

Contested sustainability standards in Indonesian agriculture

Citation for published version (APA):

Wijaya, A. (2017). *Contested sustainability standards in Indonesian agriculture: on the process of claiming government authority*. [Doctoral Thesis, Maastricht University]. Datawyse / Universitaire Pers Maastricht. <https://doi.org/10.26481/dis.20170927aw>

Document status and date:

Published: 01/01/2017

DOI:

[10.26481/dis.20170927aw](https://doi.org/10.26481/dis.20170927aw)

Document Version:

Publisher's PDF, also known as Version of record

Please check the document version of this publication:

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Summary

Contested sustainability standards in Indonesian agriculture:

On the process of claiming government authority

Over the last twenty years, we have seen a proliferation of private sustainability standards and certification schemes addressing the production of agricultural commodities in Southern countries. Most of these approaches are developed by Northern-based businesses and nongovernmental organizations (NGOs) or by partnership arrangements between them. In the meantime, a very complex and often confusing system of sustainability standards and certifications has materialized. In this dissertation, we argue that Southern governments, such as Indonesia, need to reconsider their authority in the market system. This process of ‘claiming authority’ creates many tensions, as it is being realized in a decentralized and fragmented government system through various institutional arrangements. We also observed that in recent years, Southern governments developed public alternatives as a form of reclaiming public authority over private standards and certification schemes.

This dissertation explores how the Indonesian government positions itself in the sustainability contestations and the different ways Indonesia claims its authority in the confrontation with Northern-based private standards and certifications. Therefore, this dissertation aims to answer the following three main questions:

1. How and why is the Indonesian government involved in sustainability contestations in the agricultural production of plantation crops?
2. What challenges do these involvements create for the government and how does the government respond to these challenges?
3. What do these involvements imply for viable forms of government interference in the process of creating a more sustainable agricultural production?

In our research, we particularly focused on the different ways through which the Indonesian government claims its authority in various institutional arrangements. See the table below.

Institutional arrangements	Chapter 2		Chapter 3	Chapter 4	Chapter 5
	RSPO (private certification)	ISPO (public certification)	Development partnership projects (SCPP)	Mediated partnership (Motramed)	Extension
Initiator	Top-down	Top-down	Top-down	Bottom-up	Top-down
Scale	International	National	- International - National - Regional/local	Regional/local	- National; - Regional /local
Tensions	- Public and private responsibility - Global and local values - Knowledge to practice	Knowledge to practice	- Public and private responsibility - Global and local values - Knowledge to practice	- Public and private responsibility - Global and local values - Knowledge to practice	- Global and local values - Knowledge to practice

Chapter 2, *‘Toward a new scenario in agricultural sustainability certification? The response of the Indonesian national government to private certification’*, analyzes a new development in the relationships between private sustainability standards and governments; one in which southern governments reclaim the authority from mainly northern-based businesses and NGOs. It examines how the Indonesian government, a forerunner in this field, responds to the private certification of palm oil (RSPO). The results of this in-depth study are compared with similar trends in the coffee and cocoa sector in Indonesia. The chapter observes that a change takes place from a nonresponsive stance, a modest involvement in terms of sustaining the implementation of private certifications, to an active development of alternative public national standards and certifications. The chapter defines some factors that facilitate the development of Southern public standards as an addition or alternative to private regulations and reviews the implications for the future of private standards and certifications.

Chapter 3, *‘Governance challenges of cocoa partnership projects in Indonesia: Seeking synergy in multi-stakeholder arrangements for sustainable agriculture,’* gives a clearer illustration of the claiming process in the decentralized and fragmented governance system in Indonesia. This chapter investigates multi-stakeholder arrangements initiated by businesses and NGOs from the North that aim to enhance a more sustainable agricultural production at specific localities in Southern countries. We aim to better understand the search for concerted action in multi-actor arrangements. Therefore, this chapter presents a diagnostic framework with three strategic challenges the partnership projects are facing: linking global economic objectives to local needs, values and interests; bridging public and private interests and responsibilities; and seeking trade-offs between social, environmental and economic values. Starting from the partnerships’ Theory of Change, this diagnostic framework is applied to comparative case-studies of partnership projects in the cocoa sector in Indonesia, which are part of a Northern-based public-private partnership to improve farmers’ prospective. It is concluded that the economic reality faced by the farmers differs from that of the Northern actors; collaboration with

governments is difficult because of different organizational cultures; and the partnership projects underestimate the strength of vested social relations the smallholders are part of. Overall, the initiators of the partnerships seem to work with a too restricted economic interpretation of the local reality.

Chapter 4, *'The mediated partnership model for sustainable coffee production: Experiences from Indonesia'*, investigates how a bottom-up agricultural development project, rooted in the practices of the smallholders and their (local) networks, might relate to global sustainability standards and certification schemes. Such an initiative starts with the economic interests of the farmers and may result in sustainability certification afterwards. The chapter particularly investigates an approach to implement a more sustainable coffee production at the local level in Indonesia - the Mediated Partnership Model (Motramed). We conceptualize this model, initiated by an Indonesian research institute, as a form of collaborative governance to create a new, more sustainable management practice. We particularly focus on four critical mechanisms in the partnering process: defining a common problem, building trust, exploring collaborative advantages and the leadership role. Empirical research was conducted in three regions; Bali, Flores and Java. In the conclusion, we define several critical factors that need to be addressed to further develop similar bottom-up partnerships for more varied agricultural commodities.

The last empirical chapter, Chapter 5, *'Public agricultural extension workers as boundary workers: Identifying sustainability perspectives in agriculture using Q-methodology'*, examines the role of public extension workers as boundary workers in Indonesia. We conceptualize good boundary work as the ability to develop a similar perspective on sustainable agriculture by extension workers and their respective farmers. A similar perspective implies that extension workers have fulfilled their function as boundary worker in translating the abstract concept of sustainability into salient knowledge for farmers. We used Q-methodology to analyze perspectives on sustainability, which resulted in two perspectives; the technologist and the environmentalist. The technologists perceive sustainable agriculture as the use of organic pesticides, and they strongly agree that the responsibility for sustainable agriculture belongs to extension workers. The environmentalists value the environmental aspects of sustainable agriculture. The chapter describes three case studies that differ in the quality of their extension work. Good boundary work needs some prerequisites; highly motivated extension workers; the ability to gain trust from farmers; willingness of farmers to adopt new knowledge from extension workers; and government support for extension.

Regarding our first research question - government involvement - we observe a noticeable difference between the national government and local governments. At the national level, the government reclaims its authority over private standards and certifi-

cation through the development of alternative and competing public regulations on palm oil, coffee and cocoa. A different form of claiming national authority became apparent in our research of the partnership projects where an NGO collaborates with the district government. These partnership projects are currently being developed in many districts in Indonesia. As a reaction, the national government tried to claim its authority in these types of arrangements by indirectly regulating the activities of international civil society organizations in Indonesia. Through a Memorandum of Understanding (MoU) at the national level between the NGO and the ministries, the government strengthened its grip on these arrangements. Our research at the local level reveals a different way of claiming government authority. In general, local governments seem to be more pragmatic in their reaction to external attempts to induce a more sustainable agricultural production. They are more inclined to consider what would serve their own interests, such as regional economic growth and resources for regional development, even though the progress of the projects differs from district to district. We also observed some animosity between district governments and provincial governments, as district officials tend to operate independently of provincial policies. Local governments play a more active role in the mediated partnership projects, as it is ensured that the project activities fit into their regional strategy and policies. In these cases, the local governments and other actors together set the agenda to realize collective advantages, with local governments actively involved in the implementation process. Different from partnerships at the national level, which tend to lead to complex multi-level coordination problems, local governments can work in smaller scope projects in which all involved parties can explore their respective advantages. A similar pattern became visible in our research on the performance of agricultural extension. Since the decentralization period, extension is determined by the interests of local governments. Consequently, the quality of extension services differs from region to region. With the support of local governments, extension workers are more motivated to perform their role as boundary workers than if they were not to receive any support.

Regarding our second research question, challenges and responses, we observe that various problematic issues hinder the process of developing government authority for a more sustainable agricultural production of plantation commodities such as coffee, cocoa, and palm oil. First, the overly formal and bureaucratic process in governmental offices may slow down the progress. Second (and related), we observe problematic communication and coordination processes between governmental offices in Indonesia. Third, the bureaucratic process goes together with a very personalized way of governing, in the sense that it is important to know the right people to effectively find your way in the bureaucracy. Fourth, the restricted definition of sustainability that Southern actors adhere to may pose a barrier to achieve a more sustainable agricultural system. Sustainability standards interpreted by the Northern actors mainly serve the consumers'

interests in an environmentally friendly and socially responsible production. The Southern actors tend to consider these aspects as less important than economic profit. Fifth, the Indonesian government gives less priority to export-oriented commodities (coffee and cocoa) compared to rice which results in generally poor extension services.

Regarding our third research question, interference of the government in processes toward a more sustainable agriculture, we consider three potential futures for the Indonesian government. We defined them as Accommodating the global market; Countering the global market; and Fostering the partnership model. Regarding the last-mentioned future, we discuss some new approaches that were initiated during our dissertation research: the FAIR partnerships, the landscape approach, and the jurisdictional approach. We argue that none of these approaches seems to be able to transform traditional production methods in sustainable ones on their own. In our view, a viable theory of change would explore how the approaches can be related to each other as parts of a more elaborated approach. This approach would primarily seek connections between the strengths of the different ways forward. This, however, requires an overall national vision on the future of the production of agricultural commodities, strong strategic thinking, as well as the development of an operational implementation strategy. Such an approach cannot be developed by a single government agency, at one level, or only by public actors. It requires a national public-private multi-stakeholder platform to foster the dialogue. Regarding follow-up research, we suggest working out the relationships between the different ways forward in scenarios based on an overall vision regarding a more sustainable production of agricultural commodities.