

RSPO audit toward audit based on divinity values, is it true?

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ABSTRACT

Purpose — *The Roundtable on Sustainable Palm Oil (RSPO) is a global standard for oil palm plantations to demonstrate an environmentally friendly production process. The RSPO audit aims to save the environment by not reducing the economic benefits of oil palm plantations. Along with the increasing awareness of divinity in modern society, especially in Indonesia, it is able to generate ideas related to divinity-based audits. A divinity-based audit can also be referred to as a verification process, periodic validation by prioritizing divine values, independently, objectively to increase adherence to divine values, especially in Islam.*

Design/methodology/approach — *the method used in this article is to conduct interviews and focus group discussions with stakeholders related to the RSPO audit, conduct analysis through the RSPO website supported by the latest literature.*

Findings — *the article shows the results that many items verified in the RSPO audit are divine values contained in the Koran. These values include environmental damage in accordance with Q.S Ar-Rum 42 which means: “Damage has appeared on land and at sea caused by the actions of human hands; Allah wants them to feel some of the (results of) their actions, so that they return (to the right path). The use of chemical fertilizers without supervision in plantations, is inversely proportional to the environmental conditions damaged by the use of chemical fertilizers. Saving human life due to the low management of plantations, especially community-based plantations, so that it is feared that it will have bad consequences in the future.*

Practical implications — *After the RSPO audit is carried out, Europe will buy palm oil products as the RSPO pioneer country, so it is feared that they will carry out very tight price controls on palm oil products and a trade war with China. It takes a serious effort from the government to have the power to control the price of palm oil products. Thus, the RSPO audit is indicated as the seed of a new form of capitalism in an effort to control oil palm products to meet European needs and win the trade war with China so that this is contrary to a divine-based audit.*

Originality/value — *the article conducts interviews and focus group discussions with stakeholders such as oil palm cooperatives, RSPO consultants and RSPO auditors.*

Keywords — *RSPO, audit and divinity.*

Introduction

Indonesia is a country with the largest plantations throughout the world. Based on the Ministry of Agriculture that Indonesia's palm oil plantation areas cover approximately 5.98 million hectares as of 2021. As a matter of fact, provinces with recent significant increase of palm plantation numbers are Central Kalimantan, Gorontalo, West Kalimantan and Papua. Whereas, provinces with largest palm oil plantation areas are Riau, Central Kalimantan, West Kalimantan, North Sumatra and East Kalimantan (*Badan Pusat Statistik, 2022*)—Central Bureau of Statistics, 2022. The increase of palm oil plantation areas allow growing oil-contained fresh palm oil bunches. Thus, environmental sustainability becomes critical issue. Forest conversion into palm oil areas enables biodiversity loss, disturbed ecosystem balance, increased greenhouse gas emissions, and even social conflicts among communities around plantations (Lenzen et al., 2012). in Southeast Asia, forest conversion to palm oil plantations has resulted around 75% bird and butterflies species loss, bee population shifts, and other flora and fauna shifts which eventually disrupt ecosystem balance (Giam et al., 2015; Miettinen et al., 2012; Page et al., 2011; Wilcove et al., 2013). Hence, RSPO (Roundtable on Sustainable Palm Oil) has appeared to deal with this concern.

RSPO is a non-profit organization which unites stakeholders of palm oil industry's seven (7) sectors such as palm oil producers, manufacturers, traders, consumers, retailers, banks/investors, and environmental and social non-governmental organizations (NGOs) to develop and implement global standards of palm oil sustainability (RSPO, 2022). The RSPO has developed sets of environmental and social criteria for companies to produce Certified Sustainable Palm Oil (CSPO). During proper implementation, it will likely minimize negative impacts of palm oil cultivation on environment and communities around palm oil areas.

As a matter of fact, palm oil is vegetable oil commodity with the highest trade volume throughout world and represents approximately 27% of the world oil crops market (FAOSTAT, 2022). As a matter of fact, the world has indicated reasonably high dependence on palm oil so that sustainable mechanism of managing and producing palm oil is required especially in the guidance people, planet and profit (3P). In addition, Triple Bottom Line (TBL) is a sustainable business concept which bases the value of a company's success on three criteria such as People (Social), Planet (Environment), and Profit (Economy) (Elkington, 2012, 2013, 2018). Furthermore, the TBL concept emphasizes profit as not only company's meticulous attention in business, but also their contribution to society (humans) as well as their crucial role for environmental protection (planet).

Nevertheless, TBL Elkington is considered a partial concept to save environment. Thus, Triyunowono has offered a new and broader concept called the Pentuple Bottom Line (PBL) which focuses not only on business profit, planet and people, but also on prophet and God. The Pentuple Bottom Line (PBL) concept, basically stimulates the highest mankind's moral conscience to unite with God (Triyuwono, 2016). In addition, Sukoharsono (2019) carried out further attempts called the Pentuple Bottom Line (PBL) used for comprehensive disclosure of sustainable reporting by either large or small business or public organizations. The concept of PBL comprises Planet, People, Profit, Phenotechnology, and Prophet.

Planet refers to natural environment preservation as organizations' operational contribution to attempt environmental balance. Whereas, People refers to society's welfare (internal and external part of the organization) which make crucial contributions towards the corporation. Justice and welfare proportion for people should be balanced in efforts. Profit is an effort that is now dominant in achieving organizational performance that must be balanced. Profit and welfare are such important aspects to be balanced with other concepts. Phenotechnology refers to information technology which apparently becomes an important part of corporation survival. The prophet refers to spiritual and mental balance throughout the process of organizational preservation (Sukoharsono, 2019).

Based on those facts, this article examines RSPO audit conducted for the sake of palm oil plantation environmental sustainability by certification awarding to 7 sectors of the palm oil industry. Certification systems for sustainable agricultural commodities normally rely on auditors to verify producers' compliance with environmental, social, and legal standards (Bishop & Carlson, 2022). In the palm oil industry, the Roundtable on Sustainable Palm Oil (RSPO) certification system convinced to deal with core sectoral sustainability issues, including deforestation, fires, biodiversity loss, drained peatland, forced labor, and land tenure conflicts through third-party audit implementation of large-scale palm oil farmer, cooperative organizations and non-governmental organizations with specific criteria.

Methods

This research was conducted in Rokan Hulu Regency, Indragiri Hulu Regency, Riau Province with stakeholders of RSPO audit for CSPO certification including cooperative management, PTPN V and RSPO consultants. We also required to conduct literature study on RSPO policies. The study employed informants to provide information about the object's condition as well as situation. The informants were listed by research team based on their potential capabilities and comprehension of palm oil plantation's conditions and situation in the target area. As a matter of fact, the informants were apparently companies' staff or individuals who involved in the palm oil plantation management as well as RSPO

consultants assisting auditees for RSPO audits. The study used descriptive analysis after data collection to assure systematic, factual, and accurate data and facts as well as relationships among investigated phenomena.

Result and Discussion

RSPO audit toward audit based on divinity values.

This research aims to achieve divine-valued information in relation to RSPO certification with ultimate goals of environment friendly and sustainable development. The selected informants are independent oil palm farmers in the cooperative category, yet, unclassified as non-plasma farmers. Independent farmers, especially prior to their education, audit, and certification process will be put in group of oil palm plantations with the minimum requirement of 50 hectares total area. As a matter of fact, the certification system comprises three phases to assess farmers' compliance and claims which will be of great benefits to farmers. [1] In each phase, members' compliance with respective indicator is assessed during field audits by accredited Certification Bodies, [2] Claims refer to fresh Fruit bunches (FFB; oil palm) status as certified oil crude palm or CPO/PKO as well as marketable as certified oil through any supply networks, including through smallholder credit or regular trade (in Milestone B), and [3] Benefits refer to incentives achieved through certified FFB sale as RSPO Credit or through a regular supply chain (Identity Preserved - IP, Segregated - SG, or Mass Balance - MB). Buyers can purchase certified oil from farmers with external communication.

The RSPO principles refer to Impact Goal as what follows 1: Prosperity: Competitive, resilient and sustainable sector comprises 3 principles such as: [1] Behave ethically and transparently, [2] Operate legally and respect right, [3] Optimise productivity, efficiency, positive impacts and resilience. Such a principle aims to prevent environment from any damage as Islam categorizes business as not only activity to satisfy mankind's needs (al-Syahwat) but also, more importantly, to search for life balance (Darmawati, 2017). Furthermore, Islam also deals with ethical behavior especially the practice of mal-business which provides negative impacts on environment, and not to mention, on law-breaking which enables others' losses. Religion comes to protect, maintain and care for life, thoughts, characters as well as to struggle for equality and freedom. As a matter of fact, protecting and preserving the environment is the main goal of human and environmental relations (Harahap, 2015). This complies with the principle of legal operation and proper respect which is obviously reinforced by informant's statement about life balance of humans and the environment for environmental sustainability. Moreover, the Qur'an reaffirmed ethical behavior in the environment as: "And, do not do mischief on the earth, after it has been set in order, and invoke Him with fear and hope; surely, Allah's the Mercy is (ever) near unto the good doers." (Q.S Al-A'raf: 56).

Impact goal 2: People: Sustainable livelihoods and poverty reduction consists of 3 principles, such as [1] Respect community and human rights and deliver benefits, [2] Support smallholder inclusion, [3] Respect workers' rights and conditions. On this second principle, the informant confirmed supports for human rights by avoiding children and women exploitation. Mankind is considered as God's caliphs (representative) on earth, awarded with blessing, glory, and dignity that must be respected and protected. Among the verses of the Qur'an that show this is Q.S. Al-Isra': 70 saying "And indeed We have honored the children of Adam...". It implies that by default (naturally), humans have nobility (karamah) and, thus, this honor must be protected (Abdillah, 2014). In an Islamic perspective, the concept of human rights is explained through the concept of maqâshid al-syarî'ah (sharia goals), which has been formulated by past scholars. Shari'ah (maqâshid al-syarî'ah) is aimed to realize (mashlahah) mankind's benefits by protecting their necessities (dharûriyyât) and achieving their needs (hâjiyyât), decorations (tahsîniyyât)" (Nugraha et al., 2020). The maqâshid al-syarî'ah theory covers the protection of five things (aldharûriyyât al-khamsah), as follows: (1) protection of religion (hifzh al-din), also refers to rights in religion, (2) protection of the soul (hifzh alnafs), also refers to the right of life and security, (3) protection of reason (hifzh al-'aql), also refers to the right in education, (4) protection of property (hafizh al-mal), also refers to property acquisition, proper life and

work, (5) protection of descendants (hifzh al-nasl), also refers to the right to marry and have offspring. Human glory (karamah insâniyyah) is represented in such five things protection. Shari'ah (maqâshid al-shari'ah) is reinforced by the principles of Islamic law which include 'adl (justice), rahmah (compassion), and wisdom (wisdom) both in relation to Allah, with fellow human beings and with others, the nature.

Impact goal 3: Planet: Conserved, protected and enhanced ecosystems that provide for the next generation owns only 1 principle called: Protect, conserve and enhance ecosystems and the environment. The informant claimed that RSPO audit was conducted to prevent the environment from damage, especially oil palm plantations. The guidelines applied to fulfill 3 impact goals and 7 principles are Economic Indicators consisting of Production and sales, Yield (Land Productivity), Social Indicators consisting of Labor, Training, Inclusion of smallholders and outgrowers, Lost Time Injury Frequency Rate (LTIFR) and Complaints and Grievances, Environmental Indicators consist of Pesticide use, Freshwater usage by mill and Biodiversity. According to the teaching of Islam, the environment where humans and all creatures live, is God's creation set in balance, proportional with measurements and tangibilities of quality and quantity. Planet the earth is a place where humans and all elements of life live with a great diversity, process and function. God created various elements which make up nature to meet human needs, as well as evidence of God as the Almighty, Creator, and Sustainer of nature. Nature is an entity or reality (empirical) that does not stand alone, but is related to humans and to the supernatural and supra-empirical reality. Moreover, according to Islam environment refers to all human activities in relation to time and space.

The environment of space includes the earth, water, animals and plants as well as all creatures above and inside the earth, as created by God the Almighty for the benefits of mankind to support their needs in life. As caliphs, humans are given the responsibility of managing the universe for the welfare of mankind, because the universe was created by God for humans. The Caliph refers to interaction of human to human and human nature. Furthermore, the Caliph also refers to protection, maintenance, and guidance, so that creature will eventually achieve their own life. The values include environmental damage as stated in Q.S Ar-Rum 42 which means: "There has been damage on land and at sea due to actions of human hands; Allah wants them to feel some of (the consequences of) their actions, so that they return (to the right path). The use of chemical fertilizers without supervision in plantations is inversely proportional to the environmental conditions damaged. Saving human life due to poor management of community-based plantations will likely enable upcoming bad impacts.

RSPO for Environmental reservation or Environmental Acquisition?

The RSPO certification is required due to negative issues towards Indonesian CPO and, in addition, to facilitate companies to open palm oil access throughout European markets. The RSPO certificate is voluntary for its members. In fact, the role of RSPO audits in generating incremental output across key sustainability issues remains unclear (Bishop & Carlson, 2022). After the audit, non-compliance reoccurred, as Bishop & Carlson (2022) claimed that non-compliances such as by Aste & Pollution (9% of all noncompliances) and Employment (7%) and the least changes in Fire (<1%) and Corporate Social Responsibility programs (<1%). The palm oil industry competes to achieve RSPO certification even though non-compliance with RSPO principles remains and even indicated increase afterwards.

This is line with Johnson's (2014) research stating that Ecuador also deals with RSPO with the aim of improving collaborative management which involve large companies Johnson (2014) isms that only "greened" businesses that were already "shady". The RSPO is referred to "green acquisition" dealing with capitalist to hold and control oil palm plantations in Ecuador (Johnson, 2014). Such a capitalism aims to dominate the palm oil industry for high profits (Maher, 2015).

Hoever, Schleifer (2016) argues that the RSPO has been terminated by growing markets of global economic power; existing private governance institutions are not equipped to address large-scale deforestation and biodiversity loss. The challenge of RSPO certification is quite high, especially in meeting the demands of India and China. Market

demand for the palm oil industry, especially China, requires sustainability schemes monitor so that high demand will unlikely damage RSPO orders for environmental preservation (Higgins & Richards, 2019). After RSPO audit, Europe—as pioneer countries of RSPO—was concerned about palm product purchase. Thus, they would carry out price controls on palm products and a trade war with China. It takes a serious effort from the government to have the power to control the price of palm oil products. Hence, the RSPO audit is indicated as a new form of capitalism to control oil palm products to meet European needs and win over China in a business war although is contrary to divine-based audits.

Conclusion

The first impact goal untuk Prosperity: Competitive, resilient and sustainable sector, a principle aims to prevent environment from any damage as Islam categorizes business as not only activity to satisfy mankind's needs but also, more importantly, to search for life balance. The second impact goal for People: Sustainable livelihoods and poverty reduction, on this second principles, mankind is considered as God's caliphs (representative) on earth, awarded with blessing, glory, and dignity that must be respected and protected. The last impact goal for Planet: Conserved, protected and enhanced ecosystems that provide for the next generation, according to the teaching of Islam, the environment where humans and all creatures live, is God's creation set in balance, proportional with measurements and tangibilities of quality and quantity. Planet the earth is a place where humans and all elements of life live with a great diversity, process and function. Planet the earth is a place where humans and all elements of life live with a great diversity, process and function. God created various elements which make up nature to meet human needs, as well as evidence of God as the Almighty, Creator, and Sustainer of nature.

In fact, the role of RSPO audits in generating incremental output across key sustainability issues remains unclear. After the implementation of the RSPO audit, non-compliance occurred again. After RSPO audit, Europe—as pioneer countries of RSPO—was concerned about palm product purchase. Thus, they would carry out price controls on palm products and a trade war with China. It takes a serious effort from the government to have the power to control the price of palm oil products. Hence, the RSPO audit is indicated as a new form of capitalism to control oil palm products to meet European needs and win over China in a business war although is contrary to divine-based audits.

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