

ORGANIZED ECOLABELLING: NORTH-SOUTH IMPLEMENTATION OF “KICKING AWAY THE LADDER” (CASE: PALM OIL TRADE BETWEEN INDONESIA AND EUROPE)

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ABSTRACT

Liberalization is one of the theis that is expected to be able to answer the acceleration and development of the economy of developing countries. One element of liberalization is market openness that will make developing countries unite with global markets both in accepting investments or trading in exports and imports. However, along with the development of technology, the demand for the North (developed countries) in carrying out its trade began to implement an "ecolabelling" policy. For developing countries with all their industrial capabilities, ecolabelling policy is the same as the non-tarrif limitation policy given by developed countries to developing countries. So that this paper will focus on the application of the ecolabelling policy provided by the North to products that will enter the northern market, as one of the efforts of the northern countries to apply "kicking away the ladder", assuming the Southern state does not get a balanced trade surplus with the north and continues to be a developing country. This writing will use a structuralist approach that concentrates on the international structure of the north and south to describe the relationship between developed and developing countries, and uses the concept of "kicking away the ladder" to answer the situation from the implementation of ecolabelling policies for South countries. The author uses qualitative studies using literature review sources through books, journals and online media.

Keywords: Ecolabelling, Kicking away the ladder. North-South relations

INTRODUCTION

The development of ecolabelling is the result of global concern to protect nature by using government, business and public instruments. Ecolabelling is a guide for consumers and standardization for markets to conducting production based on the environment. ecolabelling guarantee that a product complies with environmental and social criteria so they have an environmentally friendly image (Global Ecolabelling Network , 2004). The Ecolabelling program itself has existed since 1997 and the development of ecolabelling is not only due to demand from consumers but also the development of globalization which has made the WTO provide regulations for the determination of ecolabelling. In addition, the growing number of NGOs that demand awareness of environmental rights and the industry's thinking towards environmental balance and the threat of climate change have made environmental problems one of the discussions that led to the emergence of ecolabelling initiation (Polak, 2013). Countries that have set trade policies using ecolabelling are Australia, Brazil. European Union, German, India, Japan, Korea, America, Russia, Indonesia and so on (Global Ecolabelling Network). Determination of the use of ecolabelling is awareness that is built on the market and regulated by the government and applied in industrial processes.

The application of ecolabelling requires many requirements such as the ability of the country to provide technology that is able to manage its production with the ecolabel standard, where the use of ecolabelling standards is based on market demand where the ecolabelling will be marketed. The use of this environmental standardization does not yet have mutual recognition so between importing countries and exporters, they have their own criteria and schemes in defining an ecolabelling product. The implication is a product will experience barriers to entry or access to a particular market due to differences in standardization of ecolabelling products. This has happened in Columbia, where flower exports from Columbia were prevented from entering the glonal world market because of a campaign of private organizations in the importer of "denigrate Colombian Flowers" which made their trading volumes decline. In addition, the problem of ecolabelling is also felt by developing countries such as Korea, Pakistan, and Egypt which must bear 5 to 20 percent of the additional costs for products exported to importing countries that use ecolabelling schemes (Abe, Higashida, & Jota, 2002).

Technology has an important value for the presence of ecolabelling schemes, this is because the use of EST technology or Environmental Sound Technology is needed to carry out production where the EST technology is only owned by developed country producers such as Germany. So that the development of ecolabelling for developing countries that have technological inequality with industrialized countries has made the country's market demand unable to be balanced by the production of developing country technology. The issue of ecolabelling is considered as a non-trade barrier for developing countries who want to export because developing country producers may have to bear large and disproportionate costs to adapt to ecolabel requirements. Differences in environmental infrastructure can place the burden higher in developing countries in terms of standards and environmental compliance (Stern, 2012).

The issue of ecolabelling has not been widely discussed and examined as a relationship created by the North (industrial country) with the South (developing country) to maintain an asymmetrical trade surplus. Previous research only looked at from an eco-logic, realist and liberal perspective. The first approach to ecolabelling can be seen through eco-logic as in previous studies (Pepe, 2017; Jordan, Wurzel and zito, 2003; Grolleau, Ibanez, Mzoughi and Teisl, 2015, Harrison, 2007) which explain that the use of ecolabelling is a movement which arises due to environmental considerations that want to be shown to change the attitude of industries that occur in the western world that do not take into account the impact on the

environment. Ecolabelling as a tool for the market to demand industrial behavior to better look at the impact that it has on the environment and provide guarantees in the form of information that ensures that the products used by consumers are environmentally friendly products. Ecolabelling is also considered as an instrument or tool of a new policy for industries in a country such as Britain, Finland and Germany to protect sustainability from nature in line with their growing industry, besides the use of Ecolabelling as a measure of sustainability for environmental management.

The second category of study is that which uses Ecolabelling through a realist point of view as a tool to protect the domestic market so that it will harm other 'zero sum games' as in research (Meraviglia, 2010; and Nauman 2001) which explains the issue of ecolabelling as an advantage obtained by companies or countries that implement these standards where the benefits obtained will differ depending on each country in accordance with the country's ability to implement environmental standards through obstacles. Ecolabelling is beneficial for the protection of their markets because not all commodities are able to implement Ecolabelling policies in accordance with market standards and will become indirect trade barriers.

The third category is using a liberal approach in looking at Ecolabelling issues as in research (Naele, 2007; Nimon and Beghin, 1999) that the issue of using Ecolabelling is a strategy planned for political institutions to support the industrialization of a country to innovate and market provide choices on the market. The use of Ecolabelling in international trade will add to the standardization of the global world where the state will formulate policies on the environment that will result in the diversity of products on the market.

The previous three categories show different approaches, namely through an eco-logic approach, realist and liberal in looking at ecolabeling policies that produce different results on one problem, namely ecolabel. Justification through the importance of environmental protection in industrialization and ecolabel that is used to reach markets and profits that are still unable to capture the relationships created by the industrialized countries which will be called the authors of the North and developing countries, namely the South. For this reason, this paper uses an approach from the roots of structuralist thought that emphasizes the structure of the world in looking at an issue of ecolabelling. Therefore, this paper defines the relationship between North and South as a relationship that is made so that the trade surplus asymmetry continue and the nature of exploitation shown by North uses the Kicking Away The Ladder approach.

FRAMEWOK ANALYSIS

Dependency Theory

Dependency theory is one of the theories that sees the problem of development from the point of view of the Third World Country. According to Theotonio Dos Santos, Dependency is a condition in which the economic life of certain countries is affected by the development and expansion of the economic life of other countries, where certain countries only act as recipients of the consequences. In this dependency theory approach that is rooted in a structuralist approach describes the world as having the structure of the Core and Peri-Phery (referred by the authors as the North and South relations). For the dependent theory by Uke that underdevelopment occurs. So, Ecoabeling is a condition made by North to keep asymetric surplus continue and will perpetuate the North and South structures (Uche, 1994). To explain the North and South relations can be explained using Ha Joong Chan's 'Kicking Away The Ladder' model (Chang, 2002).

Kicking Away The Ladder

Kicking away the ladder is a model that illustrates that the progress experienced by the present Developed Country or industrialized country (which is then called North by writer) is not created by using free markets. North, when they were still a developing country, they still applied barriers for both the tariff and non-tariff barrier and the government intervened in the market. Kicking away the ladder is an approach to illustrate that when developed countries that were still developing countries at the time, they made policies which were lined up like ladders to get out of poverty zones, but now that they have succeeded in becoming developed countries, they throw away the stairs that helped they came out of poverty with the intention that developing countries are currently unable to achieve progress. The stairs built according to Chang are 'good policies' and 'good institutions'. Good policies can now be translated as the application of the Washington Consensus which includes restrictions on macroeconomic policies, liberalization from trade and investment, privatization and deregulation. Whereas good institution is what we know in developed countries now namely democratic institutions, good governance, independent courts, strong protection of property rights including intellectual protection, transparent and market-oriented government, and financial institutions with the central bank independent.

But now the situation is different which in the past developed countries have only implemented a few policies and institutions that they recommend. Chang also in his previous book entitled "official history of capitalism", he broke the view that in an official history that the

economic success of the United Kingdom and America was due to the application of *laissez-faire*, but it turned out for Chang that country in implementing their trade policies often time to do interventionist policies by implementing ITT which aims to promote their infant industries. The use of tariff protection is a very used tool in implementing this policy. In addition, the NDC countries also provide subsidies and a duty drawback to promote their exports. NDC countries also invest in public programs, especially in infrastructure and manufacturing. After finally the country becomes a developed country, they will maintain a distance from their competitor countries or developing countries by exercising control through the use of good policies and good institutions, which in turn they state that by applying these two policies will be able to bring developing countries into developed countries. In addition, North North's role in technology transfer does not provide transfer technology to maintain North's industrialization distance to South. In its implication, North forces South to continue to open its trade doors by using good policies and good institutions, and North also uses its power to differentiate in terms of legal or illegal trade to limit existing surplus movements.

History of Industrialization North

Good institution is a model that we can find in developed countries, especially Aglo-American countries. The key to implementing a good institution for developed countries is to implement democracy, good bureaucracy, protection of the rights of the private sector, transparency and market-oriented and financial institutions (including independent central banks). This approach was considered by Chang to be inappropriate for the South because Chang said that even North countries did not use this approach when they became developing countries.

The use of Good Institutions makes developing countries not have or have limited control on policies on the market, so that policies in the market will be influenced by the global world. After the collapse of the Soviet Union, the international regime now has a single winner, namely democracy and liberals, which demands the state to carry out democratization and market liberalization. Market liberalization is intended for countries to be able to unite with the global market and conduct free trade without obstacles. Trade policies that are considered nationalist such as protection, use of tariff, subsidies and the role of government that intervene in economic policies, especially in markets, must be minimized and eliminated. The impact of the influence of liberalization is when the goods and services sector has been controlled by the private industry where the government no longer has control so prices will be influenced by supply and demand from the international market.

In the history of industrialization the North did not trade freely and reduce government intervention in the market. Countries such as Britain and America actively use intervention policies in industry, trade and technology that have the aim of promoting and protecting their infant industries. Besides using interventionist policies, they also use protection tariffs, subsidies and a duty drawback to promote their export commodities. In the development of industrialization in Britain, in the post-colonial era around 1600, Britain was the technology importing country of the European continent, where Britain only relied on raw wool exports to more backward countries such as Ghent, Ypres and the town of Burges for trade. They use taxes on their products and prohibit the import of woolen clothing from outside (Davies, 2000). In addition, evidence of government intervention at this time is the control of exports and imports, where the government will only export and raise the export tax on wool when the industry is stable, and will lift the ban on wool exports when Britain has excess raw wool production and is unable processing it, this is shown to stabilize the industrialization of wool before competing in the global market (Chang, 2002).

Furthermore, what happened in England still used the same protection in conducting trade with its colonialism, where trade between countries had to be colonized by British ships and this had to be added to by taxes from the United Kingdom. The occurrence of the industrial revolution in England became an important referee for industrialization in Britain, when the British state which was only able to export raw materials to more underdeveloped countries, after the industrial revolution around the 18th century, made Britain expand its technology sector, but the UK continued protection by still applying the tariff and prohibition of superior products such as the ban on imports of cotton products, this is used to protect domestic wool commodities. The use of interventionist policies by the British government in controlling exports and imports while still a developing country is still considered reasonable, this is also due to the absence of trade institutions and the creation of North and South state structures. Furthermore, after their industrial conditions have stabilized, they use the application of institutions that favor the market with the principle of *laissez faire* which they do not apply to themselves when the state of their industry has not been able and sufficient to be able to compete in the global market. When it has advanced, the North will ensure the application of good institutions to South countries by democratizing and opening up their trade markets through democratic ideologies that favor liberalization. Through institutions that are forced by the running of a market-style

economy, the North has the right to exercise control over the demand they request from the South.

The demand requested by the North will be made in such a way that it will be able to provide as large a profit, what happened in British still used the same protection in conducting trade with their colony country, the colony country ships and this had to be added to taxes from the British it self. The occurrence of the industrial revolution is important referee for industrialization in British, when the British revolution around the 18th century, made Britain expand its technology sector, but to protect the products from imports of cotton products, this is used to protect domestic wool commodities. The use of interventionist policies by the British government in controlling exports and imports while still a developing country is still considered reasonable, this is also due to the absence of trade institutions and the creation of North and South state structures. Furthermore, after their industrial conditions have stabilized, they use the application of institutions that favor the market with the principle of laissez faire which they do not apply to themselves when the state of their industry has not been able and sufficient to be able to compete in the global market. When it has advanced, the North will ensure the application of good institutions to South countries by democratizing and opening up their trade markets through democratic ideologies that favor liberalization. Through institutions that are forced by the running of a market-style economy, the North has the right to exercise control over the demand they request from the South.

North will be made in such a way that it will be able to provide as much profit as possible to the North trade and also to create a situation that supports the industrialization of the North and get rid of their trading opponents. One of the issues discussed now is the adoption of European market demand policies through ecolabelling schemes which are then seen as a way of North (Europe) to throw the ladder of development in oil palm industrialization in South Indonesia so that Indonesian palm oil can be suppressed. to undermine trade in oil in Europe and decide on the South trade surplus which is considered to be a threat to the trade surplus between North and South, because Indonesian palm oil is a large commodity and has a large economic value in the world.

RESEARCH METHODS

This research uses explanative qualitative methods. This research explains the analysis related to the cause of RSPO ecolabelling as a tool to "kick awa" the development of developing countries. The type of data needed in this study are primary and secondary data. Primary data is taken from

the question and answer process with experts in the field of research, secondary data is data obtained through second parties, for example books, journals, and news (Neuman, 2014). The data that has been obtained is then analyzed of the causal variables that refer to the analysis framework.

DISCUSSION

Good Institutions - The Role of Markets in Indonesian Palm Trade with Europe

Palm oil problems between Indonesia and Europe are one case of how North uses the application of good institutions, namely market-oriented corporate governance to influence trade surpluses. Through market-oriented institutional policies that are implemented in the North, it turns out that South is not profitable, this is because the market will have a more decisive influence in the trade that occurs both through price control and forming the scheme or certification they need. One scheme that is not profitable for South countries is ecolabelling in the flagship commodities of the South.

Indonesia, which is the largest producer in the world for oil palm, has experienced various difficulties in penetrating European markets. One form of Indonesia's lack of success in supporting the palm oil sector can be seen from two sides, namely internal and external factors. Internal factors can be in the form of policies within the Indonesian state that are still lacking in coordination between departments that make ineffective the trading and management systems of agrarian industries including oil palm. (Nurdin, 2015). External factors can be experienced difficulties due to accusations from the European market that Indonesian palm oil products are considered to be environmentally unfriendly in some aspects that are unable to meet the ecolabelling of European market demand, namely the application of the RSPO standard. The RSPO is the Roundtable on Sustainable Palm Oil, namely a standardization or environmental certification established by stakeholders in the trade in palm oil (CPO). In the beginning, the RSPO function described by De Vries had a general goal, namely the standardization of world CPO products to reduce product variations and procedures in human life, facilitate communication, contribute to the overall economic function, contribute to security, health and environmental protection, protect the interests of consumers and the public and eliminate obstacles in trade (Sucipto, 2011).

The RSPO is a forum created in Zurich, Switzerland in 2004, which contains stakeholders from CPO trading throughout the world, namely companies, plantations, CPO processed industries, users of CPO products, banks, investors and NGOs. Furthermore, the

RSPO is considered to be more in favor of the interests of CPO buyers than palm oil producers. In the RSPO session, producers are used as the burden of extra effort and the certification costs are not small. The promise of the premium price of palm oil CPO that was awarded a Certificate of Sustainable Palm Oil (CSPO) was never realized. The RSPO cannot suppress consumers by giving premium prices and submitting to market mechanisms. This institution only encourages consumers to buy certified CPO. So that consumers and market demand have more power in determining prices than producers. (Nesadurai, 2013) Indonesia is the largest producer and supplier of palm oil in the world, according to the RSPO provisions, the price is determined by a market based in Rotterdam, the Netherlands. Because of the nature of the RSPO which has a multi-stakeholder membership, the voice of producers from oil palm will be inferior to the votes of non-producers. Indonesia, which is an oil palm producer to be able to export to the European market, must follow ecolabelling certification in which Europe has determined that the RSPO is an environmental certification adopted by the European market. Europe began banning the use of CPO-based biodiesel from 2020 and will use a single ecolabelling for oil palm in an EU resolution entitled Report on Palm Oil and Deforestation of Rainforest. This resolution was shown to reduce the negative impacts on palm oil plantations such as deforestation and habitat degradation (Gumelar, 2017).

The reason the European Union rejects CPO from Indonesia is because the European Union Parliament considers that conventional Biodiesel does not contribute to the reduction of greenhouse gas emissions due to ILUC land use problems. ILUC is the use of oil palm planting land which replaces the original land use for traditional food crops because oil palm cultivation uses agricultural land, forests and peatlands. ILUC land misuse considered by the European Union raises greenhouse gas emissions and contributes to deforestation and forest degradation (Andriani, 2018). Ecolabelling Europe in oil palm, namely RSPO can be considered as a good institution because it gives a large role to the market in the determination of commodities that are able to cloak in the market. However, what is actually done by the European Union is the application of kicking away the ladder because the European Union sees that Indonesia can be a threat to the European Union's sunflower oil industry so that Europeans do non-tariff trade barriers by ecolabelling and cutting the South to North trade surplus because palm oil consumed by Europe is all imported from palm oil producing countries namely Indonesia and Malaysia.

The use of kicking away the ladder can be seen in the attitude of the European Union when Europe still wants to protect their infant industry and destroy the competitor of the industry by using ecolabelling schemes and to keep the surplus from being gained by South

through Indonesian trade in oil palm commodities. Europe, which is a user of four oil products, namely palm, soybean, rapeseed and sunflower, sees that palm oil from Indonesia will be able to dominate the market from Europe because the amount produced by Palm Oil is not comparable with European domestic oil commodities such as sunflowers and is feared to damage the industry they. In Europe there are several sunflower oil producing countries such as France, Germany, Spain, Czech, Denmark, Finland, Greece, Croatia, the Netherlands, Belgium, Italy, Luxembourg, Austria, Romania and Croatia (actualitix, 2016). To protect European domestic producers, Europe adopted a policy of ecolabelling through the application of the RSPO in the European market which made it difficult for the Indonesian state to enter the European market.

Good Policies – World Trade Organization

In his book on *Kicking Away the Ladder*, Chan mentioned that North countries also use good policies to keep their progress away. The good policies referred to are the use of policies implemented by international institutions (Washington Consensus) which include policies to limit the government's role in macroeconomic policies, liberalization from international trade and investment, privatization and deregulation. For Chang, the use of good policies is not suitable to be applied in developing countries because basically North countries when they are developing countries do not implement this. The application of good policies is only seen to perpetuate control of North's power over the South through norms which in each policy will be considered a legal policy because it is formed in an international institution.

International trade institutions such as the WTO are the most influential institutions in determining the international trade regime, but the North's voice is still dominant in determining policies and marginalizing votes from South countries. The continuity of North and South relations in maintaining the Core and Peryphery structures can still be done even though there are already international institutions that overshadow and which should not be discriminatory. However, this did not occur because North's unilateral beneficial relations continued through various stages and had bound South to share the dynamics of international issues such as ecolabelling. After the South has been incorporated into the WTO, the South has been bound by the stipulated provisions in which the regulation itself has been established to continue to perpetuate the exploitative nature of North to the South.

Discussion of environmental issues in international trade when the North and NGOs call for renewing production from more competent industrialization with the environment which is supported by the WTO for regulation of global trade. Although it seems that carrying out the

issue of ecolabeling will not benefit the industrialized countries because it will hamper their productivity, but in reality it does not. The use of ecolabelling issues is not considered an obstacle for companies from North countries, this is because the technology needed to have ecolabelling standards they already have (will be discussed in the next subab) and determining the standardization of ecolabelling is unilateral from countries that have market demand for products ecolabelling (Persaud, 2003).

By using good policies in international institutions such as the WTO, the use of the issue of ecolabelling will be more profitable for the North and harm the South. Ecolabelling created Technical Barriers to Trade for international trade. Within the WTO itself several policies have been created to support environment-based production as in article XX which states that the existence of non-discrimination principles and national treatments can be excluded from bonds from trade which involve protection of humans, animals and plants and health, and conservation of natural resources that can be used up. In addition, the Agreement on Technical Barriers to Trade (TBT) recognizes the right of the state to adopt technical regulations and standardization to protect humans, living animals and plants or health and the environment (Persaud, 2003).

WTO as an international institution that form norms in international trade provides freedom in using standardization of the environment or ecolabelling where it will lead to discrimination for South countries that want fair trade, this is because the WTO does not regulate the issue of ecolabelling so that it will be unilaterally profitable for the country North and submit regulations for the protection of humans, animals, plants and the environment in every country and market. Ecolabelling policy is one of the policies supported by the WTO but is left to the market demand of each country.

Oil Palm Trade is a major commodity for Indonesia getting obstacles through the ecolabelling movement which states that Indonesian palm oil is a product that is not environmentally friendly because it results in carbon emissions that can form a greenhouse effect which then destroys environmental sustainability and damages ecosystems for animals and plants. Through this regulation, the WTO actually has a significant role because for Indonesia as a developing country it should get special treatment as a developing country and the attitude of the European Union can be considered as a form of discrimination against trade. However, this cannot be submitted to a dispute resolution within the WTO because the WTO specifically submits the ecolabelling process to each country to carry out the regulation. Because of the nature of the WTO which is binding for every country that is a member of the WTO as a result, South countries such as Indonesia get discriminatory treatment that prohibits Indonesian CPO

exports to Europe on the grounds of ecolabelling which Indonesian CPO does not meet European market demands but Indonesia cannot take action discriminatory replies or close the trade route for Europe because they have been bound as WTO member countries.

Furthermore, even though Indonesia is also incorporated in various international institutions in various sectoral issues such as financial matters in the IMF and crisis management such as in the G20, Indonesia as a South country still cannot show its contribution. In the G20 forum Indonesia according to Arum in his research on efforts to be promoted by Indonesia in the G20 to have contributed in the framework for Strong, Sustainable and Balanced Growth must be encouraged by Indonesia in order to achieve Indonesia's national interests. (Utami, Miryanti, & Linggarwati, 2015). Namu, even though Indonesia has been considered to contribute in various sectors in achieving its interests, in fact the problem of ecolabelling which is considered as a form of sustainability is still detrimental to Indonesia in the trade sector of palm oil.

Measurement of Transfer Technology North to South

The issue of Indonesian palm oil Ecolabelling in which the European Union considers that Indonesian products do not have environmental sustainability is a discriminatory act that actually Indonesia itself has environmental standards in the form of ISPO or Indonesian Sustainable Palm Oil. ISPO is considered not to guarantee that Indonesian palm oil products still do not have environmental sustainability as expected by European markets such as. ISPO and RSPO have a common goal of reducing forest cover, reducing greenhouse gas emissions from land use change and compliance with legal requirements. However, this study also shows that there are differences in the elements contained in the requirements of the two standards. Fundamental differences concern protected areas and the concept of High Conservation Value, procedures for transferring rights to oil palm plantations based on the provisions of laws in Indonesia and the implementation of Free Prior Informed Consent (FPIC) in the RSPO, as well as procedures for new planting (Yani, 2016). Still these differences make Indonesian palm oil unacceptable in Europe.

Fulfillment of RSPO standardization can be supported by the technology transfer from North, but this is not done because technology is an important key in every industrial development. North maintained the transfer of technology to South for obvious reasons that they did not want South to be able to catch up with production or advance its industrialization. Britain has become one of the most productive inventors in Europe in terms of environmentally friendly technology (green technology), where the sector has risen sharply. Britain ranks third in Europe

to patent green technology, behind Germany and France. Between 1995 and 2011, the UK submitted 3,972 out of 75 thousand inventions categorized as green technology. The technology is only one fifth of all inventions applicable to managing the impact of human activities on the environment (officially known as climate change mitigation technology) and two fifths of high value inventions.

Green technology has risen sharply since the signing of the Kyoto Protocol in 1997, especially in Europe and Japan (Rostanti, 2015). Increasing green technology in Europe makes a profit for standardizing the environment within the industry because European countries are ready and have mastered the technology needed. However, despite the existence of advanced green technology, North countries are reluctant to transfer technology. The obstacle to transferring technology to South is considered to be a failure in climbing the industry ladder because the situation is indeed maintained by North to South. The reason for the measurement of this technology is not able to be explained explicitly because of the limitations of the author in knowing the technology needed to run the green industry, but the transfer of technology from North to South cannot be obtained easily and free by the South because it requires many requirements such as fixed investment, and the application of structural adjustment programs (Arias & Wen, 2015).

CONCLUSION

The issue of ecolabelling is one of the issues used by North in keeping the ladder towards industrialization. This is because the ecolabelling of the South cannot be separated from good policies and good institutions. South was not able to get out of this situation because the situation was constantly guarded by North, in line with this, control of technology was also carried out so that South countries remained in the periphery position and were unable to catch up. The issue of ecolabelling between North and South can be seen in the palm oil trade case between Indonesia and the European Union. Palm which is Indonesia's leading commodity is considered a threat to the domestic oil industry in Europe. By using the issue of ecolabelling, Europe keeps the Indonesian industrialization ladder through good institutions and policies and controls the transfer of technology so as to maintain an asymmetrical surplus and still perpetuate the structure of the core and periphery.

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