



Tropentag, September 15-17, 2021, hybrid conference

“Towards shifting paradigms in agriculture
for a healthy and sustainable future”

Divergences in Defining ‘Sustainable Palm Oil’ for Smallholders and How to Achieve It

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Abstract

A growing literature casts a critical eye on the claims for sustainability upgrading within global value chains for tropical agricultural commodities. Palm oil is associated with deforestation, greenhouse gas emissions, land conflicts and labour abuses, but is also a highly efficient crop that is a potential vehicle for rural development in tropical countries. Thus, it is important that claims for the sustainable production of palm oil are scrutinised for positive and equitable outcomes where it is produced. This paper identifies the main tenets of ‘sustainable palm oil’ for smallholders from an extensive review of the academic literature and assesses sustainability policies from environmental, social and economic perspectives. A multi-step literature search yielded 102 relevant journal articles that address smallholders, oil palm and issues related to sustainability. It was found that the academic research agenda has largely focused on sustainability verification (certification) and environmental issues such as land use change, which are the concerns of downstream actors. Issues of more immediate concern to smallholders such as land tenure, access to inputs and contractual relations with large companies feature less prominently but are also crucial to long-term sustainability. This paper also examines key policies with the aim of achieving sustainability in light of findings from the literature, namely certification; intensification; organising farmers into cooperatives; contract farming; and training. These initiatives offer only partial solutions towards the sustainable production of palm oil by smallholders with varying strengths and weaknesses. In order to disrupt existing trends in academic research, the authors conclude that more research is needed in strategies that blend different approaches to promoting sustainable palm oil, such as policy mix analysis or evaluation of jurisdictional approaches to certification.

Keywords: Certification, global value chains, palm oil, smallholders, sustainability