TV Christmas Advert... Say hello to Rang-tan. [#NoPalmOilChristmas](https://www.youtube.com/watch?v=JdpspllWI2o)," November 8, 2018, <https://www.youtube.com/watch?v=JdpspllWI2o>.

³ Iceland Foods, "Iceland's Banned TV Christmas Advert," 0:40.

with numerous labels claiming “Fair Trade,” “Rain Forest Alliance,” “Organic,” “Non-GMO,” “FSC Certified,” and so on. Eco-labels serve as a heuristic, a signal, through which consumers are in some manner “confident” that the ostentatiously labeled product is perhaps better for the environment and the planet, than the alternative unlabeled product. At the time of writing this thesis, there are currently 455 eco-labels in 199 countries and in 25 industries, according to the Ecolabel Index.⁴ This abundance of eco-labels in varying industries attests to the fact that eco-labels and certifications have risen in prominence as a means for companies to share vital information to consumers about the quality of their products, including their practices that prioritize environmental protection, ethical labour, and other relevant social standards. As such, while companies such as Iceland take more the more “radical” approach by the complete elimination of a controversial product, others may take a different approach by using eco-labels to demonstrate that said controversial product has been produced in a way that mitigates environmental degradation and unfair labour practices, thus nullifying its controversial aspects.

This trend towards a standard that certifies the ethical and sustainable qualities of a product can perhaps be partially understood as a manifestation of corporate social responsibility where consumers induce responsible behaviour of firms, companies, and industries through their spending decisions. It can perhaps also be understood as a manifestation of a liberal economic world order which, borrowing the words of Bernstein, “[creates] a normative environment conducive to viewing certification and labelling schemes as a legitimate means to addressing environmental problems.”⁵

⁴“Ecolabel Index,” Ecolabel Index, accessed May 13, 2021, <http://www.ecolabelindex.com/>.

⁵ Steven Bernstein, “Liberal Environmentalism and Global Environmental Governance,” *Global Environmental Politics* 2, no. 3 (2002): 11-12.

Liberal environmentalism, in its most basic explanation, is an extension of economic liberalism which promotes norms that link global environmental protection with the maintenance of the liberal economic order.⁶ At first glance, this might strike one as odd and inconsistent, and so we may ask: can we successfully balance goals of economic growth and environmental protection? Does one win out over the other?

This paper attempts to understand the interaction between a model of consumerism that places the responsibility of environmental stewardship on consumers (eco-consumerism), the current international regime of liberal environmentalism, and the growing trend of certifications and eco-labels. Specifically, I ask: given their current position in a liberal economic regime and if eco-labels supposedly offer vital and compelling advantages for consumers and the environment, what then may explain the observed continued industry-related environmental decline? To answer this question, I focus especially on the case of palm oil and the Roundtable on Sustainable Palm Oil (RSPO), a multi-stakeholder body promoting the production and use of sustainable palm oil through its global standards and certification processes. I have chosen to use the RSPO as a single case study because it has positioned itself as the standard that assures certified sustainable palm oil (CSPO) throughout the global palm oil supply chain. My analysis finds that the RSPO has failed to address key environmental issues as a result of continued global demand for palm oil and the focus on economic growth, which are the principal outcomes of a liberal economy. Furthermore, the domestic politics of Indonesia and Malaysia, two important palm oil producing countries, has to some extent played an interesting role in the RSPO's limited success. Both countries

⁶ Ibid., 1.

feature weak institutions, corruption, and patronage politics that result in a host of issues for smallholders that represent a significant unit of palm oil producers.

Accordingly, I argue that certifications and eco-labels, such as the RSPO, may be little more than a form of greenwashing especially against consumers who have adopted the practice (whether explicitly or otherwise) of eco-consumerism. Greenwashing refers to an organization or brand's spread of disinformation in an attempt to present an environmentally responsible public image.⁷ Greenwashing can occur in a number of ways. For instance, brands and organizations can make environmental claims about products that cannot be validated by easily accessible information.⁸ Claims could also be made about a product's "green" attributes without giving attention to other important environmental issues associated with the product.⁹ We can consider for example how palm oil has been framed as a more efficient crop because of its high yields and smaller land requirements relative to other oil-producing crops.¹⁰ Actors highlight this fact about palm oil which makes it appear like a greener alternative while ignoring or downplaying its more adverse environmental impacts.

Equally important and embedded within the concept of eco-consumerism is the notion of individualization of responsibility — an extension of a neoliberal economic system, which implicitly places the responsibility for environmental stewardship upon individuals through their mediating roles as consumers. By championing individualized responsibility, current systems of global environmental governance disempower consumers through the promotion of a narrative that suggests that individuals' control

⁷ Xingqiang Du, "How the Market Values Greenwashing? Evidence from China," *Journal of Business Ethics* 128 (2015): 548.

⁸ David Markham, Anshuman Khare, and Terry Beckman, "Greenwashing: A Proposal to Restrict Its Spread," *Journal of Environmental Assessment Policy and Management* 16, no. 4 (December 2014): 4.

⁹ Ibid.

¹⁰ "About," Roundtable on Sustainable Palm Oil, accessed March 3, 2021, <https://rspo.org/about>.

in terms of the environment comes from their place as consumers. Thus, the most important thing they can do as citizens for the benefit of the environment is to purchase and use products with eco-labels implying their responsible manufacture. At any rate, greenwashing of this manner ends up being an unfortunate yet expected consequence of a form of transnational governance which is a tool of the current capitalist economic world order that seeks to foster economic growth and hyper-consumption through extractive practices that deplete natural resources and degrade the environment.

As such, the perpetuation of “sustainably” sourced goods through the use of certifications and eco-labels towards consumers is ultimately perilous as we encourage continued consumption, albeit of the “right” product, yet fail to address the underlying normative and institutional structures responsible for our current state. By writing this thesis, I hope to fill the gap in the current literature not just by highlighting and stressing the dangers of promoting and relying on certification standards and eco-labels as solutions to environmental decline, but by also demonstrating that the current literature underestimates the extent of greenwash present within certifications and eco-labels. Furthermore, by underestimating how embedded greenwashing is within these schemes, we are failing to properly address the structural and contradictory institutions that sustain certifications and eco-labels.

1.1. Methodology and Overview

This qualitative case study aims to elucidate the neoliberal underpinnings of sustainability certifications and eco-labels by paying particular attention to the palm oil industry and the RSPO. In discussing the palm oil industry and oil palm production, I focus on Indonesia and Malaysia because they account for about 84 percent of global

palm oil production.¹¹ In order to outline the case of sustainable palm oil, I collect primary data on the versatility and growth in importance of palm oil as well as statistics on Malaysia and Indonesia's average volume of palm oil produced, as well as the economic benefits of palm oil, from various sources, such as NGO websites, websites of palm oil producers, and so on. Descriptions of the RSPO, especially in terms of its goals, global reach, and differentiated supply chains, rely extensively on information provided on its website. I specifically focus on the RSPO because it has become the industry's more well-known certification scheme and the market-based solution in response to the negative environmental and social impacts associated with palm oil production. Furthermore, the RSPO's influence in engaging stakeholders across sectors of the palm oil industry and supply chains makes it a suitable case study for understanding the true extent of sustainable practices within the industry.

To advance the argument that CSPO is not actually as sustainable as the RSPO and other actors claim, thereby highlighting the failures of the RSPO, I utilize current data and research by other authors within the field of International Relations and in other disciplines, such as human geography, environmental sociology, and so on, allowing for balanced pieces of evidence to support my claim. I focus on research on the incidence of forest fires, deforestation, and other environmental issues, since the official launch of the RSPO trademark in June 2011.¹² Thus, I only use research and data published after 2011.

Furthermore, I conduct a thorough web search by scouring through news articles, as well as, utilizing current scholarly research on the domestic politics of Indonesia and

¹¹ Hannah Ritchie, "Where is Palm Oil Grown," Palm Oil, Our World in Data, accessed June 17, 2021, <https://ourworldindata.org/palm-oil>.

¹² Roundtable on Sustainable Palm Oil, "About."

Malaysia to evaluate how the internal politics in these countries may contribute to the effectiveness, or lack thereof, of the RSPO. This allows me to make connections between government officials' behaviour, institutional structures, and the reality of small farmers and the limitations they face in establishing sustainable farming practices.

This research's methodological process relies on three distinct concepts of liberal environmentalism, eco-consumerism, and the current trend of certification programs and eco-labels. This research engages these concepts by utilizing current scholarly literature. Using already available information, I interpret these concepts in a different light as they relate to the case of sustainable palm oil. This conceptual analysis is thus suitable for answering the question of why, despite the promotion of sustainable palm oil through eco-labels, the palm oil industry is still embroiled in numerous environmental degradation issues. Furthermore, analyzing these concepts allows for an unearthing of the neoliberal underpinnings of current certification programs through an exploration of neoliberalism itself. By isolating neoliberalism's core principles, I can properly examine the current concept of liberal environmentalism upon which global environmental governance is based, demonstrating that it is, in fact, an extension of neoliberal ideals. Once this connection is established, I reasonably infer that systems for addressing environmental degradation that follow from liberal environmentalism will operate within principles of neoliberalism. Following this line of thinking, I thus use the data and research gathered as evidence to confirm my inference. It is worth mentioning that I am not attempting to transform the core of these concepts. Rather, I engage them in a different light by exploiting already present elements, as they relate to and moderate each other.

This inquiry proceeds as follows: in the second section, I provide the theoretical underpinnings of this analysis by attempting to demonstrate the amalgamation of liberal economic principles and environmentalism. The third section outlines the concepts of individualization of responsibility and eco-consumerism by situating the individual as the most important actor in the fight against climate change. I make a critical connection between individualization and neoliberalism, and liberal environmentalism by extension, arguing that eco-consumerism and individualization are essentially products of neoliberalism. In the fourth section, I further situate certifications and eco-labels as tools of liberal environmentalism, created for the advancement of neoliberal economic policies of growth and profit, and simultaneous environmental stewardship.

The fifth section first furnishes an overview of palm oil, stating its ubiquity, versatility, the top global producers as well as its economic and social merits and demerits. Then, I describe the RSPO as the multi-stakeholder organization created as an attempt to certify palm oil and ensure its sustainable production. Furthermore, I outline the nexus between individual consumers and the palm oil industry with eco-labels and certifications as the operating mechanism. Here, I make the argument against eco-labels as useful tools for consumers because of their capacity to distort and/or leave out crucial information about the realities of agricultural processes that surround palm oil production.

Accordingly, in the following section, I outline exactly why palm oil certifications are misleading due to the RSPO's inability to halt serious environmental problems associated with palm oil farming in Indonesia and Malaysia. However, in the spirit of balance, I provide a detailed description of the domestic politics in Indonesia and

Malaysia that inadvertently contribute to the limitations of the RSPO in effecting tangible change. Here, I focus on the contradictory behaviour of government officials who ultimately seek the continued revenue and economic growth that the palm oil industry represents, the issue of patronage politics and beneficial links rampant in Indonesia and Malaysia, as well as weak governmental institutions, and how these translate to, *inter alia*, land rights and lang grabbing issues for local smallholders.

In the sixth section, I attempt to unify my findings with my overarching argument by contending that palm oil certifications and eco-labels are a form of greenwash for the eco-conscious consumer because they are in reality part of a neoliberal regime that still encourages hyper-consumption in the pursuit of profits and economic growth. I argue that this is dangerous because we are attempting to halt and reverse severe environmental damage by utilizing the same norms and systems that created the damage in the first place. In the concluding section, I remind us that the current system of liberal environmentalism does not attempt to change the status quo, and until we recognize and are willing to address this, we are left promoting weak attempts of environmental protection.

2. The Intersection of Liberalism and Environmentalism

A number of scholars have explored the inherent contradiction present in liberal environmentalism. However, a description of the concept itself is crucial. Liberal or neoliberal environmentalism is in theory and in fact an amalgamation of two distinct concepts: market or economic liberalism, on one hand, which promotes laissez-faire economics and the free market, and environmentalism, on the other hand, which includes concerns about and protection of the environment. Further, the concept of liberal environmentalism, at its core, promotes norms that link global environmental protection and sustainability with the “maintenance of a liberal economic order”¹³ — it is “a set of global norms promoting economic efficiency and environmental improvement through market-based mechanisms.”¹⁴ Crucially, within the liberal environmental regime, not only is the maintenance of a liberal economic order considered as compatible with environmental sustainability, it is also perceived as “necessary for [the] successful incorporation of concern for the environment in the practices of relevant state and non-state actors.”¹⁵ Hence, liberal environmentalism promotes the value of the commodification of environmental degradation. The interaction between environmentalism and liberalism has been so constructed in order to provide legitimacy to environmental concerns put forth by environmentalists. Bernstein argues that beliefs pertinent to environmental protection, in order to be considered legitimate, have to “fit” into “the kind of economic order dominant at any given time.”¹⁶ In other words, the

¹³ Bernstein, “Liberal Environmentalism,” 7.

¹⁴ Fariborz Zelli, Aarti Gupta, and Harro van Asselt, “Institutional Interactions at the Crossroads of Trade and Environment : The Dominance of Liberal Environmentalism?,” *Global Governance* 19, no. 1 (Jan. - Mar. 2013): 105-118.

¹⁵ Steven Bernstein, “Conclusion,” in *The Compromise of Liberal Environmentalism*, (New York: Columbia University Press, 2001), 213.

¹⁶ *Ibid.*, 214.

entrenchment of environmentalism as an emerging construct must factor in conformity with current institutionalized global norms.

The supposition that environmental protectionist policies must fit into already established social structures and norms begs the question of the mechanism(s) that have facilitated such an interaction. A nesting approach, according to Bernstein, is a crucial mechanism that facilitated the integration of environmental norms into the liberal economic domain. Policy entrepreneurs have had to reframe matters of environmental protection and economic growth by “[emphasizing] the desirability of strengthening the reciprocal positive linkages between environmental protection policies and economic growth, and the role of economic instruments, which [were] found [to be] more efficient and more appropriate for preventative policies.”¹⁷ Finally, within UN institutions, sustainable development ideas and goals received more support because they were presented within a framework promoting the potential for a symbiosis between environmentalism and continued economic growth.¹⁸ In a nutshell, we must acknowledge that framing neoliberal economic policies and norms as useful instruments for the advancement of environmental policies was a necessary condition for the acceptance of novel and unfamiliar environmental ideals into the current normative regime because, as the mantra in conservation goes, “to make live, one must make economic.”¹⁹

However, the blend of two disparate paradigms results in an overarching contradiction. Wapner captures this contradiction appropriately when he states that

¹⁷ Bernstein, “Liberal Environmentalism,” 9.

¹⁸ *Ibid.*, 10.

¹⁹ Jessica Dempsey, “The Tragedy of Liberal Environmentalism,” in *Enterprising Nature: Economics, Markets, and Finance in Global Biodiversity Politics*, (New Jersey: John Wiley & Sons, Ltd, 2016), 234.

reasonableness (or, put differently, Bernstein’s nesting approach) and environmental protection are two different things; “liberal environmentalism is so compatible with contemporary material and cultural currents that it implicitly supports the very things that it should be criticizing.”²⁰ Other scholars also highlight the role that states play in terms of pushing environmental laws and protections which exacerbate our current environmental woes through institutional responses like the green economy.²¹ Even more people recognize the odd contrast in green economy paradigms, such as sustainable development measures, where “principal agents responsible for climate change pose as guardians of environmental stewardship.”²² Elliott quite succinctly states that the drive of liberalism to normalize capitalism and assimilate social interactions within it “allows social and environmental harm on a huge scale to be presented as inevitable products of economic organization.”²³

²⁰ Paul Wapner, “Toward a Meaningful Ecological Politics,” *Tikkun* 11, no. 3 (May – June, 1996), <https://go-gale-com.ezproxy.library.ubc.ca/ps/i.do?p=LitRC&u=ubcolumbia&id=GALE|A18378713&v=2.1&it=r&sid=LitRC&asid=7262a5bb>.

²¹ Michael M’Gonigle and Louise Takeda, “The Liberal Limits of Environmental Law: A Green Legal Critique,” *Pace Environmental Law* 30, no. 3 (July 2013): 1005-2013.

²² Brian Elliott, “Sustainable Development as Neoliberal Environmentalism,” in *Natural Catastrophe: Climate Change and Neoliberal Governance*, (Edinburgh: Edinburgh University Press, 2016), 90.

²³ *Ibid.*, 92.

3. The Individual as an Eco-Consumer

Most consumers are aware of the impacts that various products have on the environment, with some being cognizant of the effects of the life cycle of a product, from its creation to its end-of-life. As such, eco-consumerism can be understood as “behaviour where ... consumers understand and acknowledge the issues, causes and concerns associated with the depletion and degradation of the ecosystem, consequently leading to harmful effects on the planet.”²⁴ With this consciousness comes what has been termed the “individualization of responsibility,” wherein consumers come to view “environmental degradation as the product of individual shortcomings.”²⁵ As such, consumers become committed to making buying decisions that would arguably have positive ethical, social, and environmental outcomes.

Eco-consumers understand that they can “induce market changes by ‘voting’ for eco-friendly products with their shopping dollars.”²⁶ Such behaviour is further bolstered when even a simple internet search on what can be done to limit climate change places responsibility on individuals. Consumers are encouraged to recycle, ride bikes, purchase more energy efficient appliances, eat less meat, and of course, purchase more “sustainably” produced goods, with the underlying assumption that these actions will contribute somewhat to climate change mitigation. Climate action, in essence, relies on individual integrity.

²⁴ Kulvinder Kaur Bath, “Green Consumer Behaviour,” in *Green Consumerism: Perspectives, Sustainability, and Behaviour*, ed. Ruchika Singh Malyan and Punita Duhan (New York: Apple Academic Press, 2018), 68.

²⁵ Michael F. Maniates, “Individualization: Plant a Tree, Buy a Bike, Save the World?,” *Global Environmental Politics* 1, no. 3 (August 2001): 33.

²⁶ Peter Dauvergne and Jane Lister, “The Prospects and Limits of Eco-Consumerism: Shopping Our Way to Less Deforestation?,” *Organization & Environment* 23, no. 2 (2010): 133.

A number of scholars, however, have criticized eco-consumerism and the concomitant concept of the individualization of responsibility as encouraging the burden of environmental degradation to be placed squarely on the shoulders of consumers without fully addressing the institutional structures that perpetuate continued demand and extraction of natural resources. Maniates, in his work on this subject, demonstrates how current efforts to educate consumers to purchase eco-friendly products masks the fact that their “control over [consumption] choices is constrained, shaped, and framed by institutions and political forces that can be remade only through collective citizen action, as opposed to individual consumer behaviour.”²⁷ This particular focus on the individual that has permeated our thoughts on climate action becomes even more unreasonable when we consider that since 1988, a mere 100 companies are responsible for 71 percent of global emissions.²⁸

On a separate note, some scholars wish to also advance beyond mere green consumerism towards green citizenship that sees consumers holding a “distinct psychological motivation from the frugal use of resources and demonstrate a connection to nature” through the reframing of environmental policies away from green consumerism toward citizenship.²⁹ Nevertheless these transformative ideas that seek to move us from superficial motivations for climate action to one where we act as true stewards of the environment resulting from the recognition and acceptance of our connection to the earth still rely on “individual” realizations of climate action.

²⁷ Maniates, “Individualization,” 50.

²⁸ Paul Griffin, “The Carbon Majors Database Report,” accessed May 12, 2021, <https://b8f65cb373b1b7b15feb-c70d8ead6ced550b4d987d7c03fcdd1d.ssl.cf3.rackcdn.com/cms/reports/documents/000/002/327/original/Carbon-Majors-Report-2017.pdf?1499691240>.

²⁹ Meaghan Guckian, Raymond De Young and Spencer Harbo, “Beyond Green Consumerism: Uncovering the Motivations of Green Citizenship,” *Michigan Journal of Sustainability* 5, no. 1 (2017): 73-94.

3.1. Individualization and the Neoliberal Connection

The emergence of the individualization of responsibility within the sustainability discourse at a time when neoliberal norms are prevalent is not a coincidence. The concept of individualization of responsibility is, in essence, an extension of neoliberalism and liberal environmentalism. Neoliberalism, being a variant of the classical eighteenth and nineteenth century liberalism whose ideals were based on absolute human freedom, also values strongly people's freedom to pursue wealth and other desires.³⁰ Critically, neoliberalism espouses the idea that capitalism, the system that promotes the expansion of wealth and allows for the pursuance of said wealth, is tied to human freedom.³¹

Neoliberal policies push for free trade, privatization, and deregulation to facilitate competition which “enhances the global efficiency of the economic system by allowing the best individuals to contribute the most to prosperity.”³² A successful neoliberal regime requires a significant reduction of state intervention in the provision of social services, so that the state can instead support businesses and private profit-making; the consequence then is a focus on individual initiative, rationality and responsibility.³³

When it comes to environmental protection, the same logic applies. Since liberal environmentalism is environmental protection through neoliberal norms and policies, and considering that I have established the connection between neoliberalism and the individual, it follows then that liberal environmentalism is in itself rooted in the

³⁰ Susan Braedley and Meg Luxton, “Competing Philosophies: Neoliberalism and Challenges of Everyday Life,” in *Neoliberalism and Everyday Life*, (Kingston: McGill-Queen's University Press, 2010), 7.

³¹ Ibid.

³² Bruno Amable, “Morals and Politics in the Ideology of Neo-liberalism,” *Socio-Economic Review* 9 (2011): 5.

³³ Liz Dzialo, “The Feminization of Environmental Responsibility: a quantitative cross-national analysis,” *Environmental Sociology* 3, no. 4 (2017): 430.

individual — their rationality and freedom. Neoliberalism’s policies of free trade, tax cuts, privatization, deregulation, and so on, exist to stimulate competition, increase market share, and create new markets. But to what end? The main goal is to get consumers to spend money within these markets and to also give individuals opportunities to build businesses and make profits — all for the continued enhancement of individual freedom.

Given all these, placing the responsibility of environmental protection on individual consumers just makes intuitive sense. After all, neoliberal policies are evidently instituted for the benefit of individuals allowing for the protection and exercise of liberty. Naturally, actors championing neoliberal ideals will blame environmental degradation on individuals and in turn can call on them to consume or behave differently, while not necessarily calling for the consumption of less goods.³⁴ Encouraging the consumption of less goods in general will likely not happen because this threatens the neoliberal and capitalist foundations upon which our societies are built. Crucially, it threatens the ideological structures that support the current global order.

³⁴ The idea of a “carbon footprint” is a prime example of how specific actors attempt to shift the blame of climate change and environmental degradation. With a carbon footprint calculator, individuals can assess how much their daily activities contribute to climate change. The next step obviously is to provide people with guides on how to reduce their carbon footprints. For instance, this article by the New York Times (<https://www.nytimes.com/guides/year-of-living-better/how-to-reduce-your-carbon-footprint>) provides somewhat useful tips that rely on individual action, such as the usual recommendations of recycling, buying a laptop not a desktop computer. Although, they discuss briefly actions individuals must take as citizens, not as consumers, these come at the tail end of the article, as if they were afterthoughts. This is again representative of the responsibility for change placed squarely on individuals’ shoulders.

4. Tools of Liberal Environmentalism: Certifications and Eco-Labels

In its simplest definition, an eco-label is a symbol on a product which signals to a consumer that said product is better for the environment than an equivalent product without an eco-label. In order for a product to receive an eco-label tag, it must have passed certain standards, stemming from research conditional on its life cycle impact on the environment, stipulated by certification bodies or associations, governments and the likes.³⁵ Eco-labeled products typically go through a verification process by an independent third party to ensure that they actually meet the prescribed standards. These steps allow for an unbiased certification program that ultimately should provide consumers with a product that they can trust.

As aforementioned, there are numerous eco-labels in operation globally. This sheer number is perhaps attributable to the growing market for green products.³⁶ Researchers have explored market incentives for adopting eco-labels, demonstrating that “imperfect information on products’ characteristics leads to market failures with high-quality products being driven out of the market. Eco-labels are [thus] a response towards thwarting such market failure.”³⁷ The recognition of the incentives related to eco-label adoption has motivated some scholars to uncover the moderating effect of neoliberalism on eco-labels and environmental protection. Czarnezki and Fiedler touch on this effect when they state that “neoliberal environmental regulation includes the use of market-based mechanisms to achieve environmental protection ... and information

³⁵ Shri P. Amin, Uday Mawani and Ashoka Ghosh, *Worldwide Eco labels: Sustainability Certifications*, (New Delhi: Cerc-Envis Resource Partner, 2019), 5, accessed February 25, 2021, <http://cercenvis.nic.in/PDF/certification.pdf>.

³⁶ Maïmouna Yokessa and Stéphan Marette, “A Review of Eco-Labels and their Economic Impact,” *International Review of Environmental and Resource Economics*, 13 (2019): 120.

³⁷ Yokessa and Marette, “A Review of Eco-Labels and their Economic Impact,” 123.

dissemination and regulation (such as labeling and advertising) to influence consumer preferences.”³⁸ Another study done specifically on fair trade certification of tea plantations in Darjeeling, India, examines the role in which the neoliberal manifestation of fair trade certifications can undermine the state’s responsibility of regulating the treatment of workers on plantations.³⁹

Nevertheless, eco-labels may have clear benefits for consumers. They can educate consumers by providing some information surrounding the production of certain products⁴⁰ or by sharing information on the product’s impact on the environment conditional on the label’s clear and concise message.⁴¹ However, one obvious drawback of eco-labelling is that products with eco-labels tend to be more expensive than the alternative and the reason is not difficult to imagine. In order to meet set standards by certification bodies, companies would have to make certain changes to ensure that their supply chains and production processes conform to the prescribed standards. Assuring conformity ends up being costly, and so, producers transfer this cost to consumers via higher prices for eco-labeled products compared to conventional and unlabeled alternatives. Moreover, due to the exclusivity that eco-labels place on products, they have the potential to limit import on goods that do not don certain eco-labels, which could then affect trading relationships between countries.⁴²

³⁸ Jason J. Czarnezki and Katherine Fiedler, “The Neoliberal Turn in Environmental Regulation,” *Pace Law Faculty Publications* 1 (2016): 1.

³⁹ Sarah Besky, “Can a Plantation be Fair? Paradoxes and Possibilities in Fair Trade Darjeeling Tea Certification,” *Anthropology of Work Review* 29, no. 1 (Spring 2008): 1-9.

⁴⁰ Kalley Nicely, “Ecolabels and Palm Oil,” *Journal of Sustainability and Green Business* 2 (December 2014): 4.

⁴¹ Clare D’Souza, Mehdi Taghian, and Peter Lamb, “An Empirical Study on the Influence of Environmental Labels on Consumers,” *Corporate Communications: An International Journal* 11, no. 2 (2006): 170.

⁴² James Salzman, “Informing the Green Consumer: The Debate Over the Use and Abuse of Environmental Labels,” *Journal of Industrial Ecology* 1, no. 2 (1997): 14.

Beyond these disadvantages, eco-labels also have to contend with implementation challenges. Dauvergne and Lister describe two main challenges: the first is consensus and acceptance of eco-labels and the second being the achievement of sufficient consumer awareness and demand.⁴³ However, despite these challenges, more companies are participating in eco-labelling and certification programs.⁴⁴ This participation could stem from the perceived opportunity to capture more of the business-side benefits of eco-labels or it could be an attempt by these companies to present themselves as being socially responsible, thereby avoiding tarnished reputations that could result from naming and shaming campaigns and product boycotts.⁴⁵

At this point, I would like to argue that the connection between eco-labels and neoliberalism runs deeper than the literature suggests. Eco-labels are best understood as tools of the current neoliberal economic regime created for the continued entrenchment of neoliberal ideals. As evidence of this relationship, there are a few links between the overarching policies and goals of neoliberalism and the current character of eco-labels.

First, numerous eco-labels now populating the global economy point to the emergence of new markets. For any given product, it is possible to distinguish between an eco-labeled and an un-labeled version of said product. Thus, what we are observing is a dichotomy of products. With this dichotomy comes the creation of a new type of market — arguably one for eco-labeled products. Furthermore, within this general umbrella of eco-labeled products, there are various sub-markets catering to the labeling of specific goods and products, such as palm oil, timber, paper, seafood, coffee, and so

⁴³ Dauvergne and Lister, "The Prospects and Limits of Eco-Consumerism," 134.

⁴⁴ *Ibid.*, 135.

⁴⁵ *Ibid.*

on. Naturally, the expansion of existing markets and/or the creation of new ones in this manner induces simultaneous economic growth, or at the very least, increased profit for businesses and corporations. Shrewd entrepreneurs, businesses, and corporations see clearly the benefits associated with eco-labels, thus seizing the opportunity of tapping into the market for eco-labels.

Moreover, because neoliberalism has placed the responsibility of environmental protection on individuals, we first notice more demand for corporate social responsibility from individual consumers. In response, eco-labels are created as solutions and demonstrations of corporate social responsibility. Furthermore, eco-labels give consumers a choice: if they want to help save the planet, they can either purchase a particular item with a label that claims that it was created with sustainably sourced ingredients or choose the unlabeled alternative and carry around some guilt about shirking their responsibility as consumers to do their bit for the earth. As so, we circle back to individualized responsibility. Eco-labels are created to reassure consumers that we can eat our cake and have it too: we can continue to engage in unchecked and unfettered consumption, all the while helping the planet and environment.

5. The Case of Sustainable Palm Oil

Palm oil is intriguingly ubiquitous. This is due to its incredible versatility. It can be processed, blended, and refined for inclusion into a vast and differing range of products. Approximately 50 percent of everyday consumer goods contain palm oil and palm kernel oil based ingredients.⁴⁶ It can be found in everything from food snacks, to cosmetics, to soaps, shampoos, and detergents, and to animal feed. In some cases, it is imported for use as biofuel for vehicles and for electricity generation.⁴⁷ The attraction to palm oil and its derivatives is reasonable: it blends well with other oils, it can serve as a natural preservative for processed foods since it has a long shelf life, it is stable at high temperatures and so it is ideal for cooking and frying, and above all, it is cheap.⁴⁸ Consequently, demand for palm oil has risen dramatically in the years between 1995 and 2015, and continued increased demand is still anticipated.⁴⁹ Within this section, first, I offer a brief description of the current global production of palm oil, highlighting its monetary, social, and environmental benefits and disadvantages; second, I provide a description of the RSPO and its aims in infusing global supply chains with sustainable palm oil; third, I make an argument that situates eco-labels and their function as moderators of consumer behaviour. Then, I provide a critique against the RSPO in light of its failures to address key environmental issues. Finally, I attempt to integrate the

⁴⁶ "What is Palm Oil Used For?," Certified Sustainable Palm Oil, Green Palm Sustainability, accessed February 26, 2021, <https://www.greenpalm.org/about-palm-oil/what-is-palm-oil/what-is-palm-oil-used-for>.

⁴⁷ "Why is Palm Oil Biodiesel Bad?," Transport and Environment, accessed February 26, 2021, <https://www.transportenvironment.org/what-we-do/biofuels/why-palm-oil-biodiesel-bad#:~:text=More%20than%20half%20of%20it,dropped%20significantly%2C%20by%2011%25>.

⁴⁸ "The Benefits of Palm Oil," Asian Agri, last modified February 8, 2018, <https://www.asianagri.com/en/media-en/articles/the-benefitsof-palm-oil>.

⁴⁹ Niall McCarthy, "Which Countries Produce the Most Palm Oil," *Forbes Business*, October 2, 2020, <https://www.forbes.com/sites/niallmccarthy/2020/10/02/which-countries-produce-the-most-palm-oil-infographic/?sh=532f45421e42>.

political realities in Indonesia and Malaysia as underlying factors in the failures of the RSPO.

The current top five palm oil producing countries are Indonesia, Malaysia, Thailand, Colombia, and Nigeria with Indonesia and Malaysia responsible for the most volume of palm oil produced at about 43.5 million and 19.9 million metric tonnes respectively.⁵⁰ In these countries, palm oil production offers significant economic benefits. For instance, in Malaysia, the industry provides employment to more than half a million people.⁵¹ In both Indonesia and Malaysia, palm oil plantations have facilitated the ownership of land for thousands of smallholder farmers.⁵² Furthermore, palm oil is an important contributor to Malaysian and Indonesian GDP. It contributed about 3.5% to 3.7% to Malaysian GDP in the third quarter of 2020,⁵³ and about 4.5% to the Indonesian GDP.⁵⁴ Undoubtedly, palm oil production offers incredible advantages to producing countries, as it aids in economic growth and alleviates poverty.

Notwithstanding these advantages, palm oil production is detrimental to the environment and the livelihoods of some communities in producing countries. The increased demand for palm oil has meant that swaths of tropical forests and other ecosystems of important conservation value have been cleared to accommodate monoculture oil plantations.⁵⁵ This indiscriminate clearing of tropical forests also

⁵⁰“ Leading Producers of Palm Oil Worldwide from 2020/2021,” Statista, accessed February 26, 2021, <https://www.statista.com/statistics/856231/palm-oil-top-global-producers/>.

⁵¹ Hiroko Shimizu and Pierre Desrochers, “The Health, Environmental, and Economic Benefits of Palm Oil,” Institut Économique Molinari, last modified September 13, 2012, <https://www.institutmolinari.org/2012/09/13/the-health-environmental-and-economicbenefits-of-palm-oil/>.

⁵² Asian Agri, “The Benefits of Palm Oil.”

⁵³ Shahera A. Shah, “Palm Oil Export Earning to Surpass RM70b,” The Malaysian Reserve, last modified January 5, 2021, <https://themalaysianreserve.com/2021/01/05/palm-oil-export-earning-to-surpass-rm70b/>.

⁵⁴ “Indonesia at a Glance,” At-A-Glance Country Guides, Green Commodities Programme, last modified May 8, 2019, <https://www.greencommodities.org/content/gcp/en/home/resources/at-a-glance-country-guides/indonesia-at-a-glance.html>.

⁵⁵ “Palm Oil,” World Wild Life, accessed March 1, 2021, <https://www.worldwildlife.org/industries/palm-oil#:~:text=Large%2Dscale%20conversion%20of%20tropical,isolated%20fragments%20of%20natural%20habitat>.

endangers certain species of animals such as the orangutan and Sumatran tiger, contributing to biodiversity loss.⁵⁶ Moreover, slash-and-burn practices (a technique primarily used to burn the waste of previous generations of palm oil trees to pave way for new oil palm plantations⁵⁷) have been shown to have detrimental effects on air quality and the release of greenhouse gasses into the atmosphere.⁵⁸

Beyond the effects of these practices, palm oil production itself is associated with issues of soil and water pollution and soil erosion. Palm oil production generates approximately 2.5 metric tons of liquid waste, which is also known as Palm Oil Mill Effluent (POME), for every metric ton of usable palm oil produced, the release of which can cause water pollution thereby affecting people who drink from the polluted water source as well as downstream biodiversity.⁵⁹ POME's anaerobic decomposition process also releases methane and has been identified as one of the main sources of GHG emissions in palm oil production.⁶⁰

Furthermore, land-clearing practices for new palm oil plantations ultimately lead to soil erosion and degradation. The degradation of the nutritive value of the soil leads to the addition of fertilizers during planting. Eventually, runoff processes (through rainfall, for instance) may carry residual amounts of fertilizers into rivers, which will impact fauna and people in surrounding areas who depend on the rivers for consumption.

⁵⁶ Roberto C. Gatti, Jingjing Liang, Alena Velichevskaya, and Mo Zhou, "Sustainable Palm Oil May Not Be So Sustainable," *Science of the Total Environment* 652 (2019): 49.

⁵⁷ Selvakumar Dhandapani and Stephanie Evers, "Oil palm 'slash-and-burn' practice increases post-fire greenhouse gas emissions and nutrient concentrations in burnt regions of an agricultural tropical peatland," *Science of the Total Environment* 742 (2020): 2.

⁵⁸ Dhandapani and Evers, "Oil palm 'slash-and-burn' practice," 2.

⁵⁹ World Wild Life, "Palm Oil."

⁶⁰ Norman Jiwan, "The Political Ecology of the Indonesian Palm Oil Industry," in *The Palm Oil Controversy in Southeast Asia: A Transnational Perspective*, ed. Oliver Pye and Jayati Bhattacharya (Singapore: ISEAS–Yusof Ishak Institute, 2012), 64-65.

In addition, palm oil production may also have adverse direct socio-economic and indirect impacts (through the ecological channels) on the livelihoods of many communities in palm oil producing countries. A meta-analysis conducted in 2020 on the impacts of palm oil production on human well-being found that of the 57 cases studies primarily conducted in Asia (46% of which were on Indonesia, and 27% on Malaysia), the direct negative impacts of palm oil production and trade far outweighed the positive impacts with the top three negative impacts including: conflicts, housing conditions, and land grabbing issues.⁶¹

Yet, despite the obvious environmental and social disadvantages, palm oil production is still increasing. When all is said and done, palm oil business is good business. As mentioned earlier, it generates a lot of revenue for producing countries, while simultaneously creating employment for the citizenry. And so, since we are entwined in a such a self-rewarding system, it becomes incredibly complicated to address the agricultural practices related to a crop that is environmentally devastating without entirely unravelling the system which keeps said practices rooted in place. Consequently, we attempt to develop solutions that allow simultaneous growth and environmental conservation. This is where the RSPO comes in.

5.1. *The Roundtable on Sustainable Palm Oil*

Palm oil production and trade are evidently associated with environmental and social costs. In an effort to address and reduce these costs, activists, governments, and

⁶¹ Lacour M. Ayompe, M. Schaafsma, and Benis N. Ego, "Towards Sustainable Palm Oil Production: The Positive and Negative Impacts on Ecosystem Services and Human Wellbeing," *Journal of Cleaner Production* 278 (2021): 4.

communities have pushed for reforms.⁶² This call for reforms has led to the adoption of various sustainability standards for palm oil. There are a few sustainable palm oil certifications and standards globally such as the Palm Oil Innovation Group (POIG) and Rainforest Alliance, but the RSPO is the main certification program, certifying around 20 percent of global production.⁶³ Established in 2004, the RSPO is a not-for-profit, multi-stakeholder enterprise whose objective is to promote the production and use of sustainable palm oil.⁶⁴ The RSPO's multi-stakeholder profile features different individuals and groups including oil palm producers, processors or traders, consumer goods manufacturers, retailers, banks and investors, and environmental and social non-governmental organizations.⁶⁵ To accomplish its objective, the RSPO has developed a set of environmental and social benchmarks including eight main principles which companies must adhere to so as to mitigate the negative environmental and social effects of palm oil production.⁶⁶

The RSPO has been exceedingly successful in terms of establishing itself as the standard for CSPO. Some noteworthy statistics on its website reveal that there are 5,028 RSPO members globally in 100 countries; they have also issued 1,144 trademark licenses; and there are 163,212 individual smallholders with RSPO memberships.⁶⁷ When one considers that this certification standard has been in operation for less than two decades, its achievements appear all the more impressive. In fact, many well-known and mainstream brands, such as Proctor & Gamble, Kraft Heinz, Hershey's, L'Oréal, and

⁶² Peter Dauvergne, "The Global Politics of the Business of "Sustainable" Palm Oil," *Global Environmental Politics* 18, no. 2 (May 2018): 35.

⁶³ "RSPO," Roundtable on Sustainable Palm Oil, accessed March 3, 2021, <https://rspo.org/>.

⁶⁴ "Our Organization," Roundtable on Sustainable Palm Oil, accessed March 3, 2021, <https://rspo.org/about/our-organisation>.

⁶⁵ Roundtable on Sustainable Palm Oil, "About."

⁶⁶ Roundtable on Sustainable Palm Oil, "Principles and Criteria for the Production of Sustainable Palm Oil, 2018," accessed March 3, 2021, <https://www.rspo.org/file/RSPO%20Principles%20&%20Criteria%20Document.pdf>.

⁶⁷ Roundtable on Sustainable Palm Oil, "RSPO."

Starbucks have committed to using sustainable palm oil and meeting RSPO certification standards.⁶⁸ It is also possible that big-name brands like these set the trend for the adoption of sustainable palm oil by other brands. These brands recognize the benefits available from certification and labeling programs. And so, the uptick in global certified palm oil could be the effect of its adoption by lesser-known brands influenced by mainstream brands.

5.2. *Situating Palm Oil Eco-labels within Consumer Preferences*

In a previous section, I discussed the significant environmental consequences surrounding conventional palm oil production. Mainstream media have highlighted the production-related deleterious effects of the fruit in the minds of consumers.⁶⁹ Further framing of this narrative by highlighting the ubiquitous nature of palm oil in connection to environmental harm implicitly positions the consumer as holding leveraging power against businesses and corporations to spark action. Sometimes, even the narrative that producers behave rationally by responding to consumer demands further places individual responsibility and blame on consumers.⁷⁰ Indeed, consumers concerned about the well-being of the environment recognize their influence and subsequently begin to frame their “consumption as a political act”⁷¹ intended to spur change through strategic buying decisions. Businesses, corporations, and stakeholders are discerning of

⁶⁸ Mary Mazzoni, “10 Companies Committed to Sustainable Palm Oil,” Triple Pundit, last modified June 14, 2021, <https://www.triplepundit.com/story/2014/3p-weekend-10-companies-committed-sustainable-palm-oil/43111>.

⁶⁹ Abraham Lustgarten, “Palm Oil Was Supposed to Help Save the Planet,” *New York Times*, November 20, 2018, <https://www.nytimes.com/2018/11/20/magazine/palm-oil-borneo-climate-catastrophe.html?>

⁷⁰ Lucie Middlemiss, “Reframing Individual Responsibility for Sustainable Consumption: Lessons from Environmental Justice and Ecological Citizenship,” *Environmental Values* 19, no. 2 (May 2010): 152-153.

⁷¹ Isleide Fontenelle, “From Politicization to Redemption Through Consumption: The Environmental Crisis and the Generation of Guilt in the Responsible Consumer as Constructed by the Business Media,” *Ephemera: Theory and Politics in Organization* 13, no. 2 (2013): 340.

such strategies and in turn rebrand and position themselves as engaging in corporate social responsibility in an effort to address and improve their social and environmental practices. Walmart provides a practical example of a business which against the backdrop of numerous criticisms from the public regarding its dubious labour policies and poor environmental performance due to practices embedded in its supply chains, debuted a sustainability strategy with the explicit aim of reducing the company's environmental footprint, but with the implicit aim of repairing its brand image.⁷²

Again, this is further display of the logic and character of a liberal capitalist society, where consumers can demand “change” from businesses and corporations who in turn respond by adopting behaviours and strategies to rectify and/or mitigate any threats to their profits and market shares. As previously stated, eco-labels and certifications are instruments for assuaging mounting dissatisfaction from civil society concerning the effects of capitalist modes of production on the environment. It could be said that the RSPO certification and eco-label allow for the continued entrenchment of the neoliberal economic order by providing palm oil producers a means to certify their palm oil as sustainable given certain criteria without any true risk or challenge to their profits. Furthermore, brands and multi-million-dollar companies can “save face” by claiming that the palm oil present in their products originates from RSPO certified supply chains.

Consumers, for their part, perceive these labels and certifications as a legitimate demonstration of a company's efforts at adopting sustainable practices. However, consumers lack critical information necessary to determine whether the manufacturing

⁷² Erica L. Plambeck and Lyn Denend, “The Greening of Wal-Mart,” Stanford Social Innovation Review, last modified Spring, 2008, https://ssir.org/articles/entry/the_greening_of_wal_mart.

process of a particular product (or even products given the pervasiveness of palm oil) has not already contributed to environmental degradation in its life cycle before making it to their shopping baskets. In the case of palm oil, a number of studies have emphasized the failure of the RSPO to address deforestation and conservation concerns, thereby challenging the so-called “sustainably-sourced” palm oil that their labels advertise. Hence, if eco-labels are designed to help consumers make better and more responsible choices, and “feel better” about their purchasing decisions, eco-labels can be misleading and damaging because they distort the complete account and the real costs associated with the production of goods on which they are placed. In the case of RSPO certifications, eco-labels certainly allow consumers to look at their tub of margarine with rose-coloured glasses. In the following sub-section, I demonstrate precisely how RSPO certifications have failed to live up to the expectation of sustainably-sourced palm oil and how by perpetuating the narrative of eco-labels and certifications’ supposed benefits, corporations, governments, and all other responsible parties are encouraging continued consumption and demand of palm oil while environmental issues worsen.

5.3. *Sustainable Palm Oil is not Sustainable*

The RSPO, on its website, rightly recognizes the impact of palm oil production on the environment, yet states that “despite widely-reported malpractices in the industry, a growing number of players in the palm oil industry have committed to adopting more

sustainable practices.”⁷³ Exploring its website, one notices that in tracing the organization’s history and milestones, there is neither a particular focus nor mention of how RSPO certifications have aided in improving environmental conditions in a quantifiable manner. Rather, most of the achievements are growth-focused, noting instead how the RSPO is managing to expand its global reach.⁷⁴ The lack of emphasis on the “sustainable” aspect of sustainable palm oil production may merely be attributable to an impalpable improvement or reversal of environmental degradation in areas where palm oil production is highest. Considering though that the RSPO trademark launched officially in June 2011,⁷⁵ there has been a 10-year gap and so at this point in time, there ought to be noticeable and obvious environmental improvements if palm oil producers and smallholders certified under the organization are actually adopting the practices that allow them access to the certification in the first place. Research into the effectiveness of the RSPO on critical issue areas demonstrate, however, that the RSPO has fallen short in meeting key sustainability goals.

A notable change in the RSPO’s updated 2018 principles and criteria (P&C) document for sustainable palm oil production is the inclusion of requirements to ensure “no deforestation,” to be carried out by incorporating the High Carbon Stock Approach (HCSA).⁷⁶ The HCSA “distinguishes forest area for protection from degraded lands with low carbon and biodiversity values that may be developed.”⁷⁷ This approach is beneficial

⁷³ Roundtable on Sustainable Palm Oil, “About.”

⁷⁴ Ibid.

⁷⁵ “RSPO Trademark Logo,” Roundtable on Sustainable Palm Oil, accessed April 17, 2021, https://www.rspo.org/file/TM_Logo%20Usage%20&%20Guidelines.pdf.

⁷⁶ Roundtable on Sustainable Palm Oil, “Principles and Criteria,” 61.

⁷⁷ “The High Carbon Stock Approach,” High Carbon Stock, accessed March 8, 2021, [http://highcarbonstock.org/the-high-carbon-stockapproach/#:~:text=The%20High%20Carbon%20Stock%20\(HCS,value%20that%20may%20be%20developed.&text=The%20amount%20of%20carbon%20and,the%20type%20of%20vegetative%20cover](http://highcarbonstock.org/the-high-carbon-stockapproach/#:~:text=The%20High%20Carbon%20Stock%20(HCS,value%20that%20may%20be%20developed.&text=The%20amount%20of%20carbon%20and,the%20type%20of%20vegetative%20cover).

for producers and manufacturers as it demonstrates some conscientiousness on their part in an attempt to break “the link between deforestation and land development in their operations and supply chains.”⁷⁸ Nevertheless, the RSPO is yet to strengthen the criteria surrounding the legality of concessions located on potentially deforested land. A recent study conducted by Gatti and Velichevskaya speaks partially to this issue.⁷⁹ They find that high proportions of habitats of endangered large mammals, such as the Bornean orangutan, the Sumatran tiger, rhino and elephant, as well as intact tropical forests, were deforested as recently as three decades ago to make room for palm oil concessions.⁸⁰ The RSPO’s modified “no deforestation” measure, as the Environmental Investigation Agency (EIA) notes, allows “plantations ... to be legal at the time of certification, meaning they could have operated illegally in the past and then subsequently legalized themselves.”⁸¹ This critical point ties in well with Gatti and Velichevskaya’s findings. As such, although the RSPO is making strides in terms of mitigating deforestation by future plantations, its failure “to take into account past deforestation means much of the palm oil products that it certifies as sustainable don’t warrant that label and may mislead consumers.”⁸²

The RSPO’s effectiveness in reducing fires on palm oil plantations is also dubious. Statistical analyses determining the casual effect of RSPO certifications on forest fire incidence in Indonesia demonstrate that certifications do not significantly reduce fires

⁷⁸ Ibid.

⁷⁹ Roberto C. Gatti and Alena Velichevskaya, “Certified “sustainable” palm oil took the place of endangered Bornean and Sumatran large mammals habitat and tropical forests in the last 30 years,” *Science of the Total Environment* 742 (2020): 1-6.

⁸⁰ Ibid., 3.

⁸¹ “New RSPO Principles and Criteria released - ‘no deforestation’ set to be adopted,” Environmental Investigation Agency, last modified October 26, 2018, <https://eia-international.org/news/new-rspo-principles-criteria-released-no-deforestation-set-adopted/>.

⁸² Hans Nicholas Jong, “‘Meaningless Certification’: Study Makes the Case Against ‘Sustainable’ Palm Oil,” *Mongabay*, August 5, 2020, <https://news.mongabay.com/2020/08/palm-oil-certification-sustainable-rspo-deforestation-habitat-study/>.

in participating plantations.⁸³ The authors do note that RSPO certified plantations had lower fire incidence than non-certified plantations after 2009; however, and perhaps crucially, “this difference in fire incidence rates developed multiple years before certification, invalidating causal claims that certification reduced fire occurrence.”⁸⁴

Another study conducted on the causal effect of RSPO certifications on forest fire reduction in Indonesia between 2012 and 2015 found that RSPO certifications can actually reduce the forest fire incidence in certified palm oil plantations compared to non-certified ones, only on the condition that the likelihood of fire is low; that is, on non-peatlands in wet years.⁸⁵ Hence, when the likelihood of fire is high, RSPO certified plantations are not statistically different from non-certified plantations. The study thus demonstrates that RSPO certifications can potentially reduce forest fires, however, the RSPO needs to strengthen its criteria for fire control on peatlands in dry years.⁸⁶ It may be interesting to also note that more than two-thirds of palm oil plantations linked to the Indonesian forest fires of 2019 are RSPO members.⁸⁷

Advocating for the narrative of “sustainable” palm oil further encourages consumption which increases demand and by the logic of demand and supply economics, the production and supply of palm oil must therefore be increased to meet consumption demands. Demand increases of this nature come with supply chain transparency and traceability issues especially where the RSPO is concerned. The RSPO has set up four supply chain systems: identity preserved, mass balance, segregated, and

⁸³ Kimberly M. Carlson et al., “Effect of Oil Palm Sustainability Certification on Deforestation and Fire in Indonesia,” *Proceedings of the National Academy of Sciences of the United States of America* 115, no. 1 (January 2018): 121-126.

⁸⁴ *Ibid.*, 124.

⁸⁵ Megan E. Cattau, Miriam E. Marlier, and Ruth DeFries, “Effectiveness of Roundtable on Sustainable Palm Oil (RSPO) for Reducing Fires on Palm Oil Concessions in Indonesia from 2012 to 2015,” *Environmental Research Letters* 11 (2016): 9.

⁸⁶ *Ibid.*

⁸⁷ “Destruction: Certified,” Greenpeace International, last modified March 10, 2021, <https://www.greenpeace.org/international/publication/46812/destruction-certified/>.

book and claim models, with the mass balance and book and claim models perhaps being the most controversial.⁸⁸ The mass balance system allows for sustainable palm oil from certified sources to be mixed with ordinary, uncertified palm oil, while the book and claim system does not monitor the supply chain for sustainable palm oil; instead manufacturers and retailers can purchase credits from certified growers and independent smallholders.⁸⁹ Utilizing mass balance and book and claim systems poses important challenges for the sustainability of palm oil because there is no requirement or transparency on the identity of suppliers who mix their non-certified palm oil with already certified palm oil.⁹⁰ Furthermore, with these two systems, the probability that the unsustainable and non-certified palm oil mixed into certified palm oil is being produced by companies and/or concessions carrying out deforestation and human rights abuses is quite high.⁹¹ Limited transparency, consequently, opens up RSPO members to the possibility that they are also complicit in environmental degradation and social issues by virtue of insufficient information on manufacturers of non-certified palm oil.⁹²

Even national governments are complicit in pushing a sustainable palm oil and pro-economic growth narrative, with the Malaysian and Indonesian governments promoting the benefits of palm oil production while instituting policies and incentives to increase palm oil exports.⁹³ Both countries have associations whose primary goal is the market expansion of palm oil. The Malaysian Palm Oil Association aims “to inspire the

⁸⁸“ RSPO Supply Chains,” Roundtable on Sustainable Palm Oil, last modified February 11, 2020, <https://rspo.org/certification/supply-chains>.

⁸⁹ Roundtable on Sustainable Palm Oil, “RSPO Supply Chains.”

⁹⁰ Greenpeace International, “Destruction: Certified.”

⁹¹ Ibid.

⁹² For a full discussion of the RSPO’s various supply chain models, please see the Appendix on page 59.

⁹³ Dauvergne, “The Global Politics of the Business of ‘Sustainable’ Palm Oil,” 41.

sustainability of oil palm and other plantation crops for long term profitability and growth,” while the Indonesian Palm Oil Association wants to expand the sustainability of palm oil production.⁹⁴ These days both countries have their own sustainable palm oil certifications: Indonesian Sustainable Palm Oil (ISPO) and Malaysian Sustainable Palm Oil (MSPO),⁹⁵ with the goal of certifying sustainably produced palm oil for continued exportation and economic growth. However, these initiatives which are based on national-level laws and regulations still suffer the same shortcomings as the RSPO. Both the ISPO and the MPSO are mandatory, yet they still have “weak accreditation oversight for their certification bodies and weak implementation of systems for compliance with their standards.”⁹⁶

5.4. *The Politics of Palm Oil Production and the Failures of the RSPO*

The failures of the RSPO can perhaps be attributed to the underlying politics surrounding palm oil production in Malaysia and Indonesia. In this section, I explore the politics of both the Malaysian and Indonesian governments in terms of their respective focus on economic growth and the promotion of palm oil, the effects of weak institutions, the prevalence of patronage politics and corruption and how these play important roles in restricting palm oil smallholders’ access to RSPO certifications.

The role of government as an ally in the journey toward sustainable palm oil production can hardly be overstated. With strong government institutions, one would expect an ordered process for decision-making, upholding the rule of law, strong judicial

⁹⁴ Ibid.

⁹⁵“ MSPO Certification Scheme,” Malaysian Palm Oil Certification Council, accessed April 17, 2021, <https://www.mpocc.org.my/about-mspo>.

⁹⁶ Greenpeace International, “Destruction: Certified.”

and criminal justice systems, and all other aspects of a well-functioning governmental system. Even with these, the successful transition towards sustainable palm oil production depends on government leaders that will at every turn emphasize the importance of sustainable palm oil (not just for the benefit of the environment, but to address the social issues that surround palm oil) and seek to implement trickle-down policies that will guarantee this.

However, in the case of the key palm oil producing countries, these factors are largely absent. For one, both the Indonesian and Malaysian governments recognize the economic importance of palm oil production, and they perhaps also recognize that the advocacy for more stringent sustainability practices risks alienating smallholders who may not have the technical or agricultural know-how and financial resources to engage in sustainable practices. Presumably, denying smallholders access to markets because they fail to meet certain sustainability standards would result in some revenue loss and ultimately threaten economic growth.

Further, Indonesia and Malaysia also recognize the implications of a negative image of palm oil overseas which results in consumer and business boycotts of palm oil products. Owing to the fact that economic growth and expansion seems to be the ultimate goal for most governments, their responses to the negative portrayal of palm oil may stray from the goal of sustainable palm oil production.

This point was made all the more apparent with the 2019 Delegated Act of the European Union, whose goal it is to phase out palm oil based biofuel by 2030.⁹⁷ While the phase out is not a complete ban on palm oil in biofuels, it represents a rejection of

⁹⁷ European Commission, "Commission Delegated Regulation (EU) of 13.3.2019," accessed May 23, 2021, https://ec.europa.eu/energy/sites/ener/files/documents/2_en_act_part1_v3.pdf.

palm oil based biofuels as a renewable fuel.⁹⁸ This announcement was not taken well by officials in Indonesia and Malaysia, as the Malaysian Primary Industries Minister Teresa Kok, claimed that the Act is “discriminatory against the economies of developing nations in Southeast Asia, Africa, and Latin America which produce palm oil ... [and] it is designed to hurt the livelihoods of millions of small farmers.”⁹⁹

Malaysia and Indonesia have chosen to fight back. At a press conference in Jakarta, Indonesia in February 2021 with the Malaysian Prime Minister Muhyiddin Yassin, the Indonesian President Joko Widodo stated that “Indonesia will continue to fight against palm oil discrimination” and even going as far as inviting Prime Minister Yassin to the same commitment, claiming that “the efforts will be stronger if conducted together.”¹⁰⁰ Prime Minister Yassin agreed with this sentiment, further asserting that the “campaign does not represent global palm preservation and contrary to the commitment of the European Union, and World Trade Organization on free trade principles.”¹⁰¹ Both Indonesia and Malaysia filed lawsuits against the European Union in December 2019 and January 2021, respectively.¹⁰² Further countermeasures taken by both countries include running an advocacy campaign in the United Kingdom and certain parts of Europe to counter the negative image of palm oil in that part of the world, seeing as Europe constitutes their third biggest market.¹⁰³ Indonesia has taken an even more offensive approach in defence of its palm oil industry. It has mobilized the

⁹⁸ Hans Nicholas Jong, “Europe, In Bid to Phase Out Palm Biofuel, Leaves Fans and Foes Dismayed,” *Mongabay*, March 15, 2019, <https://news.mongabay.com/2019/03/europe-in-bid-to-phase-out-palm-biofuel-leaves-fans-and-foes-dismayed/>.

⁹⁹ *Ibid.*

¹⁰⁰ Office of Assistant to Deputy Cabinet Secretary for State Documents and Translation, “Joint Press Statement of President of the Republic of Indonesia and Prime Minister of Malaysia,” press release, February 5, 2021, <https://setkab.go.id/en/joint-press-statement-of-president-of-the-republic-of-indonesia-and-prime-minister-of-malaysia-friday-6-february-2021-at-merdeka-palace-jakarta/>.

¹⁰¹ *Ibid.*

¹⁰² *Ibid.*

¹⁰³ A. Ananthakshmi and Mei Mei Chu, “Indonesia, Malaysia eye joint campaign in Europe to counter palm oil critics,” *Reuters*, January 18, 2021, <https://www.reuters.com/article/us-asia-palmoil-exclusive-idUSKBN2qOoJL>.

BPDP-KS (The Palm Oil Plantation Fund Management Agency), a government-backed fund that manages palm oil revenue, to run a smear campaign against European producers of other vegetable oils.¹⁰⁴

Apparent from this series of events is a clear need to protect the palm oil industry from losing its third largest market, thereby ensuring a continued inflow of revenue from that industry, while also ideally protecting the livelihoods of people dependent on the palm oil industry. These reactions are fueled by the underlying premise of continuous and unchecked economic growth aided by free trade policies, the hallmark of neoliberalism. By phasing out palm oil based biofuel and thereby limiting palm oil imports, the Delegated Act inadvertently risks shrinking the market industry for palm oil in Indonesia and Malaysia, which is the opposite goal of neoliberal economic policies, which seek ceaseless market expansion. Accordingly, the reactions of these governments appear reasonable.

It is no wonder that the RSPO has failed in some measures. Rather than trying to restore the infamy of palm oil by presenting credible evidence of efforts towards a more sustainable palm oil industry, the leaders in Indonesia and Malaysia have instead decided to spend time, effort, and money defending palm oil's already damaged image. On one hand, we have an organization that is attempting to entrench sustainable agricultural practices within the palm oil industry through its certifications, while on the other, we have two major players in said industry actively undermining those efforts through needless smear campaigns and lawsuits. The counterproductive behaviour of government officials is, unfortunately, not the only issue at play. Indonesia and Malaysia

¹⁰⁴ Hans Nicholas Jong, "We attack, 'Indonesia declares in joint bid with Malaysia to shield palm oil," *Mongabay*, March 2, 2021, <https://news.mongabay.com/2021/03/indonesia-malaysia-team-palm-oil-black-campaign-european-union/>.

also feature weak institutional structures, patronage, and corruption that permeate every level of politics, thereby hampering innovation and the adoption of sustainable practices by smallholders that are a crucial part of the long global supply chain of palm oil.

In systems of government with strong institutions, the practice of patronage politics may not be detrimental to the proper functioning of government, as in the case of Canada, where the Prime Minister may reward party loyalty by appointment to particular government positions. However, where institutional structures are already unsound, patronage politics breeds corruption and inefficiencies to the detriment of the system as a whole. Institutional frameworks influence individual decision-making “by signaling which choice is acceptable and determining which norms and behaviours are socialized in a given society.”¹⁰⁵ Where formal and informal institutions demonstrate that the rules of the game, so to speak, involve some form of quid pro quo, we can expect a reflection of these ideals within the palm oil industry.

In Indonesia, for instance, patronage is especially important within the palm oil industry. There are numerous instances of former bureaucrats who spend their retirement by serving on the boards of plantation firms in advisory roles or as intermediaries with the state.¹⁰⁶ Consequently, these former bureaucrats can be assured material gain while the plantation companies have easier access to necessary governmental agencies that can further their expansionary goals.

¹⁰⁵ Vartuhí Tonoyan, Robert Strohmeyer, Mohsin Habib, and Manfred Perltz, “Corruption and Entrepreneurship: How Formal and Informal Institutions Shape Small Firm Behavior in Transition and Mature Market Economies,” *Entrepreneurship Theory and Practice* 34, no. 5 (September 2010): 804.

¹⁰⁶ Helena Varkkey, “Patronage Politics as a Driver of Economic Regionalization: The Indonesian Oil Palm Sector and Transboundary Haze,” *Asia Pacific Viewpoint* 53, no. 3 (December 2012): 319.

Indonesian patronage networks are often strengthened by the system of decentralization. As a result of the transfer of power that decentralization allows, local governments, politicians and administrators have grown in importance.¹⁰⁷ A direct consequence of such growth in significance is the entrenchment of corruption and patronage. In a country with already weak institutions, once power is devolved to a lower level of government, accountability becomes increasingly difficult as officials implicitly have governmental backing to act without encumbrance. Even palm oil companies recognize the opportunity that lies in decentralization as they would employ *Bupatis* (head of regencies or local “strongmen”) in relatively important positions in order to nurture strong patronage connections at the local level.¹⁰⁸ Should problems arise for these companies, they expect individuals to “appeal to the administration on [their] behalf , and to help quietly ‘settle’ any disputes, including through informal influence with local and central governments,” thereby allowing them to face fewer administrative and judicial constraints.¹⁰⁹

The situation in Malaysia is not vastly different considering both countries share cultural similarities. One popular form of patronage in Malaysia is the idea of a Government-Linked Company (GLC). GLCs are companies “that have a primary objective and in which the Malaysian government has a direct controlling stake.”¹¹⁰ The “primary objective” here is “extracting maximum profits out of sectors, such as properties, private healthcare, and commodities,”¹¹¹ as commercial entities by engaging

¹⁰⁷ Ibid.

¹⁰⁸ Ibid.

¹⁰⁹ Ibid., 322.

¹¹⁰ “FAQs,” Putrajaya Committee on GLC High Performance, accessed May 25, 2021, <http://pcg.gov.my/faqs>.

¹¹¹ Lieu Chin Tong, “Rethinking GLCs, GLICs in a time of stakeholder capitalism,” *Focus Malaysia*, February 14, 2021, <https://focusmalaysia.my/opinion/rethinking-glbs-glics-in-a-time-of-stakeholder-capitalism/>.

in markets where competition occurs.¹¹² While GLCs may have been created with the goal of economic development, they have been transformed into vehicles for corruption. Many GLCs are now used to house retired politicians, who by virtue of their former careers, “earn” lucrative spots on the boards of these GLCs, typically as a means of supporting the incumbent government.¹¹³

Within the palm oil industry, GLCs and patronage also leave their mark. Sime Darby, a global trading conglomerate, is one of Malaysia’s most prominent GLCs. Due to Sime’s close connection and relationship with the Malaysian government, it has become almost “untouchable” to the extent that some organizations, such as the Human Rights Commission find it difficult to hold Sime accountable for its actions related to labour abuses.¹¹⁴

Such a disordered system of politics that appears to rely on principles of quid pro quo has real world effects for smallholders in the palm oil industry. The effects of weak institutions and patronage politics shape the way smallholders interact with the palm oil production process in Indonesia and Malaysia. Palm oil companies have succeeded in directing criticisms against them about the environmental effects of palm oil production by shrewdly shifting this blame towards smallholders, whom they claim to be non-compliant, despite the fact that large enterprises are responsible for more deforestation since they can afford to and prefer to purchase larger concessions in forested regions rather than expand onto already cleared land.¹¹⁵ The narrative around smallholders and

¹¹² Nur Zulaikha Azmi, "Do we need a central agency to manage GLCs?," *The Edge Markets*, October 21, 2020, <https://www.theedgemarkets.com/article/ideas-do-we-need-central-agency-manage-gcls>.

¹¹³ Murray Hunter, "Malaysia's GLCs: Development Tools Or Corruption Vehicles?," *Eurasia Review*, March 26, 2021, <https://www.eurasiareview.com/26032021-malaysias-gcls-development-tools-or-corruption-vehicles-analysis/>.

¹¹⁴ Varkkey, "Patronage Politics as a Driver of Economic Regionalization," 320.

¹¹⁵ Doug Boucher, "Who's Responsible for Palm Oil Deforestation—Small Farmers or Big Companies?," Union of Concerned Scientists, last modified November 10, 2015, <https://blog.ucsusa.org/doug-boucher/whos-responsible-for-palm-oil-deforestation-small-farmers-or-big-companies-951/>.

poor farmers as the root cause of palm oil related environmental damage misses or intentionally ignores the crucial structural issues that arise from poor institutions and corruption.

One such issue relates to land rights. Systems through which ownership of land is conferred to individuals is often disorganized, ambiguous, and multi-layered.¹¹⁶ This becomes a major roadblock for local smallholders because the RSPO certification requires smallholders to demonstrate legal ownership of land or their land use rights.¹¹⁷ In Malaysia, for instance, the Land Registry department that grants land rights to citizens has been described as a weak institution, wherein applications for land rights are fraught with obstacles such as length of registration and cost.¹¹⁸ Some Malaysian farmers even believe that the process of acquiring land rights is partial to larger and more influential companies.¹¹⁹ Furthermore, the lack of proper land rights restricts access to bank credits and certified planting material which are crucial for ensuring compliance.¹²⁰

Associated with insecure land rights are also issues of land grabbing. Due to the exponential rise in value of palm oil, national governments in Malaysia and Indonesia invest heavily in this industry which is then followed by the displacement of local farmers to create room for palm oil developers.¹²¹ Even local smallholders with proper

See also: Idsert Jelsma, G.C. Schoneveld, Annelies Zoomers, and A.C.M. van Westen, "Unpacking Indonesia's Independent Oil Palm Smallholders: An actor disaggregated approach to identifying environmental and social performance challenges," *Land Use Policy* 69 (2017): 286.

¹¹⁶ Susan Martin, Alison Rieple, Jane Chang, Bonaventure Boniface, and Amran Ahmed, "Small Farmers and Sustainability: Institutional barriers to investment and innovation in the Malaysian palm oil industry in Sabah," *Journal of Rural Studies* 40 (2015): 52.

¹¹⁷ Roundtable on Sustainable Palm Oil, "Principles and Criteria."

¹¹⁸ Martin et al., "Small farmers and Sustainability," 52.

¹¹⁹ *Ibid.*, 52-53.

¹²⁰ Jelsma et al., "Unpacking Indonesia's Independent Oil Palm Small Holders," 289.

¹²¹ Calvin Kumala, "Grab Indonesia by the land: The rapid expansion of Palm Oil in Indonesia," policy brief, September 2018, <https://www.globalpolicyjournal.com/sites/default/files/Kumala%20-%20Grab%20Indonesia%20by%20the%20land%20The%20rapid%20expansion%20of%20Palm%20Oil%20in%20Indonesia.pdf>.

rights to their land still struggle to protect their land from companies with governmental ties - another example of patronage politics in operation.¹²²

Due to this insecurity, smallholders are discouraged from making long term investments into sustainable agricultural practices because of the very real possibility that a piece of land that has become productive can be easily taken away due to odd loopholes in the allocation of land titles. Investment thus becomes costly and risky. Eventually, land grabbing inadvertently forces smallholders to clear forested land for farming, as a means of ensuring their livelihoods. And so, what comes to light here is that sustainable practices and, in the long run, palm oil certifications, require stable and corruption-free institutions.

In this section, I have demonstrated the intricacies underlying the politics and systems of governance within Indonesia and Malaysia that inherently contribute to the failures of the RSPO. By embarking on a detailed description of the domestic conditions in these countries, I am not attempting to extricate the RSPO from the principles of neoliberalism by which it is bound. Rather, I am trying to underscore the importance of examining other overlooked factors that may offer useful insight into why organizations and initiatives such as the RSPO and their accompanying eco-labels may fail, quite dramatically, in achieving goals of environmental protection. If we examine more carefully the nature of the domestic elements discussed in this section, we begin to make out the complex underlying influences of neoliberalism that shape government behaviour which ironically stifles the opportunity for more economic growth embedded within disempowered smallholders. The attitudes of President Joko Widodo and Prime

¹²² Ibid.

Minister Muhyiddin Yassin stem from a need to protect their domestic palm oil industries from further Western smear in an effort to assure continued market expansion. Patronage politics and corruption, which may be a manifestation of greed, allow wealthy and influential actors to situate themselves in established markets as a means of further growth and expansion of profits and wealth. Ultimately, these factors are individual expressions of neoliberal institutional arrangements that have apparently rooted themselves in all aspects of human interaction.

6. Greenwashing the Consumer

In the preceding sections, I have demonstrated that noble efforts through private governance of palm oil production to address environmental and social issues typically fall flat usually as a consequence of the simultaneous pursuit of environmental protection and economic growth and profit accumulation. Liberal environmentalism is a contradictory model upon which the global system attempts to address the issues of environmental decline. The evaluation of the RSPO's use of certification standards and eco-labels allowed for an accurate example of our inability to pursue sustainability goals and profit simultaneously. Certifications and eco-labels ought to be understood as tools and the manifestation of a liberal environmental paradigm that encourages consumers not to consume less of a product, but more of a product with labels denoting some form of responsible production. Sooner or later, demand for "sustainable" palm oil continues to climb which creates a positive feedback loop encouraging more palm oil production. As I have demonstrated, increased demand of a specific resource encourages certification bodies such as the RSPO, the producers, and so on, to cut corners in order to capitalize on potential profits. Cutting corners, unfortunately, manifests as further deforestation, slash-and-burn practices, mass balance, and book and claim supply chain models, and weak certification criteria overall.

Throughout this thesis, I have discussed the neoliberal agenda of the individualization of environmental stewardship. The palm oil industry has not been exempt from this agenda. Placing the responsibility of environmental decline and its solutions on individual consumers continues to drive the demand for palm oil. Applying the logic of the individualization of responsibility, the argument would state that

consumers ought to recognize that it is their frequent need and consumption of palm oil based products that has caused environmental damage, and that by changing their consumption patterns to purchase the eco-labeled sustainable product, they can rest assured that their purchasing decisions and ability to vote with their dollars is ensuring that corporations and industries are performing necessary corporate social responsibility to ensure that the health of the planet does not deteriorate further. This whole narrative is dangerous, for a number of reasons.

First, the eco-conscious consumer does not recognize how much information eco-labels leave out. For instance, a consumer might pick up a tub of margarine or bottle of shampoo that features the RSPO label, which claims that one of the ingredients is CSPO. What the consumer does not know, however, is what portion of the “CSPO” was supplied through the RSPO’s mass balance supply chains that allow non-certified palm oil to be mixed with certified palm oil. Such a consumer might be confident and feel good about the fact that they have “voted with their dollar” or purchased an item that has not contributed to deforestation, forest fires, or significant human rights abuses, whilst this may not be the full picture. Eco-labels give consumers a sense of “feel-goodness” and satisfaction while perpetuating the idea that being an eco-consumer and shopping “sustainably” is the most they have control over. This leaves consumers with the mistaken perception that if they simply change their individual shopping habits, they can somehow contribute enough to substantively fix climate and environmental issues.

Encouraging this “read the label” approach to consumption not only distracts from the main issue, but it also severely limits and stifles consumers’ powers as political

citizens as it presents environmental decline as an apolitical issue. Some scholars, however, argue that eco consumerism can be understood as a form of participatory democracy and citizen engagement, a way for consumers to exert their power. For instance, consumers may exert their power as political citizens through positive or negative ethical consumerism, wherein they reward good corporate social responsibility by purchasing more from brands with a positive track record, and punish companies with failed or negative corporate social responsibility through tactics such as boycotts (which may involve purchasing from brand competitors or completely avoiding a given product altogether).¹²³ Consumers may begin to feel empowered and see themselves as political citizens in their roles as consumers of products and services.¹²⁴ Moreover, some citizens for whom political activism in the conventional sense is inaccessible may simply decide to focus on what is within their locus of control by avoiding controversial products or by purchasing products with eco-labels.

However, while it may be true that consumers direct their energies to what is easiest and within their immediate control, it is still the case that what may be easiest and within people's control still perpetuates hyper-consumption. Eco-labels, by design, encourage more consumption, but of a "different" kind of product. Eco-labels claiming sustainably sourced palm oil on products do not challenge our understanding of whether a bar of soap needs palm oil derivatives to still achieve its inherent cleaning function. If we are not questioning ways in which we can relinquish certain uses of palm oil, we are inadvertently encouraging its continued consumption.

¹²³ N. Craig Smith, "Consumers as Drivers of Corporate Social Responsibility," in *The Oxford Handbook of Corporate Social Responsibility*, ed. Andrew Crane, Dirk Matten, Abigail McWilliams, Jeffrey Moon, and Donald S. Siegel (Oxford: Oxford University Press, 2008), 283-302.

¹²⁴ *Ibid.*, 299.

Eco-labels (perpetuated through sustainability certifications) have been presented as solutions that can help mitigate environmental damage by allowing consumers to consume more sustainably. This sounds like an attempt to solve a problem using the same mechanism that created the problem in the first place. Sustainability certifications and eco-labels embody the contradiction that is the liberal environmental norm upon which current global environmental governance is based. Liberal environmentalism asks us to trust that the capitalist, growth-oriented systems that create environmental damage and social inequalities will be the same systems to fix the damages. Advancing tools such as RSPO certifications and eco-labels allow the legitimization of “the hegemony ... to obscure the reality that nothing is actually changing and ultimately ‘to make the system run more smoothly.’”¹²⁵ The solution to a problem as devastating as environmental damage and climate change cannot be found within the system that shaped the damage in the first place. Yet, this narrative is one that is being pushed when consumers are encouraged to purchase from brands that use the RSPO’s CSPO if they truly care about the environment, rather than the “unsustainable stuff” as if certified and non-certified palm oil have any considerable differences in the reversal of environmental degradation. Thus, it appears that eco-labels are useful for capitalism, not for the environment or for consumers.

Ultimately, institutions that claim that we can attain continued economic growth and simultaneously protect the environment are complicit in the worst form of greenwashing on a global scale - by entrenching a “buy buy buy” (but only the sustainably produced and certified goods if you want to be a good and environmentally

¹²⁵ Bernice Maxton-Lee, “Sustainability as Market Discipline and the Roundtable on Sustainable Palm Oil (RSPO),” in *Forest Conservation and Sustainability in Indonesia* (London: Routledge, 2020), 163.

conscious citizen) mentality, they simply work to get us further into the hole of hyper-consumption and destruction, rather than digging us out.

7. Conclusion

In this paper, I have attempted a multifaceted and layered argument highlighting the inherent contradiction that governs the global system's current normative regime that attempts to merge economic growth models and environmental protectionism by addressing the perpetuation of continued consumption through the lens of eco-consumerism and liberal environmental tools of certification programs and eco-labels. I explored the role of the RSPO and its campaign of standards for sustainable palm oil. The RSPO, with its lofty goals of sustainable palm oil production, is still failing to improve key environmental markers as demonstrated throughout this paper. Yet, it continues to promote and position itself as the industry standard for sustainable and ethical practices through its allowance of manufacturers and producers to use the RSPO eco-label on their products so long as they use palm oil supplied through their "certified" supply chains. These products then reach eco-consumers who continue to purchase palm oil based products and support companies who are members of the RSPO with the false assumption and hope that by spending their money in this manner, they are taking a stand for the betterment of the environment, no matter how little.

I have also attempted to demonstrate the danger that this status quo presents through the disempowerment of consumers by entrenching the narrative that consumers are ultimately responsible for environmental degradation and that the single most important thing they can do as citizens and consumers is to purchase products that don labels and certifications implying that their manufacture did not contribute to further environmental decline and meets minimum acceptable social standards. Furthermore, and perhaps most importantly, consumers are not encouraged to consume

less, but rather to consume more of the “right things.” This ties in quite well with the economic growth ideal that drives the international system. It is not far-fetched to imagine how this neoliberal paradigm of hyper-consumption and growth cannot forestall or improve environmental decline. Stimulating economic growth within any state involves getting consumers to spend money and consume more goods, not less. Individual consumption of goods and services will stimulate demand for more of those goods and services. In order to satisfy this demand, we need to tap into more natural resources, clear more lush land in forested regions of Southeast Asian countries, contribute to air pollution and the extinction of important terrestrial organisms, just so our ice-cream melts a bit slower at room temperature.

In writing this thesis and addressing this topic I was hoping to shed some light on the misleading nature of eco-labels and certifications. I have been clear in my exposition by highlighting the significant failures of the RSPO in terms of true environmental protection simply due to the need to meet the continued demand for palm oil. Does this mean that all other eco-labels and certifications have failed in their goals of synchronous growth and protection? That will be difficult to assert at this time. There are numerous other certifications operating in the global market, such as the Marine Stewardship Council, the Forest Stewardship Council, Certified B Corporation, and so on, that claim to be doing good things for environmental protection that have not been addressed in this paper. It is possible that some certification standards offer minimal effectiveness under specific conditions. However, in the spirit of maintaining my underlying argument, I am doubtful that any one certification body can achieve much so long as it operates under a contradictory liberal environmental regime.

Does this mean that we should abandon the use of certifications and eco-labels? If the abandonment of these tools and programs means replacement with actually effective programs, then perhaps yes. However, given that they are manifestations of our current normative regime, it is doubtful that their replacements will be much more effective. At any rate, the important point to bear in mind is that liberal environmentalism, in all its machinations, does not attempt to shake or uproot the capitalist, growth-based foundations of the collective international system, and until we address this, governments, transnational actors, and consumers are stuck promoting and supporting tepid attempts at environmental protectionism.

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Appendix

It is important to provide visual illustrations of the RSPO's supply chains and how certain supply chain systems actually undermine the credibility of its CSPO claim.

According to its webpage, there are two certification systems that ensure that palm oil is sustainably produced (producer/grower certification) as well as the integrity of the trade in sustainable palm oil.¹²⁶ Currently, the RSPO operates four different supply chain models: identity preserved, segregated, mass balance, RSPO credits or book and claim.

¹²⁶ Roundtable on Sustainable Palm Oil, "RSPO Supply Chains."

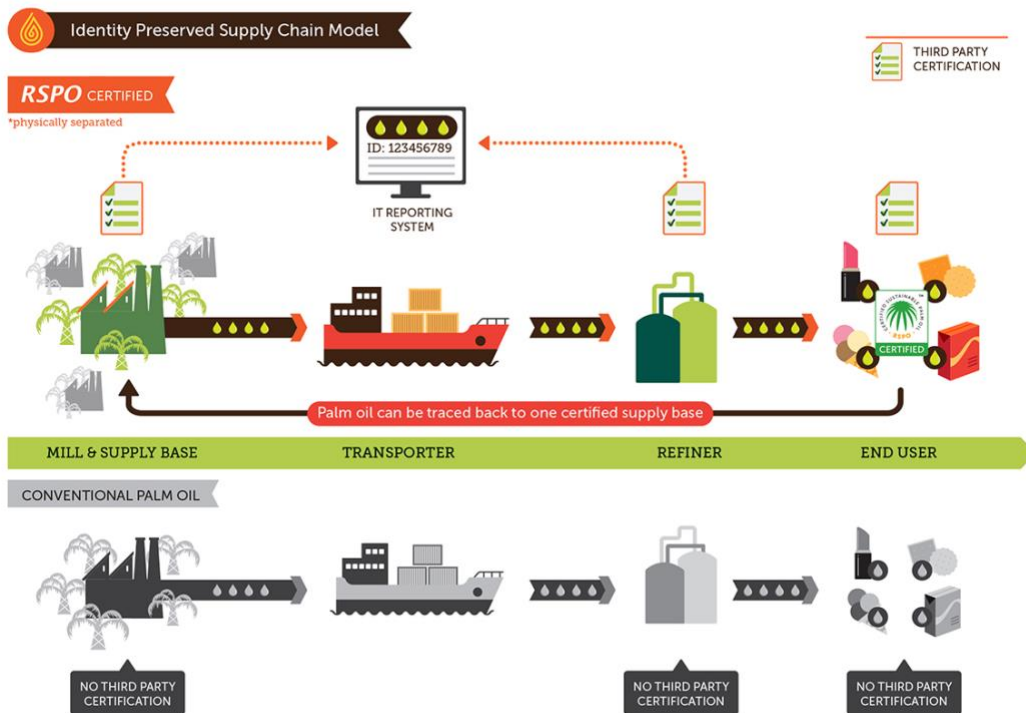


Figure 1: Identity Preserved Supply Chain Model

The Identity Preserved (IP) model is perhaps the RSPO’s most transparent supply chain model publicly available. IP palm oil can be traced back to one certified supplier. Thus, IP ensures that the CSPO delivered to the end user is uniquely traceable to its origin mill and supply base. Palm oil sourced through IP is also sure to have been physically isolated from other palm oil products from other mills at all stages of the supply chain to assure that it has not been contaminated.¹²⁷ As such, anyone purchasing the RSPO’s IP CSPO can easily identify which plantation the product came from. A major drawback of the IP model, however, is its cost. Because the palm oil has to be transported and kept separate from other palm oil products, only a low volume of palm oil within this system

¹²⁷ Gerrit van Duijn, “Traceability of the Palm Oil Supply Chain,” *Lipid Technology* 25, no. 1 (January 2013): 18.

can be transported at any given time; moreover, the associated cost and low volume makes it the most suitable for “niche market products.”¹²⁸

¹²⁸ Ibid.

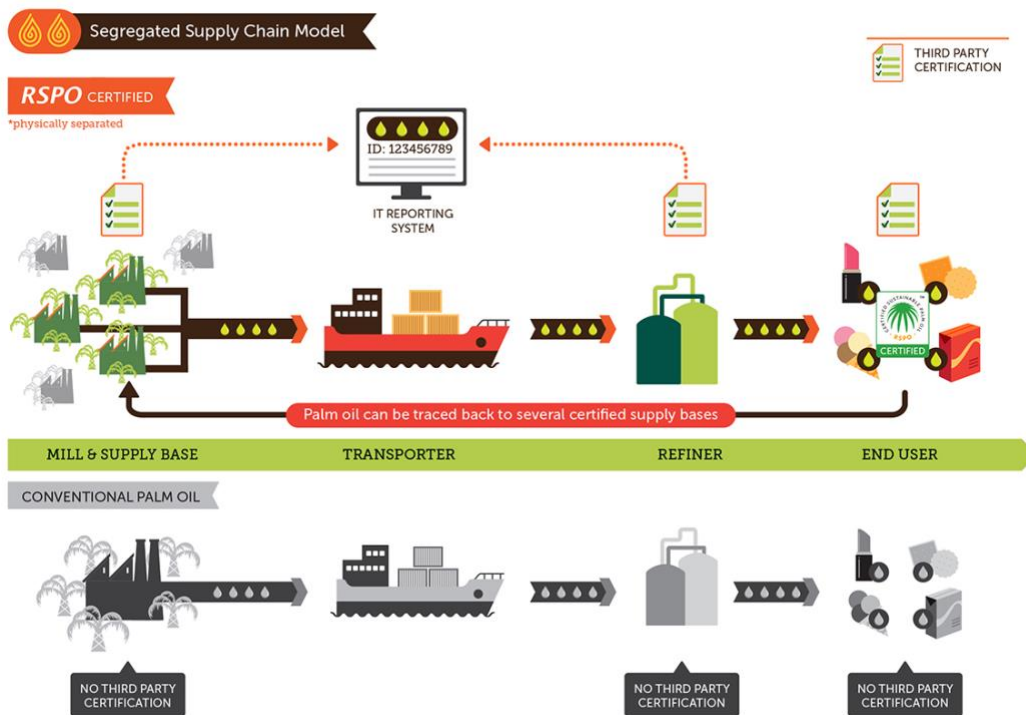


Figure 2: Segregated Supply Chain Model

The Segregated (SG) model is a bit more flexible than the IP model in terms of procedures for CSPO. While the SG model still does not permit mixing of CSPO with non-certified palm oil, it allows mixing of RSPO CSPO from a variety of certified sources.¹²⁹ From the above image, we see that palm products come from various RSPO certified plantations. As the palm products move through the supply chain, they can be mixed together, thereby allowing for end products that use certified palm oil from various sources. While the SG model allows for some assurance that the palm oil comes from varying certified sources, because of the less stringent measure that allows for

¹²⁹ van Duijn, "Traceability of the Palm Oil Supply Chain," 18.

mixing, it will be almost impossible to tell which plantation palm oil products within this model come from.

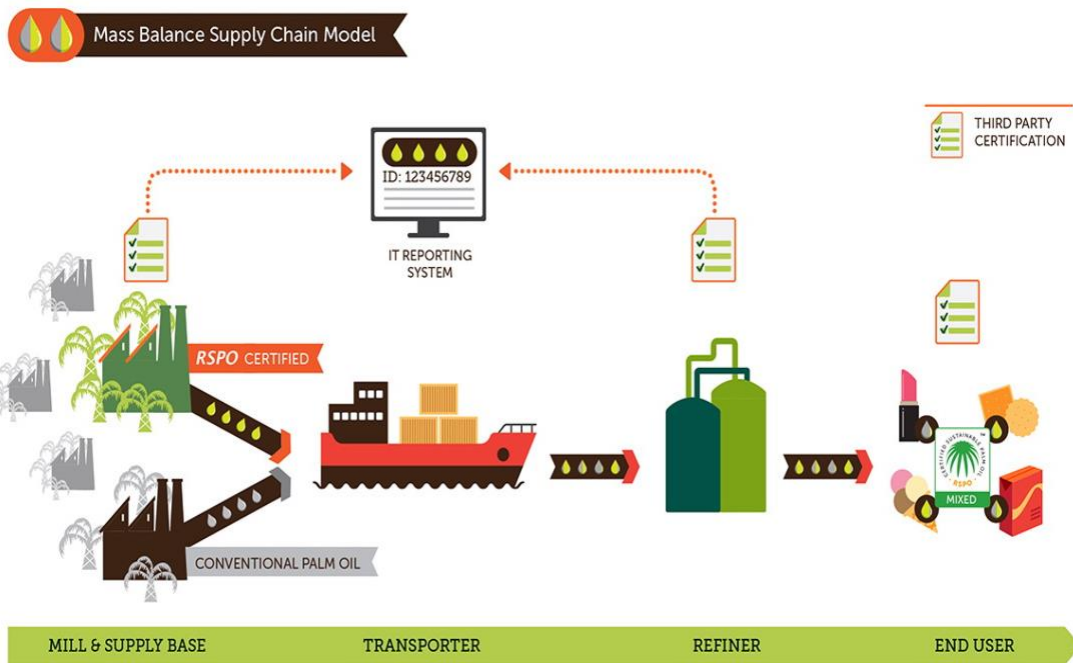


Figure 3: Mass Balance Supply Chain Model

The Mass Balance (MB) supply chain model is one of the RSPO’s more problematic and least traceable palm supply chain. Under this model, palm oil from certified and uncertified sources can be mixed throughout the supply chain. As depicted in the above illustration, RSPO certified palm oil and “conventional,” “ordinary,” or more aptly, uncertified palm oil eventually get combined at the transportation stage of the supply chain. Once they get to the refinery and then to the end user, it becomes impossible to distinguish whether or not a batch of palm oil originated from a certified plantation or mill. Consequently, brands that procure their palm oil under the MB model can claim that the palm oil used in their products are RSPO CSPO and thus sustainable. Meanwhile, this is a technicality as even the brands do not know what portion of the

palm oil actually originated from a certified plantation, or if it even contains any RSPO CSPO.

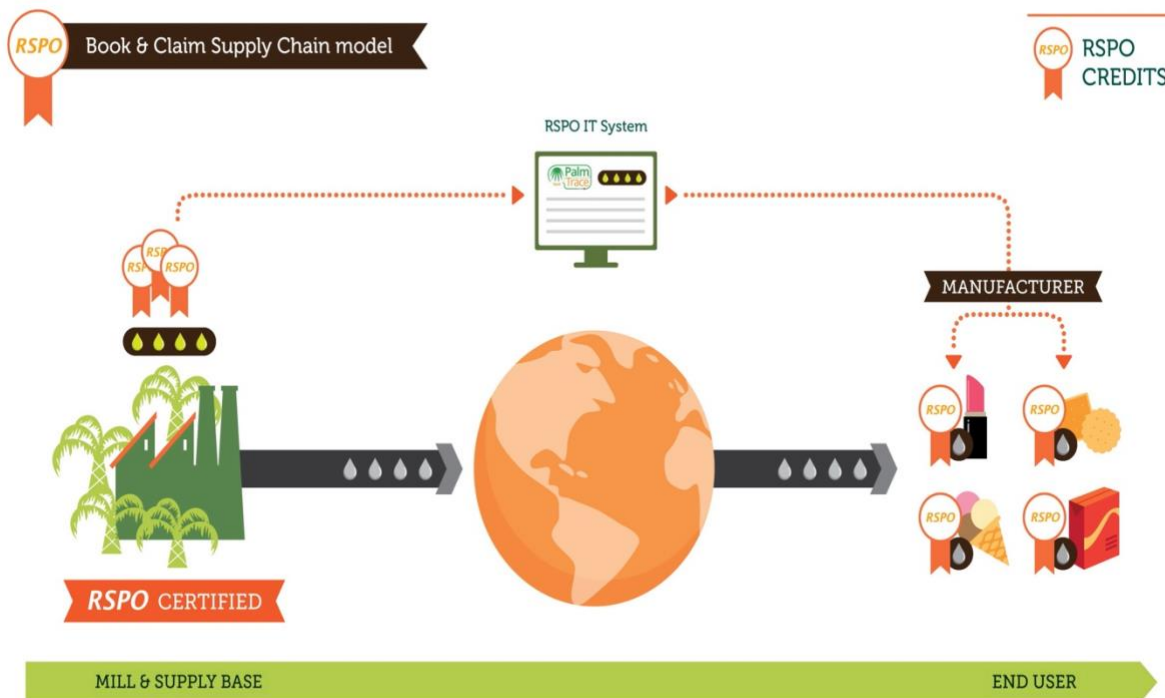


Figure 4: Book & Claim / RSPO Credits

The B&C model allows end users, manufacturers, or retailers to purchase credits from RSPO certified plantations and mills. The B&C model was initially set up to stimulate the demand for CSPO. RSPO certified palm oil growers can transform each certified tonne of palm product to certificates (thus, each tonne equals one certificate).¹³⁰ By purchasing certificates or credits from already certified palm oil growers, buyers are allowed temporary access to the supply chain until they can access suitable traceable supply chains.¹³¹ However, while this market access supports and promotes CSPO and certified plantations, there is no guarantee that what a buyer ends up with is actually

¹³⁰ "What is GreenPalm?" About GreenPalm, GreenPalm Sustainability, accessed June 14, 2021, <https://greenpalm.org/about-greenpalm/what-is-green-palm>.

¹³¹ "Why GreenPalm makes a difference?" About GreenPalm, GreenPalm Sustainability, accessed June 14, 2021, <https://greenpalm.org/about-greenpalm/why-greenpalm-makes-a-difference/book-and-claim-supply-chain-model>.

CSPO.¹³² Moreover, buyers and brands abuse this model by claiming that their palm oil is sourced through sustainable supply chains, when this is not the case; B&C is essentially an affordable and accessible option for brands to purchase RSPO endorsed palm oil.¹³³

It appears that out of all of the RSPO's supply chain systems, only the IP and SG models actually guarantee, to a significant extent, true traceability and full certification of the palm oil that moves through the chains. MB and B&C, unfortunately, fail to provide the necessary transparency to justify the sustainability claims attached to the models. The cost, however, of the IP and SG models make them inaccessible for most buyers and brands. According to the World Wildlife Fund's 2019 Palm Oil Buyers Scorecard, a significant amount of palm oil used in supply chains is still uncertified (about 41.8%), while MB palm oil makes up about 27.2%.¹³⁴ Furthermore, it appears that IP and SG make up a combined 16.3% of the supply chain, while B&C is about 14.3%.¹³⁵ What these numbers demonstrate is that a significant proportion of palm oil buyers still defer to the MB model which has less stringent requirements for palm oil certification. As such, brands can purchase palm oil through this supply chain, while making claims of sustainable palm oil use and still be technically correct. Supply chain models that allow for unsubstantiated assertions of sustainability further demonstrate how the RSPO's certification and eco-labels are misleading to the average consumer, as

¹³² GreenPalm Sustainability, "What is GreenPalm?"

¹³³ "Palm Oil Supply Chains," Palm Oil Investigations, accessed June 14, 2021, <https://www.palmoilinvestigations.org/palm-oil-supply-chains.html>.

¹³⁴ "How Are Companies Performing As A Whole?," Palm Oil Buyers Scorecard, accessed June 15, 2021, <https://palmoilscorecard.panda.org/analysis>.

¹³⁵ Ibid.

they do not paint the full picture of the environmental costs still associated with the “sustainable” palm oil product.