

## ABSTRACT

The RSPO is established as a response to criticism of the palm oil industry that is associated with multifaceted environmental degradation, as well as exploitation and marginalization of smallholders, laborers and local communities at the plantation level. As an institution that operates as Private Environmental Governance, the RSPO is aimed at fostering a more sustainable production of palm oil and protecting the social welfare of the stakeholders engaged through certification schemes. However, this thesis explores why this approach fails to transform inequalities and power asymmetries, as they persist despite operating under the RSPO certification. Using the lens of Social Relations of Production as coined by Robert Cox, it is argued that the RSPO does not address the underlying structural power relations in production. While dominant actors who have access to information, tools and networks define what sustainable palm oil is, the subordinate group who carries out the work on-site, are bound to comply with minimal capacity in order to stay connected in the palm oil value chain. This condition repeats itself even after the inception of the RSPO, hence persistence of inequalities and exclusion in the Indonesian palm oil sector.

**Keyword: RSPO, palm oil, sustainability, inequality, power asymmetry, Private Environmental Governance**