

# Borrowing from Local Institutions in the Configuration of a Private Certification Scheme

The Case of the Amanah Association for Independent Oil Palm Smallholder Farmers



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## SUMMARY

In the implementation of sustainability measures in agriculture, such as voluntary private certification schemes, local governance and institutions are of crucial importance. Their role is often overlooked when discussing the feasibility and scope of private regulations for better use of resources. This case-study explores the dynamics between local institutions and the requirements of the Roundtable for Sustainable Palm Oil Group Certification (RSPO). The Roundtable scheme was implemented for the first time in 2013 among a group of Indonesian independent smallholder farmers: the Amanah Association in Riau, Sumatra. The research employs an interdisciplinary methodology, ethnography, to explore the interface between the new technical and the social aspects of this intervention. I investigate to what extent the certification rules and control measures have been embedded in the farmers' social fabric. The main mechanism found for the establishment of the Roundtable scheme was the borrowing the skills and authorities from existing groups while installing different rules within their institutional context. I highlight how one single intervention, through a series of mechanisms, gives way to outcomes of both friction and embedment, within one single case-study. In the light of the outcomes reported, it is discussed to what extent 'borrowing' from local institutions is a feasible configuration mechanism for sustaining an external framework in the long term. I argue that an interdisciplinary approach to studying sustainability measures and development interventions is critical for understanding what social mechanisms and technical interventions work under what conditions, for better governance in agricultural practices.

**Keywords – Palm Oil, smallholder farmers, RSPO, private certification scheme, local institutions**

## Glossary

- Amanah: non-profit, independent oil palm smallholder farmers' association
- Asian Agri: large oil palm company, partner in the implementation of the RSPO framework for the Amanah Association
- CPO: Crude Palm Oil. The first, unprocessed product of the milling of oil palm fruits, which must be pressed within 24-48h from harvest
- Desa: Village
- Scheme smallholders: associated to a mill/company by selling contract and a series of rules and regulations setting the farmers' behaviour and the quality of the production.
- Independent smallholders: not bound to a mill, free to sell for the best offer. Usually selling through middlemen at quite lower prices than associated smallholders.
- Gotong Royong: community chores, community work, where the whole village is working together for the maintenance of common areas, to foster togetherness. A distinguishing institutional feature of Javanese-ethnicity villages, found under other names also among other ethnicities.
- Kavling: unit measure for oil palm field, 2ha in size, either assigned by the Indonesian govt. at the time of transmigration, or acquired in time by purchase of land title, or through abatement of primary forest.
- Kepala Desa: Village Head
- Kelompok Tani: Farmers' Group, especially for oil palm production; can be constituted by plasma farmers or independent farmers. Has a Manager, a Secretary and a Treasurer.
- RSPO: Roundtable for Sustainable Palm Oil
- WWF: World Wildlife Fund, international NGO for nature conservation and environmental protection

# 1. Global Private Partnerships and Local Institutions

## 1.1 Introduction

The booming production of tropical commodities such as oil palm, timber, soy, cocoa and coffee for worldwide export has created environmental externalities and social concerns both at the local and at the global scale. Changing consumer demands and environmental awareness in Western countries, together with the opportunity to delegate regulatory powers to the private sector, led to the emergence of non-state market driven partnerships. These often take the form of voluntary third party certification mechanisms, where regulation is articulated through a framework of binding standards. Standards might aim at making agricultural production more sustainable, or ensuring good practices along the early steps of the supply chain. The framework may be set through a vertical decision-making process; or it may be generated by a multi-stakeholder platform in which multiple parties can participate and make their interests heard (Ponte & Cheyns, 2013).

Some private regulatory frameworks, such as the Roundtable for Sustainable Palm Oil (RSPO) encourage not only large-scale producers and buyers, but also small producers, to engage in their set of practices. Certification can facilitate smallholders' trade, or give added value to their products. The integration of local actors and their communities into global food chains and global production standards also triggers new forms of rural development by influencing farmers' organizational, technological and institutional environment. However, the engagement of smallholders with the RSPO certification has so far been confined to a few cases. Up to the present day, in Indonesia only one group of independent oil palm smallholders obtained the RSPO certification: the *Amanah* Oil Palm Smallholder Farmers Association, in Riau (East Sumatra). Outside Indonesia, the rate of independent smallholder oil palm growers entering this voluntary certification scheme is also extremely low (just one group in Malaysia, one in Thailand). Authors indicate a lack of financial or market incentives, low investment capacity, and administrative barriers such as local agribusinesses and government strategies (Vergez, 2013; John F McCarthy, Gillespie, & Zen, 2012; Pichler, 2015).

The objective of this research is to understand the setup of the RSPO private regulatory framework as an intervention, through an in-depth case-study of the first RSPO certified group of independent oil palm smallholders in Indonesia. From a series of outcomes derived from a three months participant observation within the association, I describe how new rules of control, correction and selection introduced through the RSPO group certification framework are established within both the farmers' social and material environment, and their institutional and political context. My analysis results in a series of causal mechanisms that can explain how an external framework of rules and standards can lead to outcomes of either embedment or friction along a continuum, within the context of a single local community.



I would like to contribute to the literature on institutional dynamics of establishing voluntary private certifications schemes, as well as to broader discussions on the potential of cooperation with local institutions for local sustainable development (Agrawal, 2002, 2010; Mitchell, 1994). Indirectly, this research could enrich discussions of interactions between the structural dynamics of international, national and local rules and institutions.

## 1.2 The RSPO and Smallholders Certification

The Roundtable for Sustainable Palm Oil (RSPO) is one of the private certification schemes set up by business and civil society actors from Western countries in an attempt at regulating the supply chain of tropical commodities. This non-state market driven partnership (Schouten and Glasbergen, 2011) started in 2004 between a global environmental NGO, WWF, and global oil palm suppliers and food retailers with a large share in Western markets, such as Unilever and Cargill. It strives to make palm oil, a problematic crop for its environmental and social externalities such as natural habitat destruction, massive deforestation, wild fires, unfair wages and conditions for plantation workers, ethically acceptable to Western consumers (Ponte, 2013). The RSPO and its members are also committed to foster positive community development (RSPO, 2014). Some members can receive financial aid from sponsoring corporations. The RSPO framework consists of eight principles. Each principle is articulated through two to eight criteria, operationalized through a number of indicators.



Figure 1- The eight RSPO Principles (RSPO, 2013, from [http://www.rspo.org/file/PnC\\_RSPO\\_Rev1.pdf](http://www.rspo.org/file/PnC_RSPO_Rev1.pdf))

### 1.2.1 Smallholders' Stance in Sustainable Palm Oil Initiatives

Indonesia, Malaysia and Thailand are, respectively, the first, second and third exporters of crude palm oil (CPO). Smallholder farmers in all three countries own and run large part of the existing oil palm plantations (40% in Indonesia), although with a lower productivity per hectare compared to industrial scale plantations (Jelsma, Giller, & Fairhurst, 2009; Vermeulen & Goad, 2006). The ambition of a large-scale impact on the oil palm supply base compelled the RSPO to devise certification standards for this class of oil palm growers. Therefore, In 2009, a certification framework for smallholder farmers was published.

Among smallholders, a large gap between the potentially obtainable yield and the actual productivity is also a reason for a continuous extension of cultivation. Under the logic of 'intensification = avoiding deforestation', the main aim of the RSPO for smallholders is improving field management practices, harvesting, fertilization , irrigation (when necessary) and water management on peat (when applicable). Rather than 'sustainability', more direct goals like better market access and improved yields seem to be the priorities of smallholders (Vergez, 2013). Therefore, the RSPO concept of 'sustainability' is brought to smallholders by operationalizing the RSPO principle and criteria into the management practices and behaviours needed to meet the certification standards (Asian Agri, 2015).

### 1.2.2 A Challenging Category for the RSPO Certification

Indonesian oil palm smallholders are divided into two formal categories: *scheme* smallholders and *independent* smallholders. Farmers who follow a state development plan and adhere to a plantation production scheme are called 'scheme smallholders'. Independent oil palm farmers are "farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labour and the farm provides the principle source of income, and where the planted area of oil palm is usually <50 hectares in size, not bound by contract to any particular mill or association" (RSPO, 2014).

Reaching scheme smallholders with the RSPO certification has proven easier than reaching independent smallholders. Scheme smallholders, contractually, must comply to changes in the structure of production, steered by the company, toward the RSPO requirements. This is a fully top-down approach to voluntary certification, presented as a requirement from the estate company rather than as an endogenous market access mechanism (John F. McCarthy, 2012). For the certification of independent smallholders, instead, an uniquely top-down approach to the framework implementation is not viable. Unlike scheme smallholders, independent oil palm farmers must act as a professional group and carry the weight of the decision to become certified and sustain the demands of the certification framework in terms of oil palm management practices. mainly because

a) commitment of single farmers and groups, without economic incentives, is not easy to obtain<sup>1</sup>, and b) these smallholders often lack the capacity to change their practices (Rist, Feintrenie, & Levang, 2010).

### 1.3 The RSPO group certification and the Internal Control System as entry strategy to reach independent farmers' groups

The will to incorporate independent smallholders into the RSPO framework has led to the creation of a social program for the engagement of independent smallholders: the RSPO group certification (RSPO, 2011). To earn this group certification, a number of smallholders must form a legally recognized association, if they are not already organized in one<sup>2</sup>, provide proof of land title, and abide by a number of rules related to the production of oil palm and other agronomic practices. Thereby, members renounce their individual right to manage their land to the association board. In order to facilitate the coordination, recording and internal monitoring of this ad-hoc formed association, RSPO expects the farmers to create an auditing and administrative mechanism or 'Internal Control System' (abbreviated as ICS). The structure, rules and procedures of the ICS are only sketched by the Certification Guidelines, leaving other actors room for interpretation according to local contexts (RSPO, 2010). The only binding feature is that the ICS has a vertical structure that allows the Association to have a main referent, accountable to the third part auditor, who in turn monitors the other members through some arrangement. Another requirement is that ICS members must be scouted from within the farmers' group or community.

The establishment of the ICS, through the mobilization of local capacity, has been designed to embed the certification requirements into the everyday practices of the farmers, and to produce and sustain new knowledge, rules and regulation directly or collaterally related to the implementation of the certification scheme. After a third part auditing has verified the adequacy of ICS members' knowledge of rules, farmers must be able to manage themselves. Book-keeping, shifts, and aspects of formal labour organization must become part of the farmers' routine, if this is not yet so. At the same time, the design of the ICS as a socio-technical intervention is open-ended to fit different contexts. For this reason, I took the ICS as the starting point of observation for my case study of the embedment of this certification scheme into the context of these Indonesian smallholder farmers.

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<sup>1</sup> The RSPO principle of collective responsibility implies that individual farmers, in order to obtain and maintain the certification as a group, must set aside individual interests in favour of medium and long-term collective interest.

<sup>2</sup> This is rarely the case, because independent smallholders are by definition free from any contractual relation with third parts.

## 1.4 Literature Review

### 1.4.1 Local communities' engagement with private certification schemes

Private regulatory networks and certifications are transforming agricultural production standards and mechanisms of inclusion into supply chains, as well as dynamics of local development in the source countries (Hospes, 2014; McCarty & Cramb, 2009). Literature on the subject offers two main perspectives on the birth and development of private regulatory networks at the national and supranational level and their engagement with local contexts. One group of authors focuses on structural dynamics of private regulatory networks (!!! INVALID CITATION !!!), or the construction of legitimacy in the creation of certification schemes (!!! INVALID CITATION !!!), while others focus on the interaction between supranational, national and local mechanisms and actors (McCarthy & Cramb, 2009; McCarthy, 2012; Vergez, 2013; Kusumawati, Bush & Visser, 2013)

(Lawrence, Hardy, & Phillips, 2002) define institutions as “relatively widely diffused practices, technologies or rules that are enforceable and have become entrenched, in the sense that *it is costly to choose other practices, technologies or rules*” (own italics). Development anthropologists have studied place—based institutions and their role in development interventions in different local realities across developing countries. (Bebbington et al., 2006) arguably led the way for a number of studies that see local institutions as a key factor in mediating and shaping external interventions, such as knowledge transfer, skills training, and the introduction of new rules and institutions, into local contexts. They argue that “place-based institutions negotiate the ability of governance frameworks—both private and state-led—to determine social, economic and environmental outcomes” ((Bebbington et al., 2006). Bebbington et al. (2006) argue that capacity for rural transformation is embedded in social, economic and cultural dynamics at village level, which should and can be assessed prior to external interventions. Similarly, institutions are found to mediate between a local and extra-local, political and social mechanisms (Agrawal & Perrin, 2009).

However, accommodating new standards and regulations, with the power relations they may bring along or underpin in new contexts, sets in motion mechanisms that are often overlooked by practitioners. In the documentation and press release on the certification of independent smallholders, the question of the ‘eligibility’ of the group arises, especially in NGOs documentation (GIZ, 2012; RSPO, 2013; WWF, 2013). In other words, what are the characteristics that a group of collective smallholders should present in order to guarantee a margin of success? The certification of independent smallholders requires an initial investment. For this very reason, often the communities or groups of farmers receiving the most support in order to join these private partnerships are those qualified as ‘cohesive’ and ‘risk-oriented’ (Rahadian, unpublished). The role of local institutions, however, is overlooked by the technical literature on the establishment of the RSPO principles and criteria.

McCarthy (2012) in his essay “Certifying in contested spaces” argues that private regulatory partnerships such as the RSPO have failed to offer a concrete tool for sustainable resource management and fair opportunities. He stresses that such frameworks “lack structural power, work in the absence of the ‘social foundations of accountability’ at the micro-level and in the absence of state enforcement capacities”. In other words, where asymmetries of knowledge and legal representation exist, there is a risk that development interventions reproduce the same kinds of inequalities already at work in the context. At best, then, private regulatory frameworks “provide leverage within bounded spaces (...)” (McCarthy, 2012) or provide short-term solutions that are not supported by the social and legal infrastructure of the context for which they are proposed.

Dynamics of selection, discrimination and privileges in Indonesian oil palm governance, generated at the national level and shaping local capacity, are crucial in informing RSPO documentation (Agrawal, 2010; John F McCarthy, 2010; Pichler, 2015). Pichler (2015) investigates how a certain political agenda for the exploitation of natural resources in Indonesia translates into ‘legal state strategies’ and the empowerment of selected groups of citizens. In these state strategies, private regulatory frameworks initiated by western actors have been fitted in ways that not always reflect the initial propositions of the partnership itself. From this perspective, the formation of an RSPO certified group of autonomous smallholders is part of a larger process of enabling and constraining state and market mechanisms.

(Tsing, 2005) encourages researchers to turn their attention to local/global interactions. She calls ‘friction’ the generative effects, both enabling and constraining, of the encounters between different cultures and agendas. In the paper ‘Swimming Upstream’ (2012), McCarthy, Gillespie and Zen investigate the same problem, this time turning attention to the so far poorly understood local dynamics that shape large-scale outcomes. In their paper, they define the “social foundations of accountability” as any form of liability, be it vertical (to the state) or horizontal (to the community) that secures the status and legal protection of the poor and vulnerable. Following Tsing (2005), the authors call for better understanding of how elements of civil society and place—based institutions interact with global standards and interventions. These works support my interest in an in-depth case study of the set-up of a private regulatory framework within the context of a rural community in Indonesia.

#### 1.4.2 Literature gap

The inclusion of small players in private regulatory frameworks and sustainable or responsible supply chains is considered a crucial step in the literature (Basiron, 2007; Martin, Rieple, Chang, Boniface, & Ahmed, 2015; Vergez, 2013; Waarts, Ingram, Judge, Brons, & de Ruyter de Wildt, 2013). Authors, however, focus more on the structural dynamics of market-based certification

schemes for natural resource management, than on the dynamics and choices of local actors in appropriating their rules within a given institutional and political context. Literature on smallholders and their interaction with global private partnerships covers large-scale legitimization processes (Schouten & Glasbergen, 2011), impacts on livelihood (Rist et al., 2010) and mechanisms for the incorporation of actors' interests in the RSPO's (John F McCarthy, 2010; Ponte & Cheyns, 2013; Waarts et al., 2013), and other tropical value chains (Raikes & Gibbon, 2000).

A few publications stand out for their attention to institutional aspects of including smallholder farmers into national or international regulatory frameworks. Ismail et al (2013) study the introduction of international systems of ecolabelling (such as FSC) for the sustainable management and harvest of teak plantations, and the long-term effects of these interventions on local and state institutions. They find that the top-down introduction of new regulations has a destabilizing effect on local communities and institutions in the long-term. Farmers attempt to organize themselves in local groups to jointly overcome bureaucratic barriers, introduced by the eco-label protocol itself, but they resort to corruption and theft. This is also due to the incapability of the local forestry sector to support fair recognition of harvest rights and land tenure rights of the local communities. They argue that local capacity should be considered a priority over the introduction of hard regulatory frameworks. While this thematic focus is very interesting for me, the methodology employed in their paper remains unclear.

(Kusumawati, Bush, & Visser, 2013) also start from the concept of generative 'friction' proposed by Tsing (2005) to analyse encounters between global, national and local value chains that regulate shrimp aquaculture in Indonesia. As for oil palm smallholders, regulating small shrimp production is also a challenge that requires knowledge of local contexts. Significantly, the authors find that those who implement the regulatory network (in this case, a WWF-private sector partnership) systematically bypass local patrons in artisanal (small) networks. In turn, the local resistance created by this 'node' in the network jeopardizes external attempts to regulate shrimp production in artisanal networks. With a similar focus on obstacles and institutional dynamics, (Martin et al., 2015), attempt to explain why oil palm smallholders in a peripheral area in Malaysia have low interest in and propensity for joining sustainable oil palm initiatives. They perform an extensive qualitative study of the institutional context in the area. Through a neo-institutional theory approach, they highlight that a number of elements intrinsic to the context (among them bad infrastructure, corruption, lack of legal titles, norms and institutional logics) hinder the adoption of external practices.

Jansen and Vellema (2011) propose an interdisciplinary methodology, technography, that can be applied to understand problems at the intersection between society and technology. They argue that technography allows researchers of technology and society to unravel, among others,

mechanisms through which actual farming and the everyday life of groups and associations interacts with external standards that regulate their making. In addition, technography traces causal relations between observed results from beyond a solely technical or solely socio-anthropological lens. Jansen and Vellema (2011) illustrate this interdisciplinary methodology through a study by Vellema (2002) on asparagus farming in the Philippines. Vellema (2002) finds that new growing techniques require new expertise that, in his case study held by field extension workers. In addition, new systems of rewarding and downgrading farmers' products according to quality standards have effects on social dynamics that affect, in turn, productivity.

## 1.4 Problem Statement

Private certification programs aim at making tropical commodities producers' practices more sustainable through market driven incentives, in the absence of state regulations. These schemes also attempt to include local actors and smallholder farmers, and must therefore account for the interaction with local institutions. Local institutions create incentives for individual action and moderate the implementation of global standards for better agricultural practices and a more viable use of natural resources, therefore moderating the 'sustainability' of an intervention at the local scale. However, there is still little evidence of how institutions found within grassroots groups and local government, among others, interact with external interventions and regulations such as the RSPO. The literature that analyses the creation of local value chains and certification processes focuses on large-scale processes of legitimization and institutionalization, and at the local scale there is an emphasis on outcomes measured through economic incentives and environmental indicators. The socio-technical dimension of certification processes of smallholder farmers calls for an alternative methodological approach and a more comprehensive understanding.

The Internal Control System is an internal managing and auditing group through which the private regulatory framework of the RSPO is transferred to different local contexts. This element of the RSPO group certification interacts with both technical and social dimensions of the group of farmers, and lends itself as an entry point to study the certification program and its interactions with local governance and institutional processes in the medium term.

## 2. Methodology

In this study I combine the institutional approach of Agrawal and Perrin (2009) and (Martin et al., 2015) with the interdisciplinary approach of Jansen and Vellema (2011). This choice allows me to pay attention to how the technical and institutional requirements of a private regulatory framework for tropical commodities interact with everyday practices and the pre-existing social organization of the targeted farmers and their communities. I assume that regulatory frameworks and certificates

impact farmers and farming cultures similarly to how agribusiness ventures, with their standards and improved growing technologies. Then, technography is a compelling entry point to understand what happens at the interface between technology and society. I use this interdisciplinary methodology to produce an in-depth case study of how the RSPO's external standards interact with both technical and societal aspects of the oil palm farming practices of smallholders. The focus is the Amanah association for independent oil palm smallholders, within the context of the Indonesian community of the three villages of Trimuliya Jaya, Bukit Jaya and Air Emas, in Riau. The administration board established to comply with the group certification framework, the Internal Control System (hereby referred to as ICS), is the entry point to study this intervention because, as an artefact, it is the concrete result of implementing the RSPO group certification that interacts simultaneously with technical, social and material aspects of the life of the association.

## 2.1 Technography

To make this problem researchable, the first element of my methodology is a technographic analysis (Jansen and Vellema, 2011) of the ways in which the new group, Amanah, produces the required 'internal control system'. Technography is an ethnography of group work, making and performance, employing an interdisciplinary approach and methods, and investigating the interface between technology and society within a bounded research context. Jansen and Vellema (2011) identify the three dimensions of a technography within the problem of choice as a) *making*, b) *distributed cognition* and c) *construction of rules and routines*. These three dimensions allow a systematic description of what occurs in reality under certain conditions, and the detection of mechanisms with an explanatory power (Jansen & Vellema, 2011). I make a technical analysis of how, through a) the making of the ICS, the group of farmers b) coordinate and controls and c) creates rules for control, correction and selection of the farming and harvesting practices. The results of qualitative or quantitative methods for data collection are triangulated to achieve an account of facts as accurate and realistic as possible.

### a) *Making of a group's internal control system*

This dimension deals with the skills, tools and techniques, and material environment entailed in the process of interest, but also with the sequential adjustments and swift improvisations actors make. The RSPO certification guidelines require the set up of an ICS but give a vague, non-operational definition of what the ICS should look like and what functions it should cover. The organization chart provided (figure 2, in the next page) is neither realistic nor detailed, unless each single farmer internalizes all rules at once and the group manager only has to compile routine auditing. The making and maintaining of the ICS as a bureaucratic body, the understanding of its



scope, the number of members and their specific skills and techniques, is the focus of this dimension in my study.

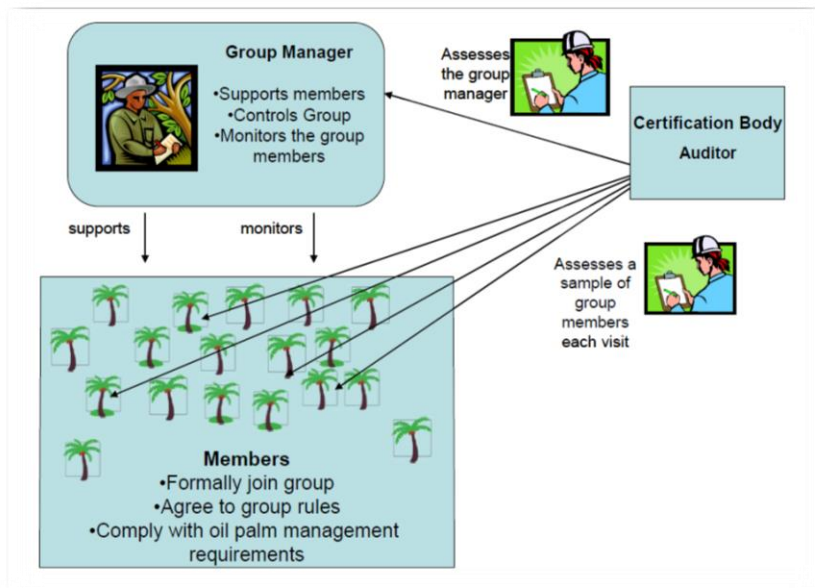


Figure 2 - Illustration of the ICS, as from RSPO guidelines. The aim of the research is to find out the actual one.

#### *b) Task groups/ distributed cognition*

This dimension deals with the culture and knowledge transmission within a group around a specific task or sets of tasks; it also places emphasis on the collective dimension of task coordination, and attempts to explain cognition as a group process in relation to its environment. It is possible that knowledge is distributed across the group so that no one has the full picture of what is going on, but each (or almost each) member is necessary to the functioning of the group. Therefore, there will be particular emphasis on observing who covers which function, to what extent do ICS members know what other members are doing, how rigid or flexible the task division is, how easily someone is substituted, and how or to what extent information is shared across members of the ICS.

#### *c) Construction of Rules/Regulation*

In in this research, the construction and introduction of new rules is viewed as both enabled and constrained by the surrounding institutional environment (Agrawal, Chhatre, & Hardin, 2008). The social environment in which the new group and its sub-groups must be created is a set one. The construction of rules for the ICS as a controlling and regulating organism must either build upon or diverge from pre-existing institutionalized rules and routines. This section deals with the constitution and embedment of the ICS rules into this environment.

*Summarizing the three dimensions:*

Results section	Technographic dimensions
a) the embedment of new skills and technologies	a) making
b) attempts to coordinate and control tasks, distribute responsibilities	b) task division and distributed cognition
c) the embedment of the RSPO rules within the ICS and in dialogue with existing rules	c) rules, routines and mechanisms of exclusion

**Table 1 – The three dimensions of technography applied to my research focus**

## 2.2 Defining the Context of the Study: Institutionalized Groups, Rules and Routines

The other element of this research is an understanding of institutions and groups in the three villages of Trimuliya Jaya, Bukit Jaya and Air Emas, in Riau, prior to the introduction of the new element — the RSPO group certification scheme. I want to know how oil palm production of independent smallholders is regulated, and what other functions of social cohesion and order this entails.

To categorize institutions present within a context, for example the area of this study, it is useful to adopt a taxonomy. A taxonomy helps understanding the function of institutions for the community, the systems of incentives or sanctioning that they entail and their relevance in relation to a given intervention. According to Agrawal and Perrin (2009), village institutions can be distinguished between informal and formal, according to their system of rules (implicit or explicit, written or unwritten). They can be further divided into public (civil society), civic (state) and private (market), according to where they can be found, within the life of the community. Below, I report the table that I will use as a guideline for my own categorization. It indicates how to apply the taxonomy to groups and initiatives within a community, where institutions, following the definition of Lawrence et al (2002), can be found:

**Table 2 – Taxonomy of informal (I) and formal (F) village institutions and indicative examples of where institutionalized groups and rules can be found. Adapted from Agrawal and Perrin (2009), p.352**

<i>Public (State)</i>	<i>Private (Market)</i>	<i>Civic (Civil Society)</i>
Local agencies (F) Local government (F) Adat government (I/F)	Private businesses (F/I) Service organizations (F)	Labour exchanges (I) Collective gatherings based on membership (I/F) Cooperatives (F) Religious associations (I)

## 2.3 Understanding the Interaction between Context and Intervention: Realist Evaluation

Technography as a methodology builds upon a critical realist ontology and epistemology. In other words, technography accounts for the context (stratified social and natural worlds) which shapes the emergence of certain mechanisms over others. Pawson and Tilley (2004) suggest a framework, realist evaluation, also based on critical realism, for producing and testing mid-range theories about causality of a bound set of changes, social mechanisms or policy interventions from a critical realist epistemological and ontological perspective. Realist evaluation can be used to evaluate interventions, for example development interventions, policy changes, or the establishment of new groups and rules within a context. It entails formulating hypotheses about what mechanisms work and how, for whom and why, in what context (Pawson and Tilley, 2004). The method allows the inference of informative conclusions about configurations of Context/ Mechanism/ Outcome (CMOCs) regarding a certain socio-technical intervention. A *mechanism* is the trigger of any changes, and works within a stratification of natural and social conditions relevant to the phenomenon we observe, the *context*. The *outcome* patterns are the consequences (both intended and unintended) of an intervention.

- *Context: what conditions are needed for a measure to trigger mechanisms to produce particular outcomes patterns?*
- *Mechanism: what is it about a measure which may lead it to have a particular outcome in a given context?*
- *Outcomes pattern: what are the practical effects produced by causal mechanisms being triggered in a given context? (Tilley, 1998: 145)*

The figure below illustrates the way realist evaluation is applied to this case study. The existing mechanisms that regulate professional, civic and agricultural life in this context, belonging to the local institutionalized groups and rules, are labelled as M0. The ICS (2) is the intervention in this context, belonging to the program of the RSPO group certification, to embed its own rules and technologies within the context of independent oil palm farmers. I evaluate this intervention through an analysis of how farmers and other actors make the ICS work, and how the ICS implements rules for control and regulation prescribed by the RSPO framework. By merging observations on the context and the mechanisms (M0) of the local institutions, with the results of the technographic analysis of the ICS, I detect new mechanisms (M1) triggered by the intervention (2) and the emergent outcomes (3) of these mechanisms (M1).

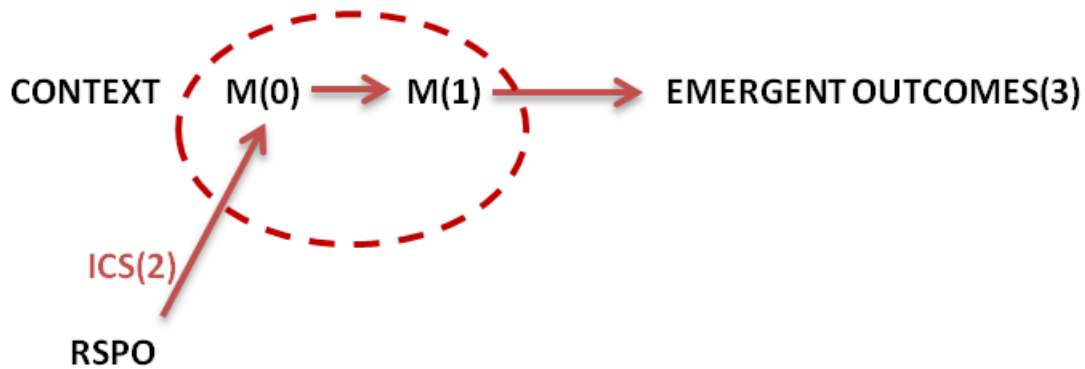


Figure 3 – Own diagram representing a CMO. From Pawson and Tilley (2004).

I am interested in tracing the context-dependent processes and outcomes of a same intervention or variable. The same processes may give way to a number of results, not only across case-studies, but also within a given context. In social research, the phenomenon of multiple outcomes from the same value of an independent variable is called multifinality (Bennett & Elman, 2006). Similarly, the creation and functioning of the ICS is seen as an external intervention or program with the potential for multiple outcomes: I expect it to trigger different processes—mechanisms in the language of realist evaluation. I take realist evaluation as a complementary approach to trace processes of change in this case study. Through this method, I would like to give an explanatory account of the observed outcomes and processes of interaction, when the RSPO rules and regulations are being implemented through the establishment of the Internal Control System within the current context and within the time-frame of the field work.

## 2.5 Research Questions

In the light of my methodology and research focus, the main research question of this study is:

- *What causal mechanisms of establishing the ICS as the main intervention of the RSPO group certification framework within the existing institutionalized groups, rules and routine can be detected from the observed outcome patterns?*

Technography sub- questions are:

- *What skills, tools and techniques are employed in the making of the Internal Control System? and which ones are acquired? Who is included/ excluded in the group and on which basis?*
- *What allows the ICS to function across space and time? Is there any system of distributed cognition among the members which helps them coordinate tasks? How is the new knowledge related to the group certification acquired and mediated?*
- *What are the rules and routines that are constructed in the making of the ICS and that allow its functioning within and outside the standards set by the global partnership scheme RSPO?*

### 2.6 Sampling and Field Methods for the Ethnographic Data Collection

For the collection of data, I lived in the research area, the Ukui sub-district, from December 2014 to the end of February 2015. This was one year and four months into the RSPO certification experience for the farmers, who received their certification by a third party auditor in July 2013. I was accompanied by a translator (English – Bahasa Indonesia) in most everyday activities. A Wageningen PhD candidate, working on the Amanah pre and post-certification economic performance and coping strategies, Sakti Hutabarat, guaranteed for my stay and offered me an access point to the field. He introduced me to the Amanah Manager and to the ICS members, but also to the personnel of the palm oil company that helped certifying the Association.

I employed a translator for the three months of fieldwork. Together with my translator, I got to know the ICS members via snowball sampling. I followed them in daily activities related to the ICS, and visited them also at home. Once acquainted with them and their schedules I conducted participant observation of their meetings and had semi-structured interviews with as many of them as possible. The semi-structured interviews followed a general schedule, with different sets of interviews (see Appendix V). One was for the ICS members, and one for other farmers members of Amanah but not included in the ICS. Membership to ICS defined the theoretical sample for my observations and interviews, but I also looked for those institutions and groups which ‘fed into’ the ICS or closely collaborated with it to the purpose of its functioning.

On the side, I had several unstructured interviews with respondent who were external to the ICS and to the Association, yet actively shaping its social environment; for example the Company Head Assistant, other field officers of the company Asian Agri, and the Village Heads of the three villages. I also drew a rich array of data from informal conversations and moments of conviviality.

Table: summarizing field research

<b>When?</b>	Three months (December 2014- February 2015)
<b>Where?</b>	Three villages in Ukui Sub-district (West Sumatra, Indonesia)
<b>What?</b>	Understanding how a group of independent oil palm smallholder farmers makes the technologic and institutional requirements of a private certification scheme work within their social and material environment
<b>How?</b>	Qualitative research methods: participant observation and semi-structured interviews; use of an interpreter; triangulation between results

### 2.7 The Role of the Researcher in a Critical Realist Perspective

The researcher steps into the field with a background and an identity, and their gaze on what goes on and how to interpret it is least but neutral. This is the argument of standpoint theory, a methodology for the social sciences born as a reaction to positivist science and knowledge

production in the 1970s. Feminist standpoint theory as an epistemology grew in the 1980s through the collaboration of multiple scholars. It pays attention to how the power and social structures influence knowledge creation. Standpoint theory is central in critical realism, because experience and understanding of mechanisms (the goal of a critical realist analysis) is contingent on one's cultural conventions. Asymmetries in class, education, gender and ethnicity shape the relationship between the researcher and the subjects, as well as the researchers' ability to access, select and understand data. The researcher must not hide behind either theories or data to claim scientific objectivity (Swigonski, 1994). This exercise becomes an opportunity for greater exactness and richer understanding, rather than for discrediting the robustness of data or relativizing results to individual experience (Edwards, 2014).

Following standpoint theory, I argue that the researcher should (attempt to) make his or her stance in the research known, as part of the framework and analysis of the data, and also reflect on how his or her presence might have triggered different mechanisms. Therefore, I will write the rest of this report in first person, and include where possible in my analysis a few reflections on my stance as a participant observer, and some results of employing a translator for everyday communication as well for the interpretation of behaviours and cultural norms. In the discussion, I reflect on the unfolding of events throughout the three months of my fieldwork, and on whether my standpoint or presence might have influenced the events at work, and how the presence of a young translator coming from a similar village, moderated my relationship with the ICS members and the farmers' community.

## 2.8 Organization of the Report

The rest of the report is organized as follows. In chapter 3 I present the context of local institutions, found by merging information from my literature review, with an analysis of local groups, their rules and the type of social interaction and rewards they entail. In chapter 4 I present the results of my observation of how farmers and other actors make the ICS work, through a technographic lens. In chapter 5, I bring together the evidence on the context presented in chapter 3, and the technographic analysis of the functioning of the ICS in chapter 4, to see what happens when the new association's administrative body and the institutionalized groups and rules in the village are brought together. The aim of chapter 5 is to discern between mechanisms and outcome patterns emerging from the technographic analysis, to explain changes observed during fieldwork. In chapter 6, I discuss my results in the light of the literature. I also discuss what my methodological approach can add to the current understanding of interventions in the field of private regulatory schemes for small farmers and tropical commodities. I conclude with insights from this study and recommendations for future research and practice.

### 3. Framing the Context

This chapter describes the context of the case-study, in which the rules and regulations of the voluntary private partnership have been implemented, and where the ICS as a group technology for control, correction and selection is put to work. For this section, I use data and information derived from my participant observation and interviews in the research area. I integrated this information with the literature review, and data from internet sources as well as from official RSPO and WWF documents. In the first part of this chapter, I introduce the history of the smallholding oil palm sector in Indonesia, and specifically in the study area. Then, I illustrate the main institutionalized groups, social norms and rules that I encountered in the field, categorized according to the taxonomy of Agrawal and Perrin (2009).

#### 3.1 Rural development in Indonesia and the oil palm sector

Insight in the historical process of oil palm smallholders' development in Indonesia is useful for understanding the contemporary conditions of these smallholders. Indonesia is the largest producer of crude palm oil in the world. Smallholder farmers contribute to 40% of the annual production (Asian Agri, 2015). An important element in this context is that of 'transmigration'. Transmigration was a relocation program of Indonesian population, implemented over the entire 20th century. It was initiated by the Dutch colonial government to bring workforce from the overpopulated Java to Sumatra, where rubber and oil palm plantations had been established. After the end of the colonial rule, under the Suharto regime (1965-1998), the development of rural areas was centralized and plantations as well as forest areas passed into the hands of the state. Under Suharto, the transmigration program became a means of relocating poor, often landless Javanese to the least populated islands. In the time span of thirty years, over 2 million families were relocated to the least populated island Sumatra or to Borneo.

Oil palm cultivation is the Indonesian government's preferred strategy for providing an income to these Javanese migrants. Transmigration families were allotted two hectares of (usually cleared) forest for oil palm, and ½ hectare for a house and a house garden (Vermeulen & Goad, 2006). Most settlers had to start afresh in the new situation, far apart from their extended families and friends in Java. Without infrastructure and communication technologies, the damp and excessively hot weather of central Sumatra created a real watershed between those who remained and those who gave up and returned to Java (Rist et al., 2010). Good and stable incomes, and a tight community rewarded those who remained. Other Javanese settled side by side with local ethnicities. The transmigration program slowed down after the end of the Suharto regime but is still carried out up to the present day.

However, the development of oil palm plantations for small farmers also proceeded autonomously from the transmigration program. Indonesians of every ethnicity migrated, both internally to Sumatra and from other islands, to get a share of the booming business of oil palm. They either started new settlements in a cleared area or joined existing villages as newcomers, causing a number of social problems. Together, logging for oil palm plantations, and for timber and pulp, made rates of deforestation in Indonesia between 1980 and the present the highest in the world (Rhebergen, 2012).

As a means of rural development, oil palm cultivation of small farmers is supported by the government through subsidies of fuel, fertilizers and through the creation of a network of cooperatives exclusively for oil palm farmers, the *Kooperasi Unit Desa* (village-unit cooperative, or KUD). These KUDs, financed by the central government, are present in most Indonesian oil palm-related settlements, for the organization of small-scale palm oil production. A KUD is also a Loans and Savings group for its members, and contributes and to the socio-economic development of the village through works of charity and donations.

### 3.2 The Amanah Oil Palm Smallholders Association

The Amanah Palm Oil Independent Smallholders Association counts 510 members, divided in 17 sub-groups who manage 763 hectares of oil palm plantation. Members come from the three villages of Trimuliya Jaya, Bukit Jaya and Air Emas in Ukui. Between 2012 and 2014, the Amanah association grew from 349 to 510 members, as the initial nucleus of the Association (10 groups) has benefitted from further aggregation of 7 farmer groups. Ten of the seventeen groups became certified on 29 July 2013—one and half years before the period of my study. The other seven were to be certified about two months after the end of my field research period, in May 2015. Therefore, I was able to observe how the certification worked inside both types of farmers' groups. Although I did not consider 'certification date' as different treatment level, I did pay attention to whether it brought any difference to the technical and social performance inside the Association.

The three villages of Trimuliya Jaya, Bukit Jaya and Air Emas belong to the Riau province in the central East part of Sumatra. Before 1987, Riau was covered with primary forest. Patches of cleared land were inhabited by the Malay ethnicity. Malay traditionally grow the rubber tree. The first large transmigration wave from Java to Riau happened between 1990 and 1995 with the last transmigration program (Indonesian Statistic, 2012). After the Transmigration allotments ended, people from Java and from South Sumatra kept flowing to the area, attracted by the opportunities of oil palm cultivation. Two more million people autonomously moved to the Riau province between 1995 and 2010, either migrating from other islands (Javanese, Sundanese ethnicities) or migrating internally from other parts of Sumatra (Batak, Malay, Sundanese ethnicities). Nowadays, the



province has one of the largest concentration of oil palm smallholders in the country (over 1 million, Statistics Indonesia, 2011; Asian Agri, 2014), working both under scheme programmes and independently.

Trimuliya Jaya, Air Emas and Bukit Jaya are born as Transmigration villages in the period 1989- 1995. The village heads claim that the largest majority (above 80%) of the people in the three villages are of Javanese origins. The oldest generation from the Javanese transmigration is now in their 60s, and enjoys a certain well-being derived from the profitable business and the good quality of seedlings and extension materials provided by the Indonesian government in collaboration with the oil palm plantations. However, most fields belonging to the Amanah Association were planted later, around the year 2000, and belong either to transmigrants who had the chance to buy off the land of some rubber farmers, or to Javanese farmers who came later, following their relatives, or attracted by the movement of people of their ethnicity toward the core of Sumatra and the profitability of the oil palm business.

The impression from living three months within the communities of Trimuliya Jaya, Air Emas and Bukit Jaya is of a homogeneous, cohesive group of people sharing Javanese origins and customs. This community won several prizes for the Most Cohesive Village (of the whole Sumatra) and the Best Organized Desa (village) Unit of Riau Province. Ethnic homogeneity was prominent in the discourses among the villagers I interviewed. Common Javanese origins, and going together through the meagre times of the first three years after the plantation was established seems key to the sense of unity among the settlers. For example, they take *Gotong Royong* duties very seriously. The name

#### BOX I : THE GOTONG ROYONG

The *gotong royong* is known in the literature for being an omnipresent civic institution across rural Indonesia, with the function of preserving the collective good and cohesiveness. *Gotong Royong* is a traditional form of volunteer mutual aid and an institutional component of Javanese-ethnicity villages. The whole village or a whole professional association or group is working together as a community for the maintenance of common areas. It was exported to Bali, Sumatra and other areas through the re-settlement of people of Javanese ethnicity. This institution was enforced by the central government during Suharto's regime, across all ethnic groups of the archipelago, through a political discourse of 'javanization'(Bowen, 1986). The modern word stands for 'mutual assistance' or 'collective work'. However, indigenous forms of *gotong royong* can be found under other names among Acehnese, Batak, Malay and other ethnicities. This mentality was, and still is, fostered by the Indonesian government rural development policy: groups and villages which exhibit a *gotong royong* orthodox behaviours are praised through award and donations (Bebbington, Dharmawan, Fahmi, & Guggenheim, 2006). For Javanese communities throughout Indonesia, such as the one in this case-study, this institution has a strong positive meaning of togetherness and cultural identity. I inquired about the value and meaning of *gotong royong* with several group, and found that differently scheduled but similarly principled group chores regularly take place within the Women's Group (PKK), farmers groups, the RT (neighbourhood group) and also among Asian Agri employees (Tjuamsah, personal communication, 20/12/14).

*Amanah* itself means *trust* and *safety*, but also *mandate*, in Bahasa Indonesia, and the choice of this name, I believe, indicates the importance of trust among the hosting community.

The company supervising scheme smallholders in the area is Asian Agri, fifth largest oil palm company of Indonesia. Asian Agri is also and an all-time RSPO supporter, and pioneer in scheme smallholders certification: those in the area of the three villages were all certified by 2012. Asian Agri agreed to a partnership with the Amanah smallholders and to invest own means (mainly in terms of field extension officers and PR) in building the capacity of these smallholders, in order to achieve the certification. The intermediary between the certification framework, the oil palm company and the smallholders was WWF Indonesia, whose agenda is also to promote the RSPO to curb deforestation. Besides the mills and the plantations the company Asian Agri controls also several pulp and paper production chains within the region; therefore, as the main employer and income generator in this District, Asian Agri has great influence both on KUDs and on the decisions of other private investors and businesses.

In each of the villages there is a KUD with an own office. The KUD helps all oil palm farmers who are members (both scheme and independent smallholders) through the purchase of fertilizer, seedlings, and in the communication with the mill for the distribution of salaries. All members of Amanah are also members of one of the three KUDs. About 43% of the members of Amanah are members of the KUD of Trimulya Jaya. The pies at the bottom of the page illustrate the distribution of members among the three KUDs (left) and the overlap between Scheme and Independent possessions among members (right). The condition of ‘scheme’ and ‘independent’ smallholders are not mutually exclusive: a scheme smallholder might also have independent fields, acquired in the wake of the operations of logging companies, or by logging themselves; independent smallholders might (albeit rarely) acquire scheme fields from other farmers. In the Ukui area, land clearance for

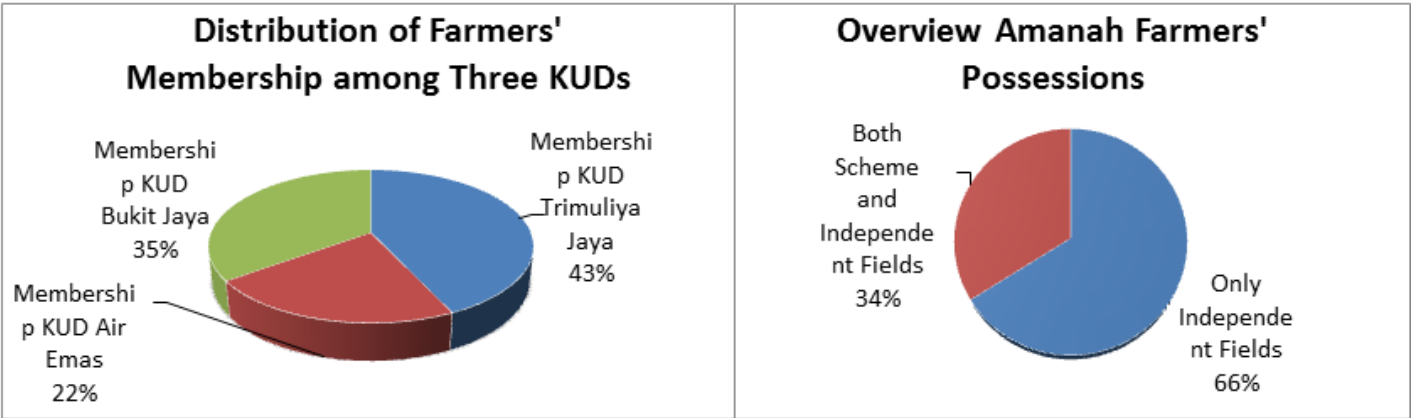


Figure – 5 - Distributions of members across 3 KUDs and land tenure in Scheme and Independent fields among Amanah members. Source: own data (field survey) and official data from the cooperatives. Courtesy of the KUDs Trimulya Jaya, Bukit Jaya and Air Emas.

independent fields proceeded side-by-side with the growth of scheme plantations. As a result, over 30% of the farmers in the villages have *both scheme and independent* fields (own data) and with Asian Agri's certification standards and working modalities. The implications of this contextual condition for the RSPO/WWF/Asian Agri intervention are explored in chapters 4 and 5.

The Kelompok Tani (KT) or farmers group is the basic organizational unit of oil palm smallholders in a State or Company scheme. It was created as a means for the mill or nucleus plantation company to supervise and order the harvesting schedule of scheme smallholders belonging to adjacent lots or fields. It is run by a Ketua Kelompok (Head of Group), a Secretary and a Treasurer. Because of the proximity and overlap with scheme smallholders, independent farmers in Ukui, who are most acquainted with scheme protocols, also follow this type of group organization—and seventeen of them became members of the Amanah association. Most KTs in the three villages exist already for several years. Elsewhere, because of trust problems, KTs seem to be more difficult to maintain.

### 3.3 Summarizing key elements in the institutional context of the study area

Smallholders from the three villages, who founded Amanah or are members of Amanah, belong also to other social groups and institutions. Following the taxonomy of village-level institutions of (Agrawal and Perrin, 2009), I compiled a table of institutionalized groups and rules in the village<sup>3</sup>.

**Public Groups and Institutions.** The village government, with its branching organizations for sport, education, religion, charity, borrowing and savings. The Village Head has the last word on most things that happen within the village, and by law his signature must be on any treaty or agreement signed in the settlement. The UED, a new form of borrowing and savings institution<sup>4</sup>, linked to village governments but existing at district level, for women and citizens who do not have an asset such as oil palm fields<sup>5</sup>, falls in between public and civic groups and institutions.

**Private Groups and Institutions.** Mainly, the oil palm company Asian Agri, and the Amanah Association (see Appendix I).

**Civic Groups and Institutions.** Besides the KUD, which in my opinion falls in between public and civic, the life of the community is enriched by prayer groups with charity and worship initiatives and regulation at the neighbourhood level, the Gotong Royong (see box I), and KTs, which have their own meetings. The PKK or Women's Group is a formal group for domestic and health education attached to the village government. There are informal borrowing and saving schemes at the neighbourhood level.

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<sup>3</sup> For a complete overview of the method and the criteria utilized, see appendix I.

<sup>4</sup> UED had a quarterly meeting and a lottery. Indonesian people love lotteries. I eventually started to appreciate lotteries too.

<sup>5</sup> Oil palm farmers, even marginal, benefit from the borrowing and saving services of the KUD

## 4. The ICS at Work: a Technographic Analysis

This chapter illustrates the empirical results of studying the Internal Control System (ICS) of the Amanah association. I analyzed the ICS as a social and material artefact where the rules of the RSPO certification framework and the social and material context of the farmers interact. For data collection in this dimension, I asked multiple sources to recall what was done at what point and by whom in the constitution of the ICS and in the training of its members, to put together and if necessary to build up the skills and knowledge required. Then, I observed rules, performances of control, and task distribution as they were concretized in everyday practices.

The chapters sets out by describing the essential procedures in the context of these oil palm smallholders that need controlling, correction and selection in the context of the RSPO certification framework (section 4.1); then, the processes and decisions taken by various actors to accommodate the certification requirements within this context and what skills, tools and techniques are employed and acquired in constituting and running the ICS (section 4.2). These two sections correspond to the analysis of 'making' in a technography.

Section 4.3 turns to the second dimension of technography, and describes how the tasks of control, correction and selection demanded by the RSPO framework are covered by the different elements of the ICS and how are different kinds of knowledge brought together in the making of this artefact. Section 4.4 refers to the third dimension of technography, the construction of rules related to the activity of putting together and running the ICS. Here I explore episodes related to the production of rules for the functioning of the ICS, for the inclusion and exclusion of people from the group, and of rules that regulate the relationship of the ICS to the social context in which it has been established. The last section (section 4.5) exposes some discussions I witnessed, about the practical establishment of the ICS and of the association. This section prepares the ground for my context-mechanism-outcome configuration analysis in chapter 5.

### 4.1 Controlling, correction and selection

The RSPO certification's principles 4 and 5 are concerned with the implementation of better field management practices by growers, and the respect and, where possible, maintenance of biodiversity. These two principles are of direct interest to the farmers, because it is up to them to comply. In the instance of a group certification arrangement, it is the task of the ICS to help associated farmers comply with the principles. According to what I observed and to the declaration of ICS members and field extension workers, the field management practices that need supervision once a group of farmers wishes to comply with the RSPO framework are:

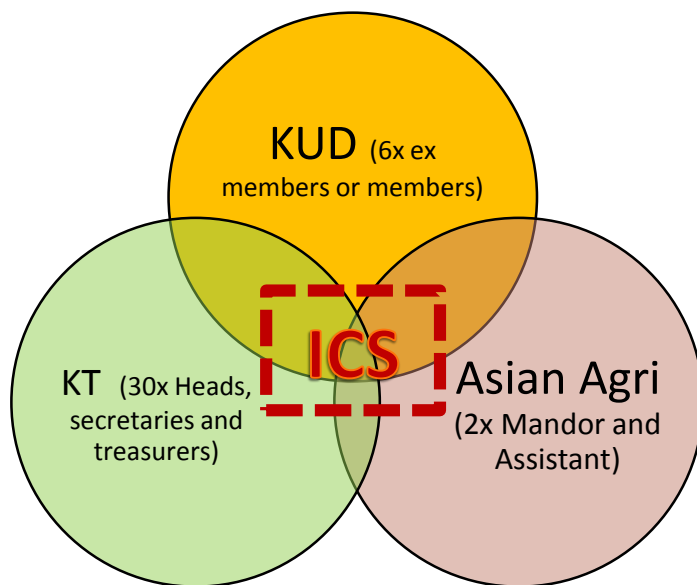
- harvesting of the fresh fruit bunches (FFBs) from the palms (year-round),
- workers safety

- spraying of herbicides and pesticides when needed, by a trained team,
- weeding, pruning and fertilizing (periodical),
- good maintenance of ditches for the draining and irrigation of the fields.

The presence of natural pest control measures, such as planting certain flowers, is also part of better field practices prescribed by the RSPO. In addition, the ICS should keep track of the FFBs production of the farmers within the association and handle their salaries according to the quantities registered monthly. Lastly, the ICS must regulate its own activities and routines. Routines include meetings for the discussion of problems, for the revision of an own protocol, and for the selection of new ICS members.

#### 4.2 Shaping the ICS

The ICS of a certified group of farmers that wishes to obtain the RSPO group certification should consist of people from, or working closely with, the farmers' group. The ICS of the Amanah association of was created by drawing from skills, routines, rules and identity of working groups that already existed and collaborated in the villages. Six members were the heads and secretaries of the



board of the three KUDs (village-level oil palm farmers' cooperative) of the villages. Three members were drawn from each of the ten independent KTs (farmers' groups) that initially joined the Association—thirty people in total. Two members were field officers from the oil palm company Asian Agri: a *mandor* (intermediary between KTs and the mill) and an

Figure 3 – Venn diagram showing the three social groups and their elements that constitute the Internal Control System of the Amanah Association. Source: own drawing and data.

assistant (field extension/agronomist). The official organization chart of the association can be found in appendix IV. The Venn diagram on the side, instead, is my own figure to illustrate the composition of the ICS, and in particular the overlapping of people and skills among the three groups: KUD board members are also members of a KT, and there are tight connections between Asian Agri field extension workers, the KUDs and the KTs. This overlapping is a key element both for task coordination and for the formation of rules in the ICS.

As explained in the previous chapter, it was Dani Rahadian, WWF Palm Oil Senior Officer for Smallholders Engagement, in agreement with Asian Agri and Sunarno, head of the KUD Trimuliya

Jaya, to initiate the certification process for this group of farmers. When the ICS was about to be constituted, Sunarno brought into the ICS body some administrative staff from the other two villages' KUD, and together they constituted the funding body of the Association. The following table sums up the association founding body's composition, according to the declarations of members themselves:

<b>from KUD of village Air Hitam</b>	Pak Edy (secretary KUD) and Pak Suwanto (head KUD)
<b>from KUD of village Trimuliya Jaya</b>	Pak Jas (secretary KUD) and Pak Narno (head KUD)
<b>from KUD of village Bukit Jaya</b>	Pak Sugino (secretary KUD) and Pak Tajib (head KUD)

**Table 3: Composition of the main nucleus of the ICS of the Amanah association. Source: own data.**

The reason the ICS members themselves gave for being at the core of the process of building and managing the Association are that they were already trained by the Cooperative official trainings<sup>6</sup>, both in administrative tasks and in accounting, that they had already been elected democratically to run the Cooperative in their villages and proved capable to do so, and that they were familiar with Asian Agri's quality requirements and the RSPO certification and its criteria. No ballot was held among members (as it is custom for other organizations in the villages) and no one else was really given a chance to take over important positions in the board thereafter. The people from the KUD board said that they had the initial vision and the will to carry it on: this entitled them to take charge of their own 'creature'.

The heads, secretaries and treasurers of the ten KT's were appointed to the everyday monitoring of the farmers' activities, because they were the ones in constant contact with the farmers of their own group. On top of that, they were already acquainted with routines of harvesting, weighting, administering the salaries of group members, and holding group discussions when needed. KUD personnel<sup>7</sup> are asked to fulfil specific tasks in the current configuration of the Association. Among these, some are essential for the agricultural work of the farmers: distribution (in cash) of monthly salaries of the Amanah KT's to the members, in-bulk high quality fertilizer purchase (with direction of Asian Agri) and minute re-sale to farmers;<sup>8</sup>; management of the Cooperative shop; provision of loans (fast credit) and savings service to all members, including those who are not scheme smallholders but members of Amanah. The KUD, through its regional development program, also provided training to the farmers who later constituted the ICS. Delegating all these services to the KUD allowed the new association to save money, and to take a shortcut toward the achievement of a fully functioning association.

<sup>6</sup> Trainings were provided by the government-funded organization *Kooperasi Indonesia*

<sup>7</sup> by KUD personnel, I mean the salaried office staff officially employed in the governmental agency of the KUD

<sup>8</sup> It is safer for a Head of KT to take 25 or 30 monthly salaries back from the KUD Tr. Jaya/ Amanah headquarters, back to his house. There is a high risk of robbery. Therefore, the bank transfers salaries to the KUD account and re-distribution happens directly and under the responsibility of the KUD where the farmers of one KT mostly reside.

Much of what came to constitute the Independent Oil Palm Farmers Amanah association, therefore, was borrowed from the parts that compose it. My focus was the ICS, but there are two reasons why I sometimes refer to ‘the ICS’ as ‘the association’. First, the ICS is a patchwork of staff and services from pre-existing groups. Secondly, the ICS staff that ran the Amanah association came to embody, not only for me but also for people in the three villages the association itself.

The association relies on other institutions in the village for services such as pay checks distribution, personnel trainings, the purchase and distribution of fertilizer, and technical know-how both in bureaucratic and agronomic matters. These parts mostly managed their tasks autonomously, once task division was established. In particular, the KTs did. For example, when someone leaves one of the committees of the ICS they can still be in the managing board of their KTs. This is because the KT is the real only key intermediary between the farmers and the administrative body of the Association, which controls all crucial activities related to field management and harvest quality. As a result, KTs maintain administrative independence and the manager of the association can not intervene to modify the composition of their board. Furthermore, the intermediaries must maintain vision and scope of the association, if they are to foster it among the members of their own KT.

**BOX II - The Kelompok Tani – Farmers’ Group**

The ICS draws on the structure, functioning and authority of the Kelompok Tani, or ‘farmer group’. The Kelompok Tani is an institution with a horizontal, inclusive structure based on trust, mutual knowledge of the members, and informal requirements. The three administrators in the board are chosen by vote among all members of a KT except those who call themselves out because they have a good reason to not take up the position (e.g. they have other dealings or cover other positions within the community). The three elements are the Secretary, the head and the treasurer.

Secretary	Head	Treasurer
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The three people with the greatest number of ‘trust votes’ or preference votes are extracted. Among these three, it is again voted or discussed who should become secretary, who group head and who a treasurer. People learn the new tasks from previous board members, try to take after scheme KTs, and acquire rules by word of mouth. Each administrator can be re-elected and remain in place unlimitedly, as long as he works satisfactorily and with integrity.

Independent smallholders who need to coordinate their harvest activity and road maintenance also employ this form of labour organization, but the setup of the group is much less formal under independent smallholders. One person is in charge of the group, sometimes helped by a secretary; to keep track of who needs to harvest and how many kg of fruits were handed over to the middleman every month.

The company Asian Agri assigned a field coordinator (the mandor) and a field extension officer (the assistant) to the training and day-to-day assistance of the new association. For example, the leaf sampling for the leaf test (to calibrate the dose of fertilizer needed by the palms in the next season) is performed by one kelompok tani secretary, as part of his job for the Internal Auditing Committee. However, the leaf test is performed through a laboratory associated with Asian Agri and the Cooperative. The results, again, are read by the Assistant. Only he can understand how the lab sheets translate into how much fertilizer the trees need. Then he indicates the doses in 'cups' or another easily measurable units, to the mandor, and he communicates it to the farmers in each KT. The assistant also coordinates the spraying team that periodically sprays either pesticides or herbicides in the fields. Members are not allowed to spray themselves, and they must wait for the team with the herbicides or the pesticides to come and do the work for him.

The non-governmental organization WWF, who first introduced the certification scheme to Asian Agri and the independent farmers, also contributed to training farmers ICS, also by providing guidance and skills training throughout all steps of the creation of Amanah. There were in total six WWF trainings, held in the Trimuliya Jaya KUD Office, from June 2012, up until the last one on 23<sup>rd</sup> December 2014, the one I witnessed. Dani Rahadian, WWF Palm Oil Senior Officer for Smallholders Engagement, led all six WWF workshops, also becoming a figure of reference and expertise for the farmers learning to make the ICS function. Below, a moment of the workshop led by Rahadian on 23/12/14.



Figure 4 Workshop. On the left, farmers in the KUD office/ Amanah office memorizing ten steps to RSPO fulfil certification requirements and learning which documentation is needed to fulfil each of these requirements, and where in the office these documents can be found. On the right, an interactive presentation by Dani Rahadian, WWF, on removing certification obstacles for smallholders by implementing intermediate steps to RSPO certification.



WWF field officer Rahadian helped the farmers members of the ICS by training them on a few basic skills. First, they needed to become acquainted with the eight principles and related criteria of the RSPO framework. They mostly memorized them with the help of yellow paper sheets (see image above). Secondly, they must know where the documentation is located in the office and how it was organized. Folders are ordered based on the eight principles of the RSPO certification and, within that Principle section, in folders by KT (see image in the next page). Thanks to the WWF trainings, most members of one Committee know well where their own Committee's documentation is located. The engagement of WWF with Amanah was, however, time-bound. After the six workshops, the money for the projects ended, and the NGO slowly backed off from the 'field'. Afterward, only the company's field officers remained to back up the farmers.



Figure 5 - The folders containing documentation, rules and regulations of Amanah.

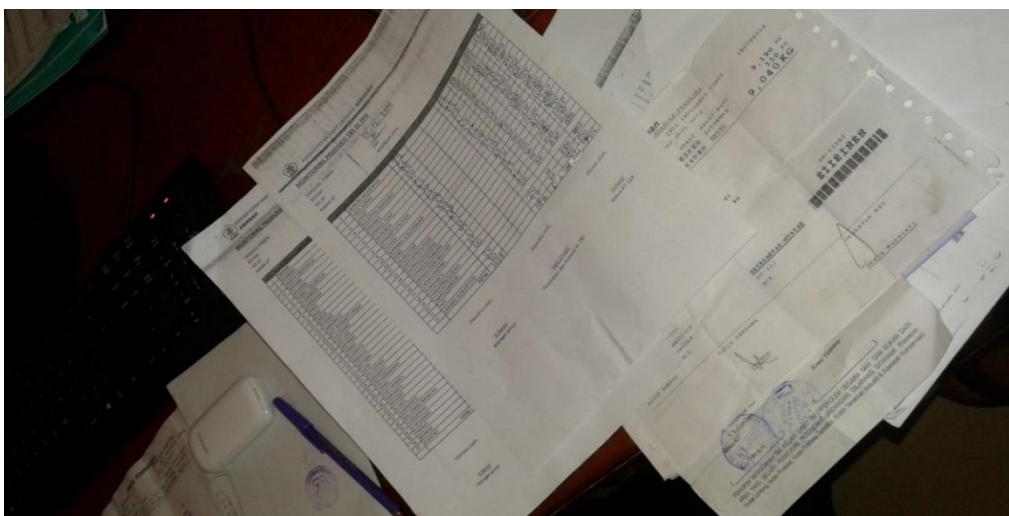


Figure 6 - Working desk of Mrs Kuntiah: transcribing delivery notifications and delivery orders (the one with a barcode, a stamp and a signature on the right).

The secretary of the association, like everyone else within the ICS, shares the office with the personnel of the KUD Trimuliya Jaya. Her tasks are very circumscribed: she sits in front of a PC and she transcribes the quantities of FFBs and money that flows between Asian Agri's nearby mill, and the KTs of the association. The Delivery Notification (how many Kg per member are delivered to the mill in one harvest), filled in from each head of KT, must be transcribed from a paper sheet into Excel. The Delivery Order from the mill must be archived together with the original of the Delivery Notification. Both papers can be seen in the picture below.

Because the establishment of the association was supported and fostered by Asian Agri, I spent time getting to know how the company work, and observing how their working mode and their protocol influenced the association.

Asian Agri is the Oil Palm Company in Indonesia counting the largest number of scheme smallholders under their management and in their supply base. The company places great emphasis on Mandors and Assistants for representing its mission, vision and protocol even in the remotest areas and under shifting environmental conditions. For this reason, the mandor and especially assistants are selected, hired, and coordinated by Asian Agri and trained for a year. They are socialized into the mill's protocol and company's protocols. Further, they build their identity and sense of unity by living in separated quarters from the rest of the villages of smallholders they deal with, and having separate social activities, chores, games, and evenings together with all Asian Agri personnel. Most Assistants and Assistant Chiefs commute from other cities or even other regions. They have a temporary house in an area and they visit their family on weekends and holiday occasions, instead of taking part into village life and ceremonies.

Assistants wears kaki uniforms. Mandors wear light blue or orange t shirts with the logo of the company. They wore it always, even off-service, it seemed to me, and indeed - "Our shift is eight hours, but we stand-by twenty-four hours", said the Assistant Chief Tjuamsah to indicate the demanding dimension of working for a firm such as Asian Agri (personal communication, 03/12/14). Also prior to an auditing the personnel seemed to work almost round the clock and sacrifice even sleep. Furthermore, Asian Agri personnel is re-located to another area or plantation (e.g. Pak Agung was relocated from Ukui to an area around Kerinci, and Pak Tanjung from somewhere in Siak to Ukui) every 2-3 years. This is done, according to the Asian Agri Assistant Chief of Ukui Division, to avoid nepotism, corruption, preferences, and to test the performance of the Assistants under different external circumstances. Therefore, a certain detachment from local contexts is desired in the staff of Asian Agri.



Asian Agri exerts great control not only on their staff, but through their staff, also on the work of smallholders. The company, through the KUD, the assistants and the mandors, controls all inputs to the farmers' fields: seedlings, fertilizers, and the kind and amounts of chemicals sprayed (by controlling the



spraying team).

Figure 7- Top of the page and right. Entertaining the 'crew'. Barbecue for the Asian Agri personnel, where, exceptionally for the local Islamic culture, beer and local alcohol are served together with top quality chicken meat. A young Assistant (green and white t-shirt) is singing. A scheme Mandor (on the right of both pictures) is still wearing his orange uniform from a day shift. The staff also plays board games and team sports, to foster team spirit and keep them active. In this page, on the left: I discovered all of this because I was invited to one of these 'crew evenings'.

Figure 8 – Bottom of the page. Asian Agri creates a regulated farming environment. Batch of certified seedlings shipped to a farmer with own certificate of authenticity and Asian Agri symbol (upper left corner of side label).



The initiative of Asian Agri to certify all smallholders under their control, within 2013, led to a 'trickling down' of the decision upon the scheme farmers, starting from best organized units, to move to the most challenging units (Agung, personal communication, 07/01/2015). In 2011-12 Pak Agung (freshman Assistant) trained all the scheme smallholders KT in Ukui for the RSPO certification. This model was reproduced quite directly on Amanah smallholders: Pak Agung was asked to train the ICS members. Throughout the process of training and team formation (2012-2013) he became their reference and knowledge facilitator. He did not follow a blueprint training model (Agung, personal Communication, 07/02/2015). His description of his own function during farmers' training was to "translate the P&C<sup>9</sup> in Bahasa Petani" (in English, the *language of the farmers*) (Agung, personal Communication, 07/02/2015). He said he had to break down the long paragraphs provided by RSPO into better understood bullet points<sup>10</sup>. He also socialized the single farmers who were not members of the ICS but, in entering the Association, needed becoming acquainted with the rules and regulations of the Association (consequently, of RSPO).

After a year, Agung was relocated to another district, as from the protocol of the company. However, the enthusiasm, empathy and leadership capabilities of Pak Agung were not matched by the new Assistant. At the time of my research, a very young agribusiness graduate - Pak Adeh – had been appointed the Assistant of Amanah. He only took office in January 2015<sup>11</sup> but had yet to establish good relation to the ICS members, included the manager. The manager communicated with him only through his KUD secretary, Pak Jaswijaya (Adeh, personal communication, 14/01/2015). The new assistant mostly stayed in the office and compiled papers for which he was able to give me very little explanation, except that it needed to be done.

Within the association, in the two years since its establishment, people moved from one Committee to the other, according to their expertise, and especially as the farmers figured out what tasks actually implied and what skills were needed in each task. For example, Pak Tajib was previously in the Internal Approval Committee, but later moved to the Marketing Committee where there was obvious need for someone with IT skills and especially the ability to use Excel. We can see in the figure of the Amanah structure on the previous page how two members who left their positions within the ICS were provisionally erased from the wall chart. This implied no sanctioning. The two people who left were not replaced. The main reason for not replacing them was that the main tasks had become saturated when other members had internally taken them over. Another, equally important reason is that the current ICS members were

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<sup>9</sup> P&C are the eight Principles of the RSPO and their related Criteria. The Principles are the overarching goals of RSPO; the Criteria are the bridge to achieve these goals, through operational definitions and indicators of the achievement of the goals themselves. They still do not describe what concrete actions should be implemented by a group of farmers or a company's division to match these indicators: the latter is the job of people like Pak Agung.

<sup>10</sup> I saw some of the documents produced by Pak Agung, which indeed are printed sheets with instructions in bullet points: the ICS members belonging to the Field Committee and Internal Auditing Committee preserve them in folders and were eager to show me, saying that they are following a "formal protocol". I do not know whether new entries in these committees were also provided with the simplified instructions.

<sup>11</sup> One month and two weeks after the start of my research period.

reluctant to introduce new members once the team was completed. Without the assistance of either WWF officials or the assistant from

Asian Agri, the confidence of the group diminished.



Figure 9 Left: ICS member erasing exiting members' names from the ICS structure board with black tape, during the last WWF workshop on December 23rd, 2014. On the right, a temporary solution to fix the org. chart.

#### 4.3 Distribution of knowledge and coordination of tasks

The Association has its temporary headquarter in the office of the Oil Palm Farmers' Cooperative (KUD) in Trimuliya (or Tri Muliya) Jaya, the central village among the three villages from which all Amanah members are drawn. However, the fields of the Association's members are evenly distributed across the three villages. The position of the office in Trimuliya Jaya makes the routine of the ICS removed from the other two villages' scene, and there is great pressure on the members drawn from each KT to keep the purpose of the Association clear to members from other villages. Some members go to the office every day; some, whose tasks and activities take place mostly within their designated area or fields, and do not entail office work, only twice a month or to drop a filled form. The KUD office of Trimuliya Jaya is also a crucial spot for socialization. Some of the ICS members were there very often in spite of the fact that they did not have a specific ICS task to fulfil there.

Tasks within the ICS were divided mostly along the boundaries of the previous occupations of the farmers, on pre-existing working groups and relations among members. To distinguish between each other

and their functions, the head of the KT wears a bright green t-shirt, the secretary wears an orange one. The secretary might also wear an orange t-shirt at meetings.

The ICS tasks for the representatives of KT do not differ from what they used to include when they were independently supplying Asian Agri. Among scheme smallholders, every KT harvests three times a month, once at the beginning, then in the middle and finally at the end. This follows the average ripening cycle of the fruits; therefore, independent smallholders follow the same pattern, although they are not dependent on the capacity of one mill but multiple, therefore their activity might be less scheduled. The head of the KT estimates harvesting quantities one day prior to harvesting<sup>12</sup>. Both, the head of the KT and the secretary can perform the weighting and registration of FFBs. On the day of the harvest, they wait for the FFBs to be taken down by either workers or family members, then, with a steelyard scale with a hook, and a steel grid as a weighting plate, visit each field of their members. They hang the steelyard scale on the designated poles (see pictures) and note the weighted quantities, as either workers or family members perform the weighting. The Mandor is present on the site of harvesting and helps supervise the activities.

ASOSIASI PETANI SAWIT SWADAYA AMANAH  
MONITORING PRODUKSI TBS DI TPH

TANGGAL PAHON: 27 10 2014  
ROTASI: 1  
NO KT: 117  
NAMA KT: KARYA MANDIRI

NO	NAMA	BM	FM	ST	LS	1035	1050
1	SUMIYANO	65	-	-	69	40	1255
2	SANITI	68	1	-	73	21	1265
3	PAINO	73	-	-	83	30	1534
4	MUSLAN	80	-	-	81	17	921
5	JUMALIE	50	1	-	63	23	1142
6	JAMNYO	61	2	-	82	26	1518
7	SUGINO	81	-	1	84	14	836
8	KASNAWI	44	-	-	89	89	1520
9	NGATHAN	83	-	-	60	15	1140
10	SETO	60	-	-	72	36	1340
11	PAITEM	72	-	-	63	16	1179
12	IPRATIWO	62	-	1	61	12	1110
13	KASMAT	59	-	2	70	24	1290
14	TULARYO	70	-	-	77	28	1290
15	...	70	-	1	71	29	1290
16	KATHAN	69	-	2	71	29	1290
17	PABOYO	66	-	2	68	16	942
18	WAKDI	49	-	1	50	13	1309
19	SAPARI	70	-	-	68	26	1100
20	TOLL	57	1	-	64	34	1200
21	SAGIBAN	64	-	-	63	17	1210
22	SUNABNO	63	-	2	65	17	1210
23	SUPIONO	54	-	1	55	16	1000
24	SUWITO ATMADI	58	-	2	60	22	1000
25	SUTINAH	50	-	1	51	16	920
26	SUTININ	23	-	-	23	21	350
27	SATIAN	61	-	-	61	15	1150
28	NGASIHAN	64	-	1	65	15	1170
29	SUWITO ATMADI	72	2	-	74	33	1370
30	SUTINAH	63	-	-	63	20	1190
31	SUTARLAN	51	-	1	52	17	970
		7	18				987

Diketahui oleh: H. Harno, Manager group  
Diberiksa oleh: Tuhin Ermani, Pembelia dan Pemasaran TBS  
Dibuat oleh: S. Arwabo, Ketua KT 317

Figure 10 – On the left. Example of sheet for grading FFBs during the harvesting and registration process.



Figure 11 above: a Secretary replaces the Ketua Kelompok for the weighting and annotation of the weight of harvested bunches (the orange-to-crimson ones) and bags of loose fruits (white sacks).

Grading of the FFBs is an essential task for KT heads and secretaries during weighting and 'registering' the harvest. The picture on the left shows the sheets that the head and secretary need to fill in as they grade and count the FFBs. The fields that need to be compiled are

<sup>12</sup> By counting, per field, the bunches that either look ripe by colour, or because the fruits are already falling on the ground from the bunch.



After witnessing a few harvests, I noticed that there are overlapping responsibilities between ICS members who supervise the process. The picture on the left A secretary (no orange t-shirt, notebook in hand) is standing in the shadow and supervising the weighing process. With him are the Ketua Kelompok of this KT (not in the picture) and the Mandor of the Amanah Association (not in the picture). Perhaps, being used to closely supervise scheme smallholders, the mandor was reluctant to delegate all responsibilities to the head and secretary of the various groups. Another plausible reason for his presence is that he was representing the company, as a form of constant auditing.

the name of the members of the KT, and for each farmer, the n° of ripe FFBs, unripe FFBs, and over-ripe FFBs that they hand in to the mill. Bags of loose fruits are counted in as well.

An earlier phase of the harvest of the FFBs, right after harvest, involves making them suitable for the mill's standards. Workers chop with an axe the stalks of the bunches. Protruding stalks form excessive volume and cause problems to some machineries; therefore, the bunches where stems are not removed are rejected by the mill. This is common norm both for scheme and independent smallholders.



Figure 12 – Cutting off the protruding stalks before the FFBs are inspected.



Weighted and graded FFBs (ripe, unripe, over-ripe, unsuitable) by either the secretary or the head of the KT, are piled up. The piles are created either by workers or by owners and their family members. Rejected bunches lay at the sides (on the left, in the red circle, an example). The white bags are bags of loose fruits, which tend to fall from well-ripe bunches. They are gathered, generally by women, and added to the count. Finally, workmen come on an authorized truck and pick up the piled bunches. Rejected bunches are thrown back in the plantation. In the plantations of Asian agri, no one assists to this process. Elsewhere, the head of the KT remains to control that no one is stealing bunches from the piles.



Figure 14 – Above and bottom of the page. Rejected FFBs after grading are thrown aside by the workers. They will not be picked up by the truck workers .



#### 4.4 Rules, Routines and Institutional Context

For this dimension of technography in the formation of the ICS and of the Amanah association, I focused on data illustrating the ‘stitches’ joining Amanah to the local context: on the one hand the continuum, and on the other hand the negotiation with existing groups and institutionalized rules in the three villages. Auditing professional rules and routines, as well as the know-how around the functioning of the ICS and the capacity to abide to the requirements of an international certification comes from Assistant and Mandor. They embody the RSPO standards and the external values of efficiency and transparency. During my observations, however, it became apparent that the RSPO rules and routines were intermingled with the existing routines. Where they were not, frictions emerged. The local government and community expected certain protocols to be reflected in the association, according to those same institutions that govern and regulate community life in the three villages. The two types of rules and routines are outlined in the following sections.

##### 4.4.1 Bringing Auditing Rules and Routines to the ICS

Asian Agri personnel helped in the training of the Association, by providing skilled field extension workers. Some expected that the farmers would be left to themselves once the certification was achieved. Instead, the presence of Asian Agri in the functioning and coordination of the ICS were still very strong at the time of my observations, a year and a half into the life of the Association. Assistant and Mandor are a source of know-how around the functioning of the ICS and the capacity to abide to the requirements of an international certification. They coordinate most complex routines and are the ones who are trusted to makes changes to the existing working protocol. Expertise, therefore, is owned by the Assistant and Mandor, who act as knowledge brokers and provide quick fixes for the omissions of farmers in their routine work. An example of the dependence on the technical know-how of the Assistant is that when addressed with the question *where to find the Amanah’s written documentation*, she indicated the shelves in the Amanah section of the office, but she denied knowing the content of the folders. She said that only the Assistant has an overview of the content and purpose of the documents. This goes against WWF’s attempts to make all ICS members responsible for their own documentations.

Asian Agri ‘lends’ the Mandor and Assistants to a KUD or Amanah for days in a row prior important visits or auditing date, to cover up omissions in regular administration. On January 6<sup>th</sup> and 7<sup>th</sup> 2015 Asian Agri personnel were having double shifts and were staying up until late in the cooperative offices. Although they were trying to be discrete about it, I found out what they were doing. They were reviewing all the registrations and paper work that the Ketua Kelompok and Secretary of the certified KT should have compiled, copying sheets from all farmer groups of the past 14 months, filling all the gaps and missing registrations by hand (not with real data but copy-pasting plausible data from other sheets). There was no additional compensation for this hectic work.

“This is really part of the work we are supposed to do, and not an ‘extra’”, declared Pak Adeh, Amanah Assistant, also ‘borrowed’ for the preparation.

This dependence on Asian Agri personnel did not seem to cause problems internally to the ICS as long as the mandor and the assistant were available. However, the turnover of the assistant created a delay in the way the formal protocol of the ICS should have been adjusted. This had a number of consequences for the internal administration of the ICS as well as for the representation of interests of other groups within the association and the relationship with other village groups. For example, there were seven new KT's entering the association after 2014, but the position of these KT's had not been formalized yet at the time I was observing the ICS. There was no clear delegation of the paper work needed to complete this formalization. Land titles were being collected slowly because not all members had applied for them timely. This seemed not to worry ICS members too much, perhaps because they hoped that the assistant and other field officers would again intervene to help them regulating the situation, showing once again the dependence of the ICS members on Asian Agri staff.



Figure 15 – On 7th January 2015, Asian Agri Staff from both Scheme and Independent smallholders works around the clock to prepare the documentation for the Scheme ISPO Certification Auditing. The team is at work inside the offices of the Cooperative of Kampung Baru, a Cooperative associated with Asian Agri 7 Km from Trimuliya Jaya.

#### 4.4.2 Confronting Institutionalized Rules and Groups in the Community

Amanah relies for most of its functions on pre-existing groups such as KT's, and KUDs, but also on the robustness and safety of the community. Local government rules and the unspoken social regulations in the village, that are perpetrated were The Association was created with a blend of top-down and bottom-up initiatives to address diverse needs. It also encouraged some of the farmers in ICS to improvise themselves as leaders and managers, whereas just a year before, they were simply farmers attending their individual business.

In time, villagers started to question the way Amanah managed its external relations. There are diverging views within the village, and Asian Agri, on how much the association should give back to its community, and in what forms. Within the association board itself, there were discussions on the degree of transparency the ICS should have toward the members of the Association and toward the rest of the community, and about the goals of the Association. The internal division of the ICS is between those who want Amanah to be a civic organization, with a social scope, and those, among them the Manager, who insist that Amanah is a commercial, private association.

Contribution to community development is one such point of discussion in the association. It is a custom for all groups and associations in a village to donate either money or goods to some good cause such as charity or improvement of the village infrastructure. Several people I spoke to regretted that Amanah is not contributing to the local development through charity. I asked the Manager whether he felt an obligation to change the current situation in regard to community contribution, but he insisted that the association is a private one and that the only compulsory contribution of a private association is taxation. He and other ICS members then explained me that Amanah already contributes to the village's finances through 'taxes' on harvesting (17 IDR/kg). The village head Rastam, and the other two village heads, were not of the same opinion. A minimum tax was not enough for a local association which, in their words, 'thrives also thanks to its own community'.

Especially the village head Rastam declared that he felt overstepped, because no room was given to him even for informed consent on the actions of the association. His signature and complacence as the head of Trimuliya Jaya village was needed both to sign official documents for the recognition of the Association, and he expected a fair share of appreciation in the form of 'informed consent' to the businesses of the association. This, however, was not the case at the time of my stay in the village. He said—"if Amanah is a commercial association, they must contribute to village development. If they are civic, such as the KUD, then I should become the "*pelandung*" of Amanah<sup>13</sup>". ICS members drastically refused this option, protecting their difference from a KUD, which is a civic institution.

One series of events highlights the deterioration of relations with local authorities. The KUD personnel and the Village Head, both initially involved in the ICS meetings and informed of the decisions of the new-born association, were excluded after WWF moved out of the project. Village Head Rastam was initially included in the ICS meetings, and also invited to a seminar in Bogor for the ICS (in late 2013). However, in the last year the Kepala Desa was no longer invited to the meetings or even of new resolutions of the Association. This was due mostly to personal frictions between the

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<sup>13</sup> 'Protector, grantor'. The Village head is normally the *pelandung* of all civic groups and institutions in a village.

Manager of Amanah and the Village Head. The secrecy of ICS members insulted the Kepala Desa and the KUD administrative personnel. Rastam declared in my presence that he would “deny any whatsoever support from the Village government to the association in the future, if the relationship is not considered relevant in the present” (Rastam, 13/02/15). The other two village heads involved in the intervention supported his position. All these led to Amanah being seen as a ‘free rider’ of the community rather than as an active part of its well-being, as this quote shows:

*“Amanah came in with a promise. It is time that it keeps faith to its name<sup>14</sup> and its promise, because so far it only took and never gave as much” (Village Head Bukit Jaya, 16/02/15).*

The insecurity of ICS members toward the recruitment of new members reverberated also in the relation to the other groups and organizations in the village. The ICS members, especially Narno, the manager of Amanah, were being perceived as exclusive and secretive in a context where the most important values of public life were equality and transparency. The certification was achieved in a relatively short time, with 13 months of preparation and training (see timeline in appendix III). To work toward this, farmers had to commit, and work a lot, sometimes also on Sundays<sup>15</sup>. Even during blackouts, meetings were held with the help of a generator, which caused amusement in the rest of the village. Apparently, villagers interpreted this stubbornness as a need to feel different, and as excessive self-importance (Narno and Juminianto, personal communication, several). The accusations of ‘aloofness’ implied in the words of the villagers were a call, for ICS members, to take a step toward the villagers, explain themselves, and make their own presence accepted again.

An incident showed me that as WWF withdrew, some ICS members became more secretive and cautious in disclosing information, for example by keeping some relevant information hidden from the rest of the members. It was a discussion over the new office of the Association. The ICS borrowed money from a large Indonesian bank to build their own office, opposite to the one of the KUD Trimuliya Jaya. No one except the inner circle of the former KUD boards were informed of where the money was sourced, how much the building cost and what its function would be. This is very much unlike the way other organizations in the village act toward their expenses. Amanah farmers would not dare asking for clarifications upfront, so they asked either the village heads (who, embarrassingly, had no information to share), the current KUD boards (who also had no information) or me. The association even failed to ask for the consent of the village head to build a new stable on the village area - an act on the edge of legality that the village head was not inclined to tolerate, had it not been for the fact that Asian Agri was protecting the association and he did not want to be in bad terms with the company.

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<sup>14</sup>*Amanah* means faith, trust, or ‘mission’.

<sup>15</sup> The population in Trimuliya Jaya, Bukit Jaya and Air Emas is Muslim for the greatest majority, but Sunday is considered resting day from office activities throughout the country.

Although they were aware of the rising divide between the association and other authorities in the village, the manager and other ICS members were not ready for Amanah to change its behaviour — for example, including social duties in its scope next to commercial ones. Asian Agri officers and representatives supported the view that Amanah must do ‘business as usual’. To them, the statements of the village heads were ‘a personal matter of jealousy’ or ‘a misunderstanding’. The idea of the role of Amanah in the village that they conveyed to me was always a bureaucratic one, where taxation and marketing opportunities are all that should be legitimately asked from the local authorities. Perhaps they did not wish to see any hybridization of Amanah, and feared changes to its protocol. However, other members thought that greater hybridity, or involvement of members through meetings and events, was needed.

WWF never took part in these discussions. They were already stepping out of the ‘project’ at the time when local groups started to negotiate the rules of Amanah, that is, about one year after the certification was obtained, and Amanah was expanding its members size of about 30%. Therefore, Asian Agri remained the only reference point of the association. Considering that they lent the field officers who were able to deal with RSPO rules and regulations, as well as with bottlenecks such as an external auditing, it is no surprise that they also heavily influenced decision-making within the ICS.

I observed a huge emphasis from Asian Agri on ‘bureaucratizing’ Amanah, on turning the ICS into a professional company. For example, the Assistant Chief regretted that “you (the researcher) came at the time when Amanah is still moving its first steps, and is not yet as professional [a] company as we want it to be”<sup>16</sup>. The same vision of Amanah as a company came from the former Assistant, Pak Agung, who regretted that the SOP is not followed more minutely and consulted more often by the members. The SOP contains the guidelines for each task or role within the ICS, whereas farmers seemed to rely more on the informal knowledge of their own functions and on the instructions that Agung had summarized.

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<sup>16</sup> Sic. As I said, they feared my judgement as some sort of RSPO expert, or my negative report as an academic.

## Chapter 5: Detecting Context, Mechanisms and Outcomes Configurations

In this chapter, I answer the research question “*What causal mechanisms of establishing the ICS as the main intervention of the RSPO group certification framework within the existing institutionalized groups, rules and routine can be detected from the observed outcome patterns?*”. I bring together evidence from chapters 3 and 4, to produce a realist evaluation of the interaction between the ICS and the institutionalized groups and rules within the current configuration of setting and events. I integrate this evidence with my observations and interviews with representatives of other groups, such as village heads and religious groups. The outlining of mechanisms follows the outcome patterns emerging from data analysis in the way that provided the most complete explanatory account for the patterns themselves, but not included in the formal accounts and protocols of the group certification framework.

In the first part of the chapter, I list the emerging outcome patterns from coding field notes. I categorize emerging outcome patterns either as ‘*embedment*’—that is, processes where the ICS is blending in with the local institutions and capacity—or as ‘*friction*’ with this context—that is, generating outcomes of resistance, or adjustments, by the local community and their modes of social organization in various spheres of life. In the second part of the chapter I hypothesize three types of mechanisms that are likely to generate the observed outcome patterns within the context examined in chapter 3. Because all patterns emerge from the same context and under the same intervention, I frame these mechanisms as *generative processes*, both of outcome and friction.

### 5.1 Emerging Outcome Patterns: Embedment

Some aspects of the RSPO requirements were easily accommodated within the existing institutions, and could be tuned to the routines and working ethos of the farmers and the other groups. It took only one year and three months for the Amanah association to be the first in Indonesia to receive the RSPO group certification. Not only the first 10 KTAs had been certified, but when I arrived in the research area, the association had grown from 10 to 17 associated KTAs. As I was researching, even training and auditing for ISPO certification for the first ten KTAs was taking place, and Amanah was promising to break also the ISPO record for independent smallholders. Other farmers groups in Indonesia, on the other hand, had been trying for more than two years at the time of the study, still without succeeding.

Several elements in the social context of this association fitted the social program for independent smallholders certification outlined in chapter 3. There were already several well-functioning informal KTAs before the formation of the Association. This form of strong spontaneous organization made it more attractive for Asian Agri to invest in these independent smallholders, among the thousands involved with Asian Agri mills nationwide. In the context of the Amanah

Association, the overlap between scheme and independent smallholders working culture created an advantage for the farmers who had to accommodate the RSPO certification requirements into their own farmers' groups. In other words, the success in turning to RSPO certification practices depended to some degree on previous experience to work in the same system and knowing beforehand what rules and behaviours were expected. The familiarity both with Asian Agri requirements and with the certification allowed for a steady preparation for the certification.

At the same time, most people who joined the ICS already covered a function in the village. This made it possible for ICS members to use the authority deriving from their position in the village to exert their functions of control and monitoring in compliance with the certification requirements. the collaboration of KUDs, the strength of relation within and among KT, and the presence of an investing company, Asian Agri, made it easier, at least in the short term, to implement the RSPO rules and regulations. KUDs are farmers' providers and one of the strongest institutions in any oil palm farmers' village. It is not surprising that an external development initiative has used the KUDs as the access point for the implementation of new regulations<sup>17</sup>. Kelompok Tani are also something familiar to the farmers, although not every KT in Indonesia would have the capacity to pull its members along in complying with the certification requirement. As I highlight in chapter 4, there was awareness of the strategic importance of the Kelompok Tani as intermediary between farmers and the board of the association. All these elements made the inclusion of independent smallholders from the Javanese transmigrant community into the RSPO scheme possible.

A key contextual element was the presence of a large Indonesian Company which is already RSPO certified, and was willing to invest in the challenge of certifying some independent smallholders. I see it as a logical step for WWF to address Asian Agri and not some other company, due to their engagement with RSPO and their attitude toward rural development. In turn, the influence of Asian Agri as a protecting entity and a source of knowledge made ICS farmers heavily dependent on the opinion and interests of the company. Asian Agri is well established within the local context as it fostered development in the area since the 1980s, and the corporation's fairness toward farmers compared to other companies is known. Therefore, trust toward Asian Agri is rather high. Asian Agri's influence on employment opportunities and economic development in the area of my study is also of great importance in the embedment of the new regulations: the company owns, besides a constellation of mills, several pulp and paper mills in the same District.

The fact that about 30% of the independent smallholders had already experienced the certification process in their scheme possessions also created a pool of capacity and familiarity with

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<sup>17</sup> Which is exactly what the ISPO, the Indonesian counter-part of the RSPO framework, is doing for certifying smallholders. They also plan on enforcing the establishment of a mini- ICS within each group of farmers which wishes to legally market its oil palm fruits by 2018.

the RSPO protocol. Such capacity and acquaintance was not created during the intervention and would not have been there otherwise.

Another element in this context played a key role in defining the embedment of the RSPO group certification within this group of smallholders: the presence of a leadership figure for the association. Pak Narno, the manager of the Oil Palm Smallholders Cooperative Bakti, was in good terms with Asian Agri (PM, 11/12/14) at the time when WWF did an explorative survey in the area. He is an entrepreneurial mind, a good speaker, and had an ambition for change. Furthermore, he is an important person in the village, owning more hectares than any other transmigrant family. He became the representative and manager of Amanah (and the ICS). Had he been less of a person, perhaps WWF would have lacked the basis to start the certification process right in this village.

Every process of inclusion triggers inherent processes of exclusion along the same continuum. As some people in the Javanese community started to complain that the certification had not worked as expected, other people in the area had not even gotten the chance to become certified. The heads of three communities just outside the area of the certified smallholders said to me that they were bitter about the unwillingness of WWF and Asian Agri to help them becoming certified. WWF officials gave two main reasons for leaving out these communities. On one hand, the impossibility of getting land titles, because their fields fell on the contested borders of the Tesso Nilo national park. On the other hand, they were not 'cohesive' and 'organized' enough to take all together the step toward the RSPO group certification<sup>18</sup>. There were also ethnic dynamics behind this selective inclusion: the people in the communities around Tesso Nilo were not transmigration people, but indigenous Malay. The farmers in Trimuliya Jaya, Bukit Jaya and Air Emas spoke their reluctance to engage with these people. They believed them to be "uncollaborative, stubborn and unreliable". One ICS member told me that, in case, they should get their own ICS and manage their own certification process. It is very telling that, instead, newcomers from within the Javanese community had been largely facilitated when becoming Amanah members in a second stage, but only five or six Amanah members out of more than 500 were Malay.

## 5.2 Emerging Outcome Patterns: Friction

Whereas in the first year after the certification the group seemed to run its business in collaboration with the community, during the second year, and at the time of my stay, some friction with institutionalized groups and institutions became apparent. In turn, this led to adjusting diverging expectations toward some other institutions at village level.

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<sup>18</sup> This brings us back to the problem of investment and 'worth-investing' communities, highlighted in chapter 1.



Throughout my stay, for example, I observed an unclear and overlapping allocation of responsibilities within the ICS and in relation to the field officers of Asian Agri. As described in chapter 4, because the division of tasks is in fact unclear, often there are too many people on the field taking care of the harvesting, and too little people working in the office for the delegation of bureaucratic tasks to the farmers. External rules were introduced through a trust-worthy broker, the assistant of Asian Agri, but because of the lack of strong guidance and the unclear role division, they were appropriated by the farmers very slowly. An interesting effect is that the delegation process from Asian Agri was slow and field commissioners seemed reluctant to let go of the control over the production standards of the association. At the same time, there is no strong lead from within the ICS to manage it beyond the everyday. The manager of the Association, Narno, also runs the KUD of Trimuliya Jaya. Therefore, he does not have enough time to dedicate to Amanah. Yet he is unable to delegate responsibilities effectively, because his 'vice' is also very busy as the secretary of KUD Bakti.

As I hanged out with farmers within and outside the office, I figured Amanah and the ICS were going through a bottleneck. The first Asian Agri assistant had left the area and his function had been taken over by a less experienced, younger officer. On top of that, there was no clear lead within the ICS, and WWF was withdrawing the workforce from the project after the great success of the certification. The ICS members lost reference points and became more insecure of their own performance and adequacy in daily routine and adjustments. At the same time, they were more aware of what was at stake if they failed to comply with the RSPO requirements: not simply a missed marketing opportunity, but a loss of credibility and prestige, especially for the managing team in ICS (ex KUD members). Amanah's fame was spreading to the national level and gaining momentum as a 'role model', promising to become not only the first RSPO certified independent smallholders group but also the first ISPO certified independent smallholders group of Indonesia.

In this situation, I observed the ICS transitioning from an open organization to an enclave. Due to the increasing public visibility and decreasing confidence of ICS members, these behaved opportunistically toward other groups. This led to increasing mistrust of ICS members toward outsiders, who could denounce their potential mismanagements. They were, for example, less inclining to provide data or interviews both to me, and to researchers such as the PhD student Sakti Hutabarat. This attitude influenced my ability to access information. Seeing that I was not content with the front page, success story of Amanah, and that I kept interviewing all sort of people and making all sort of questions, ICS members were generally cautious in making statements around me. Many times I got asked "Do you think Amanah is good or bad?" or "will you say that we are doing well, to the people in the Netherlands?" I tried to work on their impression of me as an 'RSPO patroller' by clarifying my intentions and telling them what I found interesting and remarkable in

their work, besides the RSPO structure and rules, that seemed to cover their explanations of their own work like a thick layer of paint.

June 2013 was the beginning of Amanah's life as an independent association, but from then on, the quality of the collaboration with the local government declined. After the initial *chart blanche*, people in the village were starting to compare the current Amanah composition, its performance toward the community, and its rules, to what they had been initially promised. Episodes of friction between exponents of different groups especially showed me that people were adjusting expectations and rules within and outside the Association in the configuration of the ICS within the existing social fabric.

Similarly, the KUDs of the three villages were strategic in supporting everyday operations of the ICS. However, when the old members of the KUDs stepped out of their roles on the KUDs, they cut bridges with the latter, and no one supplied this lack of good communication. Only KUD Trimuliya Jaya, with which the ICS shared the office, and of which Narno was still also the Manager, was somewhat involved in the decisions of the ICS. At the time of my observations, the friction between the KUDs of the two 'side' villages and the ICS emerged. Both KUD boards told me that they intend to demand that the protocol for personnel recruitment and turnover of Amanah is synchronized with the one of the KUD to ensure participation of at least one active member of the KUD within the ICS for every mandate.

Toward the end of my research period, ICS members seemed more aware that their accuses of 'ungratefulness' and 'free riding' the community were not sustainable within the context that had enabled their development as an Association in the first place. As I was leaving the field in the end of February 2015, the manager Sunarno, the head of the KUD Bukit Jaya and Rastam seemed determined to resume good relations and to 'involve other stakeholders more'. This included, finally, a reunion of all Amanah members (planned at the time I was leaving) and a presentation of the state of finances and the future vision. There was also a plan to invite other groups more to share an insight in the progresses of the Association.

### 5.3 Detecting Mechanisms

I trace back three plausible generative processes, or causal mechanisms, that can explain the emerging outcome patterns I presented in the previous section<sup>19</sup>. The RSPO rules and requirements for the organization were accommodated into the local context and capacity through three mechanisms: a) borrowing from the local capacity and authority of pre-existing working groups; b) dividing labour based on pre-existing professional groups and on relations among members; c)

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<sup>19</sup> In appendix II, I show an intermediate stage of the realist analysis of distinguishing outcome patterns and causal mechanisms.

translating and adapting rules based mostly on a top-down intervention and the brokerage of company field extension workers and WWF officials.

#### a) Borrowing from the local capacity of pre-existing working groups

This was the main strategy used by the NGO WWF and the company Asian Agri to embed new rules and functions within the group of smallholder farmers. The expertise required to make the ICS work was scouted from the local capacity: the Asian Agri extension workers, the empirical knowledge of the various *Kelompok Tani* and secretary of the group; the administrative knowledge derived from National Cooperative trainings, and the KUDs also managed inputs purchases and salaries of Amanah members. All of these groups, thanks to the close-knit environment and the institutional logic of collaboration and mutual support (*gotong royong*), were willing to be included in the creation of the new working group, without demanding a direct benefit in return. The mechanism of borrowing from existing institutionalized groups (KUD, KTs, Asian Agri) and their pre-existing patterns of authority proved a successful strategy to embed the rules and regulations of the RSPO, at least in the short term. However, it explains also the overlaps, and the friction I illustrated.

#### b) dividing labour based on pre-existing working groups and on relations among members

As capacity and authority were not built but mostly borrowed from existing groups in the community, also labour division and responsibilities aligned with the existing ones. People within the KTs work within the KTs, plus some extra paper work. The former (or current) KUD board members took on more important responsibilities. Narno became the manager. This mechanism explains the ease with which charges and tasks were accommodated within the first year of the constitution of the association. However, as soon as Amanah gained visibility and autonomy, the undiscussed power and autonomy of the Association started to be seen as problematic from other groups within the community, both for a sense of envy, perhaps, but also because of the urge to regulate behaviour within the community.

#### c) translating and adapting rules based mostly on a top-down intervention and the brokerage of company field extension workers and WWF officials

The organizations working with the farmers toward the Certification were WWF (based in Pekanbaru) and BioCert (based in Bogor, on Java): both are external to the village. The funder of the certification costs was Carrefour, also a foreign entity. Asian Agri employees prefer to keep their houses and headquarters separated from those of the Community (see chapter 4). Therefore, the implementation of the RSPO framework by members of these three villages in Ukui was an external intervention: none of the parts which contributed to the realization of the Amanah association and the configuration of the ICS was internal to the farmers' environment, except the people from the KUD. When the budget was over, the NGO gradually left the farmers who are running the ICS to

themselves, without making sure that stability of the Association within the local context had been reached.

The table summarizes the outcome patterns I trace and the explanatory generative mechanisms:

Outcomes/ Embedment	Outcomes/ Friction	Mechanisms
Amanah is established with relative ease and does not have to build up its own authority before becoming a recognized association.  No need for extra capacity training.	Adjusting diverging expectations toward some other institutions at village level.  Personal envies and jealousies between the community and ICS members.  Amanah struggles to define itself within the existing institutionalized groups and their rules.	<b>Borrowing from the local capacity and authority of pre-existing working groups (a)</b>
The transition to an RSPO certified association is smooth and quick. No need to re-discuss hierarchies and responsibilities within the group.  New members encouraged by low access barriers to join in the first year of activity of the association.	Unclear and overlapping responsibilities among ICS members and slow delegation of responsibilities from Asian Agri field officers.	<b>Dividing labour based on pre-existing professional groups and on relations among members (b)</b>
The training and certification process of the first 10 KT is completed in just 15 months.  The KT maintains administrative independence toward the ICS	The ICS transitions from an open organization to an enclave and increasing mistrust toward outsiders.  Researcher is seen as someone who is monitoring the Association on behalf of the RSPO.	<b>Translating and adapting rules based mostly on a top-down intervention and the brokerage of company field extension workers and WWF officials (c)</b>

**Table 4: The three mechanisms detected through realist evaluation, and the outcome patterns of embedment and friction related to each mechanism. Source: own data analysis.**

An outcome that I trace back to both the mechanisms of ‘borrowing’ the capacity and protocols of existing groups and professional associations (mechanism b), and to the heavy influence of the oil palm company in the formation of the ICS (mechanism c), was the tension between formal and informal rules and regulations. Most people within the ICS, heads and secretaries of the KTs, do not follow a written protocol but blend their empirical knowledge with the practical teachings of Pak Agung, the first extension officer who trained ICS members, and a degree of mimicry to the scheme farmers. They are so far able to run the Association, with the help and guidance of Asian Agri staff. Nevertheless, Asian Agri wants to further formalize the Association (see chapter 4).

#### 5.4 Fixing Misalignments is Possible

The way the oil palm farmers adopt new technical solutions and rules is neither linear nor one-directional. The technological change starts with a concrete problem, follows certain environmental, social and cultural factors of selections, and arrives to a temporary solution. Similarly, ‘embedment’

and 'friction' are temporary labels. Mechanisms are generative of outcomes that are discussed and modified as the end-users, the farmers who are part of the ICS, interact with the surrounding environment and adjust the procedures to their own capacities and everyday reality. Therefore, I argue that the misalignments between the community and the ICS, that created friction, can be re-negotiated.

In my opinion there does not seem to be fundamental dissimilarity or contrast between the rules of the certification framework and the rules of the working community of scheme smallholders. Most rules, such as harvest rotations and the ripeness of FFBS, were accommodated within the existing social fabric. Much of what resulted in friction with the community came from preferences of a few members, from the external groups overlooking of aspects such as regulating personnel turnover, regulating communication with members, representation of institutionalized groups, in designing the association (something WWF could have thought of). Finally, in its intervention, the company applies to the maintenance of the ICS a business logic. This logic was readily adopted by some ICS members for personal preference (for example, it justified their secrecy toward outsiders), while clashing with the rest of the community that follows institutionalized behaviours. In the last weeks of my stay, talks between ICS members, Asian Agri officers and the village government commenced. Seeing that, I argue that it is possible to re-elaborate and re-negotiate misalignments for the sake of establishing this new association within the community. For the RSPO group certification scheme, which is voluntary-based, the acceptance of local communities is crucial. Therefore, any future developers who wish to establish the certification within a community should keep the elements of friction in mind.

The ISPO certification scheme, spread and implemented among a growing number of smallholders, makes a nice case for a comparison with the case of Amanah. The embedment strategies that ISPO plans to use to cover independent smallholders are not dissimilar from the ones that WWF and Asian Agri deployed in the context of the Amanah Association—namely, using oil palm companies as the main implementing force and demanding that a 'sort of ICS' is established as the measure for control, selection and accountability within each KT. I could recognize hints of the 'borrowing' (from the KT) mechanism as in my case-study, and the strategy of dividing labour according to pre-existing groups. The difference between RSPO and ISPO is that the latter is a state-led initiative; therefore, it benefits from the authority of the state and its agencies. I was told that ISPO uses KUDs as a structural service provider for the joining farmers. KUDs never leave the local context—on the contrary, they are essential for the everyday activities of the farmers. It is very possible that ISPO will be more easily accommodated within the community than a private, 'western' initiative where main supporters, NGOs such as WWF, must take a step back by necessity when financial support ceases.

## 5.8 Conclusion

This chapter describe sets of mechanisms and outcomes through which the RSPO group certification scheme was established in the local context of three villages, Trimuliya Jaya, Bukit Jaya and Air Emas, in Riau, Sumatra. I highlight three processes that, under the circumstances of these independent smallholders, generate outcomes of both embedment and friction within the local community. The mechanism of 'borrowing' from existing, healthy and well organized institutionalized groups explains the quick establishment of the ICS in this context. However, it also explains the difficulty of Amanah to establish itself in the long term because of a lack of formal or informal consideration of other institutionalized groups in the village, on which the association relies for its functioning. Dividing labour based on pre-existing professional groups and on relations among members smoothed the process at first, but led to undiscussed responsibilities and power positions that eventually, as I observed, had to be faced together with exponents of the local government and the community. The top-down character of the intervention and the partial withdrawal of both main supporters of the certification process also explains why ICS members started to close up to the rest of the community, and became insecure of their own mandate.

## 6. Discussion and Conclusion

### 6.1 Discussion

This case-study offers some evidence of the importance of considering local institutions when devising a durable and sustainable intervention in the production of tropical commodities. It belongs to the range of in—depth qualitative studies of interventions attempting to regulate processes at the interface between global, national and local dimensions of access to resources. In the Indonesian press, as well as in the international press releases of the NGO WWF, this group is seen as a pioneer and potentially a model for other independent smallholders. Knowing this, it is even more valuable to trace the internal mechanisms of this intervention. In this sense, my research responds to the call for understanding of the engagement between local context and global regulatory frameworks, present among others in the works of Tsing (2005) and McCarthy, Gillespie and Zen (2012), and (Jelsma et al., 2009; Kusumawati et al., 2013; van den Enden, 2013; Vermeulen & Goad, 2006; Waarts et al., 2013). In this research, I look at the medium-term fits and frictions of a sustainability intervention within a local context as an indicator of the sustainability of the intervention itself, rather than looking directly at the meaning and reach of ‘sustainability’ for the group of smallholders targeted by the intervention.

There has been great emphasis on studying ‘obstacles’ for smallholders to join the market of certain tropical commodities (Basiron, 2007; Martin et al., 2015; Vergez, 2013; Waarts et al., 2013). Theorizing on the context-bound elements that would enable or hinder a regulatory intervention is one way to deduce a priori the outcomes of a policy. This methodology focuses on the obstacles to be removed within a context. The ‘removing obstacles’ lens emphasizes structures of governance, mostly at regional level. It assumes that once certain structural and institutional obstacles are removed, capacity and institutions at the local level will follow. This way of framing the discussion does not ask how are rules translated and embedded within a local context and its social and power relations, and does not bring evidence on the ways in which new rules and technical requirements are appropriated by the farmers to configure whatever administration and control system it takes to meet the certification requirements.

Instead, I propose an interdisciplinary methodology for the evaluation of present interventions. I followed the institutional approach of Bebbington et al (2006) and Agrawal and Perrin (2009), who argue that place-based institutions interact with the ability of governance frameworks—both private and state-led—to “determine social, economic and environmental outcomes”. I use technography to uncover both social and technical aspects of the intervention. I analyse the technographic results and the institutional aspects with a critical realist lens. I investigate the actual mechanisms through which the intervention is articulated in practice. In this stage, realist evaluation provided a method to

distinguish outcome patterns from their bounded context and to hypothesize generative mechanisms.

I believe that the combination of institutional analysis and technographic description with a process-tracing method has great explanatory power for why so many interventions targeting farmers at the local level fail when left to themselves. The outcomes of friction in my analysis shows that even when there are seemingly no obstacles at the regional and local level, unforeseen dynamics are generated in the encounter between new protocols, new working logics, and pre-existing institutions. Also, it shows that one single intervention within the same context, acting through a limited number of mechanisms, can generate multiple types of outcomes—embedment and friction—just across time, for example when external technical support is withdrawn.

Lastly, I bring my observations back to the theory. Like Jelsma et al., 2009; Kusumawati et al., 2013; van den Enden, 2013; Vermeulen & Goad, 2006; Waarts et al., 2013, I find that the external regulatory intervention bypasses some crucial elements in the community. This time, to be bypassed are not patrons, but other groups on which the production of the independent smallholders is similarly dependent. The RSPO recognizes that certifications must happen in the responsible consideration of affected local communities (principle 6); yet their concern with the embedment of the RSPO certified group within the enabling community is limited to the signature of the village head. This leads to frictions and misalignments between the community and the working mode by the RSPO. This also relates what McCarthy, in his paper 'Certifying in contested spaces' (2012) defines as initiatives that "...lack structural power, work in the absence of the 'social foundations of accountability' at the micro-level". The Kepala Desa and the people in the Cooperative constitute sources of formal authority and means of legitimacy for the newly formed Association, in the eyes of the farmers and the rest of the community. They constitute the 'social foundations of accountability' on which the Amanah association thrived on at the beginning of its mandate, and gradually neglected. Institutional rules and community dynamics in interaction, in this study, form the 'social foundations of accountability' pointed by McCarthy (2012) as the reason why private regulatory frameworks are not easily accommodated into local contexts.

The observed outcomes in the context of the Amanah association relate to broader perspectives of regulatory frameworks and measures in the Indonesian oil palm sector in the literature. Although independent farmers are not bound by a contractual agreement with any mill, the Amanah farmers are now 'associated' to PT Indosawit as a result of the help received throughout the certification process. They must comply with a number of requirements and schedules and sell



their produce to the company's mill<sup>20</sup>. Associating to a mill is by far the most common way for farmers to enter into better marketing channels, and to attempt becoming certified. On the other hand, companies like Asian Agri are trying to certify and associate with as many independent smallholders as possible, to secure production and prices of raw materials. Hence, the institutional consequences of becoming certified are two-sided: on one hand, farmers' products receive added value; on the other hand, they become dependent on the intermediary and brokers, the agribusiness companies. This resonates the importance of agribusiness in accessing the supply chain, highlighted by McCarthy (2012) and Vergez (2013).

Certification frameworks addressing tropical commodities aim to steer the production and commerce of these commodities toward a certain vision of sustainable development. However, they have been accused of working only within "bounded spaces" (McCarthy, 2012) or contexts, especially when small producers and communities are targeted. This case study, I argue, reflects McCarthy's concern. Smallholders who do not require an excessive step to be encapsulated in the company's standards, because they already have experience with scheme plantation requirements<sup>21</sup>, are low-hanging fruits in the landscape of independent smallholders. In other words, my case study, given the cohesive nature of the community where the association rose, and their closeness with the agribusiness practices, is one live example of how practitioners often select 'cohesive' and 'risk-oriented' communities for the intervention.

In turn, least organized, poorer farmers, and farmers who do not have land titles recognized by the State, either for scarcity of resources or because their land is on contested areas where the State would like to secure its ownership, are excluded. Furthermore, indigenous and non-Javanese people do not take part in scheme programs, and have no familiarity with the rules and regulations of a scheme plantation, or of a company like Asian Agri. When they do grow palm oil, they grow it in backyards or marginal soil and depend on middlemen for their marketing. This automatically excludes them from scheme plantation experiences and, in turn, from being easily eligible for the implementation of a private certification scheme.

These dynamics of exclusion in the Indonesian oil palm sector are already discussed by McCarthy (2011) and what Pichler (2015) describes as "state's processes of legal dispossession and ad-hoc legitimization of large-scale companies in the oil palm sector". The RSPO certification, in other words, does not modify or circumvent existing inequalities in farmers and village capacity, but goes along with them. Certification standards, be them national or international, encourage smallholders to associate (Hospes, 2014), but only smallholders with access to land certification titles, and an

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<sup>20</sup> My translator said that ICS members, in this context, stressed the difference between 'can' and 'may' sell to other mills. They may, but they cannot really, for fear of consequences.

<sup>21</sup> Just like 'our' group of independent smallholders in Ukui...

enabling environment, can afford becoming certified. Similarly, the large involvement of an oil palm company in enabling the certification process is an evidence of what (John F McCarthy, 2010) calls 'exclusive' processes of incorporation in oil palm supply chains and rural development. Once becoming 'associated', smallholders leave the free market<sup>22</sup> of the best officers and become, in practice, dependent on the 'brokering' services of oil palm companies (John F McCarthy, 2010).

## 6.2 Standpoint of the researcher in data collection and analysis

I would like to reflect on my standpoint as researcher and my research methodology. During my field observations, I made strategic choices of what I was going to observe. I want to bring attention on two aspects of my standpoint and choices as researcher.

First, to overcome my own assumptions and the farmers' assumptions based on the RSPO manual, I focused on the unofficial and unwritten forms of collaboration within and around the ICS, by asking further questions beyond the manual. I believe that looking first for mechanisms internal to the ICS, then for the relation of the ICS to the rest of the community, by gradually meeting and observing people at work was the best way I could bring back my observations from the field in a time-bound period. I am aware that my understanding was filtered by the need for an interpreter. She was from a similar background and this world seemed well known to her. As she translated it into English for me, she skipped information. For example, she found it odd—even superfluous—to ask farmers about, and explain to me, the modes of electing the head, secretary and treasurer in a KT, or asking how people divided tasks during the harvesting and weighting of the oil palm bunches. I believe we both did our best to overcome these blind spots by looking for consistent answers and frequently making summaries of what I had gotten out of a conversation.

Second, the kind empirical evidence I gathered was also the result of a configuration. Elements of this configuration include the time at which I came into the research area, which was crucial for certain adjustments; the kind of person I was (gender, ethnicity, education), who did I live with in the village, and who I was introduced by, and the kind of interest I had toward the ICS and the newcomer association. These conditions brought unique insights to me. At the same time, any attempt at pinpointing exactly what works for whom and under what conditions, within only one case-study and through the perspective of one single researcher, always results in a personal interpretation and prioritizing of explanatory events and causal patterns. Bearing this in mind, I still believe my research captures important patterns of change in the context of Indonesian independent oil palm smallholders. I tried to crosscheck the outcome patterns I saw emerging in two ways. First, by

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<sup>22</sup> A 60 years old Transmigration smallholder in Trimuliya Jaya, owning both scheme fields and a field inside the Amanah Association, defined it as "capitalism". Some farmers believe that what the State and the large companies do to regulate oil palm markets is some sort of 'socialism', or that associations can protect independent farmers by forming coalitions against the dwindling prices of the oil palm market.

triangulating my evidence and asking the same type of question to multiple sources. Secondly, by talking to others who had familiarity with the situation, such as the PhD student who supervised me on the field. I got confirmations that the outcome patterns and the mechanisms I hypothesize are both plausible and comprehensive.

## 6.3 Conclusion

In this report, I answered the research question: *“What causal mechanisms of establishing the ICS as the main intervention of the RSPO group certification framework within the existing institutionalized groups, rules and routine can be detected from the observed outcome patterns?”*. I produced an in-depth case-study of the implementation of a private regulatory framework for tropical commodities, the RSPO, within the context of a local community. My methodological focus was the board for administration and internal auditing of the new association, created to comply with the RSPO requirements: the ‘Internal Control System’ (ICS). I highlighted three types of mechanisms generated by the setup of the RSPO group certification within the context of the smallholder farmers in the research area. First, the ICS borrows from local institutions’ capacity and authority of local institutions (groups, rules) to establish itself more quickly within the local context. Second, labour is divided based on pre-existing professional groups. Last, the NGO WWF and the oil palm company Asian Agri act as brokers and translators of new knowledge, but also grantors, in the certification process.

The main finding about the embedment of the ICS within the local context, is that the context was supportive of this intervention. Previous familiarity with the RSPO protocol enabled the farmers to quickly incorporate new rules and functions within the existing working environment. WWF officials and Asian Agri staff made the most out of the supportive context, not least by borrowing many functions from other working groups. However, there are also misalignments and frictions between the rules and values of the association and the rules and values of pre-existing institutionalized groups in the village. This is partly due to the design of the ICS as a private, standalone organization: no regulation of the relationship between the association and other peer groups in the community has been included in its protocol. Toward the end of my stay, this triggered complaints and suspicion, threatening the functioning of the association within its supportive context.

### 6.3.1 Suggestions for future research

The robustness of my methodology should be tested in other contexts. Further research on the CMOCs of certifying smallholders through a private scheme should focus on what are the potential causal dynamics of embedment and friction among groups with a different context and capacity for control, grouping and selection. Looking into other case-studies would generate insights in overlaps and differences of what works, for whom and under what social and environmental conditions. It

might be that the RSPO group certification fails to be established in contexts that do not present a strong local capacity for self-organization, or where agribusiness entities do not invest. This might be evidence that structural conditions generate local mechanisms of exclusion. Future research should value the insights of scholars such as Mc Carthy (2012), Martin et al. (2015) and Pichler (2015) on how larger mechanisms of inclusion and exclusion, operated through legal state strategies and historically shaped contexts, shape local capacity, thereby favouring or working against the emergence of certified groups and partnerships between smallholders and large scale agri-business.

### 6.3.2 Recommendations for policy and practice

I argue that there is scope to embed RSPO mechanisms within groups of independent farmers, just like the government is doing with ISPO at the moment. However, the new groups or set of rules demanded by the regulatory framework must not rely only on the solidarity and cohesion of its working environment alone, as it happens in the current case-study. When a new initiative is hosted by a community, some form of socio-economic incentive must be devised, to avoid mechanisms of jealousy and fears of 'free riding'. Behaviours infringing community values inevitably threaten the 'social foundations' for a collaboration with the community. Therefore, I recommend that in the protocol of Amanah, as much as in the protocol of any such association, there is room for better communication of vision and results to the members. I also recommend that other authorities in the village, especially the village head, receive formal recognition. For example, make clearer agreements on what will regulate the relationship between the new association and the KUDs, in the likely case that the association benefits from services managed by the KUD. When a mutuality is established, there are more chances that the community will sustain the new initiative in the long term.

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## APPENDIX I: DATA ANALYSIS INSTITUTIONAL ENVIRONMENT

Organization	Village government	Cooperative (KUD)	Asian Agri	Amanah	Kelompok Tani	UED	PKK	Gotong Royong	Religious groups
Type of institution (Agrawal and Perrin)	Public (State) and Formal	Public (State)/ Civil society/ Private (market) and Formal	Private (market) and Formal	Civil society/Private (market) and Formal/Informal	Civil society/Private (market) and Formal/Informal	Civil society/ Public (State) and Formal	Civil society And Formal	Civil society and Informal	Civil society Formal/ informal
Primary function	Regulate and coordinate aspects of public life in village	Coordinate and regulate distribution+ price of fertilizer& inputs, distribution of salaries for KT's (intermediary between Scheme KT's and Asian Agri), savings & borrowing	Regulate and coordinate production and marketing of oil palm fruits in large plantations (+ waged workers) and smallholder fields	Regulate and coordinate production and marketing of oil palm fruits among members (independent smallholders)	Maintain field infrastructure (roads, drainage, bridges), coordinate relations among a specific group of farmers and communication with oil palm companies and the KUD, or with a middleman for selling the harvest	Financial organ for borrowing& saving at domestic level, financial education, charity	Domestic health and finance education, children growth & nutrition monitoring	Maintenance of common spaces within community, creating precedents and structures for mutual help, fostering logics of solidarity and mutuality	Maintain religious community; charity; praying groups; construction and maintenance of mosques and praying spaces
Staff selection	Election (General+ Representative)	Election (General+ Representative)	According to company's requirements and job profiles	From aggregation/ enclave/ job requirements	Election (General, determined by proximity of fields) based on members' trust	Election (General)	From aggregation/ enclave/ social prestige	Applies to everyone, disregarding census and social extraction	Aggregation/ devotion/ prestige
Staff turnover	Every 5 years	Every 4 years	Miscellaneous	Every 5 years	Every 4 years (if needed)	Follows local govt. staff	Every 5 years	n.a.	n.a.
Staff compensation	Governmental salaries, community engagement	salaries from govt. funds	Salaries according to function and grade	Small or no compensation; good marketing opportunities	Small compensation, if applicable, otherwise on voluntary base	Local govt. staff plus Voluntary base; Social ties	Voluntary base/ Prestige within women's community	Voluntary base, stronger mutuality and social ties	Prestige within community; religious devotion;
Membership Compensation	compulsory	Easy access to borrow and saving; good fertilizer and good input materials (regulated by Company); good prices on other goods	n.a.	no compensation; good marketing opportunities for their harvest		Social solidarity/Person	Social solidarity	Social solidarity/ Common good	



## APPENDIX II – DATA ANALYSIS CMOCs

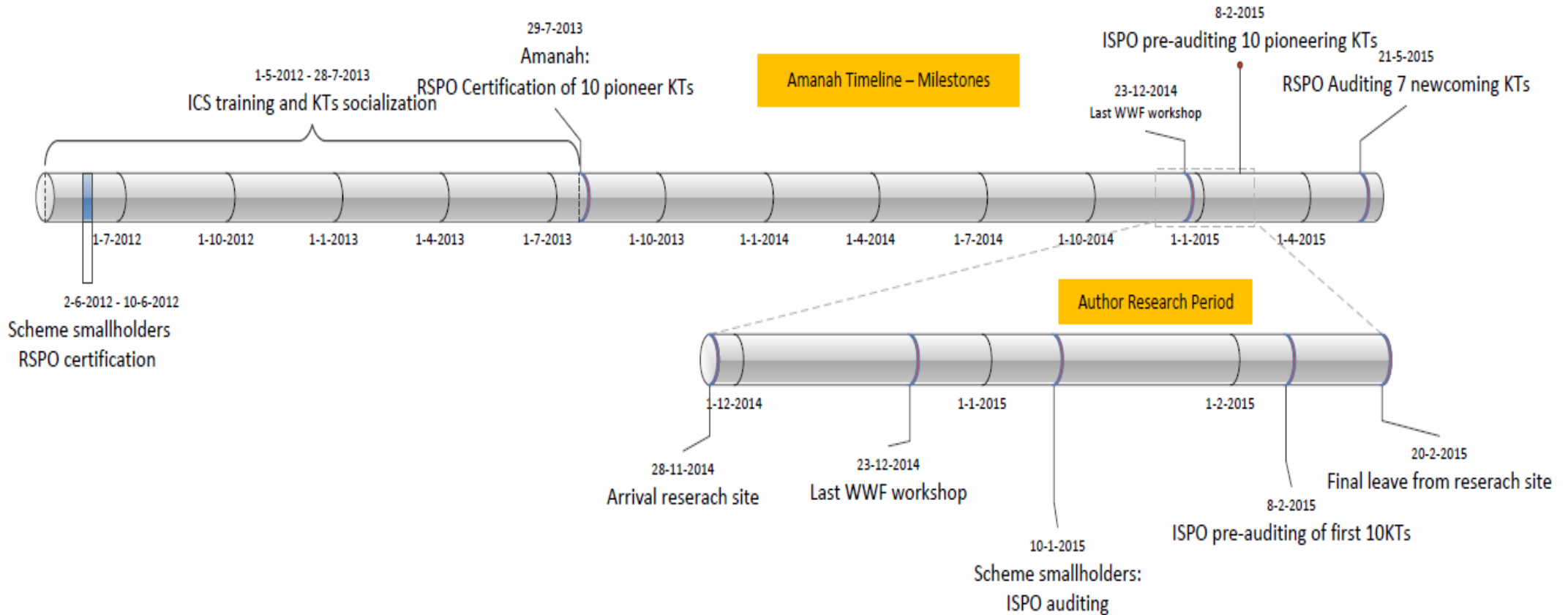
MECHANISM a) borrowing from the local capacity of pre-existing working groups		OUTCOMES
embedment	M <sub>1</sub> : Borrowing from existing institutions and their authority	O <sub>3</sub> : Unclear and overlapping responsibilities O <sub>1</sub> : Adjusting diverging expectations toward some other institutions at village level <b>M<sub>5</sub></b> : personal envies and jealousies
friction		O <sub>1</sub> : Adjusting diverging expectations toward some other institutions at village level

MECHANISM b) basing division of labour on hierarchy and on relations among members			OUTCOMES
Elements of embedment	C <sub>1</sub> : Presence of a large Indonesian Company which is already RSPO certified.		Responsibilities are assigned based on personal acquaintance Asian Agri is polarizing decisions
Elements of friction	privileging development of Javanese villages		O <sub>2</sub> : tension between formal and informal rules and regulations <b>O</b> : personal envies and jealousies

MECHANISM c) through the translation and adaptation of rules based mostly on a top-down intervention and the brokerage of company field extension workers and WWF officials.		OUTCOMES
Elements of embedment		O <sub>3</sub> : Overlapping responsibilities
Elements of friction	M <sub>6</sub> : Increasing mistrust toward outsiders M <sub>7</sub> : Researcher is seen as someone who is monitoring the Association on behalf of the RSPO	O <sub>4</sub> : The ICS transitions from an open organization to an enclave O <sub>5</sub> : Amanah struggles to define itself within the existing institutions O <sub>6</sub> : The KT maintains administrative independence

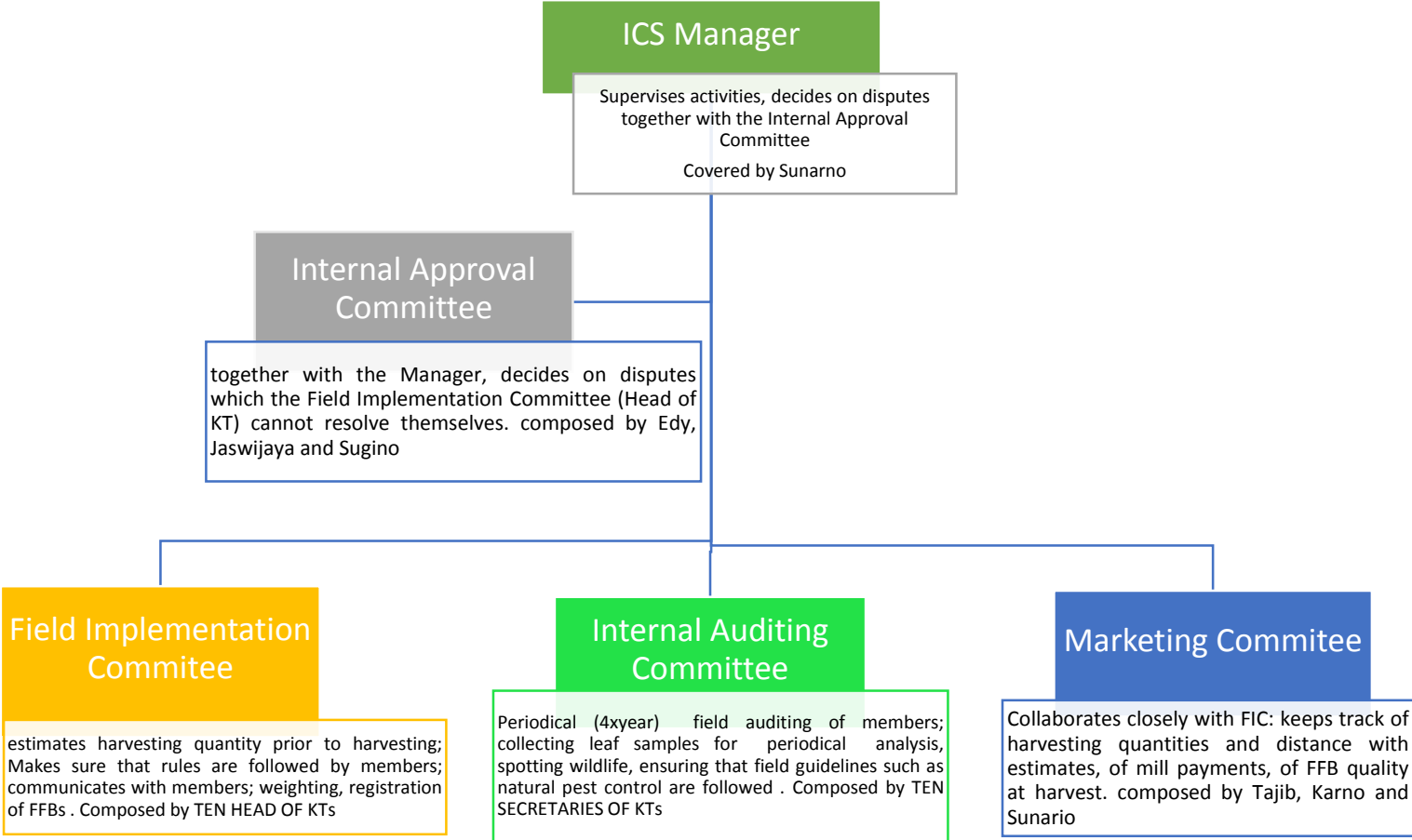
APPENDIX III – TIMELINE OF EVENTS AROUND AMANAH T

o help the visualization of events, I created a timeline with the important dates and events surrounding the Amanah Association:



APPENDIX IV – THE OFFICIAL ORGANIZATION CHART OF THE AMANAH ASSOCIATION

At the time of the field study, official tasks were distributed as such among members:



## APPENDIX V: INTERVIEW SETS FOR FIELD STUDY AND DATA COLLECTION

### Weeks 1/2 - Interview set I

Let the people within the association get to know you, as well as you get to know them. Be introduced to Group manager and other Committees members. Let people introduce you to new people (snowball sample); ask general questions to understand the association. Is everyone consenting to my presence and activities?

Do not forget to be introduced to other important people (village head) whose acceptance matters for a good stay in the villages.

Structure of the association, including names, rank and the function of the association members appointed to committees/ task-groups, and of the farmers' sub-groups -> together with members, sketch organogram of the association

Social activities and rituals. I will ask if the association members meet in their free time, and if there are any social activities not related to oil palm management within the Committees or the Association, also at the sub-group level.

Speak to the Kepala Desa Rastam about the history of the village, types of village governance and institutions, the type of representation of village members (from neighborhood level to leaders' level) into the leading circle. Ask what is the link between Amanah and village people, and if any members of the Amanah was previously involved with the village government.

Ask Narno and the field inspector/marketing inspector for Amanah members to follow and interview in weeks 3/4 (snowball sample, theoretical sample). Understand management logistics between the 3 villages (use the organization official map) and areas of coverage/ areas of responsibilities of the mandor (in how far do they decide? Were they trained?) and of the spraying team unit task-group? Who is harvesting, weeding? Who manages fertilizer? Who was trained for what?

### Weeks 3/4/5 – Interview set II

**Get to know mandor to follow and interview, through snowball and theoretical sampling, Amanah farmers members at work in the fields:** how do they enforce rules related to the RSPO regulations, or guarantee that other management practices are applied?

**Practice participant observation:** get a schedule (if any) and follow the mandor(s).

**Understand the rationale of their choices at work** (e.g. How many leaves are you going to prune? Do you select the bunches to harvest, and How do you select the bunches to harvest?). Cross-check answers within mandors.

Interview mandor, after informed consent, concerning:

- ✦ **their life histories** (and origin of their family); reasons to take part to or work for Amanah; positive aspects and challenges of the way the Association is managing the work
- ✦ **the dynamics of decision-making within (or outside) the range of action of the mandor**, by asking how do they decide what are they doing, who takes decisions in cases of doubt, and who takes care of their schedule (could be themselves, could be someone from a Committee).
- ✦ **how do they deal with absentees, and how do they deal with underperformance of task groups members? What if someone doesn't do the weeding? Do you check that they use all the fertilizer on the palms, and not for their** Ask about replacement for illness.

Interview 3 members of the Spraying Unit Team task-group, after informed consent, concerning:

- ✦ **how do they deal with absentees, and how do they deal with underperformance of task group members.** Ask about replacement for illness.
- ✦ **team composition.** Ask how is a task group composed (family member, external workers, is there a weekly or monthly turnover of personnel within the group?) cross-check answers across task-groups.

Week 7 -Interview set IV + overview questions inclusion/exclusion

**Start interviewing 3 farmers with Interview set IV, to get to know the Association better.**

**Understand parameters and dynamics of exclusion-inclusion and group formation.** Hang out both with farmers members of the various Committees (not only ICS). Keep mapping Committee members and their exchanges and relations. Ask how do you become part of

- the Amanah association and other (parallele or pre-existing) Associations
- the Central Committee, other Committees, task-groups

Candidate criteria of exclusion/inclusion to keep in mind: Gender, literacy and education, belonging to farmers' family/important family/ clan/personal contacts. Any preferences for employment of family members over external workers? Ask how were Committees formed. Was it on the basis of existing sub-groups and institutions, or anew? How were they selected? If on the basis of existing institutions, how did they have to adjust to the expectations of the RSPO Group Certification Criteria? Why all-female spraying task-group? Other innovations?

Weeks 8/10 - Interview set III

**Return to the ICS and explore their management skills, rules and routines.**

Follow ICS members in their work, and attend meetings and activities organizations. Ask about decision-making dynamics. Who can decide and whose opinion weighs more? Keep an eye to interaction with other Committees. Keep mapping interaction between ICS and other committees, and other Committees and task-groups. Pay attention to discussion of management and governance. If no instance occurs in your presence, probe with questions about instances of disagreement/ problem solving.

Interview Sunarno and other members of ICS, after informed consent, about:

1. Background of the respondent—were you a farmer before? Where from?
2. What is your role within the ICS? Did you chose it yourself? How were you elected
3. was it difficult to become certified? Does it affect their daily routine? How? Recall instances of certification process and adjustments
4. criteria to select team leaders for WWF training (Does having been trained by WWF count in the actual decision-making and hierarchy of the association?)
5. what else did WWF do for them, besides providing training?
6. Do they sell only to a certain mill? Why or why not?
7. Were there other organizations to facilitate or mediate the process of becoming certified? What is their relation to Amanah right now?
8. Modalities of representation/communication of the association and with the outside institutions: Who is the spokesperson with outside authorities? Who are the most important authorities for the well-being of Amanah, to keep informed and involved?
9. How is the time they spend as 'managers' remunerated? Do they earn differently from other members? And where is the money for their pay coming from?
10. Is there a protocol for representation toward outside institutions (which ones)? Who is representing Amanah most often? How does he/them consult the other members?

Other questions, especially about the distributed skills and cognition of how to run the Certified Association, will come and take priority once having been through participant observation both with the task-groups and the ICS

## Weeks 11/12 - Interview set IV

**Interview farmers who are Amanah members (2 per sub-group, 20 in total, not those already interviewed among ICS members and other Internal Committees)** with life-history questions and questions on motivation to join Amanah, with perceived changes, challenges and benefits.

Ask for informed consent. Ask preferences on anonymity. Ask same questions as you asked to ICS members about decision-making dynamics (triangulation). The semi-structured interviews should cover:

1. the origins of the farmers and the date of arrival (as it might not reflect the homogeneous planting time of the trees as recorded in the auditing document)
2. (reasons to switch to oil palm – if there was a switch from former cultivations)
3. Reasons to be a farmers' association(s) in the first instance – what other Associations were there previous to the Amanah? What was their function?
4. reasons to become certified
5. perceived differences between them and other non-certified/ non associated communities
6. leadership types in the association (is there a leader, who controls that things get done on time or that items such as fertilizer are bought)
7. Modalities of decision-making and representation within the association: How are farmers consulted? who is the spokesperson for which group? Do farmers consult wives-family members when bringing their interests to the group?
8. How long does it take to make a decision that involves all members? How is everyone informed? How is every member consulted and allowed to express a preference?
9. How are earnings shared?
10. Is there a protocol for representation toward outside institutions (which ones)? Who is representing Amanah most often? How does he/them consult the other members?

Toward the end of the data collection period: Confront with Sakti between his and your own experience and perception of the situation within the Association and local groups and institutions. Stay informed on what he already discovered or thinks, enrich your own data with his own understanding and point of view.