

# Constraint, conviction, or convenience?

*The adoption of environmental standards  
among palm oil growers in the Colombian  
llanos*

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# Abstract

Colombia, now the fourth producer in terms of volume worldwide has experienced a sustained expansion of cultivated areas and production yields. Following policy incentives, access to markets and increasing international demand, palm oil production has consolidated as a profitable agroindustry among agricultural production in the country. Growth of cultivated areas and production is expected to continue and so the sector has become under scrutiny given the environmentally and socially degrading practices attributed to palm oil production.

Yet, expansion of new cultivated areas with palm has taken place in the eastern high planes known as the llanos where palm has not replaced natural forest and the land is considered apt for agricultural activities. The environmental and social impacts from palm oil production in Colombia are not comparable to those in south-eastern Asia and the country has a tradition of environmental governance institutionalism in charge of managing natural resources and harmonize agricultural policy. Despite this different context, Colombian palm growers lead by their business association Fedepalma adopted and periodically revise RSPO standards in an effort to increase the volume of certified palm oil and adopt environmentally sustainable practices. However, the high costs of certification, the natural, social conditions and institutions involved would indicate there are no incentives for Colombian producers to adopt those standards. Through qualitative interviews and participant observation, the aim of this thesis is to understand this phenomenon and explore the factors that drove Colombian palm oil growers to adopt and attribute legitimate authority to RSPO standards as an acceptable governance system for the sector. Drawing from elite theory, Weberian notions of authority and theoretical foundations of environmental governance, I took upon an exploration of the elites in this sector and their control and influence over institutions to understand what drove them to engage in a top-down adoption of these environmental standards. In doing so, I set to answer a second research question which inquires about the real potential of these standards to deliver sustainable and inclusive development. The discussion is framed within the limits to this transformation, which I found to be weak institutional State capacity and the willingness and ability of the elites to adopt regulation bring about the kind of societal change that is conducive to sustainability in the palm oil sector.

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*Caminante, son tus huellas  
el camino y nada más;  
Caminante, no hay camino,  
se hace camino al andar.*

*Antonio Machado*

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*Mitosis es...*



# List of Abbreviations and Acronyms

<b>Abbreviation/Acronym</b>	<b>Original Language</b>	<b>Translation</b>
<b>AUC</b>	Autodefensas Unidas de Colombia	United Self-defence groups of Colombia
<b>CNMH</b>	Centro Nacional de Memoria Histórica	National Center for Historical Memory
<b>CONPES</b>	Consejo Nacional de Política Económica y Social	National Council of Economic and Social Policy
<b>DNP</b>	Departamento Nacional de Planeación	National Planning Department
<b>FARC-EP</b>	Fuerzas Armadas Revolucionarias de Colombia	Armed Revolutionary Forces of Colombia
<b>FEDEPALMA</b>	Federación Nacional de Cultivadores de Palma de Aceite	National Federation of Palm Oil Growers
<b>MADR</b>	Ministerio de Agricultura y Desarrollo Rural	Ministry of Agriculture and Rural Development
<b>MADS</b>	Ministerio de Ambiente y Desarrollo Sostenible	Ministry of Environment and Sustainable Development
<b>NSMD</b>	Non-State Market Driven governance systems	
<b>RSPO</b>	Round Table on Sustainable Palm Oil	
<b>WWF</b>	World Wildlife Fund	



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# 1 Introduction

*“We must plant African palm at all times, not a day should go by without planting African palm”*

These foretelling words by former Colombian president Alvaro Uribe in 2004 epitomize years of official state policy and visions of an agro industrial model to develop the Colombian agro (Kalmanovitz & López, 2005). Such a vision to foster this commodity marks the continuation of a process of incentives to expand cultivated area, and grow production for internal use. When coupled with increase of global demand, earlier neo liberal policies of opening markets and specialization stemmed from economic comparative advantage embeds palm oil production in a global capitalist model of production where environmental degradation, social conflict and persisting control of the elites over natural resources and institutions find breeding ground.

Colombian institutional capacity for environmental governance and regulation has become increasingly weaker for reasons I discuss later in this thesis. Yet some prominent members of the elite within the palm oil sector as well as some of its younger members have pushed in recent years for the sector to adopt tighter sustainability standards and certification schemes, in particular to adopt the Roundtable on Sustainable Palm Oil Principles and Criteria (RSPO). A first look to this puzzle would indicate we stand before an operation of image-washing incentivised by a sectoral self-interest to maintain access to some key markets and increase revenues. However, a deeper look into the context, actors and their strategies reveals a more complicated picture of institutional decline and replacement for private governance scheme and how a particular economic elite deemed legitimate and recognized the rule-making authority of RSPO, or what Cashore (2002) refers to as Non-State Market-Driven Governance System.

Moreover, adding to this puzzle and, in order to understand the caveats under which this societal change takes place it is important to understand the historical socio-

political context in which elites have operated, domestic environmental ideology has developed and institutions for governance have been crafted, declined and co-opted.

The emergence of the Colombian State represents a real paradox for political scientists and historians (Palacios, 2006), (Palacios & Safford, 2012), (Acemoglu, Robinson, & Santos, 2013), (Rodríguez-Franco, 2016). A weak State by many measures, (see for example (Soifer, 2016)) with a fragile presence over its territory and least control over the monopoly of violence, precariously consolidated by elites with strong regional influence has held traditionally democratic institutions and economic growth. Still poverty, inequality and political violence persists up until today. Armed conflict, profitable illicit economic activities and nexus between conflict financing and licit economic sectors adds to the complex setting in which government institutions and elites balance rent-seeking behaviour with attitudes of social leadership (Amsden, DiCaprio, & Robinson, 2012). Recognizing that elites play a key role in development (by initiating reform, redistributing resources, building capacity and adapting international best practices to local conditions) understanding what influences their decision-making, the institutions they adapt and how they recognise the legitimacy of governance systems, contributes to our understanding of how to align elites' objectives with national development goals (Bull & Aguilar-Støen, 2016) and systems that foster environmental sustainability.

This thesis draws from the literature on the role of elites in sustainable development, current trends of environmental governance in Latin America and Weberian concepts of authority legitimacy and power for social control to understand how RSPO as a body of regulation and governance came to be adopted by palm growers. Moreover, it seeks to understand the potential of that normative system to bring about sustainability measures for a sector with many an environmental challenge. Finally, the thesis also considers the variable of armed conflict, which I argue must be considered when studying Colombian political economy, elites and State institutions. Even when it is not a central issue in this thesis, accounting for the armed conflict which, influenced elite behaviour, choices of institutional architecture and connected licit natural resources to criminal and armed activity, helps understand what elements can contribute to strengthening institutions and regimes of environmental governance. Moreover, understanding key actors positions with respect to the armed conflict

provides a better understanding of their political stand and the economic decisions they are most likely to make or to understand those choices.

After former president Uribe conjured those words, the area cultivated in Colombia and production of crude palm oil has grown at a sustained level, to the point that today, Colombia is the fourth producer of crude palm oil in the world (FAO, 2019). The issues around this commodity thus remain relevant for a country that has historically struggled with urban-rural inequality (Kalmanovitz & López, 2005) and is highly fragmented. The State apparatus has uneven and dissimilar capacity in many regions and so norms and the rule of law is unevenly enforced. Precisely the adoption of RSPO standards is an operationalization of the measurement of State capacity and elite leadership in advancing sustainability. Whereas some regions with better connectivity and state presence has been able to

## **1.1 Rationale and Motivation**

### **1.1.1 Production process and uses of palm oil**

The variety of palm tree that produces oil and which is the object of this research, originates from West Africa. Hence, throughout the text I will use ‘African palm’ and ‘oil palm’ interchangeably to refer to the plant from which a large number of agroindustrial products are extracted and processed (Van Gelder, 2004). Indeed, African palm production is not limited to the extraction of raw oil. From its fruits, kernels, and meal palm oil and other products are extracted and used as raw materials of various industrial processes in the food, cosmetic and chemical industries. Increasing amounts of palm oil are consumed all over the world, as an ingredient or input in production chains of numerous products manufactured by a large number of industries. Palm oil is ubiquitous in food products, soaps, and biofuel making it the most consumed oil in the world (FAO, 2019).

The production of palm as a fast growing sector which in 2018 resulted in revenues near the 600 million dollars in exports for Colombian producers. Given its high yielding volumes and land use efficiency in comparative terms, world producers are

pressing to position the commodity as an efficient and more sustainable alternative source of energy. However, it's contradictors-particularly NGOs and certain political forces in the EU - argue that the environmental impacts outweigh any benefits from employing palm oil as a “green” or “bio” fuel. Moreover, increasing concerns that biofuels from agricultural crops take up land that would otherwise be used for growing food, and its effect on food prices are motivating NGOs and other environmental organizations to call for the EU to lash out its subsidies for biofuel from palm oil thus cutting demand by a major importer (Keating, 2019). These contradicting views call for research into this sector, to scratch the surface of the sector and its dynamics and actors in their role in Colombia’s uneven development.

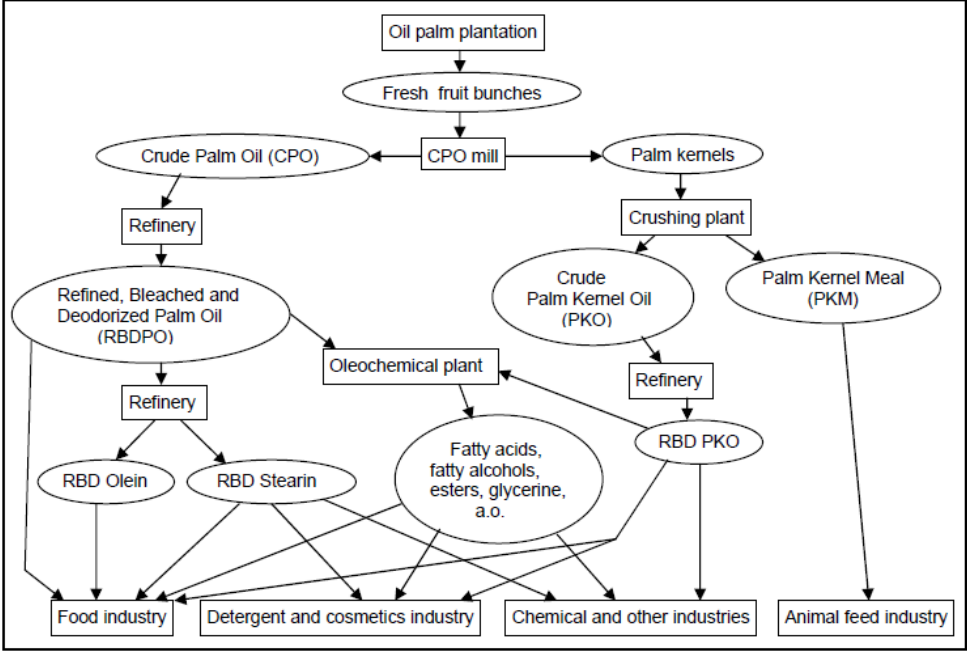


Figure 1 Production Chains of Palm Oil (van Gelder, 2004)

Figure 1 summarizes the uses of palm oil in a variety of industrial processes. In the course of this research, I visited a palm plantation and a CPO mill. The figure does not show the first stages of the process consisting of seed processing, plantation, plague control, polinization, harvesting and transport. As I will discuss, they require the employment of significant labour and a degree of technicalization. It is during those first stages of the palm process where conflict over land and resources take place and

where institutions of governance are called to mediate the power struggles in order to deliver a more inclusive development model.

The oil palm thrives in a humid tropical climate where temperatures remain between 24- 32 degrees throughout the year in regions near the equator, at altitudes below 700 meters. Palms require large amounts of water and a humid environment. The palm tree reaches maturity after 4 year and will yield fruits for 20 to 25 year, reaching peak production between the sixth and tenth year and each palm tree can reach more than 10 meters (Van Gelder, 2004). A new variety of palm tree referred to as ‘hybrid’ developed by genetic modification is now the most widely used variety of palm. This palm tree is engineered to be more resistant to plagues and diseases, yields higher levels of oil and has a lower height growth than its African cousin, reaching about 3 meters upon becoming mature.

Palm production and harvesting requires fruit recollection and maintenance of the plant to be carried out by hand. In comparative terms it is labour intensive production requiring manual work. The new variety of palm named hybrid, makes more efficient the production and collection of the fruit as workers do these activities by hand. It also makes the plant more robust and exuberant, with its leaves becoming thicker than the original palm. I noticed this when I first arrived to the palm plantation I visited in the department of Meta, eastern Colombia. What appears a lush exuberant forest is actually neat rows of thick stumps with massive branches protruding in every direction. Once harvested and cut from the palm, the fruit must be processed within 24 hours to avoid the natural oxidation process that reduces the oil content. Therefore, processing mills must be located close to the production sites.

The processing and production of palm oil requires and intensive use of land and labour. Its long term yield and the organization of the means of production and structures supporting its production are far from traditional peasant (campesino) structures of crops, cycles and foodstuffs. This makes palm oil production and the structures, and labour relations around it, resemble more an urban factory than an agricultural activity (Ocampo Valencia, 2009).

The various uses of palm oil and its derivatives, together with the transitioning towards alternative sources of energy means that the demand and expansion of this agricultural

good has been increasing yearly in Colombia. The government and the business elites increasingly push the expansion of this agroindustry under the prospect of productivity, comparative advantage, and demand in the global capitalist system resulting in increasing revenue.

The Colombian palm sector faces an international challenge. There are increasing calls for the reduction or altogether ban of palm oil given the violations to human rights, poor working conditions and loss of biodiversity by companies operating in the world's largest producers -Indonesia and Malaysia- (Painter, 2007). The loss of access to, for example the European common market, would collapse the sector as around 48% of total palm oil exports are destined to Europe (Rueda-Zárte & Pacheco, 2015). In order to keep their market participation, Colombian palm oil companies and its business organization, Fedepalma, are turning to mechanisms of environmental governance in the form of international certifications by the Roundtable of Sustainable Palm Oil (RSPO). I argue that international market incentives and a generational shift of the elites are a set of factors driving the palm sector and its elites into implementing sustainable practices and standards. These factors are driving the sector into becoming a more sustainable while keeping access to international markets and position their product as an agricultural good fitting a development model of rural technicalization.

### **1.1.2 The state of affairs**

In 2017, the total area cultivated with palm plantations in Colombia was 512,076 hectares, 40% of which are located in the eastern regions (zona oriental) of the country, where most of the fieldwork for this study was conducted. Currently this eastern region leads production and area nationwide, where only the department of Meta represents 30% of the total area and 33% of the production of palm oil nationwide (MADR, 2017).

Domestically, the productive apparatus of palm oil and its derivatives accounts for 6% of the total agricultural production of Colombia and it is estimated that production will continue to grow continuously (Fedepalma, 2017). Moreover, the sector accounts for more than 150,000 jobs between direct or indirect employments (Fedepalma, 2017).



The productive chain from cultivation to processing and refinement involves more or less complex agroindustrial structures where the modes of production, labour and land use are intensive and require long-term investments.

The performance and yield of palm compared to other oleaginous species such as soy and rapeseed make it an attractive commodity, as it requires less land to meet the world demand for vegetable oils and fats as compared to other plant sources. Palm is an efficient source of natural oil, yielding 3,7 tons of oil per hectare compared to soy which yields 0,5 tons of oil per hectare (Fedepalma, 2017). Some estimates place palm oil as the world's most produced, consumed and traded vegetable oil, accounting for about 38% of global vegetable oil consumption in 2014-2015 yet using only 6,6% of the total land destined for oleaginous crops (WWF, 2016). As evidence and global trends suggest, the demand for this commodity and so production is set to increase, thus creating the market incentives for the expansion of its production in Colombia.

In addition, the expansion and increase in production of palm oil in Colombia has taken place under an enabling legal and policy framework that has boosted demand and lifted production (Marin, Lovett, & Clancy, 2011). For instance, since 2002 a series of legal and policy instruments have supported and created the incentives for production and consumption of biofuels and particularly biodiesel (derived from crude palm oil) by means of tax exemptions, price controls and obligatory blending targets (Law 939 of 2004, CONPES 3477/2007, CONPES 3510/2008).

Praise for biofuels regard them as cleaner alternatives to fuels from fossil sources for their potential to reduce overall emissions of carbon gases and for coming from renewable sources. These incentives, paired with global increases in demand for vegetable oils used in the food and cosmetic industry result in an overall increase of crude oil production in Colombia, surpassing the benchmark of 1,627,572 tons of crude palm oil in 2017. Of the total production approximately 40% is used for transformation into biodiesel mainly for domestic consumption due to blending quotas set in place by the government years ago (Fedebiocombustibles, 2019) (Fedepalma, 2017).

The socio-economic context and enabling policy environment, under which palm oil production in Colombia develops, has given way to an agro industrial model where Colombia has a comparative advantage and established trajectory of production.

Moreover, the country's aptitude and vocation for this commodity translates into projected increases and expansion of production in the sector (Fedepalma, 2017). Notwithstanding these projections, the expansion and production of this crop faces extensive backlash.

Despite its efficiency and prospects to bring about economic growth, the industrial and agrarian structures supporting the chain of production of palm oil require considerable investments of capital and land ownership (CNMH, 2016). Indeed, 80% of the productive units of cultivated areas of less than 50 ha, representing 4.7% of the total cultivated area. Conversely, 1.5% of productive units with an area greater than 2000 ha constitute 41.2% of the total cultivated area (Kalmanovitz & López, 2005). This high concentration of land ownership implies that palm is a capitalist commodity under the definition of Miller. Accordingly, here I employ the term capitalist commodity as one that is produced under the model of a plantation, requiring extensive areas of land, labour in the form of salaried workers, high levels of investment and use of capital goods, a corporate structure of management and ownership and a degree of industrial processing (Miller, 1983). These attributes of a capitalist commodity imply a number of environmental and social considerations that make the critical assessment of palm production more nuanced than what a purely economic/efficiency argument entails.

Globally, cultivation area and production is concentrated in south-eastern Asia, with Indonesia and Thailand as the main producers. In these countries 3.5 million hectares of natural tropical forest coverage have been lost to new palm plantations between the years of 1990 to 2010 (WWF, 2013). Such a rapid expansion has exerted a social and cultural toll on the communities that depend on the forest and the natural ecosystems for their livelihoods. Access to food, water and sites of cultural heritage of indigenous peoples are jeopardized and face loss at the expansion of palm plantations as well as loss of traditional territories (WWF, 2016). This thesis will also assess the dynamics of land use, land access and the asymmetrical relations established between small-scale farmers/land owners and regional elites and agroindustrial business. Agroindustrial complexes as part of chains of commodities are embedded in the global markets and so lead to capitalist dynamics of accumulation and dispossession (Hough, 2011). In this sense, the structures sustaining the production of palm is a potential source of social conflicts and the perpetuation of inequality and dispossession.

On the other hand, according to the Intergovernmental Panel on Climate Change report, 24% of total emissions of climate gases come from agricultural processes and land use change (IPCC, 2014). As such, even when in the top world producing countries, natural forests are cleared out to give way to palm plantations, in Colombia the expansion has taken place mostly in natural savannahs and high-planes (Fedepalma, 2017). Moreover, some technical studies (García & Calderón, 2012) established that in Colombia there is net carbon capturing when palm replaces savannahs or replaces other agricultural activity. Yet the substitution of complex natural ecosystems for monocultures affects biodiversity and environmental services. For its part, the environmental degradation and conflicts arising from the expansion of palm plantations include water and air pollution, loss of biodiversity, erosion, plagues and water scarcity (García & Calderón, 2012). These environmental conflicts have the potential to escalate into conflicts over water scarcity, loss of biodiversity and social effects from affecting other economic activities (CNMH, 2016). As such the need for environmental regulations and a governance systems that distribute and manage sustainably the resources in palm production is a cornerstone for sustainability in this sector.

## **1.2 Problem statement and research questions**

This thesis seeks to understand the factors and trace the processes through which oil palm growers adopted the Roundtable for Sustainable Palm Oil Principles and Criteria as the legitimate environmental governance normative corpus. It places the emergence and positioning of the RSPO Principles and Criteria in the context of the neoliberal structural reforms of the early 2000s in detriment of the authority of established environmental regulatory State institutions. It traces and interprets the discourse of the sectors elite to understand the process and result of adopting and projecting compliance with a sustainability regulations. It places the complexity of these social interactions in the context of a weak central State swamped by waging an armed conflict and captured by political and economic elites and their use of violence.

Thus, the research questions of this thesis are:

- *What can explain the adoption of RSPO Principles and Criteria as a regime of environmental governance by Colombian palm oil growers?*
- *What is the potential of RSPO Principles and Criteria as a regime of environmental governance in making the Colombian palm oil sector more sustainable?*

These research questions make part of a more general puzzle which can lead to build more general theories for the role of global governance regimes in influencing/modifying national/local institutions for sustainable development and environmental protection. In this sense, the findings and theory sustaining the analysis of this research can be replicated in other similar cases that involve a global governance regime to understand how they come to be adopted and induce societal change where variables in determining their effects and potential include powerful societal groups with great capacity to determine change such as elites and business associations.

These questions in turn operationalize an issue with implications to a universe of cases and with implications to the development of theories in the liberal institutional political traditions addressing global governance regimes. It contributes to our understanding of how global regimes, transnational regimes can impact, influence and change local practices. This thesis can serve as a model to design and operationalize research projects with similar variable in comparable contexts.

### **1.3 Thesis outline**

This thesis is comprised of six chapters. In the first chapter I introduced the general topics and context under which this research takes place. Furthermore, I describe the rationale and motivations that lead me to select this research topic. I then present the research question guiding this thesis.

Chapter 2 contains a political historical discussion of the context under which this research takes place. It includes a discussion of the social and political characteristics of the Colombian State and the circumstances of its formation. It also discusses elite dynamics and the role played by business associations as the mouthpiece through which elites communicate with Government and influence policy.

In chapter 3 I include an overview of the literature reviewed to establish the theoretical framework that informed this thesis. I contextualize the discussions in the literature regarding the nature of international regimes of environmental governance and international regulatory institutions such as roundtables and certification schemes. I then focus on the role of the elites in their control and access over natural resources and labour and its implications over environmental governance. I draw from Weberian notions of political authority and systems of social control to understand how actors assign and accept legitimacy of normative systems.

Chapter 4 describes the methodological approach and research methods used in this thesis. I establish the epistemological and ontological positions of this research and I describe how I proceeded to apply the relevant qualitative research methods for data collection. I then describe the methods I used for the analysis of the data and the potential ethical implications of the research.

In Chapter 5 I analyse the data collected under the light of the theoretical foundations of this thesis to understand what lead some factions of the palm sector to adopt sustainability regimes and practices that gain them certification in the form of RSPO. The analysis focuses on three variables that I discuss are consequential in leading this, and potentially other sectors, to adopt sustainability standards and certification schemes. The chapter also discusses the potential and limitations to a transformation of sustainable practices for the palm oil sector.

Chapter 6 offers some conclusions and brings it all together to sum up the discussion, synthesize and point out the main findings of this thesis. I make some reflections to the research process and suggest future research in this topic.



*Figur 2 Landscape of Palms*

## 2 Background

In this section I provide a general context of the Colombian State to understand how to operationalize the theoretical concepts I employ in this thesis. Then, I go on to provide a mapping of the main actors and institutions involved in palm oil production. The context serves to position where the analysis unfolds and sets where the processes that lead up to adopting RSPO standards develop within the institutional architecture of the State.

The modern Colombian nation sits on the north-western corner of the South American subcontinent. Due to its tropical location, the temperature remains constant throughout the year and variations depend on altitude. Rainfall is abundant and constant throughout the year providing the country with abundant biodiversity, forests and complex ecosystems. These physical conditions are optimum for tropical agricultural products to thrive. However, geography and natural obstacles in Colombia has been a determining factor in its unity and the consolidation of the State's authority throughout the land (Kline, 2017). As historian Marco Palacios describes: "...the high planes divided the country, economically, culturally and politically. The Colombian Andes do not form a single mountainous chain but three imposing mountain ranges that are born just to the north of the border with Ecuador and they run more or less parallel in north-northeast direction. Even so, these three chains have been formidable barriers for the communication of the regions the Colombian regions and the interior of the country with the outside world" (Palacios & Safford, 2012).

The geographical fragmentation, argues Kline, reinforced socioeconomic and cultural differences that resulted in "an intense sectionalism" and so Colombia has never been completely economically or politically integrated (Kline, 2017). Moreover, Kline argues that during the early years of the formation of the central Colombian State, three key choices made an already weak state even weaker. First, not allowing the formation of a strong law enforcement branch of government, as it had the potential to threaten civilian government, gave way to private groups to take the place of official law enforcement. Second, the decision to allow and tolerate use of violence in the name of political parties. As such, political competition in Colombia has traditionally employed violent means as a strategy. Finally, Kline explains, the rules agreed upon by the elites to secure governance and power for themselves. He explains that even when elites

encouraged their base to take up arms against the other political party, at times, and when necessary to secure their power, elites entered into coalitions and agreements to restore power (Kline, 2017)

## **2.1 Historical socio-economic context**

This section provides a discussion of the context on the agricultural policies, interest groups and landowning elites to place the discussion on where and how this elite operates. I take upon the theses of Soifer to explain the formation of the Colombian state and why it is considered a weak one. I explore how this in turn results in inequality and violence from absence of state presence. It goes on to set the context to argue for the need of state capacity and institutions to foster governance and sustainable development.

Following military efforts led by local elites of Spanish descent to sever ties with the Spanish monarchy, the modern Colombian nation, gained its independence in 1819 (Palacios & Safford, 2012). A series of intrastate fighting between opposing political factions and visions for a model of state and government, delayed the consolidation of the modern Colombian State. Thus, in addition to difficult geography, other social and political reasons hindered the efforts to consolidate power in a centralized State. As measured in terms of its capacity to provide public goods such as education, transportation, defence etc. and a poor centralization of power, rendered a weak State.

Moreover, in Colombia the relative failure of State formation effort came from a strong political and economic regionalism, oriented around the existence of numerous, considerably large urban centres. Such urban centres were able to absorb local economic production, which resulted in limited trade within the country and amongst the regions, thus making of Colombia a “mosaic of isolated regions”. To Soifer, there “was simply no vision of Colombia as a national economic unit centred on Bogota and there was little to draw elites automatically to the capital.” (Soifer, 2016, p. 1354). In this sense, the economic self-sufficiency of the regions and their independent links to the world markets “reduced the gains perceived from provision of public goods by the



national state” and the gains perceived from the seemingly costly process of integration were limited.

As the emergence of a strong central State capable to provide the public goods and services, necessary for the consolidation of the nation and to foster development was not clear to be in their best interest, the elites hindered the formation of a strong state. As Soifer affirms “The fact that Colombia was “economically invertebrate” made the payoffs from establishing a powerful state unclear and made the path to development through the fostering of regional self-sufficiency seem plausible ...Regions were tied into the world economy “without the presence and involvement of the central state” (Soifer, 2016). A State has the capacity to redistribute wealth and resources in a way that fosters development and reduce poverty and inequality. From its origins, argues Soifer, “the striking fragmentation of Colombia underpinned the absence of a state-building project that would seek to pursue development through the provision of public goods”.

This goes on to show how from the beginning of the formation of the Colombian State, its elites have hindered efforts to embark in state-building project beyond their needs and interests. In consequence, their strategies and use of the Colombian state to advance an agroindustrial model has contributed to inequality and exclusion in the country thus fostering unequal development and the advancement of their interests even by violent means. Moreover, as elites have access to global markets they did not need the state for their economic, political needs or for the redistribution of wealth and resources. As Soifer concludes: “Colombian elites from across the political spectrum believed that development should be pursued by the elimination of state intervention in the economy. This strikingly laissez-faire ideology was “virtually a dogma” across the political spectrum for the first century after independence, and most Conservatives “were also economic liberals” (Soifer, 2016, p. 1356)

The literature suggest that this project of constructing a State set to perform only the strictly necessary functions to keep the elites interest going on begins to explain how weak institutions and poor governance over resources has resulted in great inequality. This together with the use of private violence and failure to consolidate State power and presence opened the avenues for licit production be permeated with violence and conflict. Moreover, without a strong State to set in place redistributive efforts through

land reform, the outcome was high concentration of land, a catalyser for social conflict and rural violence. As illustrated by Soifer: “In this context, we can see that the striking fragmentation of Colombia underpinned the absence of a state-building project that would seek to pursue development through the provision of public goods. This included not only transportation but also schooling... It also made no effort to undertake other aspects of state building, failing to build a national army or systematize conscription” (Soifer, 2016, p. 1357)

Low levels of wealth extraction in the form of taxation provide evidence of the weakness and fragmentation of the Colombian State. Moreover, such weakness resulted in low levels of distribution of resources as measured for example in terms of land reform and distribution (Kalmanovitz & López, 2005). In many ways, the weakness of the state in general, and the institutions in charge of governance, distribution of resources and exercise of the monopoly of violence, are at the root of the factors that have enabled the links of agroindustrial production to conflict.

The Colombian nation, inherited from Spanish colonial institutions, a model of land distribution based on the dominance and control over the indigenous population and the assignment of extensive lands to a few privileged individuals such as politicians, creditors of the government, and army officers (Kalmanovitz & López, 2005). As such, land property in Colombia has resulted in high levels of property concentration. Access to land and distribution historically has been a source of social unrest and breeding ground for episodes of violence (Beyer, 1961) (CNMH, 2016). Moreover, and in line with my argument where elites and business associations in Colombia have consistently used the State and its weakness to advance and hold on to control of the state and resources, land reform in Colombia has been historically reduced and mostly limited to the distribution of vacant land (*baldíos*<sup>1</sup>) rather than wide-ranging land reform through redistribution. As such “from the conformation of the Republic to our days, the adjudication of vacant land (to natural and legal persons, to populations and communities -religious and ethnic- and to entities of public law), has been practically

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<sup>1</sup> *Bienes baldíos* or vacant land has a legal definition under Colombian laws. It refers to land without previous owner and not being economically exploited. As such they are property of the Nation and are eligible to be assigned to claimants that fulfil all legal requirements.

the only state policy of land distribution that has had continuity over time“ (CNMH, 2016, p. 32)

However, even when the elites or the State engages in a process of land allocation- be it for the appeasement of non-elite groups or the strengthening of the State- land distribution is a limited measure that does not reduce significantly violence and conflict as a possible outcome. Assuming the State provides the material and legal protection and certainty of those property rights by means of a strong judiciary, law enforcement institutions, the monopoly of legitimate violence and provision of such goods and then the commodity and the structures of production will shield it from conflict. To be sure, being a commodity means it is subdued to the fluctuations of prices of the international market system and so highly volatile to international shocks and changes. According to estimates by Fedepalma, around 60% of the total production is exported and destined for international markets. As such, there are limitations to the agency of actors, particularly small farmers and local economies. On the other hand, the high production sold in international markets gives incentives (or constraints) to the sector, to foster a more sustainable production at all stages of the chain in production to meet international standards.

### **2.1.1 Context and background of agriculture institutions**

To the extent that coffee production became the main export and source of revenues from export tariffs, the institutionalization and organization of other sectors stagnated. With the exception of sugar plantations, bananas and cattle ranching, most of the agricultural production served only to supply local markets. As such, unstable prices created a boom and bust cycle that deteriorated income distribution. Some underlying themes determined agricultural development in Colombia: first, state intervention and protectionism, derived from a paternalistic vision of the role of government and the promotion of monopolies. Second, granting of benefits and outsourcing of state functions to pressure groups such as the Agricultural Association (Sociedad de Agricultores de Colombia, SAC) and the National Business Association (ANDI), and FEDEPALMA. Under such conditions, Kalmanovitz and Lopez argue that clientelism

came to dominate the relationship between State and population comparable to the caudillos and political leaders that instigated party violence during the decade of the forties. They further argue that under this context “It is difficult for political institutions to emerge where the principles of taxation with public representation of interests are valid, where there is accountability of politicians to their constituents and construction of a shared vision of common benefits” (Kalmanovitz & López, 2005).

The mid- 20<sup>th</sup> Century economic policy was characterized by intensive protectionism in the form of high tariffs for agricultural and industrial imports. Palacios and Safford (2012) recall a U.S report assessing that country’s diplomatic and aid program towards Colombia (Alliance for Progress) and the reluctance of the latter to introduce devaluation policies on the currency in order to stimulate exports and reduce deficit. The report notes: “Finally, when stating the reasons for the resistance to devaluation, one cannot ignore the groups benefitting by the overvalued exchange rates. These are the people who usually keep a part of their capital outside the country; that consume more imported goods and travels abroad –in a word, the oligarchy, the same people who also exercise political power in the most Latin American countries. ...the same social class that benefits from overvaluation is overrepresented among entrepreneurs who have investments in the industries of import substitution, well protected from international competition by tariffs and import licenses. In these circumstances, this social class does not have stimuli to support policies aimed at strengthening exports and curbing imports.<sup>2</sup>”

As the passage comes to demonstrate, elites and their relation with the state shape the economic and policy outcomes of a sector where they hold interests. Through their decisions and behaviour, they allow or hinder redistributive measures based on political and economic costs or by spurring elite solidarity (Rodríguez-Franco, 2016). I will discuss more in depth the role and strategies of elites in the context of palm production in the analysis chapter of this thesis. At this point, I am interested in discussing that there are groups within the Colombian society that are the owners of the means of business with close alliance to or even holding positions of political

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<sup>2</sup>*Survey of the Alliance for Progress Colombia –A Case of U.S. Aid. A Study Prepared at the Request of the Subcommittee on American Republic Affairs by the Staff of the Committee on Foreign Relations United States Senate, U.S. Government Printing Office, Washington, 1969 in: (Palacios & Safford, 2012)*

power. As such, the introduction of palm and its production system into Colombia coincides with the Import Substitution Industrialization policies fostered in the 50's and 60's in Colombia (Rausch, 2010).

In determining the economic model to implement in Colombia and aware of the fluctuation of international commodities, the Colombian elites were pragmatic in the handling of the economy during those decades (Palacios & Safford, 2012). The volatility of the bonanza cycles of commodities and the increasing costs of capital goods resulted in the elites favouring domestic industries where they had participation and policies to stimulate production and domestic consumption.

## **2.2 Context and timeline of the palm sector**

By 1945, Colombia had at least thirty processing plants and refineries of vegetable fats and oils that supplied the internal food and cosmetic industries. The industry imported most of the raw materials required for its production chains in the form of oleaginous seeds, namely soy and cotton for extraction (Rueda-Zárate & Pacheco, 2015). In line with the Import Substitution Industrialization to curb imports and promote domestic production, the Colombian government implemented a series of technical and financial instruments aimed at fostering expansion of cultivation of oleaginous crops, thus in 1957 the first palm plantations were established. Subsequent policies in the form of subsidies, tariffs and consumption boosted the total area cultivated and so by the decade of 1970 Colombia had more than 23 000 hectares of cultivated area of palm.

Around the same time, in 1962, the palm growers established the business and trade organization known as 'Federación Nacional de Cultivadores de Palma de Aceite' (Fedepalma). According to their own description, their role is to be "a business and trade organization for the oil palm agroindustry in Colombia to defend the interests of the oil palm growers, orient them in designing technological and business policies to keep them informed with the latest trends and developments in the global market for oilseeds, oils and fats". This period of expansion and consolidation came at a time where other oleaginous crops started to meander and fats processing industries adapted their facilities to process palm oil.

By the 1980's the total area of cultivated palm reached 104 000 hectares and so palm oil 'became the main link in the chain of oleaginous, fats and oils and the first oil export takes place in 1989' (Rueda-Zárate & Pacheco, 2015). The Colombian agricultural sector experienced a deep crisis during the decade of the 90's. Restructuring policies, recession and revaluation of currency slashed exports of temporary agricultural goods and gave way to permanent agricultural goods (Kalmanovitz & López, 2005), including oil palm.

The sector thus reached a level of consolidation in the 90's with the establishment of the Fund for Stabilization of Prices and the Centre for Investigation of Oil Palm (CENIPALMA), supported by Fedepalma, to advance the research and technical advancement of the sector.

The first decade of the 2000's was determinant for the expansion of the crop in Colombia. During this decade, policy instruments to incentive the production and use of biofuels and other credit programmes aimed at providing aid to agricultural producers to prepare them for the entry into force of Free Trade Agreements with Europe and the USA, consolidated the industry and its expansion. By 2017, palm plantations are found in 160 municipalities of 21 departments with a total cultivated area near the 516 000 hectares, there are around 60 extractive plants and at least 6 refineries (MADR, 2017).

Even with vast natural resources available, Colombia, like other Latin American countries has high levels of poverty, inequality (DANE, 2018), and violence. Its conflicts and obstacles to development are not due to scarcity of resources. Bull (2015) argues that there is an increasing consensus that the main explanation for differences in economic performance is variation in institutions. As such, economically prosperous countries are characterized by having inclusive political institutions such as those in charge of environmental governance. In contrast, countries with extractive political institutions, concentrate power in the hands of a narrow elite and place few constraints on the exercise of this power which in turn allows said elites to choose economic institutions enriching them in the process. More so given their insertion in the world economy, where they have access to international markets for their commodities and amass wealth.

# **3 Literature and context**

## **3.1 Environmental Governance: concepts, trends and theoretical foundations**

A review of the literature on environmental governance in Latin America intimately relates societal change to nature and natural resources. Understanding the political and economic structures embedded in Latin America society requires positioning the discussion within the backdrop of abundance of natural resources including biodiversity, foodstuffs and raw materials. De Castro, Hogenboom, and Baud (2016) argue that the extraction and exportation of natural resources following the insertion of the region into the world economic system has been the backbone to the economic, social and political development of the region. This in itself has been a source of tension and conflict among social groups and has resulted in environmental degradation, poverty and inequality. As such, access and distribution of those natural resources are arguably the key to achieving a more equitable and sustainable development.

Moreover, the authors refer to studies that show that being a provider of foodstuffs and raw materials without the proper institutional arrangements has done little to address and overcome the problems overriding Latin America such as underdevelopment, inequality, poverty, disempowerment and dependency especially, of rural communities (De Castro et al., 2016). A historical assessment of the political economy of Latin America shows the region is characterized by a capture of the State, institutions and resources by the dominating elites. More recently, access to resources, revenues and power remains unequally distributed and the structural neoliberal reforms of the late decades of the 20th century has hindered the effects of the limited redistributive policies attempted decades before. Said neoliberal reforms and global environmental movements focused attention to environmental protection and the impacts of trade on unequal development and the environment. The new environmental, social and institutional context has changed environmental governance in Latin America and many groups and organizations have mobilized demanding reform over land and protection of nature (see Harris (2003) essay of the popular resistance to neoliberal policies and globalization that emerged in Latin America at the

turn of the century for a comprehensive overview). The global commodity boom intensified the extraction of resources which resulted in environmental degradation and intensified environmental conflicts. That context brought about institutional adaptations that transformed the debate about sustainable development. The narratives of social justice, participation and plural development were replaced by narratives of institutional fixes and technological fixes giving way to a new model framed as the Green Economy which approaches environmental matters from an economic perspective focused on the commodification of nature.

### **3.1.1 The evolution of Environmental Governance as a field of inquiry**

The concept of governance under which this thesis operates comes from Levi-Faur (2012) proposal of governance as a field of research on “order and disorder, efficiency and legitimacy all in the context of the hybridization of modes of control that allow the production of fragmented and multidimensional order *within* the state, *by* the state, *without* the state, and *beyond* the state” (Levi-Faur, 2012). In this sense, governance is more than a measure of State capacity as it not only deals with its ability to enforce rules and deliver services (Fukuyama, 2013) but seeks to understand and assess the structures and processes that establish order and control within society. As governance is exercised by a set of actors including but not limited to the State, it is determinant for understanding how social control is established and kept. It is particularly relevant for the study of Latin American development as it seeks to understand how societies organize themselves to solve its needs and inform ways to address its structural challenges (De Castro et al., 2016, p. 5).

The research on governance later gave emphasis to formal institutions and market-driven mechanisms of neoliberal governance as part of the solutions to overcome underdevelopment. Among those proponent of good governance as an element to achieve development, the World Bank’s report *Governance and Development* suggested that good governance should be based on reducing the size of government through deregulation, growth through market incentives including privatization and



liberalization and participation through decentralization of government functions and their transfer to NGOs (World Bank, 1992).

De Castro et al. (2016) discuss how environmental governance as a research discipline offers an analytical perspective that combines socioenvironmental research with development-oriented governance research. On one hand, socioenvironmental research deals with interplay and mutual inference between environmental and social change. In this discipline the social dimension includes economic, political and institutional relations. On the other hand, governance research is concerned with the modes of social control and the ways of societal order as discussed above. In this sense, the concept of governance, being wide-ranging is also concerned with the modes of control exercised by a range of actors over the environment and natural resources.

As such, environmental governance refers to “the set of regulatory processes, mechanisms and organizations through which political actors influence environmental actions and outcomes... (it) encompasses actors such as communities, businesses, and NGOs. Key to different forms of environmental governance are the political economic relationships that institutions embody and how these relationships shape identities, actions, and outcomes. International accords, national policies and legislation, local decision-making structures, transnational institutions, and environmental NGOs are all examples of the forms through which environmental governance takes place. Because governance can be shaped through non-organizational institutional mechanisms as well (for example, when it is based on market incentives and self-regulatory processes), there is no escaping it for anyone concerned about environmental outcomes. Environmental governance is varied in form, critical in importance, and near ubiquitous in spread” (Lemos & Agrawal, 2006, pp. 298-299).

Environmental governance offers a perspective on the societal changes taking place within Latin America during the 90s. During that decade many countries in Latin America underwent processes of democratization, political decentralization and restructuring from neoliberal policies. In Colombia, a new Constitution which includes provisions on civil and political rights and new avenues for citizen participation was enacted in 1991. In the same year, a series of trade liberalization policies were implemented within the economic process referred to as “*apertura economica*” (literally economic opening). They included the creation of the Ministry of Foreign

Trade, scaling down of tariffs, tax cuts on imported goods, loosening control over currency market. Within those structural changes the World Bank formulated canons of governance calling for the reduced roll of the national state, reliance on market-based mechanisms, self-designed corporate conduct guides and voluntary mechanisms. These modes of self-governance have been assessed by political science to conclude that “in areas of large-scale economic production self-governance based on market mechanisms thrived leading to waves of privatization. Local elites and TNC emerged strengthened leading to local conflicts with national and global repercussions” (De Castro et al., 2016). These scaling-down processes of institutional control and the frequency and intensity of socioenvironmental conflicts in the context of democracy and post-neoliberal development models points to existing dilemmas between conservation and development. At the same time, the influence of neo-liberal processes linking environmental governance to market-mechanisms as a way to bring about efficient and sustainable use of natural resources gained traction among policy circles in Latin America. The model, closely related to the Green Economy governance model, relies on market incentives drive sustainable practices. The approach is well received among elite groups because it addresses issues of sustainable development and conservation from within the market-based capitalist structure. It advocates for market-based incentives and compensation schemes to replace state regulation and improve corporate image. Finally, it satisfies the compensation schemes promoted by some environmentalist NGOs.

### **3.1.2 Environmental governance in Colombia: historical and social processes**

Environmental governance is embedded in the historical, environmental and social context continuously shaped by political processes and societal change over the values towards nature. In some cases, in order to deepen democracy, respond to social demands and mobilization, governments have expanded the range of actors and interests involved in environmental governance. In some cases where interest groups and trade associations are involved it follows descaling of the authority and power of the state to regulate private actors and on to corporations through market mechanisms.

The positions of the actors involved can strategically shift according to new opportunities and constraints that emerge from changes in the socioenvironmental context. In this context, social interactions swing from cooperative and accommodating to conflicting and resisting. The struggle to participate and control decision making process is a central element of environmental governance.

The background of environmental governance institutions in Colombia has traditionally been a vision and creation of an intellectual elite formed and influenced through environmentalist ideology developed in the 60s and 70s. Concurrently they have been allowed to be consolidated by elites interested in documenting, organizing and controlling the territory for its resources. Not surprisingly, the first environmental institution was housed under the authority of the Ministry of Agriculture. Thus in Colombia, environmental ideology has tensely co-existed with development theory and practice and its visions of the value of nature, the rational management and use of natural resources for development (Rodriguez Becerra, 2008).

There has long existed a tradition of elitist environmental conservation movement in Latin America (Bull & Aguilar-Støen, 2016). This has also been the case in Colombia. As Carrizosa Umana (2008) argues, the environmental and conservation ideas of the 20<sup>th</sup> Century were transplanted and implemented in Colombia by a technocratic elite, educated abroad and positions in government. This comes to show that the technocrats and intellectual elite which pioneered these governance institutions were aware of the academic and policy innovations taking place in the frameworks of Global Governance. And collaborated in a unified project for a State vision over protection over its natural resources. Moreover, following the Rio Conference of 1992 which resulted in the enactment of Law 99 of 1993 which created the National Environmental System (SINA) under the authority of the Ministry of Environment.

This environmental institutional system would reach the cusp of its institutional capacity during the 90's, when it counted around ten thousand employees among its ranks, working in 34 regional Environmental Authorities, five scientific research institutes and headed by the Ministry of Environment. Yet, Rodriguez Becerra (2008), Mance (2008) and Rudas Lleras (2008) argue that the decline of the institutions of environmental governance in Colombia have been systematic since 1993. The financial crisis and the upsurge of the armed conflict during the 90's, further

contributed to the weakening of the Colombian State in general and loss of capacity of environmental institutions. As the violent takeovers increased and the State loss control over the monopoly of violence over some of its territory, institutions and government officials where no longer able to perform institutional functions such as regulate and compensate access to water sources or control illicit mineral extraction.

The use by regional elites of the environmental authorities for their client-based electoral practices and the general public opinion of their infestation of corruption practices became evident by the early 2002s. Indeed the campaign promises of Alvaro Uribe to reform the regional Comptroller office and reduce fiscal deficit through government spending lead, in 2002, to a structural reform of the National Environmental System. First, the Ministry of Environment was fused with the Ministry of Economic Development to form the Ministry of Environment, Housing and Territorial Development. Second, changes to the decentralization and sources of funding for CARs systematically reduced their financing. Third, the rolling back of regulation requiring environmental licensing to certain activities resulted in a weakening loss of capacity of these institutions and weakening of SINA.

PRESUPUESTO GENERAL DE LA NACIÓN - INVERSIÓN EN POLÍTICA AMBIENTAL  
 EJECUCIÓN 1995-2006 Y PLAN NACIONAL DE DESARROLLO, 2007-2010  
 (MILES DE MILLONES DE \$ CONSTANTES DE 2006)

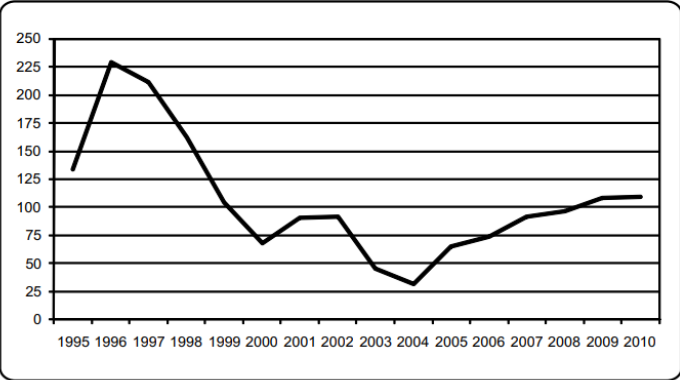


Figure 3 Budget for Environmental Policy in the National Budget (millions of pesos)(Rudas Lleras, 2008)

As shown by Rudas Lleras, financing for environmental policy as part of the national general budget has been in sustained declined since 1996 and reached its historical low

at the end of the first Uribe term. Though it shows signs of increasing it still remains below the levels of 1995 in real terms after devaluation.

The context of environmental governance then, is that of loss of institutional capacity, the rise and strengthening of paramilitary groups allied with rural local elites and the degradation of the armed conflict into forced displacement and land grabbing. Under these dynamics, the state turned to its elites to extract wealth in order to fight an internal enemy and they accepted the new taxes as they saw the favourable trade-offs and benefits over costs. Following the peace process concluded in 2006 with the largest paramilitary group (AUC) it surfaced that palm growers had in some cases collaborated with this armed group and testimony of displacement and land dispossession further tarnished the image of palm growers, already suffering from the water conflicts taking place in the northern palm municipalities and the international calls for boycotting palm oil products. Moreover, free trade agreements were signed with the United States and Europe in 2011 and 2012 respectively (negotiations concluded in 2006 for the former and 2010 for the latter), potentially giving access to the largest world markets in terms of trade volumes and purchase capacity. It is under this context of loss of institutional capacity, shifting opinion among elites and increasing evidence of violent strategies that Fedepalma became member of RSPO in 2009.

### **3.2 Elite theory: Understanding the role and influence of the elites**

Equally important to understanding the role and incidence of the environment in development and governance is understanding the role of the elites. I have discussed briefly the incidence that intellectual, technocratic elites had in shaping the environmental institutions in Colombia during the 20<sup>th</sup> Century. Yet the impact of the elites on development stems from their preponderance within all societies. A small, select set of individuals with disproportionate influence over economic development outcomes. Their influence over their social context determines how resources are allocated and institutions designed. Social continuity or change reflects the preferences of this small group of people since the elite is able to execute and define how societal

issues are framed in the national discourse. Etzioni-Halevy (1997b) notes the theoretical and conceptual foundations of elite theory. “in all known societies there are two dimensions of inequality: classes, differentiated primarily by their command of economic means, and elites, differentiated from the public by the extent of their power and influence” (Etzioni-Halevy, 1997b, p. xxv). Elites are distinguished from the rank and file or the public by their exertion of substantial power and influence over that public and over political outcomes...elite position, asserts Etzioni-Halevy, is based on various overlapping resources, including economic, organizational, political etc.

DiCaprio (2012) in (Amsden et al., 2012) discusses that the paradigm of development under rule by elites is that frequently their interests diverge from those of the majority and so they will try to circumvent, convince or constrain the latter. Elites hold a disproportionate degree of power and influence and so they have the ability to shape, weaken or strengthen institutions for their control over resources.

Elite theory is broadly divided in two variants. On one hand, mainstream elite theory originating in the so called Italian school of elitisms with its main proponents Pareto, Michels, and Mosca. On the other hand, democratic elite theory with its roots in liberal thought and including writers such as Weber, Schumpeter and others. Yet when addressing democracy, elite theory argues how even in a democracy, “the few rule and the many are ruled. And those who rule find ways of explaining why it is proper and beneficial for them to do so (Etzioni-Halevy, 1997b). At its core, elite theory argues and tries to explain why elites have an extraordinary and underappreciated influence in the direction of their country’s development. This idea remains a pillar of the literature on elite theories. However, the Italian school elite theory and Marxist elite theory both agree on the limited value that pluralism and democracy as a means to achieve more egalitarian societies and align elite interests to development goals and the needs of future generations and the non-elite classes. Drawing from elite theory and Marxist class theory, Bull and Aguilar-Støen (2016) adopt a “resource-based definition of elites”. Elites therefore, are identified and emerge from their control of various resources, usually overlapping, and influencing environmental outcomes, changing policies and practices.

In the field of political sociology, DiCaprio recounts how authors like Burton, Lowell Field and Higley extended elite theories by distinguishing between unified and dis-

unified elite groups in the context of political stability. They concluded that a default state results from disunity among its elite groups. This model initially fits with development economics literature that correlates growth with political stability. It is relevant to our case study in that the Colombian elites have seldom followed a unified State project with regionalism, peripheral urban development poles, insertion in the world economy and global ties, determining the extent where they follow rent-seeking projects interests or other outcomes (Soifer, 2013, 2016). It also begins to explain why despite violence and political instability, Colombia has experienced periods of economic growth.

DiCaprio (2012) also accounts that the literature on elite theory focuses in understanding three main issues: first, focus on the role of the elites in establishing and expanding elite-controlled institutions of governance such as law. In doing so it attempts to answer what is the influence of elites on non-elites through control of institutions? Second, understanding the dynamics of elites as a societal group and in particular elite circulation particularly asking question such as: How does globalization and internationalization affect group dynamics such as elite circulation and replacement? What affects the stability in the relation between elites and non-elites? Third, understanding the behaviour of elites through their cognitive models and drawing from literature and studies on political culture. For example how their perception of poverty determines their willingness for action.

Despite the various theoretical approaches in elite theory to the definition of elite, I have taken Bulls (2015) eclectic definition where the elites are the “Groups of individuals that, due to their control over natural, economic, political, social, organizational or symbolic (expertise/knowledge) resources, stand in a privileged position to influence in a formal or informal way decisions and practices with key environmental implications.” This approach distances from a purely political economy perspective including Marxist and political ecology definitions of the elites which usually equates them only to the capitalist or ruling classes. Such a definition fails to account for the capacity of influence and to determine institutional and policy outcomes which elites exert, even without holding positions of power or office. By taking a more eclectic approach that includes sociological elements such as symbolic resources and leadership standing, the concept allows us to better elucidate their

capacity to influence/determine societal change and in particular engage with sustainable practices.

### **3.2.1 Channels of elite influence: impact on sustainability**

Elite theory applied to development focuses on understanding the channels through which elites influence and determine societal outcomes. Understanding the many forms through which elites exert their influence can inform development policy and integrate elites in policy-making processes. In “The Role of Elites in Economic Development” Amsden et al. (2012) argue that elites exert their influence on the State and within society through at least four channels:

- Economic influence: Allocating resources is the most direct way that elites affect growth and development. Elites can increase employment, act like rent-seekers, decide over production and technology, act as entrepreneurs and innovators, increase production or decide simply to exploit existing resources without regard for sustainability in the future.
- Political influence: Impacts on economic decisions and development policy. The importance lies more on the influence rather than official titles or positions.
- Through the institutions they design elites may promote participation and information flow or they may simply cement the position of a particular group within the governance structure.
- Elites also exert influence in their ability to frame how issues are perceived by the public. It is described by Italian thinkers as the ability to perpetuate political myths. For instance through trade narratives and the comparative benefits to development and wellbeing in palm growing municipalities. Influence is also exerted through the way elites exploit their influence by affecting the flow of information.



This thesis is informed by elite theory and analyses some of the channels identified in the literature and through which elites influence societal outcomes. In particular, it approaches the ways in which the elites in the palm oil sector exert influence over the agro-industrial sector of the economy. Through their control over land and natural resources they are able to influence how subsidies are allocated and the jobs and investments they make on the regions where they operate. Moreover, it informs the ways in which palm growers have been able to frame the issues of environmental and social impacts of their economic activity to the public. Through a well-designed business narrative and promotion of RSPO they are able to perpetuate a “political myth” of the benefits and sustainability they promote. DiCaprio further notes there is limited research on the extent of rational choice on elite behaviour. In a somewhat paradoxical phenomena, there is limited understanding on how elite actions are driven by rational choice and how their decisions are impacted by the social context under which they exist. If members of a group will act to support the interests of the group so long as the benefits are reserved for the group, then this would suggest that elites will be motivated by self-interest and rent-seeking. Yet their behaviour is balanced out by the need to uphold social norms of leadership and so there are cases where reform, development and redistribution is lead from the elites. see for example Rodríguez-Franco (2016) in accounting for Colombian elites willingness to accept taxation to support the State’s effort in the armed conflict.

### **3.2.2 Applying elite theory to environmental governance puzzles**

In researching elite’s role in determining societal outcomes the literature on elite theory has identified three large themes:

First, elites usually carry a negative connotation for hindering democratization and pursuing predatory behaviour. Yet, there is limited empirical evidence suggesting that elites will always stand against the objectives of international development aid. As seen in the case of Colombian environmentalist tradition, “elites are sometimes those who initiate reform, redistribute resources, and build up the capacity of the state. While

the reasons they have for doing so may be firmly embedded in self-interest, the fact is that without their involvement, these activities would be difficult or impossible.”

Second, a significant amount of academic work, particularly political ecologists dealing with elites (Bull & Aguilar-Støen, 2016), equate the elites to the capitalist class and development with the inherent destruction of nature. Yet in all the discussions on corruption and elite capture, DiCaprio argues that elites create resources: in this sense, “a crucial element of sustained economic development is the cultivation of science and technology. The creation of locally based knowledge and the adaption of international best practices require expertise and familiarity with local conditions. Those who have the training and the know-how are, most often, members of the local or provincial elite. Those who support them may be members of the technological or entrepreneurial elite”.

Finally, elites can be incentivized to change their activities. In this sense, “elites should be cultivated and engaged rather than bypassed and vilified” in order to understand better how national governance structures and addressing the elements of those structures can balance predation.

Moreover, these approaches have practical implications for understanding elite behaviour and operationalization for Latin American countries like Colombia. As noted by Bull:

“In order to find ways of strengthening institutions it is necessary to understand the historical processes through which institutions came to be weak as well as how and by whom they are undermined and strengthened in a day-to-day practices today. By focusing on elites, the networks they form and the resources they command we may come closer to understanding of how weak institutions are kept or strengthened.

Studying the elites is not easy as they are difficult to access and are more able to manage the information they provide than other groups. Attempting to systematize the information on elites and the resources they control contributes to answering the core questions in political economy: who holds the power and resources and how are they diploid/allocated in pursuit of economic and political goals? What are the results and how can positive change occur?” (Bull, 2014)

These findings can, to an extent, be transplanted to Colombia in terms of understanding how elites in positions of power and their command over institutions and resources (Bull, 2014) (others) aims to understand how in a context of complex interplay between the economy and politics in highly transnational economies with blurred lines between illicit and licit activities, studying elites, their networks and the resources those networks command is necessary to complement the study of formal institutions. It contributes to ongoing dilemmas on sustainability and environmental impact and how to harness support from the elites to the causes of sustainable development. While some sectors and organizations push for banning, facing-out or boycotting palm oil for its social and environmental impacts, others praise the industry for expanding without deforestation, being committed to certification and bringing jobs and incomes to rural municipalities. As argued by Bull, rather than tracing clear-cut dividing lines and polarization between either sides focus should go to understand what are the conditions and drivers that would harness elite commitment into sustainability and how this diversity and new generations of elites can collaborate and agree to environmental conservation and distributive measures. By researching elite motivations and strategies we can understand how to strengthen institutions and foster sustainability with the elites and not against them.

### **3.2.3 Incidence of elite behaviour on institutions for sustainable development**

The literature on the elites has usually considered this group an obstacle to the formation of more democratic, egalitarian societies. It is also the case in environmental studies where elites are considered to be an obstacle to sustainable development and the establishment of a more equitable use and distributions of the benefits of natural resources. Indeed, Bull & Aguilar-Støen recount that the more pessimistic literature on elite theory focuses on understanding how entrenched elites have hindered structural transformations towards an environmental governance that ensures mores sustainable and equitable production, the conflicts over land use and how they are rooted in institutions kept weak by historical control by the elite. Yet, there exists less discussions on the relationship between elites, institutions and sustainable

development. A discussion on this tripartite relation requires an analysis on environmental governance.

In mapping and reviewing the literature, some of the authors have pointed to a deficit of discussions on this relation. As such, the main contribution of this thesis is on this less-discussed issue so it may lead to understanding of the cognitive systems of the elites which leads them to make rational choices to accept and shape governance institutions. Moreover, the need for this discussions lays in that there is increasing consensus about the importance of institutions for development and the role of elites in shaping those institutions. Explaining the persistence of institutions requires understanding how elites persist and reproduce over time, considering that institutional change is affected by disunity, decay and changes of the elites and their preferences (Bull & Aguilar-Støen, 2016).

In accounting for the existing literature on the relation between elites, institutions and sustainable development, scholars have identified some shortcomings. In general terms, the existing literature has limited the concept of development as economic growth and institutions to mean state institutions. In this sense, the discipline of political ecology has addressed these issues but with limited results. Its proponents such concepts like development as privileging a set of productive systems over others and the ecological conflicts and degradation caused to the environment. In this discipline elites are singled out as the responsible of environmental degradation (destruction of nature): the capital holders, the business elites and the responsible for marginalizing rural and indigenous peoples, pollution and overexploitation. Elites are rarely the subjects of study in political ecology, they are approached considering their dominant position in the structures that have made Latin America “subaltern region open to exploitation to fulfil the needs of a globally-integrated capitalism”. (Bull & Aguilar-Støen, 2016).

As an example of this conceptualization, Le Billon argues that a country’s vulnerability to violence increases where there is a lack of political institutions capable of mediating and solving conflicts over natural resources. Under a political ecology approach, Le Billon illustrates that violence is “expressed in the subjugation of the rights of people to determine the use of their environment and the brutal patterns of resource extraction and predation” (Le Billon, 2001). For instance, economic and

political choices by dominating actors influence institutional structures, connections to the global market and access to labour and capital. Moreover, enabling and using violence over the control and extraction of resources is the result of specific social processes embedded in historic patterns of social relations among dominant and dominated groups.

The role of elites on allowing a path to sustainable development and allowing for an environmental governance system that manages and distributes resources is influenced global economic transitions and the extent to which they determine shifts among the elites. For example the democratization and neoliberal transformations of the 80s and 90s show a process of elite reorientation partly due to a crisis and exhaustion of the models they preceded and the gradual shift in interests. The current seriousness of the environmental and climate crisis can be contributing factor that give way to a new reorientation of the elites, opening up space for new ideas brought by new elite groups or the reorientation of old groups, new dynamic interplay between different elite groups (Technocrats, environmentalist groups, palm growers associations).

Finally, taking into account the lessons from DiCaprio et.al the control of elites over knowledge and technology are found to be key in the emergence of new elites. Controlling capital and politics is not sufficient to dominate/set the development agenda and the environmental governance. Even more when public support for environmental issues grow and alternative political forces like the Green Party gain strength. Focus and attention on environmental issues always find echo in Colombian media and public opinion with deforestation, loss of biodiversity, water pollution at the centre (from mining, infrastructure projects and agriculture). This breaks ground for reorientation of ideas and positions within the elite that lead among other to adopt and abide by governance, regulation, certification and partner with NGOs and government to take on projects. This strategy helps the elite maintain their dominance and control over the resources, the means of production and the narrative whilst keeping market access and leadership.

### **3.2.4 The Elites in Colombia: Navigating violent waters**

Thus far I have presented a theoretical backdrop of the relationship between elite theory and the need to understand better the interplay between elites, environmental governance and sustainable development. Yet as I have argued elsewhere the Colombian context required considering a third variable, that of the armed conflict. Though it is not a central element in this research and a discussion about the political economy of the armed conflict exceeds the scope of this thesis, the armed conflict has informed and influenced the decisions and behaviour of the elites. For instance (Rodríguez-Franco, 2016) explored how “internal wars can lead to increased taxation when they enhance solidarity toward the state among the elite and motivate the state to strengthen and territorially expand the tax administration. Elite solidarity, in turn, depends on the degree to which elites perceive the risks of war as real, decide to protect their interests with the help of the state, and feel a sense of patriotism”.

Moreover, this aspect is relevant to this thesis as peacebuilding processes and post-conflict reform includes redistribution of resources such as land, investments, subsidies and regulation over the natural environment (governance schemes).

The literature on Colombian entrepreneurial elites in the context of armed conflict provides insights on what drives elites to make certain decisions and behave in ways that impact development goals, access and control over resources and environmental policies and practices. Understanding the dynamics and strategies of, amongst others, ‘the role of entrepreneurship in development, generally speaking, and overcoming violent conflict, more specifically, provides important insights to understand the links between economic activity and violent conflict dynamics’ (Rettberg, Leiteritz, & Nasi, 2011). They impact the outcomes on state formation/strengthening that is inherent to peace as a societal process.

For instance, when elites have faced the prospect of a peace process, their motivations to accept or reject peace categorized can be for need, greed, creed or a combination. It is not a mere calculation of cost but a complex decision making process nuanced by the corporation as complex unit and by non-homogeneous business sectors (Rettberg, 2016). These models of decision making help understand the cognitive process, motivations and moral catalogue of elites and their role of social leadership. Like

environmental governance, or regulatory constraints, the armed conflict affected different entrepreneurial groups in different ways. As such, the responses vary shaping the dynamics of the armed conflict at the national, regional and local level. Elite choices and motivations have also influenced choices of institutional mechanisms. For example, when the coffee growers elite adopted regulatory frameworks linking domestic production with global markets to local growers, the result was a shielding of their area of influence from presence of armed actors and reduced criminal indices

In this case, institutions coped with changing conditions, proved resilient at the local unit of production and in favour of the small growers and resulted in quick recovery by growers during adverse conditions and strengthening of the sector (Rettberg et al., 2011) (Rettberg, 2010). Palm grower elites face a similar dilemma in accepting regulatory regimes that align their interests to some degree of environmental protection and changes practices to more sustainable ones.

#### **3.2.4.1 Rogue elites: Some evidence of violence from palm growers**

The associations between regional economic elites and paramilitary groups were widely documented in Colombia, the use of violent mechanisms to pursue private goals is a wider phenomenon of criminal actors participation in the functioning of public institutions (Grajales, 2011). Paramilitary activity in Colombia is not limited to a specific economic sector but rather the response of rural elites to defend their privileges. According to Grajales, ‘paramilitary groups are both the cause and the consequence of land contention. On the one hand they were initially the result of the rural elites’ reaction in defence of their privileges. On the other hand, they used violence to generate a large scale land grabbing process that merits in the qualification of agrarian counter-reforms’ (Grajales, 2011, p. 771)

Moreover, in understanding according to Rettberg, following the demobilization of paramilitary groups, found that: “Recent assertions by demobilized combatants of paramilitary right-wing groups confirm long-heard accusations regarding the active role of regional economic elites in the financing of illegal armed groups and the

promotion of forced displacement to free land for cultivating crops such as palms and bananas” (Rettberg et al., 2011).

The literature on palm oil production has conflicting account on its impacts to development and environmental degradation in Colombia. Some authors using quantitative research offered strong correlation between violence indicators (displacement, forced land sales etc.) and expansion of palm plantations. Others pointed to improved wellbeing and development indicators (such as higher average income) of municipalities where a strong palm industry had developed. Moreover, some research projects that had relied on qualitative research methods also provided conflicting conclusions. Where some collected accounts of victims of displacement and descriptions of how some communities were forced to give up their property rights, other interpretations of the phenomena pointed to isolated cases as exceptions of a generally successful model of agro industrial production.

As part of the dynamics of the conflict and, as a more less generalized political practice, local elites and allied with or formed paramilitary groups as evidence by voting patterns of local elections (Acemoglu et al., 2013). In many cases, local elites making use of private violence asserted a de facto control over rural dwellers resulting in land dispossession and displacement of farmers. This is a symptom of the Colombian state’s failure to centralize power: in the regions, powerful elites controlled populations through patron-client networks. As such the local elites are motivated to preserve their privileges and autonomy against the central state (Elhawary, 2008). In this sense, elites and the pressure groups that represent their interests are a determining factor in the building of peace and implementation of the peace agreements or in perpetuating conflict and other forms of violence.

According to Goebertus, palm oil plantation correlated directly with forced displacement in Zona Bananera, a municipality on the Magdalena department, by way of three trajectories: the absence of state presence and institutions gave way to extortion and resulted in displacement. Workers previously employed in other agro industrial sectors resulted in displacement given the low labour-intensive characteristic of palm oil; and food security became affected. Finally, official policy of government incentives to expand palm oil motivated land owners and armed actors to forcibly



displace small land-owners to acquire land for palm cultivation (Goebertus Estrada, 2008).

These studies suggests that, at the local level, some factions of the regional elites (agro-businessmen and landowners) collaborated with paramilitary groups to employ diverse forms of private violence with state acquiescence in processes of land grabbing resulting in expanding palm cultivation and further concentration of land and resources in hands of a rural elite (Goebertus Estrada, 2008) (Grajales, 2011) (Rey Sabogal, 2013) (Garcia Reyes, 2014). Yet these studies do not determine or identify the extent to which the elites sponsored these activities or if it were factions of an armed group that acted in isolation. Fedepalma and its president deny a systematic behaviour and point to isolated cases by criminal hands. Yet this points to a failure by the State to contain a breakdown of its obligation to protect and shows the fragility of institutions when there are incentives for powerful sectors.

### **3.3 Social Control and legitimacy of authority**

Strategies to exert influence and maintain control over resources and the population can come in many forms. Understanding what takes elites to make those decisions and choices poses a challenge to understanding how to align elite's interests with environmental governance and by extension sustainable development. Elite's decisions are not merely based on rent-seeking attitudes and costs calculations. They follow a number of incentives, a moral catalogue and a group narrative that is complex when resulting from a combination of these elements. In a functioning democracy, elites would perhaps not hold as much, power, influence and resources but the state would balance out the power structures and distribute the resources. Yet, faced with the prospect of reduced market participation, a moral reckoning from associations to criminal activity and from awareness of environmental degradation elites will reshuffle and strategize in order to keep their standing, position and hold over their influence on government. Moreover, in order to demonstrate "good faith" in changing their practices in addition to a gradual replacement of "ascending families and groups without changing the elitist structures of society" these elites will choose to adopt and present of legitimate authority a governance system and accept its regulations.

In doing so, and so as not to attribute further regulatory power to an autonomous State power (e.g. the legislative or executive branch) that is unpredictable and autonomous to some degree, the elite may choose to turn to a Non-State Market Driven Governance System as sign of its willingness to improve practices and contribute to sustainable development. It also presents the elite with a solution to keeping social control. By being in a position where they are able to comply with those regulations and provide assistance to the non-elite to comply, the elite confronts the problem of social control. Hurd (1999) writing about legitimacy and authority of international systems addresses the issue: “All social systems confront the problem of social control: how to get actors to comply with society’s rules” ... in enforcing norms, the author identifies three generic reasons why an actor obeys a rule: 1) the actor fears punishment of rule enforcers, 2) the actor sees the rule as in its own self-interest and 3) the actor feels the rule is legitimate and ought to be obeyed. In each of these relations the currency of power is not the same, in the first relation the structure of power is asymmetrical and the defined by physical capacity. In the second the distribution of incentives and trade-offs in the third, a normative structure of status and legitimacy. These mechanisms of social control correspond to three currencies of power labelled by political theorists as coercion, self-interest and legitimacy. Where rules or norms exist, compliance with them may be achieved by one or a combination of these devices.

Palm elites in Colombia seek to position and make legitimate RSPO regulatory body as a strategy to pursuit the objectives I just mentioned. If a body of norms is legitimate then no coercion is required for it obedience. Hurd (1999) further explains that legitimacy refers to the normative belief by an actor that a rule or institution ought to be obeyed. It is a subjective quality relational between actor and institution and defined by the actor’s perception of the institution. The perception may come from the substance of the rule or from the procedure or source by which it was constituted. This perception affects behaviour because it is internalized by the actor and helps define how the actor sees and values its interests. How does this subjective feeling look like? Saying a rule is accepted as legitimate say nothing about the moral justification or justice value of the norm, to the external observer. The legitimacy of a norm does not necessarily correlate to the actor being law-abiding when norms are conflicting with conviction.

Legitimacy is understood as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Hurd, 1999, p. 387). Legitimate systems are more effective and lasting than coercive systems: “Legitimacy as a device of social control has long-run efficiency advantages over coercion in reducing some kinds of enforcement costs and increasing the apparent “freedom” of subordinates... lack of legitimacy imposes heavy costs on the controllers. For legitimacy facilitates the operation of organizations requiring enthusiasm, loyalty, discretion, decentralization” Hurd, recalls the power of authority from Weber’s concept of legitimacy and quotes that its necessity stems from “the generally observable need of any power, or even advantage of life, to justify itself.”

Yet, identifying why systems are followed because they are legitimate and not out of fear of coercion, poses methodological challenges that have not been unfamiliar to this thesis. I bring down to the level of the national state the issue of legitimacy to make sense of how elites might attribute legitimacy to a particular system like RSPO. Hurd suggests an initial theoretical foundation when he asserts that “There exists then the recognition that order in the modern state is maintained not by directly upholding or implementing the rules but by shaping, molding and managing the social environment in which rules operate in such a way that they have the opportunity to continuing to do so” (Hurd, 1999, p. 404).

For its part, the writings of Beetham on legitimacy informs the analysis of this thesis in its relevance not “with the abstract validity of legitimacy claims (but) with their acknowledgement by the relevant social agents, and with the consequences that follow from that acknowledgement for the stability of a system of rule and for the manner in which it is organized (Beetham, 2012, p. 121). According to Beetham, Weber’s thesis on the significance of legitimacy for the study of power relations and typologies of power are relevant for the study of legitimacy as the foundation for authority in a societal system. Weber, continues Beetham, recognized the significance of legitimacy for power relations and the instability of systems of authority where legitimacy is lacking. Where there is general recognition of the legitimacy of authority its commands will be followed without the widespread use of coercion or the constant fear of disobedience or subversion. Weber further argued that legitimacy can only be

claimed as long as those involved in the enforcement of a system of power are themselves convinced of its legitimacy.

I have chosen not to take a Marxist approach in their conception of social order for two main reasons. First, this thesis is informed by a Weberian theory of authority and legitimacy as a driver of social order and by an eclectic conception of elites different to the Marxist conception of the elite being the capitalist class. Second, RSPO and environmental governance regimes find their origins in liberal, institutional political traditions. In the liberal tradition it is through institutions, laws and regulations that societal changes can be achieved. Moreover, as this thesis deals with the potential and limits of global governance regimes in fostering sustainability conditioned by elites and State capacity it would exceed the scope of this thesis to take a political ecology approach which, in line with Marxist tradition and its conception of social order as the balance of power between competing groups would call for empirical research into the capitalist structure of the sector.

### **3.3.1 Legitimacy and authority in the privatization of environmental governance**

As a global phenomenon, environmental governance exists outside the realm of public, interstate regimes and increasingly includes non-state actors. As Falkner argues, “it is widely acknowledged that private actors play an increasing role in global environmental politics” (Falkner, 2003). Corporations, NGOs and other sectors of global civil society seek to pressure, lobby or rally states to influence global politics, the outcomes of international legal instruments, policy and institutional arrangements. In this sense, private governance and specifically the emergence of private regimes of environmental governance increasingly move away from state-centric regimes and diminish the role and authority of states and the State as the institution set to produce social order. Private environmental governance initiatives and institutions raise a number of concerns related to issues of legitimacy (Schouten & Glasbergen, 2011), authority and ideology (Falkner, 2003), and power (Ponte & Cheyns, 2013).

Schouten and Glasbergen (2011) assert that “private governance is broadly defined as forms of socio-political steering in which private actors are directly involved in regulating- in the forms of standards or more general normative guidance- the behaviour of a distinct group of stakeholders. Private governance arrangements focus on rules and regulation, not on spontaneous, uncoordinated actions and may organize political spaces that are comparable to public governance arrangements (Schouten & Glasbergen, 2011, p. 1891)”

Moreover, Falkner (2003) argues that the re-emergence of private governance is closely related to late 20<sup>th</sup> century processes of economic globalization and the corresponding restructuring of state functions. In addition, among the institutions found in the realm of private environmental governance, voluntary mechanisms of certification such as RSPO, “while promising environmentally and socially sound initiatives, the market-based approach to self-governance primarily sought to improve the image of transnationally operating companies vis-à-vis their shareholders and to consequently ease their insertion into host countries” (De Castro et al., 2016).

The recipients of Non-State Market Driven Governance Systems (NSMD) such as TNCs, producers and in our case, Palm growers are aware of the risks that the use of market force to shape policy responses has against the outcomes they pursue. In order to circumvent this scenario, and avoid market boycotts, (Cashore, 2002) the involvement of social and environmental organizations is necessary. Not only it will avoid market boycotts, NSMD will gain legitimacy, freeing them from the scrutiny that domestic policies usually have. This theoretical foundation finds application in this thesis as RSPO has as its members international NGOs like WWF and they usually partner with palm growers to support implementation of environmental conservation projects. NSMD also include certification schemes, roundtables and principles and criteria such as RSPO norms.

In conclusion, I have reviewed the literature on two major topics to inform the analysis and discussion of this thesis. I have drawn from the theoretical foundations of environmental governance and elite theory in State capacity to understand that the adoption and effectiveness of supranational regimes of global environmental governance are conditioned to the influence and interests of the elites. Understanding how and the factors determining the attitudes of the elites is the main contribution of

my analysis. Moreover, the influence of these regimes as conditioned by elite attitudes is where resides the potential to shift and embark the palm sector towards more sound governance and sustainable practices. The limit of this change ultimately being the interests and willingness of its elites.

## **4 Methodology**

This chapter discusses the methodological approaches used in the course of this research. I begin this section by looking at the features and characteristics of this approach to lay down the basis of this discussion. I have taken a qualitative approach in my research methods. Detailed information has been collected through interviews with relevant parties and through participant observation. Furthermore, I have consulted public documents, newspapers articles and secondary material (books and academic articles) to complement my data. The data collected for this thesis comes largely from fieldwork conducted in Bogotá and Meta, Colombia over a period of two months in 2018. In the final sections I reflect upon the limitations of my choice of research methods, the main challenges encountered and my role as researcher. I then go on to discuss some ethical considerations and how I approached them.

### **4.1 Epistemological positioning**

As a lawyer, the conventional research methods from the social sciences and humanities had been largely unfamiliar to me. Thus, I rely on interdisciplinary academic tools to gather and interpret data notwithstanding that in some parts of the discussion my legal training comes to the forefront. However, being unbound by the research canons that entail having a background from a certain discipline I am able to approach this research from an epistemology of interpretivism (Bryman, 2016, p. 26) and the use of hermeneutical tools of interpretation of human action. This theory of knowledge stands in contrast to the epistemological tradition of positivism. The subjective dimensions of social interactions and exteriorization of the constraints brought about by intuitions and structures of power cannot be easily observed or measured under the canons of objective observation, deductivism and inductivism.

This thesis is framed within socio-political theories of elite dynamics within the State and their approach to regimes of environmental governance. As such, it is concerned with understanding the subjective component of strategies and behaviour pursued by a faction of society to maintain access and control over resources and the narratives and institutions of governance around them. Particularly, it seeks to interpret and

*understand* a multi-dimension process of social interaction (Schouten & Glasbergen, 2011) between individuals and institutions. In doing so, the choice of methods for the collection and analysis of the data follows an epistemology of interpretation of such behaviours and interactions.

As I try to gain understanding of how and why palm growers interiorize and accept regulatory institutions the analysis of the data requires an interpretation of the subjective dimensions of a social process. The study of elites, their strategies, and the subjective meaning they assign to governance institutions requires interpretation rather than searching for patterns of causal relation. This epistemological tradition admits that the interpretation and production of knowledge is situated and influenced by the context and background of the researcher. In that sense, this research cannot be ascribed to a positivist epistemology that calls for an approach to the object and subject of study from outside and above. Contrary to positivist traditions that call for research that is not influenced by theoretical background and that seeks to explain causal relations through objective observations, I am interested in understanding social processes that are influenced by the context and world constructs in which people interact and assign meaning (Bryman, 2016, p. 25).

## **4.2 Methods of research**

### **4.2.1 A qualitative approach**

The aim of this research project is to understand the strategies and narratives of palm oil producers in their relation and behaviour from regulatory regimes of private environmental governance. As such, a qualitative approach to collecting data most adequate. As I seek to understand how and why do the actors in this study act and behave the way they do when faced with normative constraints, qualitative research enables us to understand as accurately as possible how persons “understand, experience, interpret and produce the social world” (Lewis-Beck, Bryman, & Liao, 2004). Moreover, the choice of methodological approach allows the data to be interpreted and analysed “through richly and relevantly detailed descriptions and particularized interpretations of people and the social, linguistic, material and other



practices shaped by them”. Moreover, qualitative research seeks depth rather than breadth. Instead of drawing from a large, representative sample of an entire population of interest, qualitative researchers seek to acquire in-depth and intimate information about a smaller group of persons, it aims to learn about how and why people behave, think, and make meaning as they do, rather than focusing on what people do or believe on a large scale (Ambert, Adler, Adler, & Detzner, 1995).

The approach taken in this case whereby I collect accounts of key actors and interpret the descriptions of how they perceive institutions of governance and come to interiorize regulation entails that my position as researcher is not of the neutral observer. Instead, my own position, background and biases impact the methods of data collection and analysis.

This perspective entails a constructivist ontological position that claims that social phenomena and their meanings are produced through social interaction and are being constantly revised and constructed by social actors (Bryman, 2016, p. 29). In this sense, traditional criteria of reliability and validity used to evaluate the quality of the research in the positivist epistemological canons of research are considered not relevant to qualitative research (Bryman, 2016, p. 383). For instance, the criterion of reliability as an attribute of the data concerned with the question of whether the results of a study are repeatable is problematic in qualitative research because it is not possible to “freeze a social setting and the circumstances of the initial study to make it replicable”. Instead, research positioned in a constructivist perspective is evaluated for its trustworthiness.

This entails assessing first, the credibility of the research achieved by obtaining validation from the respondents or submitting the data to triangulation. Second, the transferability of the research and data through thick description as to allow others to evaluate the research and decide if it can be applied to their study. Third, the dependability of the research which calls for the research to allow for an “audit trail” to secure the transparency of the research. And fourth, the confirmability of the research and data which entails a presumption of good faith that the researcher did his best to keep his personal values and theoretical inclinations at bay whilst recognising that full objectivity is not possible (Bryman, 2016, p. 383). Moreover qualitative research should be evaluated in light of the authenticity of the research and data,

requiring that the researcher be aware of the “broader political impact of the research” (Idem).

#### **4.2.2 What is this Case of?**

This research project makes use of the case study as a method of qualitative research in order to extract and focus on a single unit object of study to produce a deep description of a phenomenon occurring in a bounded context. A case study research consists of a detailed investigation of phenomena within their context to provide an analysis of the context and the processes within. The purpose, ultimately is to get as much in-depth details as possible about an event, persons or processes. Ultimately, the researcher is interested in a process or a population of cases, not an individual case per se (Denzin & Lincoln, 2018, p. 557). Case study research then is underpinned by a constructivist philosophy to knowing the world and its purpose is to reconstruct experience.

This research project takes upon the case of a medium sized company that is growing, extracting and processing palm oil in a municipality in western Colombia. It is one of two companies operating an extraction plant in Cumaral, Meta. Said department is in turn the largest producer of palm oil and has the largest cultivated area in the country. The company, Hacienda La Cabana cultivated palm for the first time in the same site in Cumaral since 1961. The founder and main owner for most of the second half of the 20<sup>th</sup> Century was a man called Mauricio Herrera Velez. Herrera Velez was a founding member of Fedepalma and served as chairman of its board for a number of years earning the honorary member status from the Federation in 1999. Moreover, Hacienda La Cabana, has been an ordinary member of RSPO since 2012 and in 2018 the company was still in the process of obtaining RSPO certification in their Principles and Criteria compliance certification. In other words, Hacienda La Cabana is in process of reviewing its practices and processes to implement, enforce and meet RSPO regulations of Principles and Criteria.

Through its companies, connections, land ownership and influence, the Herrera Velez family is a member of the palm growers' elite. Given that they are not an economically prominent family in the sense that the Davila's are through their ownership of a large economic group in the Caribbean coast, nor (as far as this research project could identify) do they have direct political connections, their influence should be downplayed. Herrera Velez was the visible figure of the family and the trailblazer figure of the Colombian palm grower in the municipality of Cumaral and surroundings. He passed away in 2015 and his business is now owned by his descendants. In this sense, this research project follows the case of how RSPO regulations are impacting and changing the behaviour of a medium-sized palm oil producer company owned by an elite family. The family owning the company are from Bogotá, centre of the country's economic and political power and their acquisition of land in the region follows a decades old trend started by President Lopez Pumarejo (1934-1938 and 1942-1945) of wealthy Bogotá families to acquire land in the Orinoquía for recreational purposes or business ventures (Viloria de La Hoz, 2009).

Therefore, the case also deals with an elite family precursors of palm growing to, through their palm growing company and extraction plant, understand and extrapolate how they relate and adapt to private regimes of environmental governance, their strategies in the face of regulation and incentives for certifications schemes. I have therefore taken a specific segment of the universe of palm growers of a certain size that have a tradition and trajectory in the development of this crop and the institutions supporting it. As their elite and established position determines their strategies the case serves as a sample of the universe of members of this elite in their anticipation of regulation and when facing some of the variables I laid out in earlier chapters.

As per the question, what kind of case is this? I turn to research theorists in their classification of cases which, for the purpose of this discussion focuses on the following categories: (1) intrinsic and (2) instrumental. An intrinsic case is often exploratory in nature, and the researcher is guided by her interest in the case itself rather than in extending theory or generalizing across cases. In an instrumental case study the case itself is secondary to understanding a particular phenomenon (Grandy, 2010). The difference between an intrinsic and instrumental case study is not the case but rather the purpose of the study. In instrumental case study research, the focus of

the study is more likely to be known in advance and designed around established theory or methods.

The case of Hacienda la Cabana and the context in which its owners and management approach regulatory regimes and certification schemes falls within the category of an instrumental case study. Indeed, we could have taken upon from the (reduced) universe a unit such as La Cabana to test and extend the theories supporting the foundation of this thesis. However, as per the selection of the case to be studied, Gerring argues that random selection is problematic because it risks choosing a case wildly unrepresentative (Gerring, 2009). Moreover, random selection fails to reconstruct the experiences and worldviews from where the patterns and themes that allow theories to be tested (Grandy, 2010). In this sense, Hacienda La Cabana was not random choice. In determining the object and case of study I took into account certain characteristics. A corporation operating an extraction mill in the largest palm oil producing department, owned by an elite family with ties and tradition to palm production and Fedepalma and a member of RSPO and having or being in the process of obtaining RSPO certification were taken into consideration when selecting this case. The case in itself is instrumental rather than intrinsic as we are not interested in the case per se. Rather, as other cases with similar characteristics could have been used as subject study too this case study will, through deep analysis of the case and the context elucidate the processes and strategies of the main actors approach to regulatory regimes.

### **4.3 Fieldwork and Data Collection**

Data collection for this thesis came from fieldwork I carried out throughout August and September of 2018 in Colombia. Initially, through acquaintances in common, I contacted some palm plantation owners and managers of extracting companies to arrange interviews and visits to plantations for the participant observation dimension of the research. However, many backed down, cancelled without explanation, did not reply or simply refused to meet me for interviews. Not even the fact that I am a Colombian native with connections to the persons I intended to interview or that I attended the same schools was enough to persuade them that my affiliation to a

Norwegian research institutions This made me reflect upon the power of palm growers and how limiting access to information can in itself be a strategy of a group in setting out a narrative. Indeed, most of the persons I contacted initially referred me to Fedepalma information and documentation centre, pointing out that theirs is an institution with information available for the public. I was asked questions about the purpose of the research and the kind of data I intended to collect and many doors were closed to me. Faced with this challenge, I set to find other pathways that would take me to the data. The first was through a local journalist living in Villavicencio, capital city of Meta. I contacted her and explained my background and purpose. She knew personally some of the staff at Hacienda La Cabana in Cumaral and so she put me in contact with them.

At the same time, and anticipating that this contact might not get me to the data, I pursued a parallel small scale snowballing sample through my network of contacts. Through friends, classmates and acquaintances, I learned about some of the families that were in the palm growing business and it was through an acquaintance that I came in contact with one of the members of the Herrera Velez family. Once they saw that I had access to the same places and people as they did I was able to gain their trust and build a certain rapport. Later they invited me to visit their plantation and gave me access to their managerial staff. In the end the two snowballs I had rolled converged in the same case: one at the local level with plantation managerial staff and the other through connections with elements of the elite. I then organized meetings with managerial staff and the owners in Bogota to conduct my interviews.

In order to complete my data and have third party source with which to triangulate and collate the data, I contacted my former colleagues at the Ministry of Environment and Sustainable Development. Particularly, I contacted mid and high seniority level officers working with sectorial programmes in agriculture and climate change. I established contact and conducted interviews with the Low Carbon Development Strategy (LCDS) Coordinator and the Head of International Affairs and Operational Focal Point of the Global Environment Facility (GEF) at the Ministry of Environment. The LCDS and the Ministry of Environment were at the time, working with palm growers in implementing the Cero Deforestation Pact as part of climate change mitigation strategies. Moreover, the GEF funded project on Biodiverse Palm

Landscapes was finalizing in 2018 and there were closing conferences taking place in Bogota during my fieldwork. Therefore, the input and experience sharing I got from Ministry officials in dealing with palm growers came to be useful to build upon the trust and work already existing with them. Beneficial to my data gathering process was the fact that Hacienda La Cabana was a party to the Cero Deforestation Pact and a participant in the GEF Biodiverse Palm Landscape. As my contacts in the Ministry were key actors in both projects they were able to give Hacienda La Cabana references about me which ultimately led to me getting an invitation to visit and stay in their plantation and access to the employees and interviews.

My contacts mentioned the Biodiversity Project funded by GEF and implemented by WWF was finalizing and the results were going to be presented in a conference in Bogota during those days. The day-long conference included as its speakers Jens Mesa, President of Fedepalma, the Minister of Environment, the president of Association of Farmers<sup>3</sup> and other representatives of government agencies, private companies and WWF as the only representative from organizations of civil society. This forum proved valuable not only to reinforce my network and engage with the persons I had or would go on to interview. It also was valuable in that I got to experience first-hand how Fedepalma through its president and spokesman conveyed and communicated their message, the role and views of government entities and civil society and their interaction with private companies. It was a rare opportunity to see reunited and in dialogue (even when prepared and scripted) around palm oil production and concerns for its environmental impacts, representatives of many echelons of power, public and private entities and civil society representatives.

On Monday September 17<sup>th</sup> 2018 I attended the conference and had a chance to meet and listen to many visions and positions on making palm oil sustainable and how Colombian production differentiates and distances from Southeast Asian counties. The conference helped to consolidate my network of contacts and exchange views with other actors I have not considered could be helpful for the research.

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<sup>3</sup> Official name in Spanish: Sociedad de Agricultores de Colombia (SAC) is the Federation of associations of the agricultural sector (rice growers, cattle ranchers, sugar cane growers etc). The term “agricultor”, translated as “farmer” in the context of SAC refers to medium and large agricultural, agroindustrial associations and firms rather than small farmers or “campesinos” in Spanish.

### **4.3.1 Snowball Sampling**

I employed a snowball sampling method to find and select the informants in this research project. Through snowball sampling, the researcher establishes initial contact or samples a group of relevant informants, and “these sampled participants propose other participants who have had experience or possess information relevant to the research. These participants will then suggest others and so on” (Bryman, 2016, p. 415).

I made two parallel snowball sampling processes that eventually lead me to the informants and choice of case study. I found this method of sampling to be useful and efficient to trigger the data collection process during fieldwork. Some observations to the downside to this kind of sampling is that informants contacted and interviewed might come from the same social/economic/academic circles thus obtaining a narrow view in the data. I found that aspect is not particularly negative if, like this project, the aim is to present in-depth descriptions and analysis of a case. However, in order to expand and obtain complementing data to overcome said challenge one can select informants from outside those circles. I did so by selecting and interviewing persons from outside the palm growers’ circle with whom I could triangulate and contrast the data.

Reflecting further on snowball sampling during fieldwork I found it to be time-saving as key actors are identified and referred to by people holding relevant information. Notwithstanding that the data should be evaluated for its relevance and quality, snowball sampling helps the research in mapping relevant informants and more importantly by being referenced by persons the informants know personally and trusts access to them is made easier. This allowed me to secure interviews that I had not been able to secure before when contacting the informants by my own initiative. Palm growers and managerial staff concerned for their image and bad press are very reserved in divulging information or making statements that can become public.

In this sense, I reflected that within the community of palm growers there is scepticism towards unknown researchers and being the object of study. A researcher affiliated with a Norwegian institution making inquiries about environmental regulations for the palm oil industry raised suspicions in my informants and initially, I was turned down

from interviews. Indeed, during some interviews, my informants mentioned situations where they had allowed researchers into palm plantations for research purposes that had later produced research either exceeding their scope or that, in their opinion was negative to their company.

As a researcher I had to invest additional time and effort in building trust with some of my informants. Particularly challenging was establishing a rapport with those informants not in a position of power like employees and plantation workers. Fears of the employer and being in a relationship where there is a power imbalance meant plantation workers were not willing to discuss freely certain questions I had about practices and processes. I overcame this challenge over time as I spent considerable time with workers and managed to find common topics of discussion. Also my noted interest in their work, their hometowns and the company gave them reassurance of my intentions. Snowball sampling allowed me to identify and access a number of key informants which provided the data that is the backbone of this research.

Prior to travelling to Colombia and carrying out fieldwork I received approval by the Norwegian Centre for Research Data (NSD) on how to handle the data gathered. In order to ensure that personal data and privacy are well managed I have anonymised my informants. As per those informants whose interviews I quote directly, I have changed their names in order to include verbatim quotes from their interviews and protect their privacy given their positions in their respective organizations.

### **4.3.2 Semi-structured qualitative interviews**

Data collection for this thesis was done mainly through semi-structured qualitative interviews. Through qualitative interviewing the interviewees' own point of view and perspectives on the topics of study are prioritized thus producing rich, detailed answers. By applying semi-structured qualitative interviews I was able to cover core topics while making sure that key questions were addressed consistently in order to make connections and draw comparisons among the responses. Moreover, compared to fully structured interviews, semi-structured interviews allow for a greater degree of flexibility as I was able to make additional, follow up questions and focus on issues on



which my informants were more knowledgeable or had greater interest (Bryman, 2016, p. 467). In doing so, I was able to move away from the interview guide I prepared to allow my informants to expand or focus on issues and topics of their interest and knowledge, and come up with follow-up questions. This “license to roam” described by Berry (2002), allowed me to go deeper into key aspects and concepts that came up and I was able to recognize as important to my informants in the course of the interviews. However, this aspect of semi-structured qualitative interviews pose a challenge to the validity and reliability of the data. I address those challenges and how I came to approach them later on in this section.

At the end of my fieldwork, I had conducted eleven individual interviews with the same number of persons. Moreover, I interviewed two of those persons more than once over a period of two weeks during my stay at the La Cabana plantation.

Furthermore, the interview process was guided by an elite interviewing methodology. In research methodology theory and practice, the concept of “the elite” differs from the resource-based definition of elites I employ as theoretical basis of the discussions of this thesis. For the matter at hand, I take the mainstream definition of the concept as the data-gathering method of interviewing persons who have expert knowledge in a certain field or hold a position of power, for example in a position of institutional authority (Berry, 2002). Elite interviewing allows the interviewees to provide their own definition of a situation and introduce their notions of what is more relevant. For the purposes of this research elite interviewing is ideal as it allows the researcher to produce a fuller picture of multiple realities to produce the most complex picture as possible (Kezar, 2003). Considering that my informants either have expert knowledge in their fields, hold positions of authority in government entities (or both) and are owners or hold executive positions within companies this methodological approach proved pertinent to the interviewing process.

Interviewing individuals in positions of power within an organization made me reflect upon how to manage power relations and my role as a researcher. First, when interviewing government officials I reflected upon how free or how much could they divulge in their responses. Even when they are not politically appointed officials their personal opinions and more intimate answers might be constrained by their positions and government or political narrative. Moreover, some of the interviewees were

former colleagues of mine, this helped in making them feel more at ease in the interview situation. However, even when this risked the interview into becoming an informal ordeal it also balanced the power relation as they looked past my position of master's student and considered me in more equal terms, as a former colleague.

The handling of power dynamics in the course of my interviews also became manifest in two situations. In interviewing executive officers, vice presidents holding positions of power and leadership in their organizations I came to face some challenges. First, I had to distant myself from personal opinions and from the debates I encountered in the literature so as not to show scepticism. Instead I would use a third party like academic and news articles to discuss the take the conversation into the “politics of the situation” and have the interviewee about critiques of their of their own cases (Berry, 2002). This avoided me challenging my interviewees and not seem sceptical. Another challenging situation was the Public Relations aspect of the topics surrounding palm oil production. The palm oil industry is constantly mentioned in media outlets usually reporting on its negative social and environmental aspects. As such I was aware that my informants could have scripted answers or prepared talking points. To reduce the problems brought about by this situations I came prepared to the interviews having reviewed not only the academic literature but also the technical reports and opinion columns produced by the palm growers association. By making informed follow up questions, anticipating counter arguments and having a flexible interview I was able to guide the interview and deepen the discussion into aspects I identified my interviewees found interesting or important. By demonstrating that I had knowledge of the topics and by asking open-ended questions my interviewees got a sense that I was well informed thus balancing out the power relation among us.

Finally, I conducted the interviews in Spanish which is the native language of my informants and mine. This facilitates the interview process and I am able to understand what is being said without the barriers of the second language such as analogies, references, colloquial terms, etc.

### **4.3.3 Participant observation**

I complemented the data obtained from the qualitative interviews with an exercise of participant observation. I did so to avoid over-relying on a single research method that in itself presents challenges of objectivity and trustworthiness. Through participant observation the researcher immerses themselves in a group over an extended period of time observing behaviour and listening to conversations, asking questions (Bryman, 2016, p. 423). I was unfamiliar with the details and processes that take place in the harvest and processing of palm oil. Not having seen an oil palm tree or walk through rows of palms in a plantation I reflected upon relying solely on secondary sources for understanding the processes, regulations and practices that go into the harvest and production of palm oil. By immersing myself in the plantation and participating in daily activities and conversation I was able to observe how this company manages and handles protected ecosystem, water and waste and its relation to its workers. I was able to ask the persons in charge environmental and social issues and of implementing the RSPO Principles and Criteria their perceptions and how those regulations had changed their work or the attitudes of the workers. For instance, under the biodiversity protection projects hunting of wild species was now not allowed within the plantation. This changed some of the older workers attitudes to wild animals from seeing them as bush meet and immediate targets to being able to identify the species and their habits.

Moreover, participant observation gave me a deeper insight into the context and settings in which the social processes I analyse take place. For instance, I followed and observed plantation workers in their everyday tasks. By doing so I participated and gained more understanding of the context surrounding palm oil. An observation that was very telling to me was that I was referred to as “ingeniero” (engineer) when being greeted or talked to by workers. This situation informed my interpretation of the actors and their incidence in transmitting and diffusing among non-elite actors. It also allowed me to observe how regulation is implemented in the field to interpret its efficacy. Overall, gaining access to this organization and spending time with its workers allowed me to make observations and descriptions for better informed analysis and interpretation of the data.

## 4.4 Methods for data analysis

After completing and transcribing my interviews and field notes I proceeded to analyse the data by means of a qualitative discourse analysis approach. This approach focuses the analysis on interpreting the narratives provided by the informants to understand their content. As discourse refers to the ways in which categories of language frame our understanding of concepts and the objects of research (Bryman, 2016, p. 531). I use this method of data analysis for the main reason that discourse and the linguistic categories used by my informants in their narratives becomes the framework under which they justify their strategies and approaches to bodies and institutions of governance. Moreover, as discourse is a building block used by persons in constructing the social world it is through its analysis that said social construct can be understood. I approach analysis of the data reflecting on the fact that the interviews contain statements that reflect opinions but in the context of their backgrounds as holding positions of power or expert knowledge.

Furthermore, as I have combined qualitative interviewing with participant observation as research methods, discourse analysis focuses the attention on the narratives provided and observed to understand how people make sense of their world and assign value and meaning to concepts or phenomena. For example in this research what meaning is given to terms like “sustainability” and why some institutions are deemed more legitimate than others.

Under this constructivist analytical approach, the content of the data obtained from the interviews is taken to be traces of the processes through which palm growers came to interiorize and legitimize environmental governance regimes. Through discourse analysis I can understand how this group created trade narratives and alternative meanings to certain concepts as strategy to maintain their control over natural resources.

## 4.5 Ethical considerations

This research project was approved for handling of personal data and privacy by the NSD. I have not collected or kept personal information from my informants and I obtained consent for recording the interviews and for quoting my informants. Throughout the analysis of the data gather I make explicit reference to interviews and in several passages I include direct quotes which I have translated from Spanish myself. In doing both things I have attempted to conduct the research process under quality standards I discussed before to ensure the trustworthiness and authenticity of the research and the data. All to ensure transparency and proper ethical behaviour.

Due to concerns of privacy and confidentiality, I have not revealed or directly quoted the identities of all my informants. Unless my informants expressly requested their names be not revealed, I have identified some of them, particularly those holding a public position. I have not included a list of interviews to protect the identities of those informants that do not have a public role or are in a subordinated position such as plantation workers and middle management staff. This was done to protect them from acts of reprisal by their employers.

Moreover, ethical considerations include my use of a personal network of contacts to gain access to informants and places that researchers in other positions would normally not have access to. I revealed to my informants my research goals and disclosed that I had no affiliation to any corporation or organization to which there might be a conflict of interests. This thesis could have benefited further from participant validation but time and distant constraints did not allow me to do more than obtain consent to record, quote and anonymize my informants.

Potential implications of this research include my revealing of unlawful practices or non-compliance of regulations by the organizations I visited. I reflected upon this and kept my research and writing of my findings within the scope of my research question. Moreover, this made me reflect on my role as researcher. In discussions with my supervisor I understood that my role in this research is not denounce agroindustrial practices and expose the elite but rather describe deeply and understand aspects of social processes and individual constructions of the social world.

# 5. Analysis

## **Variables explaining the adoption of RSPO Standards**

In this chapter, I set to analyse the data collected during my fieldwork in order to answer the research question that has guided this thesis. After establishing the socio-political context, tracing institutional capacity and discussing the roles and interests of the elites I set to analyse the variables driving palm growers to adopt RSPO standards as a governance system for their sector. There are many nuances to this process and the number of certified companies remains relatively low (but increasing). Yet, from the case study I have approached here, these are the factors that lead to the adoption of RSPO standards. As such, in the first part of this analysis I discuss which and how these factors determined that some palm growers adopted RSPO standards. In the second part of the chapter and as an overarching discussion I analyse the potential that RSPO has in transforming the sector into adopting sustainable practices. This discussion is approached from the limits of said transformation which are the independent variables of State capacity and the power/willingness of the elites to allow societal change.

In particular, I found there are at least three variables that explain how and why palm producers in in Colombia in general and in the case of Hacienda la Cabana in particular, have adopted RSPO standards and can claim that theirs is a sustainable production. The discussion contributes to the understanding of elite's decisions to adopt a regime of international environmental governance. The interplay of these variables is analysed against a contextual backdrop of the evolution of the crop in the region and its parallel life at the national level. Moreover the institutions that govern the production and actors relations is also analysed to determine the extent to which institutions influence their decision making process and mediate their interests.

The chapter is divided into three sections, each one accounting for each of the variables that explain the adoption of RSPO as a regime of environmental governance. The first section deals with international environmental governance and the role of private regimes in fostering sustainability in the productive sectors. Particularly, the

Roundtable for Sustainable Palm Oil (RSPO) as an institution of private environmental governance. The second section discusses the domestic organization and structure, institutions and power relations in the palm sector pursues a determined model of development. Section three analyses how the views and attitudes of members of the new generation of the palm business elite are shifting the sector into adopting a sustainable and inclusive discourse. In the final section of the chapter I offer some concluding remarks of the main findings of this research. Finally, there is a cross ranging discussion of the potential of RSPO in transforming the palm sector into a more sustainable one. In other words, these three factors set in the context of State capacity and the roles of elites, set the limits to the extent and depth that change towards sustainability can be achieved.

The variables I discuss do not fall into separate independent categories. As they refer to the structures and institutions that produce social order, development outcomes and strategies pursued by actors, they overlap and interconnect at various crossing points. It is a combination of these variables, the institutional arrangements and actor strategies that ultimately determines if the sector fosters sustainable development. These variables are not exhaustive and will be analysed in light of other structural changes. As mentioned earlier in this thesis, armed conflict as an empiric marker of State capacity is a variable affecting the sustainability of the palm oil sector which I consider in this discussion.

As such the following discussion is set to answer the research question and analyse how the identified variables are fostering the conditions that enable the sustainability of the palm oil sector. Using as case study Hacienda la Cabana in the municipality of Cumaral, Meta, a predominantly palm producing municipality I set to analyse why and how palm production here is more sustainable in comparative terms and has contributed to environmental and social conflict reduction.

Through this thesis and in this analysis I have employed the terms “regimes” and “standards” interchangeably. Indeed, despite the theoretical differences there are I take a regime to be a generic form of governance and standards to be particular norms/forms within a regime.

## **5.1 Environmental Governance of the palm sector as a variable impacting sustainability**

This section establishes a conceptual framework and discuss the role of voluntary certification schemes. In particular I discuss the nature and role of the Roundtable on Sustainable Palm Oil in fostering governance and sustainable practices in Hacienda La Cabana, municipality of Cumaral. I then critically assess said role and its impact as a governance regime among palm growers to understand how these social interactions and institutional adaptations are tracing pathways of sustainability. (De Castro et al., 2016).

This first section analyses how “economic and political institutions are decisive for the channelling of resources in society and the making of the rules that regulate their use”(Bull & Aguilar-Støen, 2015). In this sense, I first analyse how the Roundtable on Sustainable Palm Oil, its Principles and Standards and verification mechanisms have shaped the behaviour and production practices of Palm Oil producers. I provide a critical evaluation of the motivations behind said changes. In doing so, the issue of legitimacy is discussed in understanding why this sustainability standard has become widely accepted by Colombian palm growers. My findings show that the business association FEDEPALMA has spearheaded the certification process for producers, thus playing a determinant role in providing technical assistance and support to producers. On the other hand, FEDEPALMA has consolidated into a powerful institution with significant influence on government. Such leverage comes in part by the fact that it groups powerful members of traditional landed and political elites and by ways of a “revolving door” dynamic where members of the Federation have held powerful positions in high government. The latter is discussed in the second section of this chapter.

In particular, I analyse voluntary standards and the privatization of environmental governance, which in the case of the international structures of palm production is predominantly represented by the Round Table on Sustainable Palm Oil (RSPO). I provide an analysis of how Colombian palm producers have adopted RSPO standards as the showcase to present themselves as a sector spearheading sustainable development. In doing so I discuss to what extent and for what reasons has RSPO been effective in influencing palm producers to adopt sustainability practices. In particular,



I analyse one of the two largest production companies in the municipality of Cumaral, Meta to understand why palm production in this region is considered to be produced under sustainable standards. Moreover, this municipality and this company does not record violent/criminal phenomena associated to palm production (displacement, land grabbing) that were more widespread in other palm-producing regions. As my informants told me and records show, there have been no episodes of land grabbing, displacement, in this municipality. I expect my findings to shed light into those factors that foster sustainability and shield the production of a commodity from trajectories of violence and conflict dynamics.

As per the question of how in the context of weak domestic institutions, the authority of private environmental governance driven by the prospect of continued market access, gains legitimacy among palm growers. In turn, shielded by international norms, the palm sector presents itself as a desirable driver of social and environmental change. I question whether this voluntary certification mechanism results in undermining the authority of institutions charged with the governance over the resources and natural environment of the Municipality of Cumaral and by extrapolation, other regions of the Country. In doing so, I explore the relation and role of governance mechanisms in fostering sustainability practices. Palm oil production in particular remains seen as an unsustainable process given the environmental and social impacts associated to it. As producers and institutions push to adopt certification mechanisms that makes their production more sustainable, this analysis explores the impacts of this transition by palm producers to sustainable practices. Colombian palm oil production is different from Southeast Asian production in terms of volume and land-use change. As the National Coordinator of the Low-Carbon development strategy for Colombia expressed:

“in fact, in Colombia it’s where it has been done better than in other parts, in Indonesia, Malaysia, it is a disaster they destroy everything to put in Palm and its all the same landscape, here more (natural landscape) has been kept, for example in los llanos the morichales (natural body of water) and the impact has been much smaller (Valencia, 2018).

Yet understanding the factors that determine these production characteristics and strategies reveals power dynamics in the palm oil sector that can be found in other structures of Colombian society and in doing so helps understand what is needed to improve governance over the environment and how to overcome the structural obstacles for sustainable development. What determines that palm production in Colombia is done in a way that claims to be more sustainable than in other parts? What are the strategies and motivations for the actors of the palm sector? In what follows I look into these questions to guide the analysis and answer the research question.

### **5.1.1 Roundtable on Sustainable Palm Oil**

Private regulatory regimes such as voluntary certifications have become increasingly widespread global governance mechanisms for securing environmental and social sustainability in agricultural crops and commodities (Nesadurai, 2013). Such mechanisms came to be partly as a response to increasing public concern for the environmental and social impacts in the production of certain commodities pertaining to poor frameworks of environmental norms and the threaten to the livelihoods of farmers and vulnerable people where such commodities are sourced. Such issues, being not the exception in the production of palm oil, brought forward questions over the sustainability of palm oil sourcing.

In comparison to other commodities such as coffee, incentivizing the demand of sustainable palm oil is not without difficulties particularly at the consumer end level. Palm oil makes only a small part of finished goods, usually one ingredient making up the contents of industrially produced foods and products (Brandi et al., 2015). However, given the ubiquity of palm oil and recalling that around two thirds of its total production worldwide is destined to the production of food products and consumer goods, relevant stakeholders in the form of Transnational Companies TNCs, organizations of the civil society, producers and others convened to address the negative social associated to the production of palm oil. In particular, the practice of clearing large areas of natural forests to give way for palm plantations (Painter, 2007), alarming levels of biodiversity loss and complaints of Human Rights violations and labour conditions, raised the concerns and voices of some sectors of the international

civil society (WWF, 2013, 2016). These sustainability issues led the NGO WWF to bring together representatives of retailers, food industry, palm oil producers, processors and retailers to promote among the private sector and establish an institution with the objective of promoting sustainable palm oil production (Schouten & Glasbergen, 2011).

Under this context, the RSPO was established in 2004. The organization, founded as a multi-stakeholder platform constitutes a unit of supranational governance (Schouten & Glasbergen, 2011) whose mandate is to develop and implement global standards for sustainable palm oil. In doing so, the organization has established a set of principles and criteria and third party verification system that companies must comply with to gain certification of observance of its sustainability standards. RSPO is currently the most widespread standard-setting system among the industry. By 2014, 12 million tons of palm oil was certified by RSPO, accounting for 18% of global palm oil supply.

Indeed, for reasons I will discuss in this section, RSPO certification has become the most widespread and talked about certification scheme among Colombian palm oil producers and it was mentioned repeatedly by my informants. This gives ways to questions of effectiveness and to the fundamental criticism that RSPO “legitimizes what is at root an unsustainable agricultural model of large-scale monoculture plantation” (Nesadurai, 2013, p. 507). In the case of Colombian palm oil producers, as of 2018, ten companies had received RSPO certification accounting for 14% of the total national production. An additional 24 companies were in the process of obtaining certification increasing the percentage of RSPO certified palm oil to 36% (Mesa, 2018a). Throughout my interviews and from secondary sources, Colombian palm growers claim that their production is sustainable from an environmental perspective in that new plantations are not being set up in lands previously covered with natural forests and so the environmental impacts from land use change are seemingly mitigated. This leads to ask why not more Colombian companies are certified with RSPO. As part of this investigation, I visited and interviewed managers and officers at Hacienda La Cabana, one of twenty-four companies working towards certification and operating in the eastern department of Meta.

## Structure and functions of RSPO

As a multi stake-holder platform, RSPO has members from all stages of the production chain. Growers, manufacturers and retailers, banking and financial institutions and NGOs participate in the platform as members with the purpose to agree upon global production standards and certification schemes for sustainable palm oil production. In doing so, RSPO developed a standard for certifying sustainable palm oil production and a certification standard for the supply chain. As per the scope of this research, I focus on the former standard related to certification of sustainable palm oil production and the standard set for palm oil producers.

RSPO certification for palm oil production is based on the *RSPO Principles and Criteria for the Production of Sustainable Palm Oil* (hereinafter RSPO P&C). Within this framework of analysis of how this governance structure permeates the strategies and intra-elite relations, this discussion is guided through the three variables set at the beginning of this chapter. RSPO P&C is “structured as a series of principles, criteria, indicators and guidance, and is designed to be used by palm oil growers and millers to implement sustainable production practices” (RSPO, 2017, p. 4). However, this set of principles and criteria, being voluntary, translates into a fragile regulatory regime. It becomes enforceable and binding to producers once they become members and acquire certification. Moreover, even when a producer becomes a member and obtains certification on its compliance to the Principles and Criteria the certification procedure and level of the standard can be adapted to each national legislation as RSPO allows for a National Interpretation (NI) of the P&C. This dynamic nature of the RSPO regulatory regime implies that the effectiveness of the regime depends not only on the set of rules developed, it is also shaped by how these rules are set to change, be negotiated and ultimately accommodate (Nesadurai, 2013, p. 508), most often the interests of the most powerful and influential actors. In this case, the influence of larger palm oil producers, mostly members of the elite and Fedepalma is exerted into adopting the NI regulatory regime in a way that allows them to engage in a narrative of sustainability and development. The regime contains three types of normative

RSPO P&C sets a general minimum standard for producers however, the standard may be adjusted to better adapt to its national system and regulatory particularities. In this sense, the NI has been revised and updated periodically. The NI is revised and agreed upon by producers, traders, members of relevant industries and social and environmental NGOs to adjust RSPO P&C standard to the Colombian context. The National Interpretation Standard was revised and updated in 2013 and was later approved by RSPO in 2015 (Fedepalma, 2015).

During the 2013 update process, the Task Force leading the revision process was led by Felipe Guerrero Sustainability manager of the DAABON group. The DAABON group is a cluster of agroindustrial businesses owned by the powerful Dávila Abondano family of Santa Marta. The group owns 12 thousand hectares of palm in the Caribbean region north of Colombia, making it one of the largest producers in the country. The head of the DAABON group is Manuel Dávila Abondano whose family and business group have been involved in agroindustrial and commercial activities for over one hundred years, starting with banana exports in the early 20<sup>th</sup> century (Semana, 2012). Mr. Dávila Abondano is also member of the Board of Directors of FEDEPALMA. Thus, the national interpretation process and set of standards to be observed by Colombian palm producers in order to obtain RSPO P&C certification was lead and influenced heavily by powerful members of the palm business elite.

At the time of the first National Interpretation process, certain international NGOs like OXFAM, expressed their concerns for the National Interpretation process, its effective participation and transparency, reporting that:

Around the interpretation process, Colombian civil society organizations have raised concerns. Especially it has been indicated that more than a real effort to reduce and avoid the social, ethnic, economic and environmental impacts of the palm industry, it is their opinion that the process has become an effort to wash their image, without necessarily committing to substantial changes. This fear sharpened after the recent announcements of the large-scale expansion of plantation areas to cover the demand for biofuels. Further, different organizations considered that the consultation process has not been sufficiently participatory and that the key ethnic groups (indigenous and Afro-Colombian) and civil society actors including labour rights organizations were not included (Seeboldt & Salinas Abdala, 2010).

Currently, a new revision and updating process that started in 2018 is underway and set to be completed later in 2019. The process is currently in public consultation stage, receiving comments and observations from the general public. The Working Group leading the new NI process is still conformed in its majority by producers and industry stakeholders (9 out of 15 members, the remaining 6 being members from social and environmental NGOs).

As the National Interpretation is revised and updated constantly this suggests that RSPO P&C is a dynamic, flexible regime that can be adjusted to ease the constraints to growers and producers and adapts to changing national realities. The working group set to revise the national interpretation is mainly conformed by representatives from growers and industry. Civil Society Organizations and representatives from small landowners taking part in the group are minority and their proposals and observations can be easily defeated in the proceedings.

In this sense, given the general political-economic context where this regime unfolds and takes traction, that a business sector imposes upon itself a regulatory regime is consequence and cause of the scaling-back of State intervention and neo-liberal reform that took place in the 90s and 2000s. Moreover as I discussed earlier, it coincides with a weakening process of the Colombian environmental governance institutions coincides with the emergence and adoption of RSPO P&C as a private regulatory regime. In this sense, as the State's power and functions of governance over natural resources declines, it is replaced by a voluntary regulatory regime. This in turn shapes the strategies, relations and power transactions that take place within the system of actors and intuitions of production of palm oil in Colombia as I discuss in what follows.

### **Creating legitimacy**

The authority and compliance to a regulatory regime are accepted and enforced by the receiving end of the rules because they deem the institution legitimate. In this sense, legitimacy refers to “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values, beliefs and definitions” (Schouten & Glasbergen, 2011).

RSPO P&C fall into three normative categories. They are hierarchical and range from general principles to measurable indicators. According to RSPO documents they fall in the following normative categories:

- **Principles:** Fundamental statements about a desired outcome, often providing greater detail about the objectives.
- **Criteria:** What implementation of the Principle looks like. They refer conditions that need to be met in order to fulfil a Principle. Criteria add meaning and operationality to a Principle without themselves being direct measures of performance.
- **Indicators:** Positive or negative variables that measure implementation. They are measurable states, which allow assessment of whether or not the associated Criteria is being met.

The seven Principles for 2018 are in turn grouped into three “impact goals”:

Impact Goals	Principles 2018
<p><b>PROSPERITY</b></p> <p>Competitive, resilient and sustainable sector</p>	<p><b>Principle 1.</b> Behave ethically and transparently</p> <p><b>Principle 2.</b> Operate legally and respect rights</p> <p><b>Principle 3.</b> Optimize productivity, efficiency, positive impacts and resilience.</p>
<p><b>PEOPLE</b></p> <p>Sustainable livelihoods and poverty reduction</p>	<p><b>Principle 4.</b> Respect community and human rights and deliver benefits</p> <p><b>Principle 5.</b> Support smallholder inclusion</p> <p><b>Principle 6.</b> Respect workers’ rights and conditions.</p>
<p><b>PLANET</b></p> <p>Conserved, protected and enhanced ecosystems that provide for the next generation</p>	<p><b>Principle 7.</b> Protect, conserve and enhance ecosystems and the environment</p>

This takes this discussion to question the RSPO as a legitimate institution and analyse the drivers of the actors involved in the production of palm oil (producers and public institutions) to accept and enforce the Principles and Criteria of RSPO as a system of norms that guide their actions and practices. Then, the question to guide this analysis is what accounts for the normative power of a private regime of environmental governance?

RSPO as an institution and a regime of environmental governance is now ubiquitous among the actors involved in the production chain. Throughout this investigation, practically all of my informants, from government officials to company managers and employees mentioned or made reference to RSPO. Its Principles and Criteria have become widely accepted and implemented by a large number of palm producers. The fact that it has become widespread practice and that companies are willing to assume the high costs to comply with RSPO Principles and Criteria and obtain certifications accounts for its normative power to modify the interactions among actors and their behaviours and practices. I found that RSPO Principles and Criteria have gained legitimacy among palm oil producers, particularly the larger companies capable of assuming the costs conveyed by the certification processes. I analyse why this private governance regime has gained legitimacy and is now a normative system regarded as an *ought-to* practice among producers. There appears to be a philanthropic conviction of responsible business and legitimate concern for environmental impacts and social well-being. I interpret this however, as a strategy from members of the elite of palm growers to establish and accommodate a regulatory institution that hinders further government regulations and maintains their hegemonic position.

In light of the above, palm growers advocate for the legitimacy and normative nature of RSPO P&C. I identified two dimensions of the normative/enforcement value assigned by palm growers to the regime. In a sense, a form of *opinio juris* that guides and transforms the behaviour of palm growers into enforcing RSPO as a norm. The first and most immediate dimension is market driven and was constantly referred to by the informants in this research. As buyers are pressured by consumers and public opinion to engage in more sustainable practices producers are driven to comply with RSPO rules and obtain certifications. Moreover, RSPO certification is seen as an added value element that sets aside producers from some competitors. Furthermore, in this



market dimension, there is a reputational motivation to wash the image of the sector in Colombia, which has employed certain environmentally damaging and morally questionable, almost illegal, practices. As one of my informants succinctly explained, almost as if admitting this:

“One sees that there are companies very committed and wanting to do things well and wanting to be certified with RSPO, one can criticize many variables but it does measures many environmental, social variables, labour, law then at least if it is a measure of sustainability. There are many companies that are transiting this route in function of an international market, based on better export conditions so let's say that there are good examples of companies that are doing things well and we must see if the accounts fit economic, social and environmental... and others that still not but the sector in general they want to travel that path of becoming more environmentally sustainable and socially at least have wanted to wash their image and to compensate a little the stigma that they carry of land grabbing, displacement, and try to work more with the communities, trying to give better working conditions to the employees.” (Valencia, 2018)

On the other hand, as the dominant actors (Fedepalma, elite producers) negotiated and shaped RSPO P&C they positioned it as the dominant regulatory governance regime for palm oil production. By doing so, palm oil producers, members of the elite assert and exert dominance in the sector, thus maintaining a powerful position of control over the production structures and governance institutions surrounding the resource. RSPO pushed by the elite becomes the hegemonic regulatory institution and given that it was adopted and adapted by the most powerful members of the palm oil sector, it remains unchallenged. Moreover, as I will discuss later, coupled with a “trade narrative” of benefits and data, the sector defends itself against public disapproval and the threat of increased regulation.

After a seemingly participatory process, the regulatory institution that is set in place becomes hegemonic to the palm oil sector and set in place process then creates a sense of sensibility among other stakeholders. In this sense, government institutions, organizations of civil society and other stakeholders such as smaller producers come to accept the legitimacy and authority of RSPO P&C. Not only they Schouten and Glasbergen (2011) recall Hurd’s work in the reasons why an actor might accept

regulations: “first because he is coerced to so; second, because actors recognize the rule to be their own benefit; third because the actor considers the regulations to be legitimate and agrees that they ought to be obeyed”.

The Colombian legal system, from its Constitution, court decisions, laws and regulations convey legal obligations for companies and individuals that are in line with RSPO Principles and Criteria. Among them, a constitutional right to a safe environment, labour laws and protections, protection regimes for indigenous lands, environmental protection laws, etc. Why do Colombian palm oil producers accept the private regime set into place by this institution? Why would Colombian palm producers be required these certifications? I suggest two reasons. First, even when there is a constitutional-legal order in place within a framework of State institutions, the State has failed to enforce its legal system and impose the monopoly of violence. Moreover, from my interviews I found there is distrust towards local environmental institutions and producers turn to their business association and international institutions to obtain a seal of approval and be able to keep their participation in international markets.

Gonzalez (2016) recalls Daniel Pecault’s definition of State Weakness as the “difficulty of Colombian society to transact or process its tensions through state regulation”. In this sense, the data suggest that Palm producers turn to international regimes of governance as a dual strategy: on one hand to improve their image and maintain their access to international markets. On the other hand, Colombian palm growers are driven to adopt this regime of environmental governance to hold the status quo and control over most decision making when they are forced into a conversation over the development model to pursue and the post-conflict prospects for agroindustry.

This goes on to show how RSPO certification and its Principles and Criteria influence palm growers. According National Centre of Historical Memory, the area of palm plantations increased in 22 out of the 60 municipalities with the highest number of displacement and abandonment reports. In this sense, even when “the relation between conflict and palm plantations cannot be generalized” (CNMH, 2016) municipalities with high levels of displacement and land dispossession with presence of palm plantation are at higher risk of experiencing other forms of conflict related to land restitution and economic alternative that provide for livelihood options. However,

even if land is acquired legally under RSPO standards, this is no guarantee that there are taking place dynamics of land accumulation and concentration. One of such potential conflicts is the confinement and lack of alternatives small landholders face when their lands are near large plantations and extraction plants. Palm companies, owners of the extracting plants, shielded under RSPO standards, justify the insertion of small farmers into the extractive model in order to reduce potential conflict with farmers seeking other economic activities. Moreover, by incorporating and engaging associations of small landowners they neutralize competing economic models that call for subsistence farming and traditional foodstuffs that compete for resources with the palm producers. One of the managers of a company expressed it like this:

“On the part of the company, we aimed for other people of the region, farmers (campesinos), small holders of land, to get in the same palm growing business as a means of subsistence. One of our current suppliers is an association whose members were families displaced by violence that the government gave them land in the area near the company. Then the company proposed that they join, and merge their land to establish a palm company, an association, around 24 families joined and now live off from the palm, initially they put the land and labour and we (the company) financed, and contributed with seeds and technical assistance and the government mainly contributed with loans for agriculture” (Rozo B, 2018).

RSPO incentivizes producer-smallholders association schemes like the one described before. Under RSPO criteria producer should behave in a certain way towards smallholders. As an example I take indicator 4.5.7: *“New lands will not be acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations in the national interest without consent (eminent domain), except in cases of smallholders benefitting from agrarian reform or anti-drug programmes”*.

The norm encourages associative schemes to engrain smallholders into the agribusiness model that palm plantation views as optimum. Yet, Kalmanovitz and López (2005) found that these associative models like the ones described by my interviewee results in the associations of smallholders becoming dependent on a few processing plant to which they sell their palm fruits for processing. In this sense, even when RSPO standards related to land ownership and engagement of smallholders is

indicative of ethical and legal practices under a governance model respectful of land property, they result in curtailing the livelihood options of smallholders. Moreover, the associative schemes benefits an agroindustrial development model based on plantation structures of capitalist permanent crops over traditional *campesino* systems of successive crops<sup>4</sup>.

This issue becomes pressing in a postconflict development model. As sustenance activities and economic alternatives are necessary to build peace and provide former combatants with the livelihood options to advance their life project. As the spokesperson for the FARC political party which emerged after their demobilization expressed:

“A good part of ex-guerrilla members are from peasant origins and their ultimate goal is to return to productive activities in the countryside (campo)”  
(Espectador, 2017)

Here lies a primary source of conflict with potential to curtail the building of peace. On one hand, Fedepalma and palm growers favour a development model of capitalist production and market economy. Under this model, smallholders must enter into associative models, usually under a vertical relation of power and become dependent on selling their production to nearest extraction plant. I would further argue that this model threatens food security to communities and smallholders. Given the nature of palm production, its high investment, long term production and high use of water and other materials, it is not possible for smallholders to grow other crops that are alternative or temporary sources of income or to complement their diets. As an expert in the Ministry of Environment explained:

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<sup>4</sup> **Successive crops or catch crops** are those which are sown and harvested on the same piece of land previously occupied by another crop, or even by the same crop, during the same agricultural year. Include cereals and legumes. On the other hand, **permanent crops** category to which palm belongs to are those crops that are sown or planted once, and then occupy the land for some years and need not be replanted after each annual harvest (FAO, 2019).

“palm consumes a lot of water, internationally its thought that oil palm replaces crops for human consumption but here the replacement has been more of cattle, has displaced cattle ranching” (Valencia, 2018)

Here my informant points to an issue with potential to hinder the construction of peace and guarantee peasants with options to engage in traditional activities. Instead of taking up cattle ranching which is an activity closer to traditional farming activities, peasants are turning to become employed or change their economic activities into an unknown agricultural activity in the form of palm oil. Even when cattle ranching is not a labour intensive activity and does not require high investments or capital goods, it is an activity closer to traditional peasant economic activities. Cattle’s ranching does not require long term investment and each unit of cattle represents readily available income for farmers. There are other factors and variables to consider when making an assessment of development models. However a discussion about those variables exceeds the scope of this thesis. The relevant aspect here is to make present that palm oil production is an activity far removed from traditional subsistence activities or small scale farming practices and as such has the potential to become a primer of exclusion and dependency relations which in turn is a potential to exacerbate conflict in the country side.

I have discussed how international environmental governance regimes are used as instruments of power by agroindustrial elites to present themselves as the sustainable alternative in a free market, agroindustrial development model. The following part of this analysis will present a discussion on how RSPO came to gain legitimacy among industrial palm growers. Based on my interviews, I found that RSPO gained legitimacy, and became an authoritative agent (Schouten & Glasbergen, 2011) through a process of initial coercion and resulting in producers adopting a moral justification for accepting RSPO principles and criteria. The adoption of a normative discourse that dilutes the sustainability discourse into a “sustained growth” discourse provided the Colombian producers with the moral justification to pursue and implement RSPO Principles and Criteria.

I found that private governance in general and RSPO in particular has a material efficacy in shaping a changing the behaviour and attitudes of Colombian palm

producers in their practices and production processes. In doing so the RSPO gained legitimacy among palm producers through a process and became incorporated into their production practices and standards. Producers initially view RSPO Principles and Criteria as a form of coercion, they ought to implement this regime if they wanted to keep buyers and market access. Then, in the process of doing so, they internalized and appropriated the regime when they perceived it as beneficial to them and improved their production practices and image. Finally the RSPO is starting to gain legitimacy among some producers to break from past associations to armed groups and violent practices and finally reaching what I call market-lead moral justification. As another manager of a palm producing company expressed it:

(I see the sector becoming) “Stronger in communication issues, we need to differentiate our palm from the rest of the world, demonstrate how we do things. We take part in all the initiatives with WWF and GEF on biodiversity, zero deforestation, every new program that comes out we get involved and hope that it returns in a better perception of the product, of the activity at the national level and in Europe where it is demonized, it is necessary to continue showing the comparison with the initiatives of edible oils.

The legitimacy and acceptance of RSOP norms comes first, from a form of market coercion in that European buyers are demanding RSPO certification from Colombian producers. These buyers do not distinguish provenance of the product and assume it is all produced in unethical, unsustainable form, ignoring the relative higher costs of labour in Colombia, result of the labour and social security set in place. The moral standard from European buyers is double: while they demand and require sustainability indicators, they are still pushing for regulations to limit or even ban altogether palm oil regardless of origin. By spearheading efforts against palm oil, even when produced in a sustainable manner they place at risk direct jobs and the prosperity of smallholders that have managed to establish successful associative models that are rendering positive results. “What has happened in Europe worries us. Somehow an environmental sustainability façade has been used to close the doors to a product as versatile as palm oil” (Mesa, 2018b) As one of my interviewees expressed it:

“there is a sustainability indicator that is the international market, especially the European market that demands, that almost requires the certification or RSPO and ISCC” (Valencia, 2018).

From this there is evidence that there is an indirect form of coercion through impose through market because the European market represents 70% of the total volume of palm oil that is exported (Fedepalma, 2017). In requiring RSPO certifications to Colombian producers, the EU is sending a powerful message: “comply with this regulations or risk losing this market”. As another informant confirmed when asked about the voluntary nature of the principles and criteria:

I: “5 years ago, we received a notice that in order to continue selling oil to Europe, we needed a certification called the RSPO, what is that? We asked. The first thing that FEDEPALMA did was to train us on RSPO: what is that? What is it for? Where does it come from? Who invented it? Is it more bureaucracy from Europe?”

Me: But do you see RSPO as an additional cost, higher costs on your production? Or do you see it as an added value, as a way of entering an important market? Why if is it a voluntary standard? Is it not voluntary?

I: Well, if you do not have it, they will not buy from you, half voluntary. (Echeverry, 2018)

Verifying and tracing the sources and practices of all the palm growers requires constant verification and strong administrative and financial capacity that only the large producer and owners of the palm mills are in position to assume. But the chain of tractability cannot be absolutely verified and certified. Verifying the sources can prove to be almost impossible. Moreover, the RSPO will not gain legitimacy and universal compliance from all the actors of the production chain given its high costs and lack of compliance mechanisms. To the extent that the standards are imposed by international NGOs and large buyers in the most developed countries the unsustainable practices in the sector will continue to take place and the environmental degradation and social conflicts will continue to happen. Buyers eventually turn to growers that are not certified if this represents a lowering of their costs.

then they (food industries) feel disadvantaged and do not want restrictions on where to buy the oil as long as it comes out cheaper, then that is something to take into account in the national policy, so that there is also an incentive for buyers to buy sustainable oil and there are incentives to sustainability in the country chain (Valencia, 2018)

In the meantime, smallholders in palm growing municipalities will continue to struggle with the high costs and complexities of producing palm as the international market continues to reduce, limiting their access to buyers and reinforcing the dependency relation with large production companies as they require the technical assistance and training that RSPO standards demand for plantations.

In attempting to demand more sustainable palm oil and then banning subsidies or deferred treatment we witness a paradox of development that testifies to the unevenness and fragmentation of development as a process: a model usually imposed by the developed countries through market mechanisms and international institutions is capitalist production constant demand for raw materials. My argument is supported in what the Chief Financial and Administrative Officer of his family's company discussed with me during our interview:

“You are required to, let's say you have the RSPO principles, the RSPO checklist, but there are many things you say: "but what for?"... we are neither big nor small, we are in between then the implementation of things like the RSPO is really costly because of the volume, to a large company it is not costly, for the little ones it is impossible for them there are plans and almost that of subsidy for the processing plants that sell them. For small producers the RSPO has specific conditions, they are not the same for the small” (Echeverry, 2018).

Recently, “the European Commission concluded that the cultivation of palm oil, mostly undertaken in Indonesia and Malaysia, results in excessive deforestation. It should therefore not be eligible to count toward EU renewable transport targets for national governments. Such a ban ... will almost certainly result in a phase-out of the fuel's use in Europe” (Keating, 2019). However, Colombian plantations are developed



in lands that were not previously forests yet, the countries at the centre, buyers of palm oil categorize all production into one sack as coming from the south and so the farmers in one corner of the world pay for the sins of those an ocean away.

### **The sustainable development model pursued**

Up until this point I have argued that even when the Colombian palm growers are aligning themselves with an international system of governance to justify the prevalence of an agroindustrial, market-led development model. In this sense, I have discussed how palm growers first resisted the imposition of market-led certification mechanisms as they deemed the costs too high and the low trade-offs given official incentives to internal demand and market prices. Furthermore, I argued that in order to clean their image, maintain market access and distance themselves from the unsustainable, low environmental standards and practices engaged by palm growers in other regions, they adopted RSPO certifications.

I have introduced an argument where some sectors of the palm growing elites oppose the implementation of the peace agreements and an alternative development model based on traditional forms of agricultural production. In this sense, the conflicting visions of development models embed the process of peacebuilding with an inherent conflict that, I argue, would require a sound institutional stability in order to mediate the unbalance of power and maintenance of peace. Throughout my interviews and consulting of secondary sources it was made clear that palm growers constantly use the terms “sustainable” palm oil and “sustainability”, among other things to differentiate themselves from other global producers. I analyse the meaning and use they give to these terms. In doing so, I found that palm growers have adopted a sustainability discourse in a way that attempts to decouple environmental degradation from palm oil production. By adopting a sustainability discourse they are able to hold their ground in opposing a model for the development of agriculture that is contrary to theirs of an entrepreneurial, market-led, agroindustrial development. In this sense, by adopting certification standards, principles and criteria of sustainability, palm growers are able to modify and adapt the concept of sustainable development into their development model. In other words, they advocate and demonstrate that they engage in forms of sustainable development to justify their agroindustrial model. This resonates with Bull and Aguilar-Støen when they quote Mansfield: ‘no longer seen as

an environmental threat or cause of global inequality, development became the route to sustainability (Bull & Aguilar-Støen, 2015, p. 8). By adopting international environmental governance regimes and certify their production, palm growers are able to dissipate and dismiss the forces and sectors opposing the expansion of palm production that argue against its environmental consequences. Furthermore, combining their political and economic power they manage to become a force capable of opposing policy and development model as in the case with the peace agreements.

I know support my argument with a discussion on the meaning that palm growers attribute to the terms “sustainable” and “sustainability”. In doing so I found that for palm growers sustainability is synonym with applying good managerial practices; comply with basic labour and environmental regulations and sustain the financial growth of the companies.

This private governance regime being pursued by Fedepalma and Colombian palm growers focuses on management issues and good corporate practices. It goes on to show how the term has become affiliated with neoliberalism and the decline of authority of the Nation-State in favour of self-regulation and voluntary standards (Bull & Aguilar-Støen, 2015). In this sense, rather than dealing with and mediating the relations of power among landowning companies and smallholders and communities, this governance regime “flattens uneven relations of power, and which mask competing claims to, and about the environment” cited in Bull and Aguilar-Støen (2015). This neoliberal vision of governance was succinctly expressed by the Executive President of the palm grower’s business association Fedepalma, Jens Mesa when he sentenced:

“Palmiculture (palm production) has an enormous potential and there are many positive aspects of having good managerial practices to foster the development of this economic activity. We see good management as a key factor for competitiveness and sustainability of the palm business” (Mesa, 2018b).

Up until now, I have argued that the governance system pursued by RSPO is limited in terms of its legitimacy and efficacy. Its costly implementation and the high percentage of oil destined for domestic consumption and production means only a limited number of Colombian companies have been able to become certified in RSPO standards. Moreover RSPO has been limited in producing or changing social order in how palm oil companies organize the means of production.

“Our corporate principles are all the same topics covered by the RSPO. I cannot conceive of doing a business that is detrimental to society or the environment, but also to the finances of the owners. A business has to be a healthy balance between the three: a business that brings money - that is financially responsible-, that is environmentally responsible and that is socially responsible” (Echeverry, 2018)

My informants, being mainly large palm production companies, share similar perceptions and opinions of RSPO standards. To the companies they represent and for Fedepalma the environmental governance regime set in place is associated with a set of corporate social responsibility and good management practices that they claim renders their business activity “sustainable”. Even when they express that incorporating RSPO standards represents higher costs to their production, they perceive the trade-offs to be positive in their favour. The trade-offs being economic (continued market access), reputational (improved image) and power (by holding a position of dominance in the municipalities and among smallholders). Therefore the environmental governance set out by RSPO to foster sustainability has the result of enabling capital accumulation and commodification of nature.

As I have discussed elsewhere, environmental governance seeks to organize and control social order towards the use of and relation with natural resources and the environment. One of the desirable paths of social change and outcome it pursues is that of sustainable development. According to Bull and Aguilar-Støen (2015) sustainable development is boundary term, where science meets politics and politics meets science. In this sense, the term is deemed by a range of disciplines with a shared theory of knowledge with common concerns to (de)linking environmental and economic development concerns. As a concept, it has important implications in

political and policy making processes at different levels of governance. The term was first introduced in 1978 by the UN-commissioned report *Our Common Future*, defining sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. Notwithstanding this definition I argue that for palm oil growers the term remains inherently in the developmental realm of capitalist accumulation and commodity production. Thus palm growers are mainly concerned to making their business sustainable to the extent that it persists in time and continues to undergo sustained growth and expansion.

Under these circumstances it is necessary to analyse and discuss this term in the context of palm oil production. Indeed the term sustainable development was mentioned constantly by my informants and so I analyse what is the meaning they give to the term and how they employ sustainable development into their discourse and practice. I show here how the palm producers have adopted and changed the term to the extent that it no longer describes a desirable path of societal change (Bull & Aguilar-Støen, 2015) but is employed by palm oil producers to describe forms of capitalist accumulation.

At its best, the term is employed in a vague way and limited to the implementation of less environmentally damaging agricultural practices under the framework of international certification standards. The head of Fedepalma gave a general idea of what the notion means to the business association in an interview when he expressed his vision and notion of sustainability:

“Sustainability refers to the fact that Colombian palm oil producers and their business association (Fedepalma) are committed to the implementation and certification of sustainable practices. Since 2004, Fedepalma has been a member of the Roundtable on Sustainable Palm Oil (RSPO) and has been promoting the adoption of its sustainability standard, the most recognized in the international field for palm oil, whose strategy is directed not to occupy new areas of high environmental value and the promotion of cleaner agricultural practices” (Mesa, 2018b).

Through the course my interviews, palm oil producers expressed that the comparative and reputational advantage of Colombian palm oil production is that expansion of new plantations is done into savannahs and grasslands compared to rainforests. In this sense, zero deforestation standards to comply with sustainability certifications are low-hanging fruit solution with minimum trade-offs for palm oil growers. Moreover, it allows them to encase production of palm oil in a sustainability discourse without regard to the environmental implications of turning natural savannahs and grasslands into monocrop plantations. Such claims ignore the fact that natural savannahs and grasslands play important roles as ecosystems and a plantation of a single species using up resources, lacks the diversity and dynamics of a natural ecosystem. This was confirmed by the government official I interviewed when he pointed out that:

“The other issue is that of the natural savannahs. Palm growers are also criticized for wanting to expand in the grasslands and where there are areas of natural savannahs in the Orinoquia or flooded savannahs in the highlands and it is true what happens here I think it is necessary for the environmental sector to really agree and say what are those areas of savannah and natural savannahs in the highlands. It’s key we protect both in areas, so we know where they are. Also produce guidelines of the ecosystem services they provide, like connectivity, drainage but there is still no rule” (Valencia, 2018)

When my interviewee points out to the fact that there is no rule from the environmental authorities to organize and determined the adequate land uses he points to the deficient environmental governance regime in place and the normative deficit. This comes to show the weakness of environmental institutions in Colombia, particularly when it comes to mediate the interests of agroindustry and communal forms of environmental management. Indeed a weak environmental authority and lack thereof of a system of norms that controls the adequate access and use of natural resources results in the current situation of palm plantations being expanded into natural ecosystems. This comes to show the lack of a sound environmental governance system that is able to organize and distribute natural resources according to aptness and environmental value.

At its core, RSPO regime claims to establish voluntary certification processes that intend to transform the sector into a sustainable one. Moreover, the actors I interviewed constantly made reference to the sustainability of their business and practices or where concerned with issues of sustainability. However, their concerns were mostly about the sustainability of their business:

“The certifications of sustainability of palm oil, at this moment, to have them generate a price premium; there is economic motivation to be sustainable. It gives a differentiation in the price, short term, in the medium term we know if we don’t have the certifications we will not be able to sell palm (oil), it will not be a differentiator, you will not have alternatives, if I am a small producer I sell it a little and that’s enough. When you see it as a company we as administrators have to ensure the sustainability of all aspects of the company and one of those aspects is economic sustainability and we know that we will not be able to sell if we do not show that we are sustainable, if we do not maintain sustainability standards. Then we do it for business sustainability, because we have always had practices of sustainability without calling them that way, then certification is the way to make visible those practices that we always did and correct those that we did not. We can improve in all the topics, economic motivation, long-term motivation of the company, and demonstrate what has been done well, there RSPO or ISCC helps us to make viable the output of the product and to show that if we have good practices” (Rozo B, 2018)

Even when palm growers evoke sustainability, they do so from a business perspective, one that will ensure the continuation of the companies and business models. As such, in order to support a consistent and sustained growth, palm plantation need physical expansion, the acquisition of land or conversion of existing ones, or by association with small landholders whose agency to take part in the traditional peasant economic structures is limited into selling palm fruits to the nearest extraction plant, owned and operated by private corporations.

Yet, international private regimes of environmental governance like RSPO have a relative impact. I have argued here that as market-driven, voluntary standard there remains concerns that it is used as a mechanism to improve the image of palm oil. It places the burden of adequate governance and environmental impact reduction to producers, instead of placing scrutiny to end consumer product companies and actors higher up in the chain of production. Moreover, as the nature of the principle is non-

coercive and percentage of volumes certified remains low, the real impact of the regulatory regime is less than significant. What is more RSPO reduces complex social behaviour towards natural resources to good agricultural and business standards and flatten out relations of power among actors creating relations of dependency, transferring the authority and delivery of public goods to corporations thus privatizing authority and undermining the capacity of State institutions. Moreover RSPO adopts a discourse of sustainability that equates sustainable development to a business model of sustained growth. However, in the absence of sound environmental and political institutions it is worth asking if an imperfect governance system is better than none at all and in doing so, the words of a leading Colombian environmentalist make echo:

“Diversity is the parameter by which all cultural and ecological systems operate. Sometimes eating ecologically certified meat can be a better incentive to the restoration of a productive system degraded by our complicity with irresponsible producers. To stop consuming Colombian palm oil because in Indonesia its productive model devastates the jungles is nonsense: it destroys a national industry that strives to guarantee and certify its good practices. Instead, I would suggest to stop consuming industrially harvested potatoes or onions at the expense of the destruction of páramos, rice from the destruction of wetlands and flooded savannahs, or products derived from irresponsible fishing or mining” (Baptiste, 2019).

As such, many have come to accept that regulatory regime which commits palm growers to a level of accountability or verification at some level is desirable outcome in agroindustrial activity that employs resources intensively. My data and interviews in Hacienda la Cabaña suggest that for this particular case, RSPO has brought about a genuine concern for accountability and fear of scrutiny. From their openness to allowing I to lodge in their plantation and participate in all daily process demonstrates an openness and willingness for accountability. Moreover, all the data related to carbon emissions, number of high conservation value areas protected and relation and support to smallholders is documented and made available to the public. As they expect to complete full RSPO certification by 2020 there is a generalized acceptance among management and employees that their business depends on the adequate use of resources. Their involvement in conservation projects and energy efficiency while still within a philosophy of commodification and monetization of nature and the environment, places an inherent value to the environment and in turn has produced a

change in culture among some. For instance, I was told that a few years ago any species of mammals would be hunted as bush meat whereas currently employees know that the presences of species of animals means healthy water sources and buffer conservation areas that help fight the plagues that attack the palms. From what I gather, RSPO certification has made this plantation complaint with national and international standards of environmental protection. From water residue management to fertilizers, all processes are documented and controlled to a level of formality and organization required from a growing agroindustrial sector.

### **5.1.2 Private environmental governance and institutions: complementing or displacing governance regimes?**

The term environmental governance refers to the interaction of social behaviour towards natural resources, characterizing it as a complex arrangement of formal and informal interactions among state and non-state actors across different scales, driven by ecological and social factors (De Castro et al., 2016). Environmental governance focuses on the systems of governing, means for the allocation of resources and the exercise of control and coordination in which state and non-state actors play various roles. For the purposes of this discussion I use the definition coined by Bull and Aguilar-Støen (2015). According to these scholars environmental governance is “the set of mechanisms, formal and informal institutions and practices by way of which social order is produced through controlling that which is related to the environment and natural resources. They continue by arguing that environmental governance is not merely about the “management of nature, but how through governing nature and natural resources, the conditions of what is possible for actors in a given context, are established”. For their part, “voluntary sustainability standards and certification schemes such as RSPO fall within a category of transnational private or non-state market-driven governance initiatives, which often fill in the gaps that governments and international institutions are not (yet) willing or able to regulate” (Brandi et al., 2015).



Colombian environmental institutions underwent a process of loss of capacity as measured in their ability to enforce environmental laws and regulations, implement an environmental agenda and ensure continuity of environmental policy (Mance, 2008). A delayed consolidation of its authority and policy program from its creation in 1993 followed by an institutional reform which merged the Ministry of Economic Development with the Ministry of Environment during the government of Alvaro Uribe (2002-2010), resulted in a weaker institution at the head of the Colombia environmental governance system. Moreover, the resources and budget assigned to the Ministry have been reduced every year from 1995.

Given the institutional arrangement of the environmental system, implementation and enforcement of environmental regulations correspond to regional autonomous authorities (Corporaciones Autonomas Regionales-CARs). Such entities, being decentralized from national government and from the oversight of the Ministry of Environment, are generally understaffed and their capacity to enforce environmental regulation is limited. Presently, CARs authority is limited to licensing water use and waste management. Said entities “lack the capacity, independence and autonomy to monitor in an adequate and timely manner the social, economic and environmental effects of plantations and extraction plants, and impose sanctions where necessary” (Valencia, 2018). In my visit and interviews with employees at La Cabana, I was informed that the oversight role and function of Cormacarena was limited to granting license for water use in the plantations, management of waste and residue from the extraction plant and health related issues of pest controls, bad odours from the sediment pools where the residue water was processed and air quality from the plant boilers.



*Figure 3 the extraction plant*

Under this context of weak institutional capacity, private environmental regimes have come to be established as the institutions set to produce social order and control how palm growers operate. In a nutshell, private international regimes are most concerned with avoiding expansion of palm plantations into natural forest areas. Palm producers respond by claiming that their expansion takes place in previously empty savannahs. “It is important to remember that palm plantations are not forests, they are uniform ecosystems that substitute natural ecosystems and their biodiversity” (CNMH, 2016)

The influence of private environmental regimes over production takes place under an increasing demand for commodities, including palm oil. Palm oil companies will have incentives to adopt sustainability standards and even assume the higher costs as long as they perceive positive trade-offs from doing so. Indeed, they will continue to support sustainability measures for at least three reasons. First, because international certifications amount to added value and continued market access (the greed

incentive). Second, certification improves the image of the palm growers and helps them get rid of their negative image as polluters or as working in tandem with armed groups (the need incentive). Finally, palm growers accept environmental governance regimes and certifications because they are aligned with their corporate social responsibility principles. Also because in some cases they have developed important links with the communities and municipalities where they operate and they are convinced of the benefits of palm production (the creed incentive) (Rettberg, 2016). To illustrate these claims I quote the CEO of Fedepalma when he announced that:

“(palm production has) resulted in the generation of around 160 thousand jobs, and in an improvement in the quality of life of rural communities where this agro-industry operates. This is well illustrated by a recent study of the national planning department (DNP), where it compared municipalities that have faced armed conflict and where there is palm cultivation, compared to those with the same conflict, but with no palm production, and found that in the first group the average per capita income exceeds by 30 percent that of the second group. They have called this difference the “social dividend of palm” (Mesa, 2018a)

International regimes have widely come to be established as the guiding norm by which Colombian palm oil producers are adjusting their production and their relations with other actors such as smallholders. Obtaining market-led certifications enables them maintain access to international markets and enforce minimum environmental and social standards primarily expansion of plantations into natural forests and displacement of peasant and indigenous communities.

However these certifications schemes are limited in their scope, serving mainly as benchmarks for international buyers and stakeholders at the end of the commodity chain (Consumer Goods Manufacturers, Environmental NGOs). Moreover, certification processes and technologies represent higher costs of production which results in only 19% of the world palm oil production to be certified with RSPO standards and 14% of Colombian palm oil production is certified. In many cases Colombian small producers are unable to assume the costs associated with obtaining certifications and turn to Fedepalma or companies that own the extraction plants for assistance, thus further undermining the authority and capacity of State institutions which have transferred on to this business association some of its functions. The end

result of these private environmental regimes is the incorporation of “improved” managerial practices following market-driven compensation schemes. In this sense, environmental governance becomes increasingly privatized, weakening domestic institutions and flattening uneven relations of power in favour of powerful firms over smallholders.

The rise in international regimes and certification mechanisms coincides with a decline in authority and capacity of domestic environmental institutions. When the Ministry of Environment was created back in 1993, Colombian environmental institutions managed to address and solve some environmental issues affecting the palm sector:

“When examining the evolution and the main tendencies of the environmental management of the oil palm sector, a positive balance is also registered in the crop fields and in the extraction plants. In 1993, water pollution was the most important environmental problem in the sector, which was characterized by high levels of discharges of organic material into the water, with serious consequences for the regions where the extraction plants are located. Ten years later, it became an irrelevant matter, and currently 98% of the fifty extraction plants have treatment systems for discharges that remove more than 95% of the organic load of the flow discharged. In this way, all companies in the sector comply with current regulations. In addition, about half use treated water to irrigate the plantations, which means that in the medium term this sector will reach zero discharge. (T)his change in the behaviour of the palm oil companies is a consequence, to a large extent, of the environmental institutionality created by Law 99 of 1993, and, consequently, of the action of the CARs” (Canal Albán & Rodríguez Becerra, 2008)

The decline in environmental institutionality has direct consequences on the governances over natural resources and public goods. When such privatization takes place, Colombian institutions are unable to exercise full governance over the natural resources they are called to oversee. What is more, the mediation of power and distributive functions they ought to deliver are constrained by powerful actors. Environmental governance in this agroindustrial sector is fundamental to ensure equal access to resources so as to avoid the unequal competition and conflicts my informants expressed are starting to take place:

“(I)n some places this is coming to water use conflicts, strong ones, particularly in the coast region. There the biggest challenge is as the regions begin to say how much can the palm grow due to water availability issues that I think is the most limiting factor more even than the availability of land because there is land. They do not have to cut down the forest, there are pastures but the availability of water, in certain areas, at certain times of the year, the situation is very serious. That is why some plantations have bad practices of diverting the rivers and water ways, and that has a serious impact and it affects the wetlands, in los llanos they have drained wetlands. Then, that issue they do not have it very internalized” (Valencia, 2018).

As can be extracted from the comments made by my interviewees, lack of sound institutional frameworks and the established relation between poverty, inequality and access to natural resources is breeding ground for social, environmental tensions and conflict. Coupled with the insertion of the palm industry and its chains of production to the world system, and the common practice in Colombia to use of violence as a strategy to gain access to resources (Rettberg, Leiteritz, Nasi, & Prieto, 2018), the mediation of power in those relations and redistribution functions of the state become pressingly necessary to avoid conflict in the sector. However, paradoxically like many things Colombian, violence has also had a preserving environmental effect. As an example, the Colombian Amazon rainforest had, until now been better preserved than that of neighbouring countries. This was due not only to the effect of environmental governance regimes such as indigenous reserves and natural parks, but also to the factual barriers that violence has placed on the development of large-scale extractive economies (Rodríguez Garavito, Rodríguez-Franco, & Durán Crane, 2017). This comes to show the need for institutional arrangements at various levels and environmental governance regimes that not only focuses on management issues but rather or, also on power and inequalities.

The next section focuses on a particular institution of environmental governance which has become widely adopted and internalized by Colombian palm growers. The Roundtable on Sustainable Palm Oil is a market certification mechanism that established a set of Principles and Criteria palm producers must comply with in order to obtain certification of being sustainable producers.

## **5.2. The role of institutions in sustainability**

As I set out in earlier sections of this thesis, Fedepalma was established in 1962 as the total area of palm expanded during the second half of the 20<sup>th</sup> Century in Colombia. Partly driven by the Import Substitution policies palm oil production expanded rapidly to cover domestic demand for vegetable fats in food and cosmetic industries (Kalmanovitz & López, 2005). Today, Fedepalma is the trade association of small, medium and large palm growers. Its Board of Governors is made up of national representatives and local delegates of the four palm growing regions.

In this section I analyse how Fedepalma has first established what recent literature has named trade narrative (Bowman, Froud, Johal, & Williams, 2017) to defend against public disapproval and threat to increased regulation or removed subsidy. Next, I discuss how through institutions, elites exert power and control over natural resources and in the specific case of palm growers how a business association has replaced to a certain extent the source and functions of regulation and governance over a faction of resources and the means through which palm oil is produced. As such, economic coercion creates stability especially when power is legitimated as authority (Scott, 2014). The theoretical framing allows a discussion of how this institution, through which elites exert power, maintain some degree of social order by mediating in favour of elites the control over resources. As Fedepalma has taken upon many official functions, its power is legitimized through the acceptance of its authority.

The discussion recapitulates how palm elites in certain areas took advantage or made use of armed groups to exert force over the population and gain control over resources. I use such cases to illustrate how security and breaking from those associations is a concern to palm growers and the case I studied. Fedepalma focuses much of its efforts to delink palm growing to associations with paramilitaries in addition to advocating to the sustainability of the sector.

## 5.2.1 Institutional narratives of Sustainability

Despite much resistance and pressure, palm oil production has suffered little backlash. Indeed, global fluctuations, weather conditions, devaluation, price shocks etc. have done little to decrease production of crude oil in Colombia. The power of the narrative that relevant stakeholders such as Fedepalma and larger plantations have created to present palm oil production as a versatile product that bring wellbeing to workers and populations and that can be grown in a sustainable manner is in part responsible for the success of the product. Through a trade narrative business associations such as Fedepalma accumulate a list of benefits and downplay costs. Trade associations “aim to format the discourses of the media and political classes about the contribution of the sector in ways that frame political choice” (Bowman et al., 2017). Trade Narrative provides a relay for intra-elite communication to support elite power. In other words trade narratives use “evidence” from studies conducted by the group itself to demonstrate and argue in favour of the benefits of their activity. In doing so, they shape and change public opinion to their benefit and through this narrative they communicate with political elites on the changes and decision on policy based on their evidence.

Trade Narratives start by presenting how the sector provides a “social contribution” and attaching big numbers to a list of good things attributed to the action or sector activity. In the case of Fedepalma in addition to the Social Dividend of Palm whereby under certain estimates, municipalities that had palm oil as one of their business activities earned on average 30% more income than non-palm growing areas. As Fedepalma claims:

“This industry generates more than 160 thousand jobs, and overall improves the quality of life in the communities where palm oil is grown. A recent study by the National Planning Department compares municipalities that have faced the problems of armed conflict in the country and that have palm crops with municipalities that have also faced the conflict but do not have palm crops, and found that the value added per capita of the former exceeds that of the latter by more than 30%.(Fedepalma, 2017)

Moreover, the narrative includes how Colombian palm oil does not change natural forest into plantations and so mainly for this reason is palm Colombian palm oil sustainable.

In many interviews he grants, the Executive President constantly lists the benefits of palm oil production:

“Sustainability refers to the fact that Colombian palm oil producers and their guild are committed to the implementation and certification of sustainable practices.

Since 2004, Fedepalma is a member of the Roundtable for Sustainable Palm Oil (RSPO) and has been promoting the adoption of sustainability standards. The most recognized in the international field for palm oil, whose strategy is aimed at not occupying new areas of high environmental value and promoting cleaner agricultural practices.

As of March 2018, ten Colombian palm companies, which represent around 14% of palm oil produced in the country, already have RSPO certification. In addition to this, another 24 palm firms that have significant advances, whose production today represents 36% of the national total. Once these are finalized its implementation and certification process, Colombia could reach 50 percent of its certified production in the medium term.” (Mesa, 2018a)

In creating and pushing this trade narrative to shape public opinion, palm growers, given their proximity and relations to the political elite are able to maintain the subsidies and credit available for palm growers. It shows them worried for the environment and taking on international regulation and so political elites (which sometimes belong to palm elites as well or have close ties to them) will continue to give incentives to palm growers. For instance in 2016 the Director of the National Planning Department announced plans to provide over 4,2 billion pesos in investments directed to strengthen the sector (DNP, 2016).

### **5.2.2 How do elite institutions address Sustainability?**

Palm production consolidated in Colombia in the early 80’s, displacing soy and cotton as the main oleaginous crops and that proved less competitive compared to the Brazilian and Argentinian production. It coincides with a period where the World Bank instated its Integrated Rural Development Program (IRDP), which came to dominate the World Bank’s approach to development and “very much a top-down approach” (Keare, 2001). The programme, which sought to improve agricultural output through actions such as improved seeds, fertilizers, pesticides and farming methods,



encouraged states to specialize in producing crops for which they had a comparative advantage.

It is also framed within the Structural Adjustment Programs (SAP) of the 80s pushed by the IMF and the WB, which sought to reduce State intervention on the economy and encouraged developing countries to focus on exports to get access to international currency. It was the beginning of trade liberalization policies with which state-led development theories came to be replaced by neoliberal views. Small farmers in this context would find it technically impossible to enter into palm production on their own because “the optimal plantation size to reduce costs and earn returns on the high investment is 5000 hectares and plantations should be established near extraction plants” (Ocampo Valencia, 2009).

Palm oil plantations and productions boomed in the first decade of the 2000s following a series of policies to strengthen the agricultural sector in the wake of the entry into force of the free trade agreements with the United States and the European Union. Such policies<sup>5</sup> contemplated incentives to boost demand, implemented property and consumer tax breaks and credit for rural capitalization directed at agro industrial projects. Furthermore, credit lines, rural capitalization projects and association schemes became available to small holders. Coupled with offers of technical assistance and partnerships by Fedepalma, there are now over 130 productive alliances between small, medium and large palm growers (Fedepalma, 2017). Whilst I have argued here that those productive alliances have potential of creating a vertical dependent relation, there are currently less alternatives for peasants and smallholders that are less competitive and take place in conditions of precariat provision of public services such as roads and credit for capital goods. From a monetary perspective, some estimates establish that palm growing municipalities have on average higher incomes than non-palm grower (DNP, 2017). But while this figure might be telling of other phenomena

When asked about these associative schemes and the sector’s strategies, my informant at the Ministry of Environment commented on the power and influence of the sector:

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<sup>5</sup> Law 693 of 2001 authorized fuel mixtures with biodiesel. Law 788 of 2002 reduced sale taxes on palm fruit from 16 to 7%. Law 939 introduced a 10 year income tax exemption to late yielding crops (including palm). Policy papers and the 2006-2010 National Development plans structured rural capitalization credit lines prioritizing agro industrial and biofuel projects.

I believe that the sector cannot say that they did nothing wrong. It would be good to turn the page and they tell the truth, heal a little and reveal any wrongdoing. It is well known that there are very powerful people who own plantations. There must be more associative models with the peasants in those areas, to have better models of peasant-industrial integration. (Valencia, 2018).

The opposing development models unravel under a specific political and social process. The Peace Process of 2016, which resulted in a final agreement to bring an end to the armed conflict with FARC rebels, includes a section dedicated to implementation of an integral rural reform. Given that the origins of the armed conflict are rooted in the uneven access and redistribution of land as well as rural-urban gaps, the peace agreement has at its core, obligations related to property records and land distribution, protection of areas of environmental interest, rural development programs, infrastructures, labour formalization and access to food.

A peace process is in many ways reorganization and redistribution of power and the inclusion into the state of new political factions. Palm production unfolds in a context where a faction of the landowning agroindustrial elite resists and opposes the creation of institutions set to redistribute resources. This democratization process is in itself a form of state strengthening as it incorporates plurality of political forces. Moreover, the implementation and success of the peace agreement relies on the capacity of state institutions to perform the obligations included in the agreements, provide the public goods and exercise the governance over natural resources to guarantee equitable access. The implementation of these agreements represents also a process of State building and strengthening by means of consolidating state authority and the exercise of the monopoly of authority and violence in the rural municipalities where parallel state-like systems coexisted. Indeed, as violent groups previously exercising de-facto power and authority and being recognized as such relinquish their power and monopoly of violence is restored to the central state, there will remain vacuums of power and contentious access to resources for which institutional governance is required to secure peace and avoid the emergence of new forms of violence. In the process of consolidating institutional authority to foster peace, agricultural and rural development is a key element to close the gaps in inequality and provide ex-

combatants with the means to benefit from the shares of inclusive development. Providing access to land and set in place State institutions that provide public goods enables the conditions for integral and dignified livelihoods and reduces violence and conflict by mediating power, enforce the rule of law and transact their tensions.

As I have recalled from the literature on economic and political process in the context of an armed conflict, securing a lasting peace will depend on the ability of institutions to mediate conflict and power and close the communicating vessels that link primary resources from financing criminality and armed groups. As the case of the structure and organization of the coffee industry shows, state presence through agricultural and environmental institutions is necessary to reduce such conflicts and ensure the equitable access to land, assistance and distribute resources. In this regard, as the state reclaims those physical and social spaces it could not occupy because it had not consolidated its monopoly of violence. This exercising of power where other did before is a process of statemaking. However 'statemaking is inherently conflictive, frequently upsetting nascent peace and while peace-building is principally about creating a situation of non-violent co-existence despite prevailing differences ... state-making is vitally aimed at replacing institutional and identity multiplicity with greater degrees of rule hegemony and standardisation' (Balthasar, 2017).

Already there is resistance and conflict arising between the two opposing development models. On the one hand, the neodevelopmentalist approach pushed by palm growers that seeks to incentive agroindustrial projects to employ large swaths of the population under a capitalist, market system to foster development. On the other hand, a development model that is centred in community-based, peasant structures that foster traditional production and familial economies. In this dichotomy, palm production and palm producers play a key role. Palm growers are land owners that push for neoliberal trade policies that under neodevelopmentalist visions of development push for the first model described. In 2017, just over a year after the Peace Agreements entered into force, the representative of the palm growers' business association was quoted in a news interview saying:

"ad portas" of the last year of the Government of president, Juan Manuel Santos, us palm growers see "with great concern how in the agricultural sector

there are efforts oriented to privilege a model of peasant economy based on welfare (*asistencialismo*) measures ". We believe that the approach to the development of the Colombian countryside should be entrepreneurial, formal, modern, but the FARC has in its head a model of smallholding, not business, State welfare where the market practically does not work. This model has been demonstrated to be a failure, but we continue to do politics with this. The peace process has obscured the current environment under which agricultural activities are carried out and there are concerns on issues such as property and use given to land. The debate over land property is full of ideology, and not focused on the incorporation of technology to become more productive and competitive to face international markets (Mesa, 2017).

It is clear that Fedepalma has a political stand and they will push an agenda by means of the political and economic capital they hold through connections of persons holding positions in the governing bodies of the business association with political power. In the case of peacebuilding and pursuing alternative development models its CEO suggests a clear political position. Indeed, in the case of Fedepalma, one can draw a comparative analysis with the federation of coffee growers to understand how the latter, through representation and participatory mechanisms provided a series of public goods, which amounted to effective institutional presence comparable to State presence. Rettberg (2018) points to the coffee institutions and the physical and social infrastructure built by the federation that helped "solved the problems" of the growers. Their governance structure and organization in the form of cooperatives and local committees gave them representation. Thus the federation had an institutional organization and visibility that endowed it with a mantle of trust. This representation of State institutions shielded the region from shifting to growing coca and reduced the availability of idle young men that could join armed groups or criminal structures.

As an institution representing an interest group there is in place a contentious-collaborative relation with government. Palm growers increasingly require the state apparatus to expand production and open access to foreign markets. They require the state to provide adequate policy space that foster enabling conditions to strengthen their position in the productive economy. Moreover palm growers are increasingly relying in the bureaucracy of the State to secure their access to European markets:

“(given) the importance of the European market for Colombian exports and taking into account the proposals by the European Parliament, (slash subsidies

for biofuels and set stricter standards), Fedepalma has been working in permanent coordination with the Colombian diplomatic missions before the World Trade Organization and the EU, In this regard, it is clear that markets such as Europe will continue to demand palm oil as long as it has sustainability certifications, this implies a challenge for the Colombian palm sector, but at the same time, an opportunity to differentiate in international markets, demonstrating the Colombian palmiculture as a socially, environmentally and economically sustainable sector (Mesa, 2017).

During my interviews I questioned the role and functions of Fedepalma to understand their legitimacy as a representing voice of palm growers and its political standing. I did so to understand if, like the federation of coffee growers, Fedepalma wielded institutional power in favour of delivering public services to palm growers or if its political associations enabled the formation of alliances with private security groups. In contrast with the development model mentioned by Mesa, De Castro et al. (2016, p. 2) “despite the risks of being a global provider of foodstuffs and energy without appropriate institutional arrangements, not much progress has been made in successfully tackling problems of underdevelopment, impoverishment, inequality”. When asked about the Federation my informants, mostly holding managerial positions in palm growing companies praised the corporate and technical support provided by the federation, particularly in communicating the uses and versatility of palm oil and lobbying for government policy:

The Federation itself has done more for the sector (FEDEPALMA) than what the government can do and has done a very important job. In fact, that the palm is included in the ICR (incentives to rural capitalization) is part of the battles that the Federation has given. Because the government says: I'm going to issue a public policy x and every union has to go fight for what's theirs, they have to go to fight "hey I think you have to include me because..." then on the side of Fedepalma they have done a lot (Echeverry, 2018).

In recent decades, it is usual to find prominent members of these business organizations in positions of high government. Such is the case of a prominent palm businessperson whose business group holds upwards of 50 thousand hectares of palm plantations and owns companies dedicated to activities at every stage of the palm agroindustrial process, from cultivation to extraction and refinement for biofuel and

consumer goods. Carlos Murgas' companies hold ownership of land and extraction facilities as well as refineries and other services mainly in the department of Cesar, north of Colombia (CNMH, 2018). His prominence in the sector earned him the position of honorary member of Fedepalma and his son serves in the Board of Directors. Moreover, Murgas was Minister of Agriculture in 1998 and held positions in high government under other presidents. Currently, he serves as chairperson of the Chamber of Commerce of Barranquilla (La SillaLaSillaVacía, 2016). Like this one, there are many more examples of members of Fedepalma with ties to state institutions. Amongst them, a former vice minister of entrepreneurial development currently serving as board member of Fedepalma. The current CEO of Fedepalma, Jens Mesa also has close ties with high levels of government. His wife, Maria del Rosario Guerra served as Minister of Information Technology and Communications under president Alvaro Uribe (2002-2010) and is currently a senator. Like these, many more ties exist between business organizations and persons holding positions of power in government institutions.

Even when these practices seem anecdotal or even ethically questionable, they illustrate a feature of Colombian democracy. It comes to demonstrate that political and economic powers are closely related. In this sense, when business elites and political elites or rulers collaborate or come from the same elite groups, they will tolerate what Robinson calls chaos in the periphery (Robinson, 2013). This will result in ruling elites at the centre to tolerate or even employ private violence in order to avoid redistribution and in the case of palm plantation, resort to practices of intimidation to take over land. The result is an unequal and highly stratified society with uneven distribution of income and resources<sup>6</sup>. It has been theorized that it was not in the best interest of the Colombian elites to allow or foster the formation of a strong state so as to avoid its extractive capacity and distributive function (Soifer, 2013) (Acemoglu et al., 2013). Together with the use of private violence and weak institutions has created asymmetrical relations of power, surplus of labour, and as one of my informants

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<sup>6</sup> Land is one of those resources unevenly distributed. According to some estimates, 1% of the biggest *fincas* comprise 81% of the land in Colombia. The other 19% is distributed amongst the other 99% of the *fincas* (Paz Cardona, 2018). Taking some to claim that Land inequality has long been at the heart of rural conflict in Colombia. (Flores, 2013)

mentioned it: “a very feudal” in the way landowners and business relate to small landowners and populations where they exert their influence.

How do these political connections determine policy outcomes and to what extent is a form of state capture in that members of the palm elite use public institutions for their own benefit? The perception of my informants is that combining political power for confrontation with governments was detrimental for the sector (Palacios & Safford, 2012). When the confrontation becomes political business associations tend to lose.

“-Talking about Fedepalma, apart from technical assistance, what is another function that they perform? Have they taken political positions?”

I: in the past they did, and they realized that it was wrong to take a political position and to make it seem it was the political position of the Federation. I think it was a mistake, they know it but they will not say it, but it is evident in the current political situation in how they treated political candidates. Now the political situation is different and more participatory. SAC (Sociedad Colombiana de Agricultores), it is known that the support of the government to the agro-industrial initiatives is a good thing, because in almost all the countries agriculture is subsidized. But the sector is not looking for subsidies, its looking for protection of very large investments in terms of capital and generation of employment and development of the regions in a sustainable manner. When one sees the growth of palm-growing municipalities such as Cumaral, one could quantify the money and revenue that the sector has left to the municipality in the form of salaries for 40-50 years, they are all formal jobs” (Rozo B, 2018)

Business associations should not make enemies of the government or the ruling elite as their investment and revenues could become entangled in political struggles. In the efforts to implement redistributive measures the risk of large palm owners is greater if they come at odds with governments in pushing for a particular development model or by not supporting certain policy or political process. One of my informants tells me particularly about the support to president Santos and his effort of securing peace with the FARC rebels.

“Fedepalma must be apolitical. As an association it should not assume positions- I like more this candidate, I like this, you have to play with the king of the day. You cannot get in to try to influence the outcome of an election. If you tell people to vote for this or the other, clearly that is not right, I believe that one must have the capacity to evolve with the changes that are taking place. There are specific issues that bother me a lot and I have told them to the Board of Fedepalma. In the election of the 2014- Santos second government- in the second round was Santos-Zuluaga, and that time Santos unfortunately was not part of the Uribista lineage (air quotes) and the federation, through some of its members, came out supporting the candidacy of the candidate who did not win (Zuluaga).”

“I: But let's say you see it simply as a political activity or as a defence mechanism of the sector for supporting the candidate that most served their interests?”

I: clearly is that, but you cannot do it, you cannot get into that, Fedepalma should be apolitical. Fedepalma has to be apolitical, because you are not working for one election, you have to go much further, that is to stay doing business and think that the essential thing for me is to have the government on my side, it is important but not the essential. There were some decisions that were not appropriate and clearly that hit the sector hard. If you ask around, if in the country there are 100 thousand associated with FEDEPALMA, 98 thousand of those do not want Santos, they hate him, because the guy pretended the sector did not exist, and he did so through some of his decisions as government. For example the percentage of palm oil for biodiesel, there are many factors but also political factors (Echeverry, 2018)

An institutional arrangement and sound regulatory regime set to frame the conducts of actors and assign resources accordingly will contribute to an orderly development of the sector in Colombia. As evidence that no new plantations replace forests, there remains a window for sustainable production. As the coming generations of palm grower elites are increasingly more open to accept a strong state, particularly in the context of post-conflict when the Peace Agreements placed obligations on the state and the successive governments to implement an integral land reform and provide productive, employment options to former combatants. By collaborating with the State and entering into associative mechanisms with smallholders or former combatants in exchange for technical assistance and purchasing palm fruit, they become necessary allies of the state, which needs the private sector to succeed in building and securing peace. One of my informants mentioned a peacebuilding project with former combatants:



“(O)f the peace process, we were part of an initiative, Rafael Pardo (former Minister of Post conflict) approached us palm growers to establish these associations for the post-conflict. It was a good initiative if the three actors agree, if there is adequate land, if there is support of the government, the companies can give assistance, seeds. The initiative did not prosper, for former guerrilla members it was a change to their life conditions. We could not hire them because we already had all the people we needed, but if they were to give them land and make a productive project, that they commit to keep... (Rozo B, 2018)

This takes me to the next section of my analysis, where I argue and show evidence of a generational shift in the elites of palm growers that are moving forward from the associations that palm growers had with armed groups and is embracing a stronger state to enable them market access and mediate in environmental and social conflicts.

By adopting a posture whereby they favour sustainability practices and abide by an international regime deemed more effective and trustworthy than domestic regulations, palm growers can challenge the development model they claim the peace agreements will impose. As comments from the CEO of Fedepalma show, their vision of a development model follows a capitalist views of the organization of the means of production and market led economy with clearly defined property rights over land a pressing issue:

“We face a new reality, especially in the countryside, with the implementation of the peace agreement with the FARC. There is a weakness and loss of confidence in the institutions and a new government will come, which will have the responsibility of consolidating democracy, recovering legal security, supporting private entrepreneurship and guaranteeing the right to free enterprise, defending the market economy, and strengthen the rule of law and formalization in the country. Specifically in agriculture, it is imperative to provide legal security for the possession and use of land, since uncertainty discourages investment (Mesa, 2018a).

Palm growers distrust post-conflict institutions. They favour the status quo and the organization of the means of production in a way that resembles more an urban factory than small scale farming and subsistence economies. They favour a capitalist model that requires constant input of resources and land expansion. They do so shielded under

a sustainability discourse where they present themselves as abiding to domestic and international regulations to maintain their dominance and control over resources. In the case of land and property rights, one of my interviewees expressed:

“As far as I know there are no documented cases of displacement, cases of *bad* property that is known to have occurred in other areas, some associated with palm. Particularly here in Hacienda La Cabana, we do not have any, we are in the sustainability part applying the RSPO certification which is the most known and the issue of property rights and the legal ownership is a very important component, so we do not have any problem, the Ministry of Interior has maps of the country and they help to verify (property rights) problems, we do not have problems, we do not have indigenous settlements, ancestral or any of those characteristics” (Rozo B, 2018)

### **5.3 Generational elite shift**

“Vilfredo Pareto argued that elites would slowly be replaced by ascending families and groups without changing the elitist structures of society (Pareto, 1935). Yet it is this elite circulation, not the revolutions led by the dispossessed classes, that would lead to change” (Bull & Aguilar-Støen, 2016, p. 144). I have discussed in earlier sections how the control exerted by Colombian elites over natural resources and institutions has allowed them to dominate the state apparatus and dominate political and economic aspects of society (Bull, Aguilar-Stoen). Elite dynamics and strategy can have a direct impact on state formation and the endurance of its weakness. Furthermore, I have argued here how in the specific case of the palm growers there is an elite with deep political and economic ties, national and regional with the power and influence to determine policy outcomes and position the sector in a way that upholds their economic and institutional power. In this sense, an analysis of the development strategies and sources of conflict of a given extractive sector would not be complete without a discussion of its elite.

Recalling Bull’s (2015) definition of elites as “Groups of individuals that, due to their control over natural, economic, political, social, organizational or symbolic (expertise/knowledge) resources, stand in a privileged position to influence in a formal or informal way decisions and practices with key environmental implications”, I set to

characterize the elite controlling the resources and organizations governing the palm sector and how their strategies shape narratives of sustainable development. This analysis is temporarily situated at a time where palm elites face different type of challenges to their position and control over resources and labour. On one hand they face international challenges and access to global markets given the increasing calls for bans on the use of palm oil and requirements to obtain certifications of compliance to international criteria and standards. On the domestic level, they face a dual challenge. First, a challenge to the market-led agroindustrial development model that they have long pursued and in many aspects incompatible to the rural reform process set out by the Peace Agreements of 2016. Second, as evidence comes to light of incidents of associations with paramilitary groups resulting in land dispossession and population displacement, palm growers are challenged to reconstitute the lands and resources they, in some cases, wrongfully took.

In light of the above, based on the primary sources I consulted I discuss how there is a new generation of members of the palm elite that are more progressive in their social, political, environmental and economic views. They have become more aware and willing to accept that a stronger state can be in their benefit. This makes them more likely to accept social order if only as a strategy to preserve some control over resources and the development model they favour. The incoming, younger individuals of the elite are more able adapt to the social and environmental changes that can lead to mitigate conflict and accept co-existence with alternative development models and peacebuilding efforts.

### **5.3.1 Elite mobility: signs of a shift in the elites**

When characterizing the elites of the palm sector I have discussed how economic and political powers are intertwined. Landowning elites concentrated large areas of land and benefited greatly from the export economy that developed in the XIX and XX century, primarily coffee growers and cattle ranchers. As such, being part of the landowning elite, palm owners were at some point during the course of the armed conflict efforts, more likely to resist wealth extraction. Either from distrust to the central State or because they had associations with paramilitary groups and so no

benefit in financing the war, this group was at some point unwilling to accept the strengthening of the State. I take this as a sign of resisting regulation. As Rodríguez Franco (2016) documented: “There exists a progressive elite who depends on a modern state and who is willing to strengthen the state. Then there is a feudal elite. Landowners do not pay. Sugar growers pay very little. The palm-growers do not pay. They pay neither the real estate tax nor the wealth tax to finance the war” (Rodríguez-Franco, 2016, p. 205).

This reference points to palm grower’s unwillingness to be extracted of their wealth to allow for a stronger state. Even in the face of a direct threat as is war, palm growers did contribute with taxes in time of conflict to have the state defend their interest. It suggests they would employ other means to acquire protection such as enlisting paramilitary groups as defence mechanisms.

Yet, recalling Pareto and his theory of elite circulation it can be argued that elites are in a constant state of transformation in (Etzioni-Halevy, 1997a). In this sense, I analyse how this elite shift taking place in the Colombian palm growing elites is. It is not a complete replacement of the elite or its breakdown as the result would be from a revolution. It is a gradual ideological shift from within the elite as younger members take upon positions of economic and organizational power in business groups and the business association, Fedepalma. In order to do so, I interviewed what I consider a member of the new palm elite, given his family and his position in the palm sector, their trajectory as precursors of the expansion and consolidation of the palm industry in the country and his economic power as CEO of a palm company and member of Fedepalma.

To support my claim I start by positioning my informant in the context of class and elite dynamics and his connections to the palm growing sector.

“The family of my father is totally paisa; they come from Manizales and so let’s say that the traditional vocation of families in Colombia and above all the paisas is the theme of the land, there is a lot of roots (connections) in the land. My grandfather came very young to study in Bogota, he went to Michigan, and when he returned to Colombia, his profession started to go very well.

So clearly the issue of (owning) the land, my farm, my piece of land was fundamental. He (grandfather) started with the subject of farms --in los llanos many years ago, they had cattle, it was only cattle, when he started not even the boom of the palm because the boom of the palm comes later because the palm in Colombia comes as a strange thing. "A palm that gives oil, which does not need the best soil conditions", then some people from Bogota met and made the first palm experiments in los llanos, among them my grandfather and other people who later made FEDEPALMA...

So let's say ... what my grandfather had about the subject of "my farm" was someone follow that lineage. My father when he finished studying agriculture (he went on to study) two masters ... He begins to work in cattle with the family, and then comes the issue of the palm and Unilever takes him to manage the Unilever palm plantations in los llanos. At that time, Unilever had the largest plantation in Colombia around 5 thousand hectares.

He starts working there, the General Manager is a man named Tornelli who is Dutch, who came from managing the Unilever plantations in Indonesia, Malaysia and they bring him to Colombia to open the agricultural frontier. The second after this man was my dad, with this guy he learned all kinds of things, from the agroindustrial vision that there was not of the palm, as people went from having 10 hectares to 5000, how orders were handled in volume, workers, how to set up the extraction plants and other things..

As a member of the elite, my informant comes from families that have amassed capital and wealth from land owning and agricultural production. This allowed them to be educated in elite private schools and abroad. Members of his family are precursors of the palm sector and have been involved directly in its expansion and consolidation as a sector. In doing so, he recalls how this process has been lead primarily by business groups and large plantations, rather than smallholding and small scale farming:

The socio-economic development of the Palm, has been like that of sugarcane, not made by small producers but by large producers, from the beginning it has been a business development. That has many pros and cons, the pros: that it has been a very organized sector from the start, for example in the fact that there is a federation that fights for the interests of growers before the national and local governments. It is the face of palm growers and they develop technology. It was the entrepreneurs that began to develop the sector, not the farmers. When any business starts, there is an early stage that nobody believes in it because they don't know how it will take off. Once it booms and everyone starts to plant, you do not control who enters the business and who does not.

In this sense, palm production being a business-led activity is far removed from more traditional peasant structures. Given its structure and the organization of the means of production it requires capital accumulation and expansion and so is dominated by business groups. As such, the avenues for social change in accepting reform and transformation towards sustainability are more likely to happen from a top-down approach when elites in the palm sector compromise for this purpose. At this present time, it seems that the main source and incentive for this change will be international markets and pressure from buyers at the consumer end of the commodity chain. Given the current political environment in Colombia and the backlash faced by the Peace Agreements, political change from within is less likely.

### **5.3.2 Shifts in the elite: incorporating sustainability**

I discussed that the new generation elite is more aware of the challenges to sustainability and the social and economic consequences of poor environmental governance. Nonetheless this shift is limited as this elite still favors a capitalist accumulation approach and the commodification of nature. In this sense, the environmental governance and environmental institutions they support are influenced by the market and focus on managerial practices thus blurring the term sustainability into sustained growth. However, this attitudinal change even when limited has the potential to make the Colombian palm sector an international reference of practices that reduce environmental impacts such as land use change and biodiversity conservation. To this new elite, environmental considerations are not only an aspect of sound management practices but also a moral obligation towards transforming towards sustainable development:

“Our corporate principles are all issues covered by RSPO. I cannot conceive of doing a business that is detrimental to society or the environment, and also finances of the owners. A business has to be a healthy balance between the three: a business that gives revenue, that is financially responsible, that is environmentally responsible and that is socially responsible. I have to be clear most people do not think how we think.”

Asked about RSPO and international certifications as mechanisms to foster environmental sustainability, my informant shares how his company is engaging in more sustainable practices. This new approach to resources even when it maintains at its core an entrepreneurial vision incorporates agro-ecological practices that signal to a wider acceptance of environmental preoccupation and willingness to engage in sustainable practices. As elite groups are in a “state of slow and continuous transformation”, we would expect that the palm growers elite’s “inclinations, sentiments and attitudes” towards sustainability and environmental protection diffuse in the group. Not only are palm growers elites recognizing that compliance with international environmental standards is necessary for market access, they are beginning to recognize the intrinsic value of nature:

“Once in an international palm conference, a person from a plantation said that the chiguiros (capibara) did not matter so they dried up a water well. How is it possible that they do that? Not only is it irresponsible, it becomes a financial issue, it will cost you. There are still problems but you cannot generalize. The thing with RSPO is that it can set a base condition so that everyone starts behaving more or less the same”.

Similarly, another of my informants expressed what he perceived to be a new approach by the sector to more sustainable practices. Asked about his expectations and perceptions for the future he said:

“(I see the sector) is going towards renewable energies: use of waste and by-products as sources of energy generation, biomass as source of energy, wastewater for power generation. We are coming neared to the circular economy, re-fertilizing. People believe that in the palm, there is no biodiversity and we train our workers not to hunt animals. Our workers know that they should not hunt. We want to prove it. We participate in all the initiatives with WWF, for example Biodiverse Palm Landscape, Zero Deforestation. Every environmental and conservation project that comes out we participate and hope that it results in a better perception of the crop and of the activity at national level and in Europe.”

The new attitudes and perceptions towards the environment and resources and a newfound engagement with sustainable practices are the first steps in a “slow but continuous” process that provide evidence the sector is becoming more sustainable.

## **Summary**

This chapter has taken on the analysis of the empirical data collected to answer the question *(W)hat can explain the adoption of RSPO Principles and Criteria as a regime of environmental governance by Colombian palm oil growers?*

To do so I have analysed three variables I identified from the literature and empirical data that came up as recurring factors in leading to the adoption of RSPO P&C as a body of environmental governance for the palm oil sector. These variables are not independent and they overlap among themselves as the sector is organized and control over its structures is exercised by a traditional elite.

The first variable is the emergence of Non-State Market Driven Global Environmental Governance as a concomitant phenomenon to neoliberal policy in the wake of the scaling-down of State. The emergence of these alternative governance regimes came as growing concern for environmental degradation and social abuses grew among consumers, buyers and importing countries of palm oil. Faced with the prospect of boycotts, reduced markets and bans, palm oil producers opted to adopt a NSMD regime which includes certification schemes in order to keep open their markets and improve their corporate image. This in turn allowed them to adopt a regime they perceive as posing less risks to their operation in terms of regulation, relations to small landowners and relations with authorities. The analysis included a discussion of legitimacy and authority in the Weberian tradition to understand how norms and governance system come to be accepted and deemed legitimate by the receiving part.

The second variable analysed is the institutional factor. In particular I have analysed the role of an institution controlled by the palm growers elite –FEDEPALMA- to understand the role of these type of institutions and the power dynamics the wield. In doing so I analysed the trade narrative they constructed around palm oil consisting of its practices, social and economic benefits. By supporting palm growers in adopting RSPO standards and endorsing environmental initiatives they managed to include in



their trade narrative elements that argued in their favour as a sector concerned with environmental sustainability and lead the adoption of RSPO P&C.

The third variable considered in answering the research question corresponds to the new generation of members of the elites replacing the existing generation. Drawing from elite theory, we have theoretical foundations to argue that elites are not static factions but rather, they shift, are replaced and change their strategies and behaviours. I identified that the incoming generation of this elite is more aware of the environmental and sustainability issues such as climate change, land and resource scarcity, water and biodiversity. They are more knowledgeable of the importance of these issues in public opinion and as an advantage in their production and exporting. Moreover, with the overcoming of some forms of the armed conflict, they are more willing to accept governance schemes to regulate and provide a series of services they view necessary for their companies and the communities where they operate. The attitudes of new elites translate into palm growers being more willing to adopt RSPO P&C to eliminate those forms of violence in the sector and avoid costly litigation.

To answer the second question guiding this thesis: *What is the potential of RSPO Principles and Criteria as a regime of environmental governance in making the Colombian palm oil sector more sustainable?* I analysed two variables that frame the discussion within the limits of the potential of RSPO P&C to transform palm oil production into a more sustainable sector. As cross-cutting discussion I analysed the empirical data to reproduce the ways in which practices and conceptions towards the environment and social impacts have changed to being more sustainable. Yet the limits to these transformations correspond to the variables of State capacity and elite strategies (and attitudes). Indeed, social transformations and environmental sustainability can be achieved only to the extent that a stronger State whose institutions have more capacity to deliver wealth extraction, redistributive measures, inclusive development and environmental protection. In turn, this capacity is conditioned to the strategies and action (or inaction) of the elites in their approach to the resources, institutions, knowledge and connections they control. Their willingness to allow for these societal changes will be determinant in making palm oil production –and other economic sectors- inclusive and sustainable.

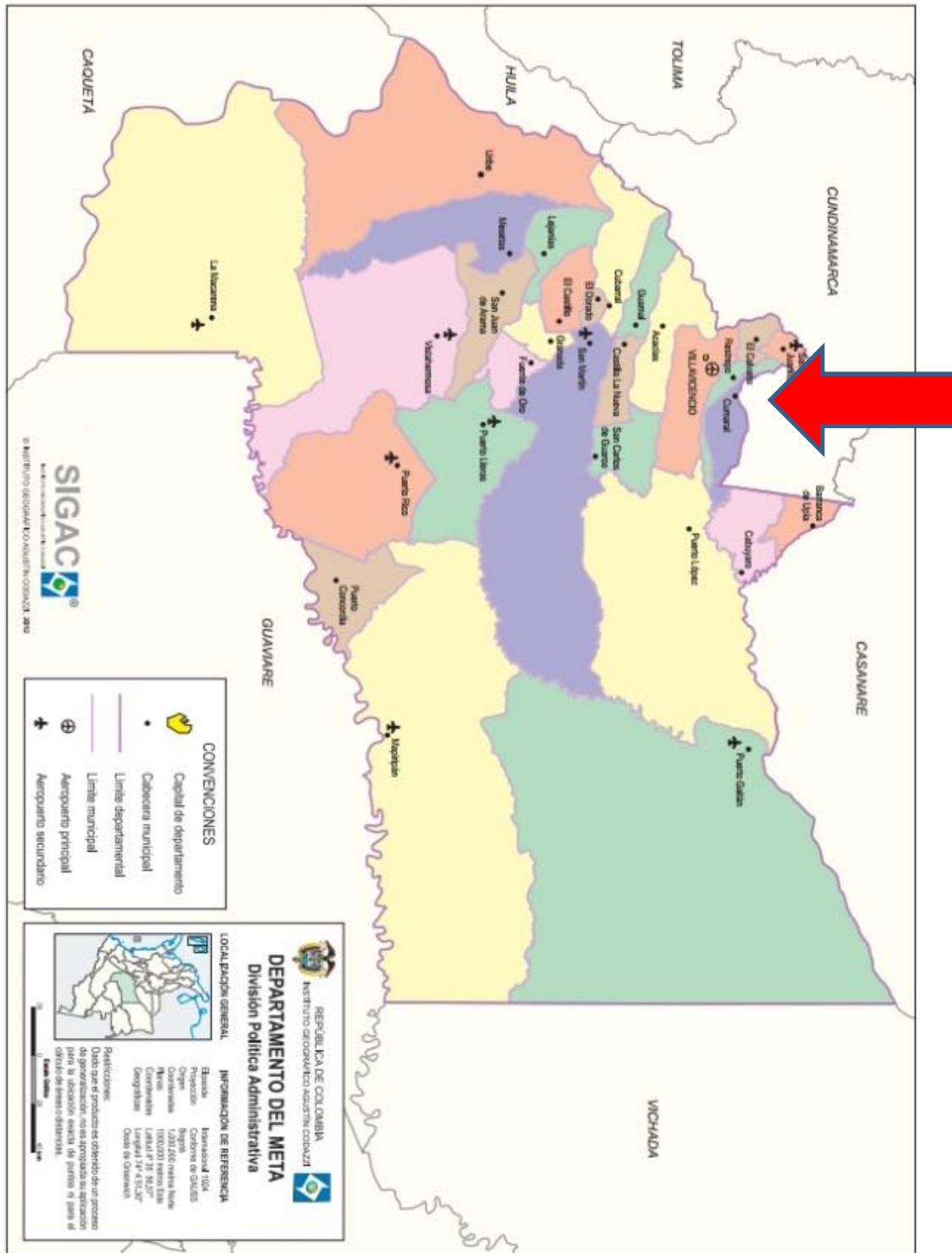


Figure 5 Location of Cumaral, Department of Meta

## 6 Conclusions

Palm oil production and consumption is a topic not lacking criticism. From the perspective of many academic disciplines such as political ecology, agro-ecology, Marxist structuralism, etc. palm production is embedded in the agro industrial capitalist structures that arguably impede social transformation and lags behind development to a peripheral dependency relation. Many times when discussing the topic of this thesis, I got faces of disbelief and discredit. Concerning situations of biodiversity loss and Human Rights abuses have contributed to public opinion and consumer calls to phase-out palm oil. These are all valid claims where more research is required to inform our understanding of this and other situations of environmental degradation and social injustice. Yet, social phenomena are complex, nuanced and composed by many layers of grey areas. There lies the need for social research.

Palm oil production in Colombia, like other economic and societal systems, entails a complex relation between a fragmented State with weak institutional capacity, where the rule of law is enforced unevenly. Moreover, powerful, well organized elites inserted in the global capitalist system are able to access international markets, engage rent-seeking behaviour and exert control and influence over resources and institutions. Under this context, we would not expect elites to adopt environmental standards for their production. Yet, the adoption of RSPO P&C and efforts to transform palm oil production towards more sustainable practices has been a top-down process in Colombia carried out mainly by the elites. Understanding why and what are the limits to that transformation has been the main concern of this thesis. In doing so, I have asked and set to answer the following research questions:

*What can explain the adoption of RSPO Principles and Criteria as a regime of environmental governance by Colombian palm oil growers?*

*What is the potential of RSPO Principles and Criteria as a regime of environmental governance in making the Colombian palm oil sector more sustainable?*

To answer the questions, I have analysed three variables that I found explain why RSPO Principles and Criteria were adopted and accepted as legitimate environmental standards. The first variable related to the nature, emergence and role of environmental

governance in general and NSMD mechanisms in particular, being RSPO the main object of this analysis. I went on to discuss the effects and implications of NSMD governance schemes and although they are subject to no small amount of critique, this thesis did not go into a deeper discussion of the attributes and short-comings of RSPO. This is an area where there is room to improve and expand research, particularly on the role and impact of RSPO and other certification schemes in small-scale farmers. The Colombian case is of particular interest as there is in place official policy incentives for partnerships among small landowners and between them and larger companies owning the extraction plants. Research on these associative mechanisms has potential to improve our understanding of the impact of these mechanisms in small farmers, their livelihoods and their approach towards RSPO.

The second variable took upon the role of institutions and their use of trade narratives to legitimize authority in the Weberian tradition of authority. I analysed how the adoption of RSPO reflected the trajectories taken when a NSMD mechanism is adopted as there is a scaling down of regulation capacity of the State. Yet, I have not evaluated the technical efficacy of the regulations and its outcomes. Rather, I have sought to understand the transformative process within a group of elite palm growers in adopting and attributing legitimacy to the standards set by this normative body.

As a third variable, I have discussed how the elite members of the palm oil sector came to accept and adopt a costly certification scheme and improved environmental, social practices. I have taken this process as a reference case to understand how this elite perceives the structures and realities around them. I discussed how a new elite with different set of moral values towards the environment is replacing the older members of the elite. This new elite understands their position in the social structure and see the market and moral value of environmental protection and sustainable practices as a way to protect their business interests, reaffirm their societal role as elites and understand the environmental consequences and how they impact society and their business. Down this line the analysis of this variable will enable better understanding of how other elites, rural, business, industrial, take upon rational decisions and how should they be engaged in similar societal processes.

Finally, I have placed these discussions in the Colombian context where a fragmented, weak state has given way to powerful regional elites, political violence and immersed

society in an armed conflict for the better part of the last century. Violence and organized crime is still pervasive even when the intensity of the conflict has diminished. For our particular case, I have discussed that this context is also marked by weakened institutions of environmental governance that have had their functions diluted for two reasons. First, the rise of Market-driven private mechanisms of environmental governance which outsourced some functions to certification mechanisms and voluntary measures. Second, the reduction in environmental spending by successive governments since 1993 and a ministerial reform which further reduces environmental institutional capacity.

Indeed, the scope of this thesis has been framed within the theories around the avenues through which elites influence institutions and governance outcomes. Even when there exists substantial research on elites and their impact on economic, social developments, we know less about how the interplay of social incentives and behavioural characteristics that lead them to make decisions that impact, environmental governance and sustainability practices. As such, this thesis may also contribute to our understanding of the conditions that need be in place for the self-interest objectives of an elite group to become aligned with and contribute to sustainable development.

As per the choice of research and analysis methods, there are many different actions and steps I could have taken to improve what I referred to as the “credibility” and “transferability” of the research, (distancing myself from the concepts of validity and reliability). For instance, this thesis could have benefited from alternative or complimentary methods of data collection and analysis. Some key actors and a larger sample of elite members would have enriched the analysis and benefit its credibility. Moreover, this research would have benefitted from approaching the notions and perceptions by palm growers through surveys and quantitative analysis. This would have accounted for a larger more representative sample of data for analysis. There were a series of obstacles to contacting informants, identifying key actors and obtaining information, even during the interview situation.

Finally, in contexts of weak State environmental institutions and powerful elites pushing through their economic interest from their positions of power and influence, societal change seem hard to get through. Yet, there is precedent to support claims that

elites as creators of resources and shapers of institutions can lead transformations in environmental governance, determine the distribution of wealth and break ground in the efforts towards more egalitarian, sustainable societies. In Colombia, a country marked by various levels of social and economic inequality and vast economic resources, progressive elites and strong institutions have been key achieving environmental protection, peace and sustainable development. My hope with this piece of research was to enlighten our understanding of how these conditions can fall into place and in doing so move a step forward in solving the puzzle that is harmonizing development and the environment.

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