

# Sustainability for Whom?

The discursive framing of ‘sustainable biofuels’ in the EU  
and Indonesia

Alexia Fridén

# Abstract

In order to transform the fossil fuel dependent transport sector the promotion of biofuels has been crucial in the European Union's transition towards climate neutrality. To ensure the sustainability of biofuels the European Commission published a Delegated Act on March 13<sup>th</sup> 2019, proposing the gradual phase-out of high emitting biofuels that may cause indirect land use change (ILUC) – one of them being palm oil. This policy change has activated debates both in Europe and in major palm oil producing countries such as Indonesia – in which concerns over development trade-offs have been intensified. With the aim of illuminating the political debate on the proposed ILUC Directive, this paper takes the approach of environmental discourse analysis to analyze the argumentative rationality in official documents and other written or spoken statements uttered by identified discourse coalitions in the EU and in Indonesia. With background against the theories of ecological modernization and uneven development, the findings suggest that the ILUC Directive reflects the story-lines held by the European Commission that build on the ideas of ecological modernization. The rival discourses, led by the Indonesian state, non-governmental organizations and local actors demonstrate the deviating opinions in which different forms of development trade-offs are emphasized.

*Key words:* European Union, renewable energy, Indonesia, palm oil, discourse analysis

Words: 9 959

# Table of contents

<b>1</b>	<b>Introduction.....</b>	<b>1</b>
1.1	EU and the revised Directive .....	1
1.2	Global responses and conflicting views.....	3
1.3	Purpose and specific aims .....	3
1.4	Relevance and Scope .....	4
<b>2</b>	<b>Theoretical framework.....</b>	<b>6</b>
2.1	Story-lines and coalitions.....	6
2.2	Ecological modernization .....	7
2.3	Accumulation by dispossession and Uneven Development .....	8
<b>3</b>	<b>Method and material .....</b>	<b>10</b>
3.1	Identifying discourses, coalitions and story-lines .....	10
3.1.1	EU discourse coalitions .....	11
3.1.2	Indonesian discourse coalitions .....	12
<b>4</b>	<b>Analysis .....</b>	<b>14</b>
4.1	EU discourse coalitions.....	14
4.1.1	Green Capitalism .....	14
4.1.2	Environmentalism .....	16
4.2	Indonesian discourse coalitions .....	18
4.2.1	Corporate Developmentalism .....	18
4.2.2	People-centered Approach.....	20
<b>5</b>	<b>Sustainability for whom? .....</b>	<b>22</b>
<b>6</b>	<b>Conclusion .....</b>	<b>24</b>
<b>7</b>	<b>References.....</b>	<b>25</b>

# 1 Introduction

The European Union (EU) has since its first renewable energy directive was introduced viewed biofuels as an inevitable source of energy necessary in reaching EU's goals on greenhouse gas savings. As a response to the growing concerns of climate change and unsustainable energy dependencies, biofuels have been framed as the fuel of the future, offering the opportunities of saving the climate without affecting economic growth (Borras et al., 2011: 2). Today the EU recognizes that biofuels is a much more complicated matter than first was alleged in the early 2000s. Concerns have been raised regarding their sustainability and long-term prospects. Biofuels have been recognized as competing with food and feed crops, causing global food-price rises, deforestation and endangering the livelihoods of rural poor (Cotula, 2012). Through the links of global trade and agro-industrial management, biofuels have acquired news meanings. They are now commonly referred to as agrofuels derived from feedstock that could have been used for food (Franco et al. 2011: 91). Land clearance for oil palm cultivation in Indonesia due to mandatory targets for renewable energy in Europe is an example of that. Through bilateral agreements, Indonesia has been shipping palm oil to the European continent, which later has been consumed in car tanks and meals. The politicization of climate change policy in the EU has amounted to concerns over the negative effects palm oil for biofuels can bring, such as rainforest destruction and food crises (Pye, 2011: 277). Questions have been raised over 'whose development is promoted?' Yet, with the revised Renewable Energy Directive (RED II) it has become clear that the Union is ready to shoulder the responsibility of past mistakes and to implement sustainable ways of tackling climate change. However, so far very few studies have examined what debates this has triggered in countries most affected by EU's policy turn.

## 1.1 EU and the revised Directive

In December 2018, the RED II was adopted. The directive is one of eight legislative acts in the "Clean Energy for all Europeans"-package, which aims at providing affordable and climate-friendly energy for all Europeans as well as making the Union world leading in renewable energy (European Commission (EC), 2018). The original Renewable Energy Directive (2009/28/EC) was first introduced in 2009 and requires that at least 20% of the Union's energy consumption be derived from renewable energy by 2020. All EU countries must also guarantee that at least 10% of their transport fuels come from renewables by the same year (EC, 2019a). This is to be achieved through member states'

“Integrated National Energy and Climate Plans” where each nation define and design their unique trajectory to reach the targets based on the guidelines set out in the “Energy Union Governance Regulation” (ibid).

The revised RED II has established a new binding target for 2030, where the target for the total energy consumption of renewables have been raised to 32% and to 14% for road and rail transport (EC, 2019b). RED II includes a sustainability criteria which biofuels used in transport must comply with in order to be counted towards the 14% target and furthermore, to be qualified for financial support by public authorities. Some of these criteria have been unchanged since they were first formulated in the original RED, while others are new or have been reformulated (ibid).

In order to ensure that the production of feedstock for biofuels is sustainable and avoids causing deforestation through indirect land use change (ILUC), the European Commission adopted a delegated act on March 13 that sets out the criteria for determining high and low ILUC-risk feedstock for biofuels, bioliquids and biomass fuels (EC, 2019a; EC, 2019b). ILUC can occur when cropland used for food or feed production is replaced by feedstock for biofuel production. As the former production still is necessary, this means that demand for agricultural land is created somewhere else. If this agricultural activity is expanded into land with high carbon stock such as wetlands, peatland and forests, it might result in the release of carbon dioxide (CO<sub>2</sub>) stored in trees and soil that will negate the greenhouse gas savings that the use of biofuels accomplished when replacing fossil fuels (EC, 2019a). The delegated act was accompanied by a report and annex (EC, 2019c) where the Commission and the Commission’s Joint Research Centre concluded that palm oil at the present, is the sole feedstock where:

[the] expansion of production into land with high carbon stock is so pronounced that the resulting GHG emissions from land use change eliminate all GHG emission savings of fuels produced from this feedstock in comparison to the use of fossil fuels (EC, 2019c: 19).

This means that palm oil qualifies as high ILUC-risk feedstock and will be gradually phased out, starting from 2020 with limited levels to gradually be reduced to zero between 2023 and 2030 at the latest (ibid). However, the Commission points out that not all palm oil used for biofuel production have damaging ILUC impacts, meaning that some production can be considered as low ILUC risk and therefore excluded from the gradual phase-out (EC, 2019c: 19). It is now in the hands of the European Parliament and the Council of the European Union to decide whether the delegated act should pass and be published in the Official Journal of the European Union and become law, or if it should be objected. The period of scrutiny will last for two months, but if requested, it can be extended for another two months (EC, 2019a).

## 1.2 Global responses and conflicting views

Indonesia, the world's largest palm oil producer is now threatening to bring a WTO challenge against the EU. The EU ranks as the second largest importer of crude palm oil in the world and is Indonesia's second largest export market. Last year's palm oil export from Indonesia counted for \$17.2 billion where a large portion was used for biofuels in Europe (Nangoy, 2019). It is estimated that more than half of the palm oil imported into the European market (around 4 million tonnes) is used to produce green fuels (Kovács, 2019). The President together with government ministers of Indonesia have publicly expressed their concerns over the regulation and criticized the EU for hiding behind a protectionist agenda that unfairly favors European vegetable oils such as sunflower and rapeseed (Nangoy, and Munthe, 2019). According to these Indonesian actors, a ban on palm oil would have detrimental consequences as almost 20 million people's livelihood depend on the commodity. For them, palm oil exports have been and continue to be instrumental in lowering poverty, and thus meeting one of the criteria of the sustainable development goals (SDGs). Indonesia has furthermore threatened to block imports of European goods in response to EU's ban on palm oil, indicating the start of a trade war that would threaten future relationships (Listiyorini, 2019).

The RED II and the delegated act have also met criticism from international and local NGOs, farmers associations, community leaders and rural farmers, both in Europe and Indonesia. In Europe, several environmental NGOs have criticized the delegated act for its vague definition of low and high ILUC-risks. Saying there are loopholes in which palm oil and other crops with high environmental impact risk being greenwashed into low ILUC-risk feedstock, enabling the continuation of palm oil production that causes deforestation (Buffet, 2019a). In Indonesia, community leaders, smallholder organizations and NGOs have urged the EU to fulfill its commitment on phasing out palm oil from the European market. According to these actors, the prosperity claims made by the Indonesian government and global agribusinesses do not match the reality on ground. For them, the palm oil industry do not only bring environmental destruction, but also comes with social consequences such as human rights abuses, land grabbing, corruption and workers exploitation (Cahya, 2018; Buffet, 2019b).

## 1.3 Purpose and specific aims

The policy change on 'sustainable biofuels' means a stricter regulation on conventional biofuels<sup>1</sup>. It is a means for the European Union to show compliance with global climate goals and to ensure that the biofuels used in European cars are

---

<sup>1</sup> Meaning biofuels produced from food crops

truly green and nothing in-between. While the Delegated Act (from now referred to as the ILUC Directive) is supposed to uphold and secure these values, it has also caused disturbance amongst those countries in which EU relies on much of their biofuel supply. Deriving from this debate, it has become clear that sustainability is not a clear-cut concept; it means different things, for different actors. Building on that, the aim of this thesis is to examine discursive contestations around the EU policy on ‘sustainable biofuels’. By using Maarten Hajer’s (1995) environmental discourse analysis, this thesis aspires to examine the story-lines underpinning the discursive framing of sustainable biofuels as materialized in the recent policy change resulting in the revised RED II and the accompanying ILUC Directive.

In order to understand how certain discourses become dominant in the framing of certain issues, we also need to understand what visions and understandings are part of the discursive struggle for dominance and which are excluded. Therefore, since Indonesia is one of the countries most affected by the EU policy, this thesis will analyze the Indonesian discourses that have been provoked by the EU policy. By examining the political debate on the RED II ILUC Directive this thesis will illuminate how the discursive framing of sustainable biofuels by the European Commission have given rise to rival discourses both in the EU and in Indonesia, in which sustainable biofuels are interpreted differently or even contested. Furthermore it aims at exploring the politics across and within multiple actors supporting biofuels in different ways and for different reasons. The thesis will be guided by the following research questions:

- 1) How does the European Commission discursively frame the adoption of the ILUC Directive?
- 2) How is the discourse of the European Commission supported and contested by rival discourse coalitions in the EU and in Indonesia?

## 1.4 Relevance and Scope

The policy discourse of RED II was chosen due to its recent change in defining sustainable biofuels. The European Commission has since its first biofuel policy was proposed portrayed biofuels as a win-win solution. Its proponents have framed the policy as such a solution to demonstrate Europe’s commitment to addressing both climate change and energy security, while developing rural economies, including in the global South (Franco et al. 2011: 93). However, the RED have also received a lot of criticism over the past years. As previous studies have shown, Europe’s increased demand for biofuels due to mandatory targets have been accused of inciting global land grabs (Bracco, 2015; Hunsberger, 2017; Fairhead et al. 2012), contributing to food-price rises and loss of food security (Sieber et al., 2015; Matondi et al., 2011), and of speeding up climate change through increased GHG emissions from forest transformations and indirect land

use changes, particularly in the global South (Dauvergne and Neville, 2011; German, 2011; Franco et al. 2011). With the new policy change in RED II, these are some of the issues that the Commission is attempting to address and ameliorate by implementing certification schemes and standards determining what biofuels can be considered sustainable and thus accepted in the Union. The proposed ILUC Directive is here argued to symbolize the discursive change in portraying sustainable biofuels by the European Commission. I further motivate the relevance of this thesis by arguing that the policy change has provoked other biofuel discourses in defining, supporting and obstructing the concept of sustainability. To this end, the discursive change in how the Commission frames sustainable biofuels is important and needs further examination. The policy change has opened up for new disputes in which the debate on development trade-offs has been intensified. Whether specified standards will address negative impacts in an appropriate way or if they simply symbolize an upgraded disguise in which 'bad' biofuels can continue to be greenwashed into sustainable ones are important questions that need to be addressed.

As this thesis aims at understanding the argumentations behind the differential discourses on sustainable biofuels rather than comparing different policies and analyzing their practical outcomes, the focus will be on the political debate as materialized in argumentative texts and speeches. This thesis conceptualizes environmental politics as socially constructed and as a function of the communicative practices and the formation of preferences (Hajer, 1995: 59; Dryzek, 2013: 11). Though, conceptualizing climate change and environmental issues as socially constructed do not (in this case) imply that they do not exist, but rather that actors occupy competing understandings of these phenomena that provides for political dispute – which, in the end is why we have something called environmental politics (ibid: 13). In accordance with Hajer (1995:59) I consider interests not to be assumed as naturally given, but as constituted through discourse. This suggests that the emergence of a new policy discourse may alter perceptions of problems and opportunities.

The biofuel discourse of Indonesia was chosen due to the fact that they are the second-largest exporter of biofuels to the European continent and is together with Malaysia likely to be affected by the proposed ILUC Directive. Biofuels was further selected as the issue of interest as they account for the main renewable source used in energy consumption for transport in the EU, and where Indonesian palm oil make up for almost 20% of biofuels consumed in the EU (EC, 2019d: 4).

## 2 Theoretical framework

Discursive approaches to environmental politics draw attention to policy processes as contests between worldviews and discourses dependent on the specific social construction of environmental problems (Hajer, 1995:2; Clapp and Dauvergne, 2011: 47). Following Hajer (1995: 60) I define discourse as “a specific ensemble of ideas, concepts, and categorizations that is produced, reproduced, and transformed in a particular set of practices and through which meaning is given to physical and social realities.” The theoretical framework of this thesis is based on Hajer’s methodology of environmental discourse analysis in which I build on his identification of ecological modernization as a conceptual language that has gained importance in much of contemporary environmental politics. I further consider the ideological underpinnings of ecological modernization as closely related to Western capitalism that has informed the concepts of sustainable development and environmental management. Additionally, in line with David Harvey (2006) I argue that biofuel projects in the global South can be analyzed through theories on accumulation by dispossession and uneven development. Thus, the theoretical framework expands the theories on ecological modernization to include a more Marxist perspective on the capitalist transformation of land and labor in the global South.

### 2.1 Story-lines and coalitions

Hajer’s ‘argumentative approach’ builds on the work done by Foucault and Billig and Harré and focus on the level of discursive interaction. He argues that discursive interaction (i.e. language) can generate new meanings and new identities. It may for example change ‘cognitive patterns’ and create new understandings and new positionings. Therefore, discourse has a key role in developments of political change (Hajer, 1995: 58-59). According to Hajer, language is an essential part of reality; it is a practice that affects preferences and the perception of interest. What this suggests for the study of environmental politics is that the emergence of a new policy discourse such as ecological modernization may change the individual perception of issues and possibilities and lead to the creation of new political coalitions (ibid: 59).

The argumentative approach sees politics as “a struggle for discursive hegemony in which actors try to secure support for their definition of reality” (ibid: 60). As this process unfolds, one of the main goals is to reach *discursive closure*, meaning that in the process of defining a contested problem it reaches a final definition. The final outcome of this definition includes the process of

erasing other meanings and definitions of the problem. In order to overcome discursive fragmentations and achieving discursive closure, *story-lines* are crucial political devices (Hajer, 1995: 22, 62). According to Hajer, a story-line is “a generative sort of narrative that allow actors to draw upon various discursive categories to give meaning to specific physical or social phenomena” (ibid: 56). As a short form of a narrative, story-lines offer a unity in the discursive complexity of certain problems and provide actors with “a set of symbolic references that suggests a common understanding” (Hajer, 1995: 56, 62).

While story-lines can be used to construct a problem, they also have an essential role in the making of a moral and social order in a certain domain (ibid: 64). According to Hajer, a group of actors sharing a particular set of story-lines over a certain period of time, form a *discourse coalition* (Hajer, 2005: 302). Actors part of a coalition do not necessarily have to have met before, nor do they have to share the same interests, backgrounds, values or agendas. What unites them and give them their political power is the utterance of specific story-lines within their specific domain of political engagement (Hajer, 1995: 13). A discourse coalition relates to the practices in which actors sharing the same story-lines reproduce and challenge the meaning given to a certain phenomenon, or a particular discourse (Hajer, 2005: 303). In order to make others see the problem according to their views and situate other actors in a certain way, actors strive to achieve discursive closure by strategically including and leaving out various aspects of the problem in question (Hajer, 1995: 53, 23). For a discourse to be considered hegemonic or dominant two conditions needs to be met. First, a number of actors in a given domain use the discourse to conceptualize the world and are required to do so in order to be credible (*discourse structuration*). Second, the discourse is solidified into institutional arrangements and concrete policies (*discourse institutionalization*) (Hajer, 1995: 60-61; Hajer, 2005: 303).

## 2.2 Ecological modernization

Ecological modernization was first introduced as a theoretical concept in the early 1980s by the two German scientists Joseph Huber (1982) and Martin Jänicke (1985) (Dryzek, 2013: 170). According to Dryzek (2013: 173) the discursive elements of ecological modernization build on the narrative that “[...] the capitalist political economy needs conscious reconfiguration and far-sighted action so that economic development and environmental protection can proceed hand-in-hand and reinforce one another”. Likewise, ecological modernization following Hajer (1995: 25-26) frames environmental issues in monetary units, thus making environmental degradation calculable. Environmental protection is further portrayed as a positive-sum game, meaning that pollution prevention pays (ibid: 26). While one of the key foundations of ecological modernization is that business will profit from it, it also concerns how capitalist society shall develop into an “environmentally enlightened era”, thus involving assurances not just for the industry, but also for society (Dryzek, 2013: 171-2). While Hajer (1995)

considers ecological modernization and sustainable development closely related<sup>2</sup>, Dryzek argues that the former has a much sharper focus on what must be done with the capitalist political economy. Conversely, what unites them is the notion of social progress and reassurance, thus no hard decisions need to be made between economic growth and environmental protection, or between the present and the future (Dryzek, 2013:172,175).

Ecological modernization involves cooperation between governments, businesses, environmentalists and scientist with the aim of reforming the capitalist political economy into one that is more environmentally defensible. This mutual commitment builds on the notion that the environment is subordinate to human needs and calculations, and on the coexistence between economic prosperity and environmental protection. What is driving these key agents relate to the sentiments of the public interest and common good as defined in broad terms encompassing “economic efficiency and environmental conservation” (Dryzek: 174). Globally, ecological modernization has gained importance in climate governance. Again, as a joint global commitment involving businesses, governments and nongovernmental organizations, ecological modernization offers business opportunities coupled with low-emission technologies, in which actors joining global networks can exchange knowhow on best practice and collectively commit to sustainable economic growth. The idea of “green growth” is here stressed as a universal model in which environmental problems can be solved without constraining the capitalist market (Dryzek, 2013: 172-173, Hajer, 1995: 31; Berger, et al., 2001). Following this logic, environmental issues and improvements open up for new demands and create new markets that further stimulate innovation in methods of production, industrial organization and consumer goods (Hajer, 1995: 31-31). Since environmental pollution is seen as an issue of inefficiency, environmental protection becomes a matter of good management (Berger et al. 2001). Collectively set environmental standards are according to environmental modernization such an example of good management, furthermore a means for creating market advantage through the integration of regulatory mechanisms and consumer preferences for greener products (ibid).

## 2.3 Accumulation by dispossession and Uneven Development

Managing environmental problems through the capitalist system also involves the monetization and marketization of nature and socio-ecological relationships. As Harvey (2006: 95) argues, capital accumulation is grounded on socio-ecological life and includes the appropriation of other’s assets. Under the banner of ‘selling the nature to save it’, the main objectives of ecological modernization as

---

<sup>2</sup> Hajer (1995: 26) categorizes the 1987 Brundtland Report as a key central ecological modernization document.

materialized in energy policies and sustainability standards thus build on the capitalist transformation of land and labor, symbolizing an “economy of repair”. This has further been incorporated into the rubric of good management with sustainability standards following the logic of “[the] unsustainable use “here” can be repaired by sustainable practices “there”, with one nature subordinated to the other” (Fairhead et al., 2012: 242). The increased demand for biofuels in the global North has accelerated the expansion of biofuel plantations in the global South, which imposes new social relations of nature (Pye, 2011: 280). What commonly can be seen in biofuel producing countries such as Indonesia is a move from a more developmental state with state-led agribusinesses to the neoliberal governance system that includes the withdrawal of the state and increased power of transnational agribusinesses and corporations (McCarthy, 2011: 270). These decentralization reforms have been coupled with social agrarian differentiation, meaning changes in patterns of control over means of production (Pye, 2011: 280) that have created the basis for new social classes and transnational struggles (ibid: 282).

According to David Harvey (2006:90) “[f]avorable natural conditions makes surplus generation easier but the class appropriation and centralization of surpluses depends entirely upon political developments and the formation of class power”. Following his argument on accumulation by dispossession and uneven geographical development, dispossession occurs in different ways but always include coercion by some external hegemonic powers such as states, multinational corporations and colonial powers that include “the penetration of some pre-existing social order and geographical terrain to the advantage of that power” (Harvey, 2006:92). This however, should not be considered as the sole or even the dominant form of dispossession. As Harvey argues, social formations that have suffered from these capitalist depredations have been demonstrated to join the capitalist transformation, as they cannot beat it. By mobilizing surplus internally and distribute it as capital through world trade, state and class powers in non-capitalist societies have regained control of their own surplus through powers of appropriation and as part of the global capitalist network (ibid: 93). The outcome of these diverse processes is uneven geographical development that reinforces the separation between people and nature. Even though the when and how of accumulation by dispossession contains a lot of eventualities, the general proposition is that “an aggregate degree of accumulation through dispossession [must] be maintained if the capitalist system is to achieve any semblance of stability” (ibid: 93). In that sense, uneven geographical development through dispossession is the result of capitalist stability.

## 3 Method and material

In line with Hajer's discourse analysis this thesis employs qualitative research methods to investigate story-lines and discourse coalitions. By focusing my empirical research on the discursive framing of sustainable biofuels the aim is to illuminate the rhetoric behind the policy conflict on sustainable biofuels and the ILUC Directive (Hajer, 2005: 298). The point of focus is however not on the discussion, but on the argumentative rationality actors bring to the discussion. By applying the methodological tools of story-lines and discourse coalitions, the analysis will examine the argumentative structure in documents and other written or spoken statements (Ibid: 299). The discourse analysis will illuminate the particular discursive structure in the discussion of the ILUC Directive and highlight the specific ideas, concepts and categories in which it is discussed (ibid: 300). During the analysis, the concept of story-lines will be employed in order to convey the different positionings and arguments on the ILUC Directive as found in the empirical material. As will also be highlighted, conveying story-lines often includes the process of distinguishing the metaphors that is produced in order to give meaning to a certain phenomenon (ibid: 301-302). For example, we can refer to biofuels or sustainability as a metaphor, meaning it stands for something else, and something different depending on what actors are using it for, in what context (ibid). Secondly, the concept of discourse coalition will be applied, which refers to the practices in which a group of actors utter a particular set of storylines over a certain period of time in order to (re)produce and transform a particular discourse (ibid: 302-303). What is here important to highlight is the concept of practice, as Hajer (2005: 303) argues, "[...] discourse should always be conceived of in interrelation with the practices in which it is produced, reproduced, and transformed." This section will proceed by explaining how I identify discourses, discourse coalitions and story-lines in the EU and in Indonesia and what material has been used in this process.

### 3.1 Identifying discourses, coalitions and story-lines

Deriving from the fact that the EU recently published its policy on ILUC that is assumed to affect the palm oil industry in Indonesia as well as the parties' bilateral cooperation, the two actors have been selected as the core competing discourses of the policy conflict. Following the methodological approach offered by Hajer, I draw on official documents such as public statements and reports produced by the European Commission and the government of Indonesia as well as on newspaper articles and material produced by think-tanks and NGOs to

identify the key actors constituting the core discourse coalitions and story-lines underpinning these coalitions. Additionally, an analysis of secondary sources was done, including books and academic articles on international energy and environmental politics related to the European and Indonesian context. The decision to explore these discourses further rests on the expectation that the EU as a supranational body and Indonesia as one of the world's biggest palm oil supplier have an influence in the global approach to biofuels as well as on the global environmental agenda. A complete summary of the discourses, coalitions, story-lines and empirical material can be found in Table 1, in which the different coalitions are categorized as supportive, critical or opposed to the ILUC Directive.

### 3.1.1 EU discourse coalitions

Since my intention is to examine the policy debate on the ILUC Directive, the EU discourse is defined by me as comprising the views of the European Commission since they are the sole institution empowered to initiate EU legal acts (European Council, 2018). However, in the EU discourse there is a dissenting opinion represented by environmental NGOs, think tanks and other actors assumed to have a vested interests in the final outcome of the ILUC Directive. Owing to the identified divergent opinions, I have divided the discourse into two discourse coalitions, one representing the Commission, and one representing the dissenting opinion. The first discourse coalition is here labeled *Green Capitalism* and comprises the story-lines of the European Commission. To build a picture of this coalition, a set of official documents such as memos, written speeches and statements were used, covering the period between 2018 and 2019. These include the attached report to the ILUC Directive; a Memo specifying the ILUC Directive; and an article written by the European Commission Director-General for Energy, Dominique Ristori. Moreover, two speeches by EU Commissioner for Climate Action and Energy, Miguel Arias Cañete and Vice-President of the European Commission for the Energy Union, Maroš Šefčovič were analyzed. The selected speeches are directed towards the European Union, and in the context of a conference on the Energy Union and a debate on climate change. The Green Capitalism discourse coalition is categorized as *supportive* to the ILUC Directive, as they represent the key actors behind the proposed act.

The second coalition is here identified as *Environmentalism* and is constructed based on Dryzek's (2013: 155) definition of environmentalists and Clapp and Dauvergne's (2011:12) categorization of social greens. It is portrayed as a rival discourse to the former, representing the dissenting opinion. This coalition was identified when analyzing the political debate observed in feedback papers to the ILUC Directive, articles published in newspapers, think tanks and on NGO's webpages. Actors in this coalition include Transport & Environment, an environmental NGO campaigning for cleaner transport; Farm Europe, a think tank debating issues relating to rural economies in the EU; ePURE, the European renewable ethanol association; ECOS, the European environmental citizen's organization for standardization; and Copa Cogeca, the European association of

farmers and cooperatives. The set of shared story-lines uttered amongst these actors is here assumed to be based on lobbyism and vested interests. This coalition is categorized as *critical* to the ILUC Directive since they are of the opinion that the regulation is not clear enough.

### 3.1.2 Indonesian discourse coalitions

For the case of Indonesia, two discourse coalitions have been identified: one representing the Indonesian government and the other representing local actors. The first discourse coalition is here labeled *Corporate Development* and includes ministers of Foreign Affairs-, Economic Affairs- and Maritime Affairs of the Republic of Indonesia, as well as Indonesian representatives in the Council of Palm oil Producing Countries (CPOPC). It is here acknowledge that these actors represent different interests and are connected to the Indonesian government for different reasons. However, it has been identified that all these actors have officially commented and participated in the debate on RED II and the ILUC Directive, in which a shared set of story-lines have been uttered. The empirical material that has been analyzed when identifying this coalition covers written statements and articles published online covering the period between 2018 and 2019. The Corporate Development coalition is categorized as *opposed* to the ILUC Directive since the regulation would mean a ban on palm oil, which is a crucial export commodity for the coalition.

The second coalition is here labeled the *People-centered Approach* and includes actors such as leaders of indigenous people's organizations, farmers' unions, civil society organizations, traditional communities, farmers, human rights organizations and environmental NGOs in Indonesia. The main source of information used when analyzing this coalition have been an open letter to the President of Indonesia, the President of European Council and the leaders of EU member states signed by 236 local actors as those just mentioned above. This material is the only source used when analyzing the People-centered Approach since additional material was difficult to find in English translations, and furthermore not assumed to be necessary since the material represents over 200 local actors active in the debate. This coalition is categorized as *supportive* to the ILUC Directive since the palm oil industry for the People-Centered Approach involves negative impacts.

Table 1. Summary of discourses, actors and material.

<b>Discourse</b>	<b>EU</b>		<b>Indonesia</b>	
<b>Discourse coalition</b>	Green Capitalism	Environmentalism	Corporate Development	People-centered Approach
<b>Actors</b>	European Commission	Transport & Environment; Farm Europe; ePURE; ECOS; Copa Cogeca	Ministers of the Indonesian government; representatives in CPOPC	Local actors involved in the palm oil industry; NGOs
<b>Story-lines</b>	<i>Supportive</i> ILUC Directive necessary to ensure the sustainability of biofuels; Economic growth and environmental protection can reinforce each other	<i>Critical</i> ILUC Directive an imported step forward but not enough; loopholes risk greenwashing	<i>Opposed</i> ILUC Directive is discriminatory, protectionist and scientifically flawed; EU neglects the socio-economic values of the palm oil industry	<i>Supportive</i> ILUC Directive one of many necessary steps needed in recognizing the negative effects palm oil for biofuels bring
<b>Material</b>	Report to the ILUC Directive (EC, 2019c); Memo-Sustainability criteria for biofuels specified (EC, 2019e); Article published in The Parliament (Ristori, 2018); Speeches - Cañete, 2019; Šefčovič, 2019	Feedback papers and press releases - ePURE, 2019; Copa Cogeca, 2019; ECOS, 2019; NGO – and Newspaper articles - Buffet, 2019a; Kovács, 2019; Fortuna, 2019	Statements – Pandjaitan, 2018; Terkini, 2019; Utama, 2019; Newspaper articles – Nangoy and Munthe, 2019	Open letter to the President of the Republic of Indonesia and the EU - published in Transport & Environment, (Buffet, 2019b)

## 4 Analysis

The following chapter features the thesis' empirical analysis. It is structured around two sections based on the two discourses of the EU and Indonesia which further includes two subsections for the analysis of discourse coalitions and story-lines. The first research question – *How does the European Commission discursively frame the adoption of the ILUC Directive?* – will be addressed in the first section focusing on the Green Capitalism discourse coalition. The rival discourse coalitions found in EU and Indonesia will address my second research question - *How is the discourse of the European Commission supported and contested by rival discourse coalitions in the EU and in Indonesia?* The chapter will end by a final discussion in which the theoretical framework on ecological modernization and uneven development will be the guiding point.

### 4.1 EU discourse coalitions

This section illustrates the discursive framing of sustainable biofuels as presented in official documents and statements made by EU representatives. With the aim of analyzing the political debate surrounding the revised RED II sustainability criteria and the accompanying ILUC Directive, the discourse of the European Union has been identified as including two discourse coalitions (1) *Green Capitalism* representing the European Commission as the institutional body responsible for proposing legislative acts and (2) *Environmentalism* representing the dissenting opinion. The assumption is that these two coalitions exemplify the struggle for discursive hegemony, in which the Green Capitalism coalition have reached discursive closure, meaning the institutional practices of the policy process reflect the ideas of this discourse coalition (Hajer, 1995).

#### 4.1.1 Green Capitalism

The Green Capitalism discourse coalition perceives of sustainable development as a positive-sum game, meaning that environmental protection and economic growth reinforces each other (Dryzek, 2013: 177). One of the main drivers behind the coalition's discursive change on sustainable biofuels is the recognition of indirect land use change (ILUC). As mentioned before, ILUC can occur when agricultural land destined for food and feed production is replaced by feedstock for biofuel production. Two main story-lines are used to justify the policy change

on sustainable biofuels in which the ILUC Directive was proposed. First is the claim that for biofuels to be *socially and environmentally defensible*, regulations and sustainability criteria need to be strengthened. Second, ensuring the sustainability of biofuels is important for the Unions transitions to *climate neutrality* and in *modernizing the European economy*.

Contrary to the former sustainability criteria accompanying RED I and the later 2015 ILUC Directive, RED II together with the ILUC Directive applies a more direct approach to reduce ILUC impacts associated with biofuels (EC, 2019c: 3-5). In environmental terms, the ILUC Directive is argued to be a necessary one, since the former sustainability criteria under RED I only addressed the direct impacts associated with the production of conventional biofuels. The indirect impacts, however, risks negating some or all of the greenhouse gas savings that the use of biofuels achieved when replacing fossil fuel. This is especially argued be the case when the additional demand due to ILUC is met by the conversion of land with high carbon stock, such as forests, peatland and wetlands. It is against this background that the members of this coalition have identified palm oil as causing ILUC:

[P]alm oil is currently the only feedstock where the expansion of production area into land with high carbon stock is so pronounced that the resulting GHG emissions from land use change eliminate all GHG emission savings of fuels produced from this feedstock in comparison to the use of fossil fuels (EC, 2019c: 19).

Since the former sustainability criteria did not calculate for these emissions, the actual ‘sustainability’ of biofuels was questioned. With estimations showing that the total biofuel production in 2020 will be derived from crops grown on land that could have been used for food and feed production, the ILUC Directive is seen as an important condition to ensure compliance with the sustainability standards (EC, 2019c: 3-4). However, as is also argued, not all palm oil used for the production of biofuels comes with negative ILUC effects. Thus, following the coalition’s estimations, some palm oil production can be considered as low ILUC risk. In order to ascertain such production, the coalition has identified two measures, that is “increasing productivity on existing land and cultivation of feedstock on unused land, such as abandoned land, or severely degraded land” (EC, 2019c: 19). Negative ILUC effects can thus be avoided and even improve the land where the production takes place, limiting the risks of a food-fuel trade-off (ibid).

Promoting sustainable biofuels is underpinned by the overarching aims of decarbonizing the economy, lowering air polluting, reducing greenhouse gas emissions but also in complying with the Union’s commitment under the 2015 Paris Agreement on Climate Change and with the binding energy targets set by the EU (EC, 2019c: 2). Environmental protection is at the very core of the justification of the ILUC Directive. It is argued that by a strengthened and clarified criteria on low and high ILUC, the delegated act can lessen the burden on the environment by reducing the pressure on forests and lands with high carbon

stock (EC, 2019e). Ensuring the long-term sustainability of biofuels will further “provide incentives to increase productivity and apply best practice in the agricultural sector” (ibid).

A metaphor that is commonly used in the analyzed material is “climate neutrality”. The Union’s transition to climate neutrality is conceived as a necessary mission for a sustainable future that not only entails the increased protection of the environment but also the prosperous opportunities for the economy (Cañete, 2019). The European Commission’s Director-General for energy, Dominique Ristori argues that Europe plays a leading role in the clean energy transition and has according to him successfully proven that “[...] growth and decarbonization can go hand in hand” (Ristori, 2018). RED II is argued to be an effective legislative framework ensuring Europe’s leadership in the energy transition and important for modernizing the EU economy (ibid). Furthermore, In a speech made by Cañete in the European Parliament plenary debate on climate change the Commissioner argued on the subject of reaching a climate neutral economy by 2050 that “climate neutrality, economic prosperity and social fairness can and must go together” (Cañete, 2019) and that:

[It] is not only to protect our environment but also to modernize the European Union economy for a sustainable future, increase investment in competitive technologies, and to defend our citizens’ better quality of life (Cañete, 2019).

Reaching climate neutrality by “setting the standard” through the ILUC Directive is argued to pave the way for a sustainable future in which “[we] don’t need to choose between economic growth and climate” (Sefcovic, 2019). With the raised target on renewables on transport fuels and the sustainability criteria ordering a gradual phase-out of crop-based biofuels, “[t]his is expected to improve Europe’s competitiveness and to lead to job creation in the sector of advanced biofuels, also benefitting the development of rural areas” (Ristori, 2018).

#### 4.1.2 Environmentalism

According to the Environmentalism discourse coalition, sustainable development “requires wholesale reductions in the stress that economic activity impose on the environment, and respect for intrinsic values in nature” (Dryzek, 2013: 155). While the former coalition perceive sustainability as a promising marriage between economic growth and environmental conservation, the Environmentalism discourse coalition holds the opposite view. For them, green growth in terms of biofuel production needs to be uncoupled and viewed for what it – according to them – really means, which is the burning of land and forests for the benefit of continued capital accumulation (Buffet, 2019a). The core actors part of this coalition include NGOs and think tanks such as Transport & Environment, Farm Europe, ECOS and ePURE and Copa Cogeca that are assumed to have vested interests in the final outcome of the proposed ILUC Directive. As a rival discourse to the former, the dissenting opinion is uttered in a set of story-lines that centers

around the metaphor of loopholes and the lack of credibility of the low and high ILUC definition.

According to this coalition, the Green Capitalism discourse coalition has not properly fulfilled its mandate on developing a criterion certifying high and low ILUC in order to ensure a phase out of high emitting biofuels. This criticism is grounded on two main claims: (1) “it sets a too high threshold for feedstock to be considered high ILUC risk” and (2) “it sets too low requirements for high ILUC risk biofuels to be certified low ILUC” (ECOS, 2019). The inadequacy in the Green Capitalist’s way of defining ‘good’ and ‘bad’ biofuels thus creates loopholes in which high emitting biofuels such as palm oil risk being greenwashed into low ILUC-risk biofuels (Kovács, 2019). It is against this background that secretary-general of Farm Europe, Luc Vernet (cited in Fortuna, 2019) maintains: “The low ILUC definition is clearly designed to act as a backdoor for high ILUC risk biofuels, meaning palm”; and T&E’s clean fuels expert Laura Buffet: “The Commission gives with one hand what it takes away with the other. You can’t label palm oil diesel as unsustainable and then open a loophole as big as the current consumption level” (Buffet, 2019a).

Contrary to the Green Capitalism discourse, this coalition alerts that the term ‘green’ used when describing sustainable biofuels is misleading, since it still includes the process of burning land, forests and food (Kovács, 2019). What these actors argue to be the exact dimension of these ‘loopholes’ are the additionally measures mentioned in Article 5 of the Delegated Act (EC, 2019f: 9-10), where the criteria for specifying low ILUC-risk biofuels are accounted for. According to Article 5, biofuels can only be certified as low ILUC if they meet at least one of three conditions:

- (i) they become financially attractive or face no barrier preventing their implementation only because the biofuels [...] produced from the additional feedstock can be counted towards the targets for renewable energy under [RED I] or [RED II];
- (ii) they allow for cultivation of food and feed crops on abandoned land or severely degraded land;
- (iii) they are applied by small holders (EC, 2019f: 9-10)

Making an exemption for smallholders to prove additionality is here argued to be a dangerous way of allowing for a significant amount of palm oil to be considered green and enter the European market (ePURE, 2019). As secretary-general of ePure, Emmanuel Desplechin (cited in Fortuna, 2019) maintains: “making an exception for feedstock produced by smallholders isn’t just allowing high ILUC-risk biofuels such as palm oil into Europe through the back door, it’s allowing it through the front door”. Furthermore, the goal of the regulation to avoid deforestation cannot be guaranteed according to this coalition since it is difficult to assurance that smallholders are not associated with deforestation or coupled with larger palm oil companies (Copa Cogeca, 2019).

As the analysis above has shown, the two discourse coalitions rest on different ideas and intrinsic values when defining sustainability. While the ILUC Directive

is politically motivated by the Green Capitalism discourse coalition in terms of a positive-sum game and the intertwined possibilities of environmental protection and economic growth, the criticism of the Environmentalism coalition is politically motivated based on environmental protection and climate justice.

## 4.2 Indonesian discourse coalitions

The two identified discourse coalitions in the Indonesian RED II policy domain relates to the delegated act on ILUC and the proposal to ban palm oil: one rejecting the proposed ILUC Directive in favor of economic and development objectives and the other supporting it in favor of a People-centered Approach. However, that is not to say that there are no other coalitions present in this debate, but rather that based on the data collected, these are by far the two most prominent coalitions that contribute to the debate by their very different approaches to the policy. The coalition rejecting the ILUC directive is here labeled *Corporate Developmentalism*, who perceives the proposed directive as discriminatory and as a direct threat towards free trade and Indonesia's development in terms of meeting the SDGs. The supportive coalition, here called the *People-centered Approach*, perceive the proposed directive as one of many necessary steps needed in recognizing the detrimental effects palm oil cultivation bring.

### 4.2.1 Corporate Developmentalism

The core members of the Corporate Developmentalism discourse coalition consists of influential political actors such as government ministers and actors representative of the government, such as Indonesian representatives in the Council of Palm oil Producing Countries (CPOPC). Concurrent with the Green Capitalism discourse coalition, sustainable development is defined in terms of environmental protection and economic growth, even though the view on “how much” regulation the capitalist market needs, differ. What unites these actors is the utterance of three different, but intertwined story-lines. *Firstly*, a story-line that evolves around the frames of unfairly and discriminatory policymaking that comprise a protectionist agenda held by the EU to protect European interests. *Secondly*, environmental protection and sustainability framed in the ILUC Directive are based on scientifically flawed research. *Thirdly*, the socio-economic values of palm oil in Indonesia are neglected; meaning the prosperity claims made by the EU only counts for European citizens.

The first story-line frames the debate in political and economic terms. Actors within the coalition accuse the EU for acting in a discriminatory, protectionist way that deviates from its free trade principles (Nangoy and Munthe, 2019). It is against this background they view the Delegated Act as a:

[Political] compromise within the EU aimed at isolating and excluding palm oil from its mandated renewable energy sector to the benefit of EU rapeseed oil and other less competitive imported vegetable oils (Terkini, 2019).

It is also argued that rather than science-based decisions, it is political and economic protectionism that have been the true drivers behind the regulation. Behind it all is “[a] calculated and adverse economic and political strategy to remove palm oil from the EU marketplace” (Terkini, 2019). Actors within this coalition further point towards the hypocrisy and double standards articulated by EU representatives. On the one hand they promote the multilateral trade principles underpinning WTO rules, then again, the endorsement of regulatory measurements on palm oil shows the opposite (Utama, 2019; Pandjaitan, 2018).

The second story-line builds on the environmental concerns that is the very core of the promotion of the EU regulation on palm oil. The ILUC Directive is phrased by this coalition as “unsubstantial” and which purposively neglects the environmental concerns related to the cultivation of European vegetable oils (Terkini, 2019). The methods used by the EU to define sustainability only favors European vegetable oils such as rapeseed and sunflower and exclude important information showing the advantages of palm oil over the alternatives (Nangoy and Munthe, 2019). In a joint mission of the Council of Palm Oil Producing Countries (CPOPC) co-led by the Coordinating Minister for Economic Affairs of the Republic of Indonesia, the member countries decided to challenge the delegated act and agreed to “jointly address discriminatory measures arising from the Delegated Act with EU authorities” (Terkini, 2019). For example: “In our view, the intention of this proposed Delegated Act is to restrict and effectively ban altogether palm oil biofuel in the EU through the use of scientifically flawed concept of Indirect Land Use Change (ILUC)” (ibid). The CPOPC also question the scientific and environmental grounds that the ILUC Directive is based on, pointing towards the unfulfilling gaps in which soybean oil pass as low risk ILUC, despite EU’s own research determining the commodity to be responsible for even more “imported deforestation” (ibid).

The third story-line points to the socio-economic values the palm oil industry includes, which is neglected by the Green Capitalism coalition. The ILUC Directive is argued to be a regulation that directly will affect the palm oil producers, thus hindering Indonesia’s progress in poverty alleviation and other goals connected to the SDGs (Utama, 2019). Palm oil has, according to this coalition played a crucial role in meeting Indonesia’s social and economic goals and especially in alleviating poverty by measures such as providing jobs for 17 million workers wherein 4 million accounts for farmers. Here, actors express their concerns of being left out, as for example: “Although the EU Commission and member states are committed to achieving SDGs, social and economic progress on palm oil is clearly not of importance or value to the EU” (Utama, 2019).

## 4.2.2 People-centered Approach

In contrast to the Corporate Developmentalism discourse coalition, the People-centered Approach frame the issue of palm oil production for biofuels in different terms. Sustainable development according to this coalition refers to issues such as social justice, global redistribution and global climate justice (Dryzek, 2013: 149, 234). Contrary to Corporate Developmentalism, the main concern for the People-centered Approach is that the production of palm oil for biofuels promoted in Indonesia negatively impact on those at the bottom of the production chain and the people most vulnerable considering food and land security. The key actors in this coalition consist of local actors affected by the Indonesian palm oil industry, local and international NGOs, human rights organizations and civil society organizations. What unites these actors is the utterance of the story-lines including development trade-offs, marginalization and human rights violations. As will be discussed later, their story-line is one that closely reflects the broader debate on the uneven development of global biofuel production.

Much of the criticism in this coalition refers to the gap between the discourses of EU and Indonesia and the real-life experiences, highlighting the detrimental effects biofuel production bring. The coalition raises several issues that are largely excluded in the EU and Indonesian discourses, such as land grabs, labor exploitation, human rights violations, and corruption mostly felt by the local people and small-scale farmers (Buffet, 2019b, p. 1). This coalition not only criticizes the outcomes but also the assumptions of the EU and Indonesian discourses. By employing alternative story-lines it challenges many of the concepts provided and assumptions articulated in the Green Capitalism coalition as well as in the Corporate Developmentalism. The People-centered Approach rejects the prosperity claims made by the Corporate Developmentalism as inaccurate and only serving the interest of large-scale palm oil companies (Cahya, 2018; Buffet, 2019b: 3). The claims made about economic development and poverty alleviation are further viewed as flawed and insufficient as these story-lines excludes the bigger part of the story. For example:

We have become disempowered economically because our economic systems have been relegated by the plantation-oriented economic system controlled by companies. In addition to that, our socio-cultural systems that support our collective living have been forcibly transformed into one that is individualistic and dependent on money. This has created social vulnerability and often sparked serious and prolonged conflicts (Buffet, 2019b: 2).

The socio-economic prosperity claims are further rejected by this coalition as completely lacking any principle of justice. While palm oil companies continue to appropriate their lands, they are forced to work as informal laborers for their industries. Their rights as wage laborers are ignored, their wages are below minimum standard and their vulnerability increases due to sudden termination of employment (ibid: 2). The People-centered Approach further discards the “economic lift of the rural poor” since they argue to be marginalized throughout

the entire supply chain – the prices are set by the companies and they have no entitlement to the lands. The foreign exchange revenue claims are also considered inaccurate since most of the export earnings ends up in tax haven countries, i.e. “[t]he government is serving the interests of financiers rather than the interest of communities and smallholders” (ibid: 3) – licensing and export facilities are handed out to foreign investors which have resulted in the increased power of capital holders’ grip over palm oil resources in Indonesia (ibid: 3).

The People-centered Approach is however positive towards the latest developments seen in the context of the revised RED II and the proposed ban on palm oil imports. They agree with the Commission proposed policy changes and view the recent outburst by Indonesian politicians as part of a lobbying mission accompanied by petrol companies in attempts of overturning the minds of EU ministers and Council members (ibid: 6). The coalition have further urged the EU to “[u]phold and promote the highest protection for small-scale oil palm farmers who make a living form the cultivating of oil palm plants” (ibid: 6) and endorse labor rights for the workers. For example:

[EU’s] policies must adhere to human rights of indigenous peoples, local communities, oil palm farmers and oil palm works, and improve access to justice and support sustainable development without removing more forests and peatlands (ibid: 6)

The analysis of the two Indonesian discourse coalitions have shown that while Corporate Developmentalism view the ILUC Directive as a discriminatory and protectionist motivated act that does not calculate for palm oil’s socio-economic value in Indonesia, the People-Centered Approach beg to differ. For the People-Centered Approach the prosperous claims made by the Corporate Developmentalists are faulty and misleading; for them the ILUC Directive is one of many necessary steps needed in order to end the exploitation of land and labor in rural Indonesia.

## 5 Sustainability for whom?

From the analysis it becomes evident that the way ‘sustainable biofuels’ discursively is framed depends on how different coalitions cast sustainable development in terms favorable to themselves (Dryzek, 2013: 148). Following the analysis of the EU discourse, the Green Capitalism coalition can be considered dominant, as it meets the two criteria of discourse structuration and institutionalization: it is used by the European Commission to conceptualize the world and has been solidified in institutional arrangements and actual policies, such as RED II and the ILUC Directive (Hajer, 2005). The rival coalitions base their arguments on the discursive frames provided by this discourse when defining, interpreting, motivating and contesting claims on biofuels and their sustainability.

The analysis has shown that the Green Capitalism discourse coalition relies on story-lines adhering to the ideas of ecological modernization. As have been presented in the empirical analysis, the discursive change in the Commission’s way of arguing around sustainable biofuels is underlined by the ideas that the capitalist economy needs to be somewhat regulated in order to become socially and environmentally defensible. That is how the ILUC Directive discursively is framed, as a regulative measure that can ensure the continuation of economic growth whilst protecting the environment (Berger et al., 2001). Both environmental issues and their solution are discussed in monetary and quantifiable terms, cementing the notion that the environment is subordinate to human calculations and needs (Hajer, 1995: 25; Dryzek: 2013: 174). Metaphors used by the Green Capitalism coalition such as ‘clean energy transition’ and ‘climate neutrality’ further connects to what Hajer and Dryzek argue to be declarations of social progress and reassurance, meaning that no hard decisions need to be made between saving the nature or enjoying continued growth (Dryzek: 2013: 172, 175). Green growth is in these terms framed as a ‘necessary’ way forward, needed to modernize the European economy in ways that will benefit the nature without restricting the capitalist market. Again we are reassured that the present and the future are not in conflict; we can have them both. Since environmental pollution is conceptualized as an issue of mismanagement and inefficiency (i.e. former RED only calculated for the direct impacts) environmental protection as theorized in the ILUC Directive becomes a matter of ‘good management’ in which the ILUC Directive incorporates both a conception of the problems as well as their solutions (Fortin, 2013; Berger et al. 2001).

The conflicting views on the ILUC Directive as demonstrated in the two EU discourse coalitions are based on the differential framing of what intrinsic values the concept of sustainable development entails. While Green Capitalism portray it as positive-sum game, the Environmentalism coalition highlights the need to

decouple the economic terms from the concept of environmental protection. Their criticism is uttered in ways that refer to what Fairhead (2012: 242) argues to be the “economy of repair” where unsustainable practices always can be repaired with sustainable ones, with no limits to growth. The replacement of fossil fuels with biofuels is one example of that; the replacement of ‘bad’ biofuels with ‘good’ biofuels is a newer one. However, as long as these practices include the burning of land, forests and food, the concept of ‘green growth’ and ‘sustainability’ is according to the Environmentalism coalition heavily misleading.

From the analysis it becomes evident that the policy turn made by the European Commission has provoked discourses not just in Europe but also in Indonesia in which ‘sustainable biofuels’ have been contested and disputed. While the Green Capitalism and Corporate Development discourse coalition share some similarities such as how they frame the role of biofuels in terms of sustainable development, they diverge on issues such as what standards sustainability should be grounded on. For the Corporate Developmentalism coalition, the standards proposed by the Commission symbolize economic protectionism that unfairly favors Europe’s domestically grown crops. For the Green Capitalists, this a way of amending past mistakes and ensuring continued growth in a ‘responsible way’.

The focus of the ILUC policy debate in Indonesia and the division between the identified discourse coalitions closely reflect those that may be observed in global biofuel debates. The rights and well being of local communities are set against the government- and corporate-led approaches to economic development (McCarthy, 2011). In accordance with Pye, Indonesia’s transformation into an extractive economy and neoliberal state has meant the reordering of class power and social differentiation. As demonstrated by the People-centered Approach, the role of Indonesia as a global palm oil supplier is bound by the Indonesian state’s continued support of capital accumulation by multinational corporations – that is further conditioned by the dispossession and appropriation of local communities’ land and labor (Harvey, 2006: 95). In that sense, sustainable development as discursively framed by the Indonesian state symbolizes uneven development that reinforces the separation between people and nature (ibid: 93). Building on that, the People-centered Approach is much more aligned with both EU coalitions; first with the Green Capitalism coalition since they recognize some of the issues that cause displacement effects and the burning of forests and lands which local farmers depend on; second, with the Environmentalism coalition as they both recognize the intrinsic values of nature and social justice when defining sustainability, even though the People-centered Approach to a larger extent emphasizes the social justice claims.

## 6 Conclusion

This paper has explored how the discursive framing of sustainable biofuels under the ILUC Directive has given rise to rival discourses both in the EU and in Indonesia. The analysis has shown that the discursive framing of biofuels corresponds to the different way actors cast sustainable development in terms favorable to themselves. While it becomes clear that the ILUC Directive is an important part of legislation necessary in meeting global climate goals set by the Paris Agreement, questions have arisen concerning their efficiency and who this directive is supposed to benefit. It becomes clear that the policy change has opened up for new disputes in which ongoing debates on development trade-offs have been intensified. Terms such as inclusion and social- and environmental justice seems crucial if future policies on climate change will have any bearing at all and adhere to the global dimension of sustainable development. As it now seems the ILUC Directive will pass and become law (since it hasn't been objected so far) questions of where the EU-Indonesian relation will stand after the final decision as well as whether or not the ILUC Directive effectively will target and amend past mistakes are important ones that need further examination. As the directive still allows for palm oil to be labeled green, I have my doubts.

## 7 References

- Berger, G., Flynn, A., Hines, F. and Johns, R. (2001). Ecological Modernization as a Basis for Environmental Policy: Current Environmental Discourse and Policy and the Implications on Environmental Supply Chain Management. *Innovation: The European Journal of Social Science Research*, 14(1), pp. 55-72.
- Borras Jr., S.M., McMichael, P. and Scoones, I. (2011). “The politics of biofuels, land and agrarian change: editors introduction” in Borras Jr., S.M., McMichael, P. and Scoones, I. (eds.), *The Politics of Biofuels, Land and Agrarian Change*. Abingdon, Oxon; New York: Routledge.
- Bracco, S. (2015). Effectiveness of EU biofuels sustainability criteria in the context of land acquisitions in Africa. *Renewable and Sustainable Energy Reviews*, 50, pp. 130-143.
- Buffet, L. (2019a). ‘EU says palm oil diesel a climate catastrophe but leaves loopholes open’ *Transport & Environment*, 26 February. Available at: <https://www.transportenvironment.org/news/eu-says-palm-oil-diesel-climate-catastrophe-leaves-loopholes-open> (Accessed 18 April 2019).
- Buffet, L. (2019b). ‘Indonesian community leaders letter to EU Commission on palm oil diesel’ *Transport & Environment*, 17 January. Available at: <https://www.transportenvironment.org/publications/indonesian-community-leaders-letter-eu-commission-palm-oil-diesel> (Accessed 18 April 2019).
- Cahya, G.H. (2018). ‘Farmers dispute palm oil prosperity claims’ *The Jakarta Post*, 3 November. Available at: <https://www.thejakartapost.com/news/2018/11/03/farmers-dispute-palm-oil-prosperity-claims-environment.html> (Accessed: 18 April 2019)
- Cañete, A. (2019). In: Commissioner for Climate Action & Energy, Speech on the European Parliament plenary debate on climate change, Brussels: 13 March. Speech/19/1669.
- Clapp, J. and Dauvergne, P. (2011). *Paths to a Green World: The Political Economy of the Global Environment*. 2 ed. London; Cambridge, Massachusetts: The MIT Press.
- Copa Cogeca. (2019). *Copa and Cogeca call on MEPs to reject Commission’s delegated regulation on low-ILUC risk biofuels* [Press release]. 13 March. Available at: <https://copa-cogeca.eu/Main.aspx?page=Archive> (Accessed 18 May 2019).
- Cotula, L. (2012). The international political economy of the global land rush: A critical appraisal of trends, scale, geography and drivers. *Journal of Peasant Studies*, 39(3-4), pp. 649-680.

- Dauvergne, P. and Neville, K.J. (2011). “Forests, food, and fuel in the tropics: the uneven social and ecological consequences of the emerging political economy of biofuels” in Borrás Jr., S.M., McMichael, P. and Scoones, I. (eds.), *The Politics of Biofuels, Land and Agrarian Change*. Abingdon, Oxon; New York: Routledge.
- Dryzek, J.S. (2013). *The Politics of the Earth: Environmental Discourses*. 3 ed. Oxford: Oxford University Press
- ECOS. (2019). ECOS’ Feedback on the European Commission Draft Delegated Act on High and Low ILUC risks biofuels, [www.ecostandard.org](http://www.ecostandard.org). Available at: <http://ecostandard.org/wp-content/uploads/ECOS-2019-POS-003-Position-paper-ECOS-feedback-draft-delegated-act-ILUC.pdf> (Accessed: 18 May 2019).
- ePURE. (2019). *Commission still needs to do better on palm oil* [Press release]. 13 March. Available at: <https://www.epure.org/news-and-media/press-releases/commission-still-needs-to-do-better-on-palm-oil/> (Accessed 18 May 2019).
- European Commission. (2019a). *Renewable Energy Directive*. Department of Energy. <https://ec.europa.eu/energy/en/topics/renewable-energy/renewable-energy-directive> (Accessed: 17 April 2019).
- European Commission. (2019b). *Renewable Energy – Recast to 2030 (RED II)*. European Commission’s Joint Research Centre, EUCAR and CONCAWE (JEC). <https://ec.europa.eu/jrc/en/jec/renewable-energy-recast-2030-red-ii> (Accessed 17 April 2019).
- European Commission. (2019c). Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the status of production expansion of relevant food and feed crops worldwide, COM(2019) 142 final. Brussels: 13 March.
- European Commission. (2019d). Report from Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions: Renewable Energy Progress Report, COM(2019) 225 final. Brussels: 9 April.
- European Commission. (2019e). Sustainability criteria for biofuels specified, MEMO/19/1656. Brussels: 13 March.
- European Commission. (2019f). Commission Delegated Regulation (EU) supplementing Directive (EU) 2018/2001 as regards the determination of high indirect land-use-change-risk feedstock for which a significant expansion of the production area into land with high carbon stock is observed and the certification of low indirect land-use change-risk biofuels, bioliquids, and biomass fuels, C(2019) 2055 final. Brussels: 13 March.
- European Commission. (2018). *Commission welcomes European Parliament adoption of key files of the Clean Energy for All Europeans package* [Press release]. 13 November. Available at: [http://europa.eu/rapid/press-release\\_IP-18-6383\\_en.htm](http://europa.eu/rapid/press-release_IP-18-6383_en.htm) (Accessed: 17 April 2019).

- European Council. (2018). *Step 1: Legislative proposal*. European Union. <https://www.consilium.europa.eu/en/council-eu/decision-making/ordinary-legislative-procedure/legislative-proposal/> (Accessed 22 May 2019).
- Fairhead, J., Leach, M. and Scoones, I. (2012). Green grabbing: a new appropriation of nature? *The Journal of Peasant Studies*, 39(2), pp. 237-261.
- Franco, J., Levidow, L., Fig, D., Goldfarb, L., Hönicke, M. and Mendonca, M.L. (2011). “Assumptions in the European Union biofuels policy: frictions with experiences in Germany, Brazil and Mozambique” in Borras Jr., S.M., McMichael, P. and Scoones, I. (eds.), *The Politics of Biofuels, Land and Agrarian Change*. Abingdon, Oxon; New York: Routledge.
- Fortin, E. (2013). Transnational multi-stakeholder sustainability standards and biofuels: understanding standards processes. *Journal of Peasant Studies*, 40(3), pp. 563-587.
- Fortuna, G. (2019). ‘Biofuels: Commission blacklists palm oil, throws soybeans lifeline’ *EURACTIV*, 12 February. Available at: <https://www.euractiv.com/section/agriculture-food/news/biofuels-commission-blacklists-palm-oil-throws-soybeans-lifeline/> (Accessed 25 May 2019).
- German, L., Schoneveld, G.C., Pacheco, P. (2011). Local Social and Environmental Impacts of Biofuels: Global Comparative Assessment and Implication for Governance. *Ecology and Society*, 16(4).
- Hajer, M.A. (2005). “Coalitions, Practices, and Meaning in Environmental Politics: From Acid Rain to BSE” in Howarth, D. and Torfing, J. (eds.), *Discourse Theory in European Politics: Identity, Policy and Governance*. Basingstoke: Palgrave Macmillan.
- Hajer, M.A. (1995). *The Politics of Environmental Discourse: Ecological Modernization and the Policy Process*. New York: Oxford University Press.
- Harvey, D. (2006). *Spaces of Global Capitalism: Towards A Theory of Uneven Geographical Development*. London; New York: Verso
- Hunsberger, C., Cobera, E., Borras Jr., S.M., Franco, J.C., Woods, K., Work, C., de la Rosa, R., Eang, V., Herre, R., Kham, S.S., Park, C., Sokheng, S., Spoor, M., Thein, S., Aung, K.T., Thuon, R. and Vaddhanaphuti, C. (2017). Climate change mitigation, land grabbing and conflict: towards a landscape-based and collaborative action research agenda. *Canadian Journal of Development Studies*, 38(3), pp. 305-324.
- Kovács, Z. (2019). ‘Palm oil is not a green fuel, say EU’ *Transport & Environment*, 16 April. Available at: <https://www.transportenvironment.org/news/palm-oil-not-green-fuel-says-eu> (Accessed 19 April 2019).
- Listiyorini, E. (2019). ‘Indonesia Threatens to Ban European Goods in Dispute Over Palm Oil’ *New Economy Forum, Bloomberg*, 20 March. Available at: <https://www.bloomberg.com/news/articles/2019-03-20/indonesia-threatens-to-ban-european-goods-as-palm-row-escalates> (Accessed: 16 April 2019).
- Matondi, P.B., Havnevik, K. and Beyene, A. (2011). “Introduction: biofuels, food security and land grabbing in Africa” in Matondi, P.B., Havnevik, K. and

- Beyene, A. (eds.), *Biofuels, Land Grabbing and Food Security in Africa*. London: Zed Books; Uppsala: Nordiska Afrikainstitutet.
- McCarthy, J.F. (2011). "Processes of inclusion and adverse incorporations: oil palm and agrarian change in Sumatra, Indonesia" in Borrás Jr., S.M., McMichael, P. and Scoones, I. (eds.), *The Politics of Biofuels, Land and Agrarian Change*. Abingdon, Oxon; New York: Routledge.
- Nangoy, F. (2019). 'Indonesia warns EU on palm oil draft, says 'examining' relations' *Reuters*, 18 March. Available at: <https://www.reuters.com/article/us-indonesia-eu-palmoil/indonesia-warns-eu-on-palm-oil-draft-says-examining-relations-idUSKCN1QZ1BN> (Accessed: 16 April 2019).
- Nangoy, F. and Munthe, B.C. (2019). 'Indonesia defends palm oil after EU targets 2030 phase-out in road fuel' *Reuters*, 13 February. Available at: <https://www.reuters.com/article/us-indonesia-palmoil-eu/indonesia-defends-palm-oil-after-eu-targets-2030-phase-out-in-road-fuel-idUSKCN1Q21P3> (Accessed: 16 April 2019).
- Pandjaitan, L.B. (2018). 'Sustainable palm oil production can lift communities out of poverty' *Friends of Europe*, 18 July. Available at: <https://www.friendsofeurope.org/publication/sustainable-palm-oil-production-can-lift-communities-out-poverty> (Accessed: 10 May 2019).
- Pye, O. (2011). "The biofuel connection – transnational activism and the palm oil boom" in Borrás Jr., S.M., McMichael, P. and Scoones, I. (eds.), *The Politics of Biofuels, Land and Agrarian Change*. Abingdon, Oxon; New York: Routledge.
- Ristori, D. (2018). 'Biofuels have an important role to play in the energy union' *The Parliament Magazine*, 16 April. Available at: <https://www.theparliamentmagazine.eu/articles/opinion/biofuels-have-important-role-play-energy-union> (Accessed 10 May 2019).
- Šeščovič, M. (2019). In: Vice-President of the European Commission for the Energy Union, Speech on the Press conference on the state of the Energy Union, Brussels: 9 April. Speech/19/2073.
- Sieber, S., Tscherning, K., Graef, F., Uckert, G. and Gomez-Paloma, S. (2015). Food security in the context of climate change and bioenergy production in Tanzania: methods, tools and applications. *Regional Environmental Change*, 15(7), pp. 1163-1168.
- Terkini, B. (2019). 'CPOPC Strongly Opposes the EU Delegated Act on Palm Oil Restriction' *Ministry of Foreign Affairs of the Republic of Indonesia*, 9 April. Available at: [https://kemlu.go.id/portal/en/ex\\_berita/2999/cpopc-strongly-opposes-the-eu-delegated-act-on-palm-oil-restriction](https://kemlu.go.id/portal/en/ex_berita/2999/cpopc-strongly-opposes-the-eu-delegated-act-on-palm-oil-restriction) (Accessed 12 May 2019).
- Utama, B. (2019). 'European Union's Delegated Regulation is an Outright Discrimination and a Disguised Protectionist Measure Against Palm Oil' *Coordinating Ministry for Economic Affairs Republic of Indonesia*, 18 March. Available at: [https://kemlu.go.id/portal/en/ex\\_berita/2971/european-unions-delegated-regulation-is-an-outright-discrimination-and-a-disguised-protectionist-measure-against-palm-oil](https://kemlu.go.id/portal/en/ex_berita/2971/european-unions-delegated-regulation-is-an-outright-discrimination-and-a-disguised-protectionist-measure-against-palm-oil) (Accessed 12 May 2019).