THÈSE POUR OBTENIR LE GRADE DE DOCTEUR
DE L'INSTITUT AGRO MONTPELLIER
ET DE L'UNIVERSITE DE MONTPELLIER

En Sciences Economiques

École doctorale EDEG – Économie et Gestion
Portée par

Unité de recherche MoISA

RISING CHINA AND SUSTAINABLE VALUE CHAINS PROGRAMMES: THE CASE OF PALM OIL TRANSNATIONAL VOLUNTARY SUSTAINABILITY STANDARDS

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Le 25/11/2022

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ABSTRACT

The rise of China represents a tectonic shift in the global economy and in norms and institutions regulating it. One example concerns Transnational Voluntary Sustainability Standards (TVSS). As Chinese average income grows and as Chinese state increases its engagement in the promotion of sustainability, academic literature questions whether the rise of China would hinder or favour the international diffusion and hence the effectiveness of TVSS. This thesis aims to enlighten this controversy, providing insights on institutional change and promotion of sustainability in an increasingly multipolar world. The thesis investigates the case study of the palm oil-related TVSS, the Roundtable for Sustainable Palm Oil. It starts by questioning the dynamics of diffusion of RSPO in China. Then, it focuses on corporate actors, by questioning the role of the rise of China over the evolution on the structure of the palm oil value chain and its lead firms. Finally, it questions how Chinese central state approaches green value chains initiatives among its broader international relations strategies. The research draws key concepts from sustainability standards and Global China literature and employs a mixed Global Value Chain and International Political Economy perspective. It relies on qualitative research methods, drawing information from a large number of semi-structured interviews, complemented by grey literature, official documents and international trade databases. This investigation produced several results. The first is that there is an opening in China concerning transnational green palm oil approaches. Such opening has been spurred by the tentative diffusion of RSPO, but it is not tailored on the uptake of the standard. Instead, the emerging Chinese approach consists in multiple and diversified responses by relevant corporate and state actors to RSPO and in the recognition and support of other existing tools promoting palm sustainability, such as those promoted by actors in the upstream of the chain and in palm oil-producing countries. This approach strengthens the latter's international reach, beyond their local dimension. The second result is that the palm oil global value chain is not driven by North

American and European downstream lead firms. Key corporate actors of palm oil GVC are South-East Asian TNCs, concentrated in the up-midstream node of refining and trading. The rise of China has played a significant role, in terms of markets, but also industrial basis and political support for the rise of these firms - often funded and chaired by entrepreneurs from the Overseas Chinese diaspora -which have emerged as bridges between South-East Asian economies and China. Their centrality in the GVC and their embeddedness in the East and South East Asian region weaken the diffusion of Northern and downstream led governance tools, such as RSPO, while favouring the emergence of upstream-led initiatives. The third result is that actors directly linked to Chinese central state participate in green value chains initiatives by reshaping their focus away from contested market-based approaches, such as TVSS, to more internationally consensual state-led ones. This stance indicates that China's reshaping of international norms and institutions conveys claims made by Global South alliances, to which China is bounded since the 1955 Bandung Conference. These alliances are increasingly important for China, not only politically and militarily but also economically and for the success of key initiatives, like the Belt and Road Initiative.

Key words: sustainability standards; global value chains; palm oil; China; international political economy .

RESUME

L'essor de la Chine représente un changement tectonique dans l'économie mondiale et dans les normes et les institutions qui la régissent. Un exemple concerne les standards transnationaux volontaires de durabilité (TVSS). Alors que le revenu moyen chinois augmente et que l'État chinois renforce son engagement dans la promotion de la durabilité, un débat croissant porte sur la montée en puissance de la Chine comme entravant ou favorisant le TVSS. Cette thèse vise à démêler cette controverse, en apportant un éclairage sur le changement institutionnel et la promotion de la durabilité dans un monde de plus en plus multipolaire. La thèse s'appuie sur l'étude de cas du TVSS lié à l'huile de palme, la Table Ronde pour une Huile de Palme Durable (RSPO). Elle commence par interroger la dynamique de diffusion de RSPO en Chine. Ensuite, avec un focus sur les acteurs privés, elle interroge le rôle de la montée de la Chine sur l'évolution de la structure de la chaîne de valeur de l'huile de palme et de ses entreprises leaders. Enfin, elle interroge la manière dont l'État central chinois aborde les initiatives de chaînes de valeur durables parmi ses stratégies de relations internationales plus larges. La recherche s'inspire des concepts clés des littératures traitant des standards de durabilité et de la Chine dans la globalisation et utilise une perspective mixte entre la Chaîne Globale de Valeur et de l'Economie Politique Internationale. Elle s'appuie sur des méthodes de recherche qualitatives, tirant des informations d'un grand nombre d'entretiens semi-structurés, complétés par de la littérature grise, des documents officiels et des bases de données sur le commerce international. Cette enquête a produit plusieurs résultats. Le premier est qu'il y a une ouverture en Chine concernant l'huile de palme durable. Une telle ouverture a été stimulée par les tentatives de diffusion de la RSPO, mais ne se traduit pas par un succès de la certification. L'approche émergente chinoise relative aux filières durables consiste en la reconnaissance d'une multiplicité d'outils existants, notamment ceux promus par les acteurs de l'amont de la filière et dans les pays producteurs d'huile de palme. Cette approche renforce le rôle global de ces outils, au-delà leur dimension locale. Le deuxième résultat est que la diffusion limitée de RSPO peut s'expliquer par la structure de la chaîne globale de valeur de l'huile de palme, qui n'est pas gouvernée par les « lead firms » nord-américaines et européennes en aval. Les entreprises clés des chaînes globales de valeur de l'huile de palme sont les sociétés transnationales Sud est-asiatiques, concentrées dans le nœud intermédiaire en amont du raffinage et du commerce. L'essor de la Chine a joué un rôle important, en termes de marchés, mais aussi de base industrielle et de soutien politique à l'essor de ces entreprises, qui sont devenues des passerelles entre les économies d'Asie du

Sud-Est et de la Chine. Leur centralité dans les chaînes globales de valeur et leur ancrage dans la région de l'Est et Sud est asiatiques affaiblissent la diffusion d'outils de gouvernance promus par le Nord et les acteurs de l'aval de la filière et renforcent les outils portés par les acteurs de l'amont. Le troisième résultat est que le soutien de l'État chinois aux initiatives des États producteurs s'explique en partie par l'évolution des intérêts chinois dans les relations internationales. Premièrement, l'approche chinoise de la coopération internationale un développement et des négociations concernant la promotion globale de la durabilité est définie par son appartenance à l'alliance du « Sud Global », construite depuis la conférence de Bandung en 1955, et le principe connexe de non-ingérence. Deuxièmement, cette alliance gagne en importance pour l'intégration chinoise dans l'économie mondiale, alors que les pays du « Sud Global » deviennent des marchés importants pour les exportations chinoises à haute valeur ajoutée, en particulier dans le cadre de l'initiative des Nouvelles Routes de la Soie. Troisièmement, néanmoins, les avantages de se forger une réputation de puissance responsable poussent la Chine à s'engager de plus en plus dans des initiatives transnationales de chaînes de valeur durables soutenues par l'Occident. Ensuite, en tant que puissance montante, la Chine s'engage dans ces programmes de manière sélective, privilégiant les initiatives et les outils qui bénéficient d'un large consensus international et qui ne sont pas contestés par les pays producteurs du Sud Global.

Mots clés : standards de durabilité ; chaines globales de valeur ; huile de palme ; Chine ; économie politique internationale.

ACKNOWLEDGEMENTS

First of all, I am thankful to both my PhD supervisors, for having directed this thesis, largely contributing scientifically and morally to the accomplishment of this project. Thanks for your availability, kindness and encouragement. In particular, I thank Benoit Daviron for bringing wideness and criticism to the project and to my intellectual formation. Also, I thank Paule Moustier for helping to ground and concretise this thesis and for her reliability.

Then, I am grateful to the members of the thesis committee, Jean-Pierre Chanteau, Mindi Schneider, Jean-Marc Roda, Isabelle Vagneron and Marcel Djama, whose feed backs enriched this thesis for three times. In particular, I thank Mindi Schneider for her support, since the beginning of the project, for her theoretical contributions, her original and critical perspectives, her encouragement and her welcoming in Wageningen in 2019.

Many thanks to Elsa Lafaye de Micheaux, Alain Karsenty, Florence Palpacuer, Jeffrey Neilson and Yixian Sun for accepting to be part of the thesis's jury and for reviewing this manuscript.

This thesis was made possible by the financial support from Cirad and the French Ministry of Education. In particular I thank the researchers and administrative staff of the MoISA Research Unit for their welcome and support. Also, I thank EDEG, SupAgro and College Doctorale de Montpellier for their support and for organising enriching activities and training.

Then, I am grateful to SupAgro Erasmus Office and to the Confucius Centre of Montpellier to financially and logistically support my field work in 2019. Also, I express all my thanks to those who have facilitated my data collection during COVID time, in particular Alain Rival, RSPO staff in Beijing, Wan Jian and Feifei Teng, AFD officer in Beijing, Xiaoting Jin, and Marieke Leegwater, Aili Kang and Simon Wang. Finally, a big thanks to all the respondents of my interviews for their availability and openness.

I really thank the researchers that have helped this project, despite COVID travelling and meeting restrictions, with their interest, precious exchanges, interesting feedback, suggestions, contacts and encouragement. In particular, I thank Elsa Lafaye de Micheaux, Terence Gomez, Juliet Lou, Angela Tritto, Guanie Lim and Yeong Sheng Tey. Also, I thank Sylvie Manguin, Estelle Bienabe and Patrick Caron for their support and encouragement.

I am very thankful to MoISA and more largely B15 PhD students for scientific exchange, interesting discussions, moral support and the fun of being together, in particular Claire, Simon, Haina, Gloria, Nawal, Pierre, Julia, Amelie and Philippe.

Finally, I thank my family and friends for their closeness and encouragement, Anna Laura, Irene, Sara, Elsje, Paul, Juliette, Jean-Charles, Antonella, Michel, Suzanne and the others.

And, of course, I thank so much Donatien, for his encouragement and trust from the beginning of this adventure, for his availability to listen and to contribute originally to the intellectual construction of this project, for his groundedness and calm, for his advice and his unconditional support.

OUTLINE

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Acronyms

AFD	Agence Française pour le Développement
BASIC	Brazil, South Africa, India and China group
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China and South Africa
CCCC	China Communication Construction Company
CCICED	China Council for International Cooperation on Environment and Development
CFNA	China Chamber of Commerce of Foodstuffs, Native Produce and Animal By-products
COP	Conference of Parties
COFCO	China National Cereals, Oils and Foodstuffs Corporation
CPO	Crude Palm Oil
CSPOA	China Sustainable Palm Oil Alliance
CSR	Corporate Social Responsibility
DIFID	Department for International Development
ESG	Environmental, Social and Governance
ESPO	European Sustainable Palm Oil Alliance
EU	European Union
FAO	Food and Agriculture Organisation
FDIs	Foreign Direct Investments
FECO	Foreign Economic Cooperation Office of the Ministry of Ecology and Environment
FLEGT	European Union Forest Law Enforcement, Governance, and Trade Action Plan
FSC	Forest Stewardship Council
GCC	Global Commodity Chain
GPN	Global Production Network
GVC	Global Value Chain
GDP	Gross Domestic Product
HCS	High Carbon Stock
INGO	International Non-Governmental Organisations
INFIT	International Forest Investment and Trade Programme
ISPO	Indonesian Sustainable Palm Oil
ISO	International Standard Organisation
IPE	International Political Economy

MEE	China Ministry of Ecology and Environment
MOFCOM	China Ministry of Commerce
MOU	Memorandum of Understanding
MSI	Multi-stakeholder Initiative
MSPO	Malaysian Sustainable Palm Oil
NDPE	No Deforestation, Peat and Exploitation
NGO	Non -Governmental Organisations
OECD	Organisation for Economic Cooperation and Development
DAC	Development Assistance Committee
ERCL	East Rail Coastal Link
ODA	Official Development Assistance
RED	EU Renewable Energy Directive
RPO	Refined Palm Oil
RSPO	Roundtable for Sustainable Palm Oil
RSPO ACOP	Roundtable for Sustainable Palm Oil Annual Communication of Progress
RTS	Roundtable for Sustainable Soy
SEA	South East Asian
SOEs	State Owned Enterprises
TNCs	Transnational Corporations
TVSS	Transnational Sustainability Standards
UN	United Nations
UNCTAD	United Nation Commission for Trade and Development
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Aid and Development Agency
USDA PSD	United States Department of Agriculture, Production Supply and Distribution
VC	Value Chains
WB	World Bank
WRI	World Resource Institute
WTO	World Trade Organisation
WWII	World War II

GENERAL INTRODUCTION

Part of the general introduction was presented at the 175th seminar of the European Association of Agricultural Economists: Fabiano, F. (2021) “Chinese Markets and Transnational Voluntary Sustainability Standards: a research agenda” presented at the 175 EAAE Seminar “The wind of change of sustainability standards. Sailing economic, governance, and policy perspectives” (April 13-15th, 2021, online)

1 Background

Trends in economic liberalisation at the end of the 1970s led to an acceleration of globalisation and to a sharp increase in international trade. A few transnational corporations (TNCs), headquartered in countries of the Global North and with turnovers larger than some countries' GDP, emerged as powerful actors, orchestrating a relevant share of production in developing countries and of international trade within their supply chains (Elms et al., 2013; OECD, WTO, UNCTAD, 2013; UNCTAD, 2013). These trends were accelerated by the promotion of structural adjustment development programmes by the main Official Development Assistance (ODA) agencies and by the end of the Cold War, with the expansion of market-based economies in previously Communist countries.

By the 2000s, the social and environmental costs of increased global production and trade, as well as the unrestrained activities of TNCs, came under increasing scrutiny and social contestation, leading to the emergence of actions and programmes in favour of sustainable development. At the same time, economic globalisation led to a governance gap in existing state-led institutions and norms and to the emergence of non-state actors, in particular the corporations themselves but also civil society actors, as agents producing norms (Bair & Palpacuer, 2015). Private norms and market-based mechanisms emerged to promote sustainability internationally. Among these, Transnational Voluntary Sustainability Standards (TVSS) were proposed to regulate TNCs' global operations, while at the same time leveraging on the scale and power of their supply chains and on the markets of the Global North to spread social and environmental regulation in developing countries.

Initially emerging as a non-state actors-led approach, TVSS have been increasingly endorsed and institutionalised by developed countries' states. This trend concerns in particular European states and the European Union, which, according to some analysts, has been developing a "governing through trade agenda", i.e. programmes and strategies to shape globalisation through the weight of its single market and through its market-regulating expertise (Damro, 2012; Marx, 2017). According to these authors, the EU is mostly defined by its single and large market (Allen and Smith 1990), which is also the vehicle of key normative harmonisation among its Member States (Damro, 2012). The EU is increasingly keen on developing transnational market-based policy tools, through ambitious and breakthrough initiatives such as the recently issued proposal for a regulation imposing mandatory human rights and environmental due diligence on all European firms and on non-European firms with a relevant turnover in the EU[1].

However, by the 2010s the rise of powers from the Global South seemed to challenge the leverage of the markets and supply chains of TNCs of the Global North and therefore the relevance of transnational regulation tools such as TVSS. In particular, the 2000s saw the stunning rise of China as the second global economy and a country that has accomplished all the millennium development goals. First, destination of large Foreign Direct Investments (FDIs) from the Global North and a production base for global value chains, by the 2010s China was no longer only the home of suppliers of global value chains, but also of rising domestic, regional, and global corporations, leaders in their sectors. At the same time, the country has increased its influence on the institutions of global governance and of sustainable development, such as the UN agencies and the WTO. Moreover, in 2013 China launched the Belt and Road Initiative, with the aim of revitalising trade and cooperation with the countries of South, South-East, and Central Asia and beyond. The rise of China is seen as a tectonic shift in the global economy and its institutions (Kaplinsky & Messner, 2008). It is also considered as emblematic of a wider trend of the emergence of polycentric trade (Horner & Nadvi, 2018) and of the multipolar global order (Muzaffar et al., 2017) .

[1] European Commission, Proposal for a Directive of the European Parliament of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937, COM(2022) 71 final.

1.1 The affirmation of the market-based promotion of sustainability in agricultural global value chains through TVSS.

Globalisation of production and the emergence of global value chains in the late 1970s has been observed particularly in manufacturing sectors such as apparel, automotive industry, and information technology, but it has also concerned the agriculture sector. Certain agricultural products, such as coffee and cacao have long been traded over long distances. However, by the end of the 1970s, three trends led to a significant expansion of international agricultural trade. The first concerned the gradual liberalisation of European and North American agri-food markets, which were previously protected and subsidised. The second concerned the diffusion in developing countries of Export Oriented Growth policies, which included policies of investment in agribusiness, for the export of traditional and non-traditional crops. The third concerned rising agricultural imports of oil-exporting countries and booming East Asian economies. The ensuing increase in international agricultural trade was accelerated by the fall of the Soviet bloc and was enshrined by the inclusion of the agricultural sector in the WTO agreement of 1996 (Friedmann, 2005).

Different authors argue that a handful of European and North American TNCs, referred to as “global buyers”, emerged as major actors of the growing international trade in agricultural products, by concentrating in agri-food trading, manufacturing and retailing sectors in consuming countries of the Global North (Gibbon 2001) (Gereffi and Lee 2009) (Reardon et al., 2007; Reardon & Berdegué, 2008; Reardon & Swinnen, 2004). According to Gereffi & Lee (2009), by the 1980s a few agri-food multinationals, such as Nestlé, Unilever, and Walmart, were seen to increasingly orchestrate international agricultural trade “through a complicated network of global supply chains that tie daily grocery shoppers in the United States and Canada to small growers in Brazil, Mexico, China, and other exporting countries” (Gereffi and Lee , 2009, p. 2).

In this framework, private standards, certifying quality, food safety, and later sustainability emerged as major coordination mechanisms of these chains (Ponte & Gibbon, 2005). Standards were already an established tool facilitating long-distance trade in agricultural products (Daviron & Vagneron, 2011). However, in global value chains, they acquired new functions, in particular as management tools of TNCs, aimed at gaining efficiency and the competitiveness of their supply chains. Also, standards became more comprehensive and concerned not only products' intrinsic characteristics but also suppliers' production practices, defining "what is to be produced, how it is to be produced, when (…) and how much is to be produced" (Humphrey & Schmitz, 2001, pp. 21 and 22). Considering the scale of the supply chains of global buyers, emerging private standards interfered and overlapped with national and international public regulation and development policies for agriculture (Daviron & Ponte, 2005; Fuchs & Kalfagianni, 2010; Gibbon, 2001).

By the end of the 1990s, trends of industrial concentration and asymmetries of power in agricultural global value chains were met by increasing social contestation, in particular regarding the inequality of distribution of benefits and environmental disruption caused by the large-scale cultivation of tropical crops. According to Gereffi and Mayer (2006), as civil society grew frustrated with government inaction it resorted to direct confrontation with corporations on these issues. The concentration of a few TNCs in their industrial sectors allowed international NGOs (INGOs) to single them out, shame them, and attack their reputation and the value of their brand in public media campaigns (Gereffi et al., 2001). Also, globalisation allowed the emergence of transnational networks of activism, mirroring and contesting transnational industrial networks (Bair & Palpacuer, 2015; Palpacuer, 2007).

In this framework, some INGOs also resorted to engaging corporations, developing, at first, corporate codes of conduct and then common transnational voluntary sustainability standards (TVSS), which included environmental and social concerns and which were third party certified. As Henson and Humphrey (2010) explain, targeted downstream TNCs had a "business case" to take part in this process as, by so doing, they protected the reputation and the value of their brand and facilitated access to the most remunerative markets. Responding to the state-led national institutions and norms' governance gap, non-state actors engaged in the development of global norms and institutions, which have been defined as "global governance" (Bair & Palpacuer, 2015).

Through the years, such an approach has had its supporters and critics. On the one hand, Mayer and Gereffi (2010) argue that "the genius of this approach was in recognising that the industrial governance structures established by leading firms to manage their global supply chains could also be leveraged to achieve social and environmental objectives" (Mayer and Gereffi, 2010, p. 5). Barham (1997, 2002) analyses the emergence of environmental and social standards as a Polanyian pendulum towards the re-embedding of the market in society, for the protection of common goods such as the environment. Also, several environmental economists characterised this approach of "progressive incrementalism", based on the idea that norms could be embedded in global value chains for incremental transformations (Cashore and Howlett, 2007; Judge-Lord et al., 2020). On the other hand, Guthman (2007) argues that TVSS are counterproductive, extending market logic over diverse social realms, excluding more radical visions of sustainability, and finally reinforcing corporate power over society. Also, Daviron and Vagneron (2011) argue that transnational sustainability standards are not conducive of significant change, as they allow TNCs to cope with civil society contestation, while avoiding direct responsibility over socially and environmentally disruptive production practices.

Despite these contrasting views, Transnational Voluntary Sustainability Standards have proliferated in the last 20 years in initiatives such as the Forest Stewardship Council, the Roundtable for Sustainable Palm Oil, and the Roundtable for Sustainable Soy and Bon Sucro. They have gained traction in markets and in the management strategies of TNCs based in the Global North (Potts, Huppé, et al., 2014). Also, they have been increasingly endorsed and promoted by states of these countries, as they emerged as viable policy tools for promoting sustainability transnationally in a globalised economy (Henson, 2011). Cheyns & Riisgaard

(2014), Djama et al., (2011), Loconto (2015), Loconto & Fouilleux (2014), and Pye (2019) argue that states of the Global North have facilitated the emergence of TVSS from their beginning, regulating in their favour and financing their preparation and implementation within their ODA programmes and agencies.

Marx (2017) then shows that the borders between public and private governance for the promotion of sustainability are increasingly blurred, as certain states gradually institutionalise TVSS, including them in their public procurement policies, regulation, and international trade agreements. This is especially true for European States and the European Union, which have been at the forefront of the institutionalisation of TVSS, with breakthrough regulations such as the UK "Greening Government Commitments" (2011), the Amsterdam Declaration (2015), the Norwegian "Zero deforestation policy" (2017), the French "Strategy against imported deforestation" (2018), and the European "Farm to Fork Strategy" (2020).

By the beginning of the 2010s, agricultural producers' uptake of TVSS had gained considerable traction and Potts et. al (2014) estimate that, in 2012, the percentages of TVSS certified commodities over total globally produced ones were as high as 40% for coffee, 22% for cocoa, 15% for palm oil, and 12% for tea. However, also Potts et al. (2014) show that demand for certifying products was not rising as fast, generating an oversupply of certified products, of which 60% was sold as generic products (Potts et al., 2014). This oversupply risked to lower the market incentive of TVSS and to limit further diffusion of the instruments among producers, confining certified production to a small niche with limited impact on overall sustainability. As TVSS were gaining traction in large-scale supply chains of certifying TNCs and markets in the Global North, in particular in the EU, scholars and practitioners pointed at the rise of markets from the "Global South" as one key reason for this negative market trend.

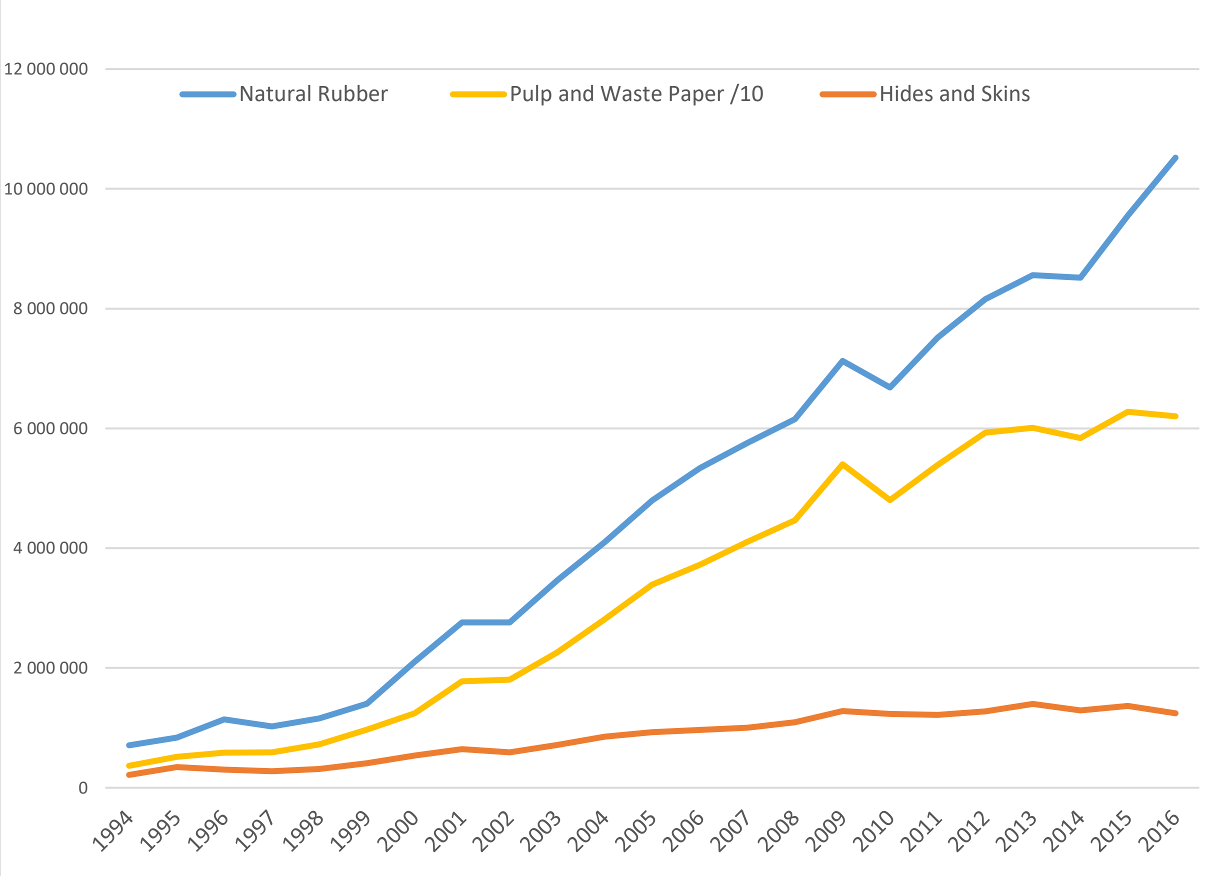
1.2 The rise of China in international agricultural markets and in agricultural global value chains.

Also in the 2000s, certain countries of the Global South, referred to as “emerging markets” (Schleifer & Sun, 2018), “Asian drivers” (Kaplinsky & Messner, 2008) and “rising powers” (Nadvi, 2014), were becoming increasingly central in global agricultural value chains, not only as producers of commodities but also as manufacturers, branders, and as final consumers. This is especially the case of China, whose liberalising trade policies and ensuing economic growth led to a stunning increase in imports of agricultural products.

Starting from the 2000s and in particular since its accession to the WTO, China’s imports of biomass have increased at astonishing rates. According to Cheng and Zhang (2014), China’s agricultural imports increased at an average rate of 23% between 2001 and 2011; the country became a net importer of agricultural goods in 2004, and it overtook the United States as the first importer of agricultural products in 2011.

Despite the global movement of liberalisation, imports of food have been regulated in China, under a policy promoting food self-reliance (Christiansen, 2009). Agricultural imports were at first concerned with mainly land-intensive non-food crops, connected to the growing Chinese manufacturing and export driven sector. To give an example, between 1994 and 2016 imports of hides and skins increased at an average rate of 9.4%, pulp and wastepaper at a rate of 18.6%, and natural rubber at a rate of 15.5% (Comtrade data). China rapidly became a key market for these products and, in 2017, at the beginning of this PhD research, its share of global imports was 65% for pulp and paper, 40% for natural rubber and 30% for hides and skins (Comtrade data).

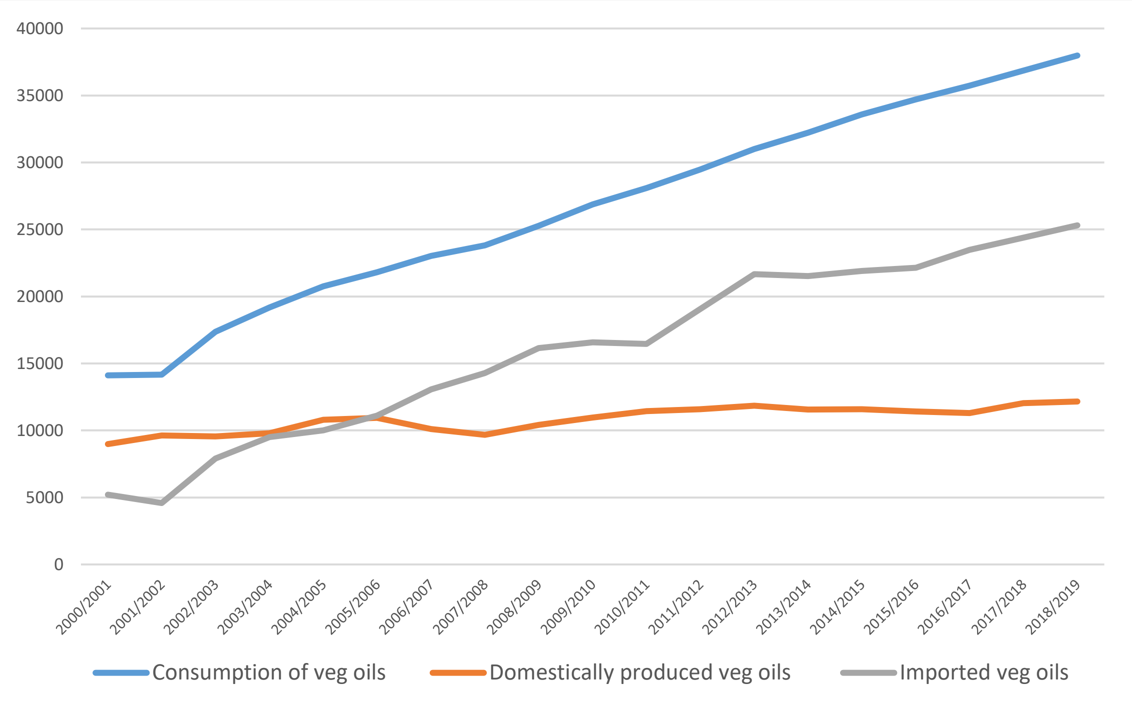
FIGURE 1: CHINA'S IMPORTS OF SELECTED AGRICULTURAL COMMODITIES, 1994-2016.



Source: COMTRADE, TON

By the 2010s, imports also increasingly supplied domestic end markets. This has been the case, since the start of the opening, for vegetable oils and oil seeds, whose early liberalisation in the 90s constituted an exception in the overall Chinese food self-sufficiency policy. Since 2004, China has been a net importer of such commodities and, in 2017, the country imported 51% of all traded oil seeds, oil nuts, and oil kernels in the world (Comtrade data). In 2017, China imported 61% of the total global soybean market, it was the first importer of rapeseed oil seeds, and the third global importer of palm oil. A gradual relaxation of the self-reliance policy then opened up the imports of other products, for example of maize since 2012 (J. Huang & Yang, 2017). Finally, economic growth and the increasing purchasing power of Chinese consumers have made China a profitable market for a large array of manufactured products containing agricultural ingredients, such as processed food, cosmetics, and furniture.

FIGURE 2: CHINA'S CONSUMPTION, IMPORT AND DOMESTIC PRODUCTION OF VEGETABLE OILS, 2000-2019



Source USDA PSD, 1000 MT, includes calculations by the author of oil extraction from imported vegetable oil seeds

Firms based in China are increasingly not only suppliers of TNCs headquartered in the Global North, but also traders, branders, manufacturers, and retailers, concentrating in their industrial segments and internationalising through FDIs (Schneider, 2017). The latter have risen sharply since the end of the 2000s (Gooch & Gale, 2018). These partly concern green field investments[2] in foreign countries, in particular in neighbouring Laos, Cambodia, and Myanmar. Chinese firms also increasingly engage in operations to merge and acquire mature international firms operating in the agri-food sector, e.g. in input production, processing, and trading. Examples of such operations are the acquisition of Syngenta by ChemChina in 2017,

[2] In the report by Gooch and Gale (2018), green field investments define Chinese firms' purchase of agricultural land abroad and of agricultural production, as opposed to merging and acquisition, defining the purchase of agricultural and food foreign companies.

and of SmithField Foods (a major USA pork producer) by the WH Group in 2013 (Gooch & Gale, 2018).

Some of these firms, emerging as frontrunners in their sector and internationalising, are State-owned Enterprises (SOEs), such as ChemChina and the China National Cereals, Oils and Foodstuffs Corporation (COFCO). In the last ten years, COFCO has made major investments in developing domestic capacity in the agricultural product processing sector, in particular the crushing of soybeans, in which international firms such as Wilmar and Cargill hold major shares (Oliveira & Schneider, 2016). At the same time, COFCO has also invested in its international operations, for example by acquiring, between 2014 and 2016, the Dutch grain trading company Noble and Nideira, which owned agricultural production and processing units, storage facilities, domestic logistics, and transportation and sales networks in some of the world's most productive regions, such as Latin America and the Black Sea. Thanks to this acquisition, with a value of 3 bn USD, COFCO has gained a presence in 26 countries in commodities such as soy, wheat, corn, rice, and fertiliser inputs (Gaudreau, 2015; Gooch & Gale, 2018) .

Finally, the Chinese state is also increasingly relevant for the success or failure of international norms of agricultural trade and the promotion of sustainability. China supports the internationalisation of its firms, through the "going out" policy, promoted since 1999 and scaled up since 2012, and increasingly produces tools for corporate regulation and due diligence in the form of sustainability guidelines. One example of this trend is the joint issuing by the Chinese Ministry of Commerce (MOFCOM) and the Ministry of Ecology and Environment (MEE) of the Green Development Guidelines for Overseas Investment and Cooperation, in 2021. China has also established preferential trade agreements with countries exporting agricultural products, such as Australia, New Zealand, Chile, Argentina, and Brazil (Gooch & Gale, 2018) and agricultural cooperation programmes with partner developing countries (Amanor & Chichava, 2016). The country is active in international agricultural organisations, in particular the FAO, where it finances a facility for South-South agricultural cooperation and where the

General Director, since 2019, is the Chinese diplomat Qu Dongyu. Finally, China has broadened its leadership and international influence through the Belt and Road Initiative. The latter is currently focused on the development of key transportation, telecommunication, and energy infrastructure, while agricultural projects and investments are of secondary importance. In the 2019 “BRI Progress, Contributions and Prospects” Report, agriculture-related words are mentioned only six times in a 65-page document. However, since 2014, China has encouraged agri-food firms to source more agricultural products from, and invest more in, countries of the Belt and Road Initiative. Also, the BRI counts several coordination working groups on food safety standards. According to different scholars and experts, the BRI is a potential platform for the preparation of international norms and standards in multiple sectors, including agriculture and sustainability norms (Fägersten & Rühlig, 2019; Ferchen et al., 2021) .

1.3 Rising China and TVSS: a review of the literature

The trends described above have led some scholars to question their connection with lagging global demand for TVSS and their consequences for the future of the instruments. Within this literature, China’s rise has often been read as emblematic of a broader rise of South-South agricultural trade and of the emergence of rising powers in the production of norms concerning sustainability and agricultural production and trade. Scientific contributions on this theme are still few, in a TVSS literature that is still focused on North-South value chains (Nadvi, 2014). However, some scholarly works have also tackled the issue, attempting to go beyond the North-South bias and encouraging a contentious debate, which is mainly split between two positions.

On the one hand, several scholars maintain a pessimistic view and argue that shifts in markets to the Global South is drving to a “race to the bottom” in terms of standards, because of the rising Southern demand for cheap, low quality, and relatively unprocessed products (Kaplinksy and Farooky, 2011). In this perspective, China is a key driver for demand for non-certified products. Adolph et al. (2017) argue for the existence of a “Shanghai effect”, as the opposite to Voegel’s “California effect”, for which African countries with high levels of exports to China have lower working standards than countries exporting to Europe and North America. Similarly, in a study about Chinese imports of timber from Gabon and cassava from Thailand, Kaplinsky et al. (2011) show that Chinese increased demand for these items results in lower value-added activities developed by producers and in lower environmental practices and certification if compared to European and North American imports. This argument is confirmed by case studies on a single TVSS, e.g. that concerning palm oil (McCarthy et al., 2012; Nesadurai, 2018; Pacheco et al., 2018).

According to these authors, such low levels of demand for certified products reflect low internal drivers for certification. Kaplinsky et al. (2011) and Adolph et al. (2017) point out the low average Chinese income and high consumer preferences for cheap products, to the detriment of quality and sustainability requirements. Adolph et al. (2017) argue that political conditions in China are hardly conducive to the affirmation of TVSS. Civil society and the free press are constrained by an authoritarian state, which is keen on partnering with other authoritarian states in developing countries to ensure supplies of commodities to China. Finally, different scholars highlight the importance of Chinese state-owned enterprises in Chinese transnational supply chains of commodities, supposing state ownership to be an obstacle to the adoption of private governance mechanisms (Horner & Nadvi, 2018; Kadarusman & Pramudya, 2019).

In contrast, other scholars are more optimistic and expect the rising powers to “catch up” with Northern sustainability awareness and engagements as their average income increases, following the “so-called Environmental Kuznets curve” (Zadek, 2010, p. 4). According to these works, low levels of demand for certified products of emerging markets might change soon, with an improvement in different enabling conditions. First, Guarin and Knorringa (2014) point out that the rising number of middle-class consumers in emerging countries is becoming sensitive to sustainability requirements and is developing a related demand for certified products. Second, Nadvi (2014) discusses how civil society, lead firms, and states are becoming more active in regulation for the promotion of sustainability. China seems to be a promising candidate for such changes, considering its rapid economic growth and social and political developments and the fact that China is the country with the highest number of active TVSS in the world, with 79 functioning schemes in 2017 (Marx, 2017).

According to these analysts, Chinese integration in global value chains and its export-oriented economic growth model constitute the strongest driver for diffusion of TVSS. As Brandi (2014) argues, Chinese firms supplying goods to TNCs based in the Global North have had high incentives to adopt environmental certifications. This trend has in particular interested firms processing forest products, such as wood and pulp and paper, whose related TVSS, FSC, is in great demand in Europe and North America. Buckingham & Jepson (2013), D'Amato et al. (2018), Freeman & Xu (2015) and W. Huang et al. (2013) show that access to these profitable markets was the main driver for the adoption of the TVSS by Chinese manufacturers, making FCS a widespread TVSS in the country. Some scholars argue that, even if export markets are not directly relevant for agri-food imported products, Chinese firms might adopt TVSS in their supply chains as a result of their tendency to emulate the supply chain management strategies of global frontrunners, in particular those present in China, such as Unilever, Nestlé, and KFC (Schleifer & Sun, 2018; Zhu et al., 2012, 2016).

Finally, other scholars point to the development of internal dynamics that can constitute a driver for the diffusion of TVSS (Fikru, 2014; Nadvi, 2014). First, several studies point out that the willingness of Chinese consumers to pay a premium price for certified food products is rising rapidly, especially in big cities (Lin et al., 2010; Si et al., 2015; Yu et al., 2014). Then Sun (2022) argues that, also considering a restrained domestic Chinese civil society, the Chinese state is a key domestic actor to enable the diffusion of TVSS. Sun (2016) shows that the Chinese state has become more ambitious in regulating for the achievement of an "ecological civilisation", notably with plans to curb domestic water and air pollution. The author also points out that, despite widespread preconceptions on Chinese mistrust of private governance, the Chinese state has regulated in support of several market-based mechanisms for sustainability. This is especially true for green finance, whose development has been endorsed and largely managed by state agencies since 2013 and which rapidly became widespread, making China the largest green bonds market in 2016 (Nedopil et al., 2021).

State support was also an important leverage for the diffusion of the forest products' TVSS, FSC, in China. This instrument was endorsed by the state in 2006, which allowed its introduction in coherence with domestic norms and regulation, even if this is through a modification of the certification process to allow for more participation by state bodies and less by private foreign firms (Buckingham & Jepson, 2013). Finally, Sun (2022) also argues that Chinese state-linked bureaucracies, in particular producers' associations, have facilitated other TVSS, such as the Marine Stewardship Council and the Roundtable for Sustainable Palm Oil, which might be more formally endorsed in the future.

2 Aim of the study

This literature poses an unsolved and under-researched question: is the rise of China in agri-food global commodity chains going to lead to the demise of TVSS and the connected European agenda of governing (sustainability) through markets? Or can TVSS gain market traction and political support in China, thereby enhancing their international diffusion and long-term viability?

This PhD research aims to answer these questions, thereby contributing to disentangling the related social and scientific controversy. By doing so, the thesis also aims to inform the larger scientific debate about the wider impact of the rise of China on norms and institutions of global governance.

In the framework of this research, the TVSS are considered to be a case study of emerging norms of global governance. The focus of the ensuing analysis is on how the rise of China affects the dynamics of affirmation, international diffusion, and the long-term viability of these institutions. Questions about the effectiveness of TVSS in promoting sustainable and inclusive value chains, which are the object of a substantial debate in the literature, shortly referred to in Section 1.1, fall out of the scope of this research. However, by shedding light on the evolution of institutional dynamics related to global governance, this thesis has the ambition of providing policy advice on how to formulate policies and programmes for the transnational promotion of sustainability in an increasingly multi-polar world.

In the rest of this section, I first outline the thesis's general approach and then I introduce each chapter's key theoretical references, research question and research hypothesis, which will be discussed in more depth in the chapters themselves.

3 Theoretical frameworks, research questions, and hypotheses

3.1 General approach: the rise of China in the global economy and Global China scholarship

This research draws its general approach and analytical keys from literature analysing "Global China", an expression used by Lee (2018) in reference to "China's economic expansion and globalising strategy in other domains" (Lee, 2018, p. 5). This scholarship has considered in particular Chinese investments, trade, and political relations with African countries (C. K. Lee, 2018; Sautman & Yan, 2006) , but also with South-East Asia (Lu, 2020), Latin America (Oliveira, 2016; Oliveira & Schneider, 2016) and within the Belt and Road initiative (Camba et al., 2021; Lim, 2018) . The main analytical key that I draw from this scholarship is to avoid binary questions about China and the adoption of international norms of global governance, while instead to appreciate, characterise, and analyse the complexity of China's rise in globalisation.

The first element of complexity concerns the role of the state in Chinese economy, which has been analysed at the same time as "centrally led" and "decentrally improvised" (Lee, 2018).

Numerous scholarly works underline the centrality of the state as an organising agent of Chinese economic activity and institutions. These works refer to the theory of existence of different Varieties of Capitalism (Hall et al., 2001) and characterise Chinese capitalism as "politicised capitalism" (Nee & Opper, 2007) and "state capitalism" (Naughton & Tsai, 2015). These studies refer to the Chinese historical legacy of centralised imperial power, to the more recent legacy of communism, as well as to the continuing single party and authoritarian rule and its widespread intervention in national economic institutions. While analysing China's rise in globalisation and in global value chains, this literature highlights the role of Chinese state-owned enterprises and the intertwining of business and political interests and strategies in China's relations with its trade and investment partners (Camba et al., 2021; Gomez et al., 2020).

At the same time, other authors contest this perspective of a state-led centralised Chinese economy. In particular, Hung (2016) explains the Chinese economic boom as a consequence of large flows of capital from the United States and, more broadly, from the Global North and an uncoordinated and chaotic response of businesses and local authorities in China. In this perspective, some scholars underline the importance of the Chinese business ethos, developed over centuries of large functioning domestic markets and of the centrality of China in international trade (Santasombat, 2017). This literature underlines the importance in the Chinese economy of elements such as improvisation, informality, and *Guangxi* (interpersonal relations). These works highlight two elements in the study of China's rise in globalisation and in transnational supply chains. The first is the importance of capital from the Global North in shaping business logic and strategies in China (Schneider, 2017). The second is the relevance of informality and personal relations – in particular those of the Chinese diaspora abroad - for structuring Chinese supply chains of agricultural products (Santasombat, 2017).

The second element of complexity concerns the plurality of actors linked to the rise of China in globalisation. Different scholarly works warn against considering China as a monolithic block of actors, following a unified strategy and pursuing common interests. For example, according to Lee (2018), “besides the false homogenization it implies, the label Chinese investment connotes the problematic, racialized presumption that investors’ nationality and ethnic origins explain their behavior” (Lee, 2018, p. 4). This presumption is also problematic when considering “Chinese firms” involved in agricultural global value chains supplying China, in particular in South-East Asia, where firms funded and managed by entrepreneurs of Chinese ethnicity have important shares in agricultural production and trade, but a controversial and debated relation to China (Gomez, 1999).

These works propose to go beyond assumptions of the homogeneity of actors involved in China’s rise in globalisation and their link with the central state and to unpack, characterise, and analyse the multiplicity of their interests and strategies. Lee (2018) demonstrates that Chinese SOEs operating in Zambia’s copper mining sector have business strategies influenced by overall Chinese political relations with Zambia, which is not the case for private Chinese firms operating in the construction industry. Sun (2022) discusses the diversity of Chinese state actors potentially involved in enabling and endorsing the functioning of private standards in China. Notably, the author points out the existence of local and producer-connected bureaucracies that are generally keen to cooperate with certifying organisations, next to central state ministries that are less active but more effective in generalising the schemes when involved. Oliveira & Schneider (2016) and Schneider (2017) highlight the existence of corporations with headquarters in different nations operating in China in the vegetable oils and oilseeds sectors. The authors show how competition and conflict between these firms, notably between affirmed Western firms and rising Chinese firms, influence overall Chinese agricultural policies. Finally, some scholarly analysis highlights the diversity of the Chinese presence in different developing countries, for example as long established and naturalised minorities, as in South-East Asian countries (Gomez, 1999), as recently growing migrant communities, as in different African countries (Sautman & Hairong, 2007), and as workers for Chinese firms, in particular in the construction industry (Lee, 2018).

Finally, a third element of complexity concerns the analysis of Chinese relations with the developing world. First, Acharya (2008) and Sautman & Hairong (2007) highlight the importance of inscribing recent developments in economic and political relations between China and developing countries in a broader historical perspective which takes into account the countries' common post-colonial legacies and mutual support in the period of national independences. Second, Lu (2020) and Lim (2018) underline the importance of developing countries actors' agencies in shaping relations with China and the outcomes of Chinese foreign investments. Lu (2020) shows the role of the Laos state in the expansion of agri-business practices in the country, as a continuation of its policy of the appropriation of indigenous land and not only in response to rising Chinese demand for agricultural products. Lim (2018) analyses the role of political coalitions in Malaysia in negotiating favourable conditions from BRI infrastructural projects, thereby demonstrating the role of partner countries not only in undergoing but also in shaping the Belt and Road Initiative.

Third, Alary & Lafaye de Micheaux (2013) underline the importance of understanding the rise of China within an Asian regional perspective, in continuity with the economic rise of Japan, the Asian dragons (South Korea, Taiwan, Hong Kong and Singapore), and the Asian tigers (Malaysia, Indonesia, Philippines and Thailand). According to the authors, academic research on the region ought to take in consideration its increase in "connectivity" in terms of trade and investment. Also, it ought to reflect regional trends in the political economy, for example the relevance of state action and of long periods of political stability, in the succession of economic booms which have taken place in the region since the 1950s. Finally, the authors underline the relevance of investigating the role of Chinese historical diasporas and contemporary business networks in regional economic connectivity. As documented by Poupon (2016), such networks have a key relevance in some of the main South-East Asian agribusiness corporations, funded and managed by entrepreneurs of the Chinese diaspora, such as the Thai company Charoen Pokphand Foods (CPF) and the Singapore company Wilmar.

Drawing on this literature, this thesis employs an explorative approach, avoiding binary questions and using the empirical investigation of a case study in order to shed light on relevant analytical keys and categories possibly suited to the study of the rise of China. In particular, this thesis questions the validity of the dichotomic categories of “Global North”/“Global South” and “developed”/“developing” countries and their relevance to analysing contemporary shifts in political economic geography.

This thesis considers both state and corporate actors’ strategies’ influence on emerging Chinese approaches on global governance institutions. Each of the following chapters unpacks public and private relevant group of actors, with a view to shed light on the dynamics of cooperation and conflict among them, underlying emerging Chinese approaches to global governance. Finally, the following chapters highlight the complexity of Chinese relations with the developing world, by investigating developing countries’ public and corporate actors’ agencies, exploring the historical legacies of Chinese relations with the Global South, and underlining the Asian dimension of the rise of China and the role of Chinese transnational business networks.

3.2 The three chapters’ analytical keys, questions, and hypotheses.

Consistently with the approach outlined above, the thesis starts with a first chapter tackling the questions raised by the literature about the rise of China and the evolution of TVSS, discussed in Section 1.3, through an investigation of the empirical case study of the palm oil TVSS and its attempted diffusion in China, as a final consuming country.

Chapter 1 employs analytical keys and concepts from two relevant strands of literature. First, I review the literature analysing the diffusion of TVSS to developing countries and the categorisation of related scholarly work of external and internal factors driving TVSS’s diffusion. Second, I propose to complement this scholarship with literature analysing more broadly

Southern reactions to Northern attempts to diffuse TVSS in their territory. According to related works, actors in the Global South have not only been passive receivers of norms and initiatives promoting sustainability, but have reacted differently in different instances, either by: participating in TVSS, reinterpreting TVSS to fit with complementing initiatives or legislation, or by creating new initiatives, such as the state-led “Southern standards” or corporate upstream-led initiatives (Schouten & Bitzer, 2015; Van der Ven et al., 2021).

By bridging these two scholarships, Chapter 1 expands the initial question of whether TVSS can gain traction in China or not, to: *what are the reactions of relevant actors in China to the introduction of a TVSS concerning a commodity for domestic consumption? Is there an emerging Chinese approach to green value chains for imported agricultural products?*

Then, from the classification of Global South actors’ reaction to TVSS proposed by Van der Ven et al. (2021), I formulate the hypothesis that *an emerging Chinese approach to sustainability, concerning agricultural products for domestic consumption, will consist in either: participating in TVSS, or reinterpreting the TVSS, or creating new initiatives.*

If Chapter 1 aims to characterise Chinese emerging approaches to sustainable agricultural value chains, chapters 2 and 3 attempt to further explain them in two different ways.

Chapter 2 focuses on corporate strategies and their influences on approaches of global governance aimed at promoting sustainability. Here, TVSS are conceptualised as governance tools in Global Value Chains. In Chapter 2, I question the TVSS’s underlying assumption of GVCs driven by downstream corporations headquartered in the Global North, by investigating how the rise of China has driven change in palm oil GVC structure and in leading firms.

In order to carry out this analysis, I draw key analytical tools from three strands of literature inspired by the World System Perspective concept of the Commodity Chain (Hopkins and Wallerstein, 1986): the Global Commodity Chain (GCC) and the concepts of governance and lead firm (Gereffi & Korzeniewicz, 1994; Ponte & Sturgeon, 2014); the Global Value Chain (GVC), and the concept of upgrading (Gereffi, 1999; Humphrey & Schmitz*, 2001); and the

Global Production Network (GPN) and the concept of embeddedness (Henderson et al., 2002; Yeung & Coe, 2015).

I then review the emerging literature that argues that these studies, largely based on case studies about North-South value chains, should acknowledge the rise of South-South trade and analyse its implications for the evolution of global value chains (Horner & Nadvi, 2018; Neilson et al., 2014). Among the different implications discussed, I focus on works analysing the rise of corporate actors from the Global South. Different scholars argue that this rise can be explained by upgrading pathways of key GVC "strategic suppliers", which have undergone significant corporate concentration (Gereffi, 2014) and which have been supported by conducive public policies in producing countries, in particular in East and South-East Asia (Lebdioui, 2022; J. Lee & Gereffi, 2015). Horner (2016) and Horner & Nadvi (2018) argue that these firms could take up the position of lead firms, in particular in domestic and regional value chains, by targeting rising Southern markets. Lower quality standards and thereby lower entry barriers facilitate Southern firms' access to these markets, but could eventually hinder their upgrading pathway, because of greater competition (Horner, 2016; Kaplinsky & Farooki, 2010).

Wishing to contribute to this literature through an empirical investigation, Chapter 2 questions: How do global value chains change, in particular with reference to lead firms and their geographical embeddedness, when there is a high relevance of Southern final demand? What factors facilitate the rise of Southern firms to lead firms positions? How do VCs supplying China and the EU compare in this regard?

Drawing on the above literature, I formulate three research hypotheses:

1. Southern firms are emerging as GVC lead firms, in particular in domestic and/or regional value chains.
2. Their rise is favoured by three intertwining factors: industrial concentration among key suppliers of GVCs, supportive policies of producing countries, and the rise of Southern markets.

3. Southern firms have a higher role in the governance of VCs supplying China than those supplying the EU, thanks to lower entry barriers in the Chinese market. However, the nature of Chinese demand for lower quality, unstandardised, and relatively unprocessed products, and the presence of greater competition in the supply of the Chinese market also limit the emergence of Southern firms as global challengers to Northern lead firms.

Finally, Chapter 3 focuses on the Chinese central state's evolving approach to institutions of global governance promoting sustainability. Here, TVSS are conceptualised as part of international regimes which emerged during US hegemony and, in particular, part of two different regimes: those regulating transnational trade (Eden & Hampson, 1997; Kindleberger, 1983) and those normalising the promotion of international development and sustainability (Hattori, 2001). I then investigate Chinese central state participation or the contestation of TVSS by questioning the essentialisation of "Southern" and "developing country" identities and by shedding light on how China is belonging to the "Global South" alliance influences its overall approach.

In this chapter, I draw key concepts from International Political Economy literature, in particular those of international regimes (Krasner, 1983) and hegemonic stability (Gilpin, 1981; Kindleberger, 1983). I then frame the ensuing analysis in the IPE debate about how raising powers, contesting incumbent hegemons, affect the evolution of international regimes. On the one hand, structural realists argue that rising powers are bound to contest incumbents' norms and institutions (Kupchan, 2014). On the other hand, liberal institutionalists argue that rising powers can integrate incumbents' international regimes, thanks to the intertwining interests of rising and incumbent powers and to the institutional evolution that accommodates this integration (Keohane, 2005).

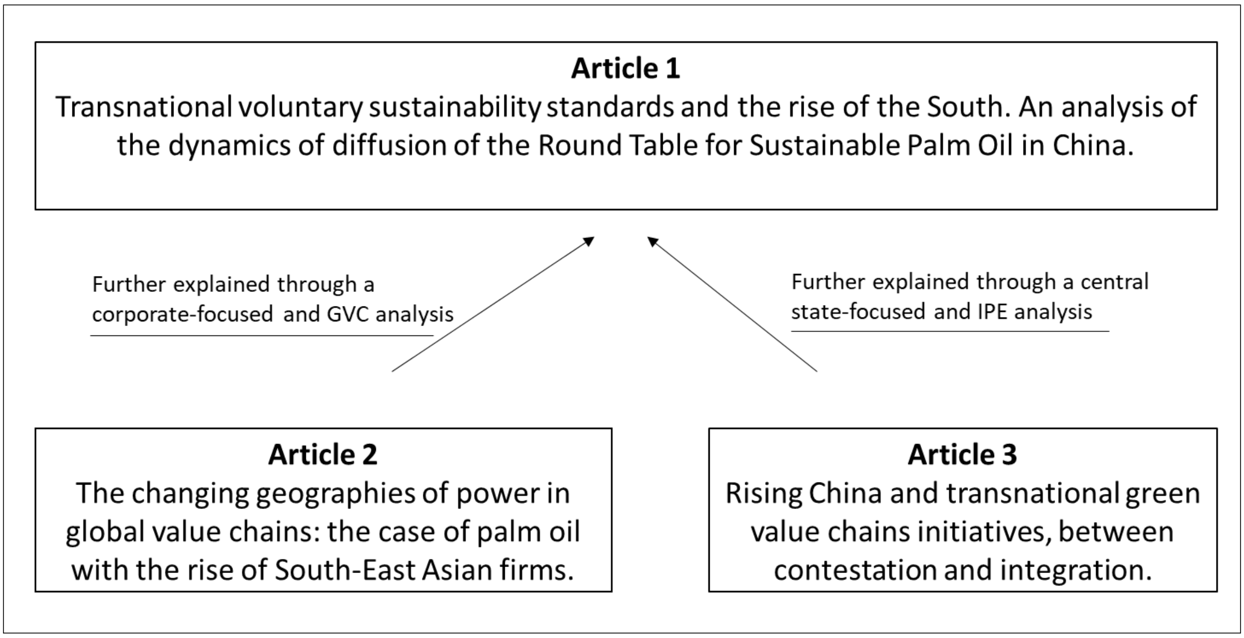
I then review the literature analysing rising China's approaches to international norms and institutions concerning international trade, official development cooperation, and the promotion of sustainability. This literature shows that China holds an ambivalent and pragmatic approach to current institutions and performs a “delicate dance” (Hopewell, 2016) between contestation and integration. China is documented to generally integrate institutions aimed at facilitating international trade and that allows its firms to penetrate Western markets (Hopewell, 2015). However, it usually contests Western-led initiatives of development cooperation, claiming to promote a more equal South-South cooperation (Gu et al., 2014). Finally, different scholars argue that China is increasingly keen on endorsing international institutions for the promotion of sustainability because of its interest in building a reputation of being a “responsible power” (Benabdallah, 2019; Yeophantong, 2013).

Then, in Chapter 3, I question: how does China approach transnational green value chains initiatives, considered to be part of international regimes supported by Western power?

Drawing on the above literature, I formulate two research hypotheses about China’s approach to transnational green value chains initiatives:

1. It is ambivalent, because of a tension between a drive towards convergence from opportunities of integrating with Western economies and a drive towards contestation from China’s alliances with the countries of the Global South.
2. It evolves towards engagement because of growing Chinese interest in improving its reputation of being a responsible power and reliable partner.

FIGURE 3: THESIS STRUCTURE

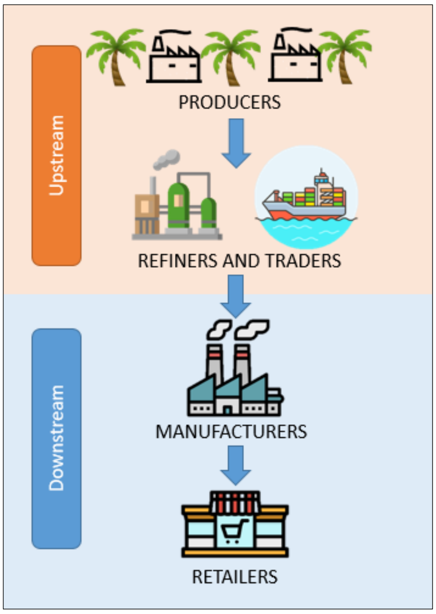


Source: the author

4 The case study: palm oil global value chains and transnational sustainability tools

I propose to deal with my research questions and test my hypotheses on the palm oil value chain. Agri-industrial practices of the production of palm oil have been denounced as having highly negative social and environmental impacts, such as land grabbing from indigenous minorities and deforestation. European and American NGOs attempted to leverage on European and American consumers and proposed sustainability solutions based on private governance models. Such models were then embraced by different European and North American TNCs and by the same countries' public institutions, in particular ODA agencies. The Multistakeholder Initiative (MSI) for Sustainable Palm Oil, RSPO, has become a flagship initiative of its kind. RSPO gathers together different actors of civil society and of the corporate sector. The latter are broadly distinguished between the upstream of a value chain – comprising palm oil producers and palm oil traders and refiners - and the downstream - comprising manufacturers and retailers of products containing palm oil. The rationale of the initiative is to engage downstream corporations to demand certified palm oil, thereby transforming the overall upstream industrial practices.

FIGURE 4: GRAPH OF THE KEY NODES OF THE PALM OIL VALUE CHAIN



Source: the author, inspired by RSPO classification of its members

However, the latter's future is uncertain. After a good start, certified palm oil purchases remain low. The instrument has a hard time to reach a critical mass of certifications that would allow it to be effective in terms of sustainability outcomes and to be economically viable. On the one hand, it is supported by relevant European and North American actors, i.e. NGOs, downstream firms, governments, and aid agencies. On the other hand, it is contested by key producing countries' actors, in particular in Indonesia and Malaysia, where is produced the 85% of total palm oil global production (USDA 2019). Indonesian and Malaysian states have denounced RSPO as interference in their domestic affairs and have recently launched competing public standards, ISPO and MSPO.

The possibilities for the TVSS to gain traction in Chinese markets are not yet clear. Environmental INGOs have publicly expressed optimism about Chinese uptake of the standard. The RSPO 2017 annual report calculated that Chinese uptake of RSPO had reached 10% of imported palm oil. Such a level of uptake was lower than Europe's 43.2% and the USA's 57.2%; however, it was considerably higher than India's 0.9%. Then, in 2018, a group of environmental

INGOs, in partnership with RSPO and the China Chamber of Commerce of Foodstuffs, Native Produce and Animal By-products (CFNA), launched the China Sustainable Palm Oil Alliance (CSPOA), with a number of firms stating their engagement for the uptake of private standards. However, NGO officers are also aware that such trends could stagnate. 10% could be a ceiling level and not increase in the future. Also, the scheme has not yet received outright support by the Chinese central state, undermining its full introduction in coherence with domestic rules and regulations.

The possible emergence of sensitivities and approaches in China for the sustainability of palm oil is likely to influence the evolution of the palm oil TVSS and other sustainability initiatives of the value chain. First, China is a major importer of palm oil, i.e. the 2nd or the 3rd biggest global importer, behind India and behind or ahead of the EU, depending on the year. Second, most of China's imported palm oil is used for domestic consumption and therefore influenced by domestic dynamics. This distinguishes palm oil from other imported commodities, such as timber, rubber, and paper, which are used for the fabrication of export products and therefore influenced by international markets.

Analysing the case of palm oil allows this thesis to frame the rise of China within the larger trend of the dynamism of East and South-East Asia as a rising centre of the global economy, where new institutions, industrial structures, and sustainability initiatives and mechanisms can arise. Palm oil value chains are largely Asian, as 89% of palm oil is produced in the continent and 66% is consumed there (USDA PSD 2019). A handful of Asian TNCs - like Wilmar, IOI, KLK, Musim Mas, Golden Agri, Felda, and Sime Darby - also concentrate most of palm oil production and trade (Aubert et al., 2017). Moreover, analysing the case of palm oil allows us to investigate the dynamics related to the Belt and Road initiative as Malaysia and Indonesia are key partners in its projects and platforms.

5 Methods

Drawing on the literature discussed in Section 2, this thesis has employed a qualitative and empirical approach, aimed at the emergence of salient analytical elements from a specific case study. Analysis of the evolution of power balances in global value chains and in international governance for sustainability as well as the emergence of a Chinese approach to green agricultural value chains has required a historical approach, with particular attention to chronology.

The thesis draws primary information from 43 semi-structured interviews. From 2019 to 2022, I interviewed a large array of actors who were knowledgeable about the research topic, including: practitioners of palm oil sustainability, globally and in China; experts in the palm oil trade; practitioners of palm oil value chains, in particular the staff of major refiners and traders; and experts and practitioners in Chinese agricultural, food, and sustainability domestic and international policies. The interviews have been anonymised and are summarised in two tables in the annexes. Chapters 1 and 3, which both analyse sustainability initiatives, draw information from the totality of the interviews, which are cited using codes corresponding to the type of organisation they operate: BO for bilateral organisations, including diplomatic representations and ODA agencies; IO for international organisations; NGO for Non Governmental Organisation; G for Chinese or Malaysian government; PF for private firms; and CTU for consultancies, think tanks and universities. Chapter 2, which analyses the structure of the palm oil GVC, draws on a smaller pool of interviews, which are referred to with codes corresponding to their role with respect to the VC: VCE for value chain experts; VCP for value chain practitioners; SDP for sustainable development practitioners; CATE for China international agricultural trade experts.

Qualitative interviews have been complemented by a substantial consultation of grey literature. Four sources in this category have been particularly useful. The first concerns the Roundtable for Sustainable Palm Oil Annual Communication of Progress (ACOP) reports, a yearly compilation of the compliance of RSPO members with the standard. The report contains quantified information about the palm oil-related activities of RSPO members, thus representing a source of information on the overall value chain activities and on certification. The second concerns INGO reports on palm oil global value chains and in particular reports about the Chinese palm oil value chain, commissioned by WWF and Proforest, UNDP, CDP, and RSPO, and published in 2020 and 2021. From these reports, I draw in particular on the identification of key corporate actors of the palm oil value chain supplying China. Finally, the third concerns Chinese official policy and policy advice documents, in particular the White Papers that outline the Chinese strategy concerning international development and cooperation and the policy advice documents of the China Council for International Cooperation on Environment and Development (CCICED).

Finally, the academic literature has also been a source of empirical information, relating to three topics. The first concerns the rise and affirmation of RSPO as well as the emergence of competing and complementing initiatives for the sustainability of palm oil, which has been widely documented by the literature on TVSS. The second concerns the affirmation, evolution, and relations with China of major South-East Asian agricultural TNCs, in particular the Singaporean company Wilmar, which is documented by literature on “Chinese capitalism” which investigated Chinese Overseas companies, their investments in China and the development of industrial conglomerates in Asia. The third concerns the historical evolution of Chinese alliances with the countries of the Global South since the aftermath of the Second World War and the establishment of the movement of non-aligned states.

Primary information was collected during a field trip to China – Beijing - and in Malaysia – Kuala Lumpur and Kuta Kina Balu - lasting one month between April and May 2019 and online in 2021. In 2019, the thesis was supposed to have a focus on Malaysia - China trade and political relations. Another field trip, lasting nine months, was scheduled to take place in 2020, with a five-month trip to China and three months in Malaysia. The field trip was aimed at collecting primary information through semi-structured interviews and through participation in seminars, meetings, and conferences organised on the theme of the sustainability of palm oil and of other soft commodities in the two countries. The latter were supposed to be numerous and meaningful in China because they were organised in preparation for the 15th Conference of the Parties of the UN Convention on Biodiversity, which was supposed to take place in Kunming (China) in November 2020, and to present Chinese efforts and international leadership on protecting biodiversity.

However, the onset of the COVID-19 crisis at the beginning of 2020 led to a massive limitation in international mobility and to the cancellation of seminars, meetings, and events, including Kunming COP15, which remains postponed today. This translated into multiple postponements of the field trip, which was supposed to take place in two of the countries with the tightest travelling limitations in the world. Considering the continuing limitations and the uncertainty of the evolution of the pandemic, the field trip was finally cancelled and data collection essentially took place remotely.

This situation has required great flexibility in terms of adapting and reshaping the research schedule and plan, responding to uncertainty and sudden changes in the pandemic situation. It has also led to a restructuring of the research project, with less of a focus on China-Malaysia relations and a broader focus on Asian regional trends and dynamics. Finally, it has demanded creativity in order to change and build research methods along the way, as research and working activities were reshaped by the massive usage of smart working. After an initial halt to most activities in the first half of 2020, by the end of the year meetings, seminars, and even events had resumed online. This migration of personal interactions online has allowed me to collect the primary information used in this thesis.

Moving data collection online has had some advantages. In particular, it has facilitated informal meetings and interviews, with practitioners from civil society and the private sector and with experts. Working remotely has allowed me to interview people based in geographies as distant as Beijing, Singapore, and Amsterdam in the same week, thereby considerably cutting costs and effort (and CO_2 emissions) connected to travelling. Existing online networking platforms, in particular LinkedIn and WeChat, have increased their users and importance, thereby favouring my contacts and meeting organisation. Finally, despite geographical distance, online interviews created an informal and intimate atmosphere, as often the interviewee was in a domestic setting and the video camera image created a sense of closeness, which facilitated information exchange.

However, collecting data online also presented disadvantages and limitations. One of these disadvantages concerned official interviews with government representatives. The latter are already restrained physically in China, where government officials are scarcely available for interviews, in particular by foreign researchers, who need specific and rarely released authorisations. This form of data collection then had to be discarded. As explained in the methodological section in Chapter 3, I have tried to overcome this limitation by interviewing Chinese and international experts and practitioners, who work closely with government officials and participate in policy dialogue and advocacy activities. Another drawback of online interviews is that they provide few occasions for contextual and environmental observations, in particular at seminars and events. This disadvantage has been translated into two main limits. The first concerned the possibility of reaching out to more private actors at business fairs and sustainability workshops, rather than online. The second concerned a lack of observations of the dynamics of negotiation and coalitions building during sustainability events. I tried to overcome this limitation through a larger than foreseen use of a bibliography about Chinese strategies and dynamics and international environmental conferences.

6 The thesis at a glance

TABLE 1: THESIS AT A GLANCE

C.	Scientific debate	TF/ analytical concepts	Research question	Key message
1	Is the rise of China going to lead to the demise of TVSS or can China become a partner of these initiatives?	Diffusion of standards / Southern Initiatives	What are the reactions of relevant actors in China to the introduction of a TVSS concerning a commodity for domestic consumption? Is there an emerging Chinese approach to green value chains for imported agricultural products?	RSPO is hardly diffusing in China. However, China is opening up to sustainable value chains through the adoption of a mixed approach, blending between those of Northern consuming and Southern producing countries. This approach increases the international relevance of Southern producer- led countries' instruments.
2	How does polycentric trade and the rise of China as a final market change the governance and lead firms of GVCs?	GCC/ GVC/ GPN	How do global value chains change, in particular with reference to lead firms and their geographical embeddedness, when there is a high relevance of Southern final demand? What factor facilitates the rise of Southern embedded lead firms? How do VCs supplying China and Europe compare in this regard?	South-East Asian TNCs have emerged as pivotal actors in palm oil GVC, which is not driven by Northern based downstream TNCs. SEA TNCs' geographical embeddedness goes beyond the country of their headquarters, to the broader East and South East Asian region, with China playing a key role. This GVC structure and geographical embeddedness lead to a stronger role of East and South East Asian corporate, social and state actors in the GVC governance.
3	How does China, as a rising power, drive change in the institutions and norms of international regimes? Integration or contestation?	IPE	How does China approach transnational green value chains initiatives, considered to be part of international regimes supported by Western powers?	China integrates green value chains initiatives selectively, i.e. reshaping them to accommodate its interests. This reshaping goes to the advantage of commodity-producing countries, which are increasingly important political and economic partners China, also within the BRI.

Source: the author

CHAPTER 1: TRANSNATIONAL VOLUNTARY SUSTAINABILITY STANDARDS AND THE RISE OF THE SOUTH. AN ANALYSIS OF THE DYNAMICS OF DIFFUSION OF THE ROUNDTABLE ON SUSTAINABLE PALM OIL IN CHINA.

1 Introduction

Transnational voluntary sustainability standards (TVSS) have been proposed as global tools to reduce the downsides of export-oriented agriculture, such as deforestation, pollution, loss of biodiversity and people exploitation. Such instruments have proliferated in recent years (e.g. the Forest Stewardship Council, FSC, UTZ certified, and the Roundtable for Sustainable Palm Oil, RSPO) championed by European and North American NGOs, governments, development agencies, and mainly applied by Transnational Corporations (TNCs) with headquarters in North America and Europe.

Academic literature has analysed the rise and affirmation of these instruments focusing, sometimes explicitly, sometimes implicitly, on “South-North” value chains (Horner & Nadvi, 2018), i.e. on TVSS conceived and driven by actors of the Global North and concerning commodities, such as palm oil, coffee, cacao, and sugar, produced in developing countries and sold in developed countries’ markets. This literature has largely investigated TVSS affirmation dynamics and trends in consuming developed countries (Busch & Bain, 2004; Ponte & Cheyns, 2013; Ponte & Gibbon, 2005) and in particular their adoption by downstream firms and their institutionalisation in state policies and regulation, in particular in the European Union and single European states (Henson, 2011; Henson & Humphrey, 2010; Marx, 2017). Also, studies have discussed the repercussions of TVSS in developing producing countries, for example in terms of producers’ upgrading possibilities and the impact on sustainability (Kaplinsky, 2010; Maertens & Swinnen, 2009).

However, certain countries of the Global South, referred to as “emerging markets” (Gassler et al., 2016; Schleifer & Sun, 2018), “Asian drivers” (Kaplinsky & Messner, 2008), and “rising powers” (Nadvi, 2014), are becoming increasingly central in global agro-food value chains, not only as producers of agricultural commodities, but also as manufacturers, branders, and as final consumers. Some scholars (Kaplinsky & Farooki, 2011; Nadvi, 2014) have started to question how these trends would affect the evolution of TVSS and, in particular: will the rise of new powers signify their demise? Or can TVSS gain traction in emerging markets? And, in this case, will they change to accommodate new entrants? China is a key case in this debate. Some scholars analyse Chinese demand for natural resources, which has spiked since the end of the 1990s, as a major obstacle to TVSS diffusion (Kaplinsky et al., 2010; Kaplinsky & Farooki, 2011). However, other scholars point to rapid economic, social, and political development in China as signals of a possible opening of Chinese markets to sustainability instruments such as TVSS (Schleifer & Sun, 2018; Zadek, 2010).

This paper aims to contribute towards disentangling this debate, by empirically analysing the emblematic case of the palm oil-related TVSS, elaborated by the Roundtable on Sustainable Palm Oil, and its attempted diffusion in China as a final consumer country. The implication of this research is to shed light on the place of China in transnational initiatives promoting the sustainability of agricultural commodities and on the evolution of the latter in a multipolar world.

The rest of the paper is divided into six sections. In Section 2, I introduce the case study of this paper and the related controversy about the possible diffusion of RSPO in China. In Section 3, I review the relevant literature that has, even partially, addressed this controversy. In Section 4, I define the research question, approach, and methods of this paper. In Section 5, I set out the results. In Section 6, I discuss the research hypothesis and in Section 7, I draw some conclusions.

2 The case of palm oil sustainability initiatives

The Roundtable on Sustainable Palm Oil emerged in 2003, following public outrage in Europe and North America about deforestation and biodiversity loss, taking place in South-East Asia and in particular in Indonesia. Such trends were exposed by some key environmental international NGOs (INGOs), such as Greenpeace, which connected them to the spike in the production of palm oil and in demand for the commodity by Western corporations, in the processed food and oleo-chemical sectors. Engaged INGOs ran naming and shaming campaigns of specific corporations that were sourcing palm oil in their production lines, notably Mars, Nestlé, and Unilever (Pye, 2010).

In 2002, in response to civil society and consumers' criticism, WWF ran a broad round of consultations with key downstream corporations that sourced palm oil as an ingredient in their products and were based in Europe, which led to the launch of the Roundtable on Sustainable Palm Oil in 2003 (Djama et al., 2011). In the following year, RSPO was joined by major upstream corporations producing, trading, and refining palm oil, but excluded representatives of producing or consuming countries' states. By 2004, the Roundtable grouped voluntarily joining actors from the private sector of the downstream and the upstream of the palm oil value chain and from civil society, with the aim of agreeing to drafting a set of principles defining sustainable practices for palm oil production, which would be the base of RSPO third-party certification. The logic of the initiative consisted in engaging downstream corporations to source exclusively RSPO-certified palm oil in their production lines, thereby leveraging palm oil producers to adopt sustainable practices. By the end of the 2000s, the vision of promoters of RSPO was to achieve 100% RSPO palm oil global sourcing, which would be transformative for the industry's production practices towards increasing sustainability (PF1, IO3) [3].

However, a few years after its establishment, the course of the initiative took different paths in different geographies. RSPO certification gained traction in the Global North, in particular in Europe, which is the second or third global importer of palm oil[4] depending on the year (USDA PSD data). Consumer awareness is scarcely at the root of this trend. Studies demonstrate that consumers are often not aware of the presence of palm oil as a product ingredient, they have limited knowledge of the RSPO label and they are instead sensitive to "no palm oil" mentions and labelling (Aguiar et al., 2018; Borrello et al., 2019; Sundaraja et al., 2021). However, NGO campaigns have managed to attract considerable attention and to create a

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[3] Interviews, whose codes are explained in the methods section.
[4] USA and Canada rely more on soy and rapeseed oil, thereby being less significant importers of palm oil (USDA data).

relevant reputational drive for firms' adoption of the scheme (Pye, 2010, 2019). A large number of companies sourcing palm oil joined the Roundtable, which counted 550 European members in 2011 (RSPO ACOP digest 2012).

Membership was further galvanised by corporate alliances, such as the European Sustainable Palm Oil Alliance (ESPO), launched in the Netherlands in 2015. Frontrunner downstream corporations, such as Mars, Unilever, Ferrero, and L'Oréal, then committed to 100% RSPO sourcing and reached the related targets in the second half of the 2010s (ACOP 2020, category manufactures). Moreover, International Financial Institutions, such as Rabobank and Credit Suisse, also joined RSPO, whose principles inspired emerging ESG (environmental, social, and governance) engagements such as the Soft Commodities Compact (Pacheco et al., 2018).

Finally, European states and the European Union also supported the initiative. Nine European countries engaged in importing 100% sustainable palm oil in the Amsterdam Declaration in 2015[5]. Then different OECD countries' Official Development Aid programmes supported RSPO implementation (Djama et al., 2011). Finally, the standard was inserted into public regulation, such as the Norway zero imported deforestation policy and the UK commitments for deforestation-free public procurement (Pacheco et al., 2018). These different private and public engagements translated into high levels of uptake of RSPO in European markets, for example 99% for Norway and France, 88% for the Netherlands, and 75% for the UK (data for 2019, ESPO, https://mvo.nl/).

However, the standard also faced multiple criticisms, of which three led towards the emergence of largely adopted alternatives for promoting sustainability in the palm oil value chain. One criticism came from environmental INGOs, such as Greenpeace, which considered RSPO to be too vague and its voluntary character scarcely effective (Aubert et al., 2017). Another criticism was advanced by palm oil producers, which argued that the standard was too

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[5] The Amsterdam Declarations Partnership was launched in 2015 and in 2021 counted nine European countries, aiming to address deforestation through initiatives on their imports of agricultural commodities.

downstream-led and disproportionally addressed the interests of manufacturers and retailers (Schouten & Bitzer, 2015). The third criticism was claimed by the Indonesian and Malaysian governments, which have produced more than 80% of globally produced palm oil since 1989 (USDA PSD data) and which were left out of the Roundtable. The states of both countries have criticised RSPO as “green colonialism” and foreign interference in their sovereign management of natural resources (Higgins & Richards, 2019).

These criticisms led to the emergence of multiple initiatives, targeting actors in the upstream of the value chain and competing but also complementing RSPO. In 2013 environmental INGOs, led by Greenpeace, developed the High Carbon Stock (HCS) approach, which consisted in identifying areas with a high carbon stock and advocating for their preservation (Aubert et al., 2017). These INGOs first exposed and then cooperated with major corporations on the development of CSR engagements, which included commitments to source only palm oil produced outside HCS areas. These engagements were formulated by key downstream firms, such as Unilever and Mars, which were already committing to source 100% RSPO certified palm oil. However, they also concerned industrial actors of the upstream more directly. In particular, key palm oil traders and refiners, starting with Wilmar, the largest global palm oil trader, issued the “No Deforestation, Peat and Exploitation” (NDPE) set of engagements in 2013, which led to the development of diverse tracing tools and technologies, aimed at monitoring firms’ supply chains beyond RSPO certification.

The Indonesian and Malaysian public authorities then developed state-led national versions of palm oil sustainability standards: the Indonesian Sustainable Palm Oil (ISPO) standard, in 2011, and the Malaysian Sustainable Palm Oil (MSPO) standard, in 2013, which became mandatory in 2022 and 2019 respectively. The principles enshrined in these standards are inspired by those of RSPO but are milder, for example with regard to the ban on cultivating palm oil on peat land and consideration of the land rights of indigenous communities when issuing palm oil concessions (Hospes, 2014). However, their proponents argue that their lower ambition is compensated by higher feasibility (Higgins & Richards, 2019). Their target is 100%

uptake and they are implemented through extensive delivery of public extension services to palm oil producers (Humphrey & Michida, 2021).

Sustainable development scholars and practitioners have largely discussed the pros and cons of these alternative schemes, in terms of legitimacy, feasibility, and impact on sustainability in the producing countries (Aubert et al., 2017; Pacheco et al., 2017). However, another growing debate concerns which approach might gain traction in other relevant importing markets, beyond Europe, and notably in India and China, respectively, the first and the second or third importer of palm oil, depending on the year (USDA PSD data). In 2021, RSPO uptake lagged below the 5% in both countries (WWF,2021). However, organisations such as WWF and RSPO argue that the TVSS will soon gain traction in these markets, in particular the Chinese market, because of emerging conducive economic and political trends (NGO7, NGO9, NGO13)[6]. Instead, other organisations, for example the INGO Solidaridad, promote a differentiated approach to the sustainability of palm oil, arguing that there exists an "Asian conversation" about the topic, which focuses more on governmental approaches, food security, sovereignty issues and national frameworks taking into account the complementarity of multiple vegetable oils (notably soy and palm oil) (IO3, NGO10, NGO11)[7].

3 Review of the literature

This social controversy has been discussed by different scholarly works, using analytical keys and questions from two different academic strands of literature, one about the international diffusion of standards and the other about the emergence of Southern initiatives for sustainability in global agricultural value chains.

[6] Interviews, whose codes are explained in the methods section.
[7] Interviews, whose codes are explained in the methods section.

3.1 Diffusion of TVSS

The first scholarship questions how TVSS diffuse from developed countries to countries of the Global South, considered as producers of commodities but also marginally as manufacturers and as final consumers. These studies discuss both the dynamics of adoption by firms in the Global South and of state endorsement and institutionalisation. This literature mainly distinguishes between the external and internal drivers of diffusion of TVSS.

First, the literature generally agrees that the main driver of diffusion of TVSS in the Global South is external and is constituted by the possibilities for export from producers of the Global South to developed countries' markets that demand certified products. Prakash and Potosi (2006), through a comparative study of the uptake of ISO14011 certification in 108 countries, show that levels of certifications in producing countries are related to the uptake of certification in key export markets. Yanai (2021) also shows that the uptake of certification in key export markets, for the fisheries sector of Thailand, Vietnam, and Madagascar, has an incidence in the likelihood of exporting states to develop supporting policies to relevant certification schemes. Earnhart et al. (2014) then underline the certification drive for producers in developing countries to be inserted in the global value chains of TNCs demanding certification. According to Van der Ven (2018), lead firms in global value chains have a key role in diffusing certification to producers in the Global South, by holding a "gatekeeping power" for accessing profitable markets.

Second, Fikru (2014) argues that, in addition to external drivers, internal factors also play a role in the diffusion of TVSS in developing countries, for example support for certification by local bureaucracies or by domestic labour unions. According to Nadvi (2014), internal factors specific to rising powers are likely to play a growing role in the global diffusion of TVSS, as these countries' markets are increasingly the final outlets for globally traded commodities and products. According to the author, four groups of actors are likely to catalyse these changes and should be further researched: the growing middle classes of consumers; strengthening civil societies; rising Southern lead firms in global or regional value chains; states that are increasingly effective and keen on promoting sustainability.

The literature also argues that the last two drivers can also be activated by mimicking and emulation dynamics. According to Zhu et al. (2012, 2016), growing and internationalising firms in the Global South have a tendency to “mimic” the practices of global leaders in their sector, also with regard to the uptake of sustainability and standards. Then Michida et al. (2021) argue that the dynamics of “learning and emulation” also concern the adoption of public policies supporting TVSS, which have proven their effectiveness and legitimacy in other countries .

Works discussing the affirmation of RSPO, within this scholarship analyse the Chinese and Indian final consumption of palm oil as emblematic of that of countries from the Global South and consider it generally as a constraint on RSPO diffusion. As China and India do not use palm oil as an ingredient in manufactured products exported in the Global North, they have a low incentive to import the certified commodity. As a consequence, Pacheco et al. (2018) argue that Chinese and Indian demand pushes value chains to “bifurcate into “green” and “brown”, i.e. certified and non-certified. Similarly, McCarthy et al. (2012) Nesadurai (2018) and Lyons-White & Knight (2018) argue that, despite incentives from the European markets, palm oil producers in Indonesia develop non-certified production for value chains directed to Indian and Chinese markets.

However, Schleifer & Sun (2018) question the assumption that all Southern countries have the same and negative preferences concerning sustainability transnational certifications, in a comparative study about the trajectories of the diffusion of RSPO in India and China. Through a multifactorial framework of analysis, the authors argue that China, despite weak market drives, shows the emergence of internal factors that might lead to an opening to the uptake of RSPO, in particular by frontrunner companies downstream of the palm oil value chain and by the central state.

First, the authors point out that global transnational firms have an important place in the Chinese downstream and are already engaged in RSPO. Then they underline the fact that development of the agro-food business in China is undergoing similar transformations to that of Europe and the USA in the 1990s, with downstream firms in the segment of manufacturing and retailing undergoing trends of industrial concentration and competition through branding. As a consequence, the authors argue that global firms' practices might soon spread to the overall downstream in China, through emulation. Then Schleifer & Sun (2018) and also Sun (2016, 2022) challenge the vision of a Chinese state hindering the affirmation of private sustainability certifications. Concerning palm oil certification, they show that, despite a lack of official endorsement of the standard, RSPO has been facilitated by a state-linked agency – the sector producers' association, the China Chamber of Commerce of Foodstuffs and Native Produce (CFNA). The latter engagement signals a partial willingness by the Chinese state to endorse the initiative and possibly an imminent opening to do so.

3.2 Affirmation of Southern standards and initiatives

Other scholarly works that have invested the controversy then adopt a different perspective, shedding light on different Northern and Southern agencies in the diffusion processes of TVSS and on the multiplicity of existing alternatives to TVSS for the promotion of agricultural commodities in the Global South.

These scholars point out that, despite addressing sustainability challenges in the Global South, TVSS have been set up and promoted overwhelmingly by actors from the Global North (Van der Ven et al., 2021). Schouten & Bitzer (2015) then show that private and public actors in the Global South have, in some instances, reacted to Northern actors' promotion of TVSS through contestation and initiating alternative schemes to address sustainability challenges of agricultural production, for example for palm oil in Indonesia and Malaysia and for fresh fruit in South Africa. According to the authors, these initiatives, which they call the "Southern standards", use similar mechanisms to their Northern counterparts, e.g. certification, but they draw their legitimacy from the upstream of the value chain, rather than from the downstream. Such schemes emerge to address producers' interests and constraints, neglected by manufacturer- and retailer-led Northern standards, more directly. Also, they claim to be the expression of a local vision of sustainability, more pragmatic and feasible to implement than the Northern international one that underlies TVSS (Schouten & Bitzer, 2015).

Then Van der Ven et al. (2021), introducing a special issue on "Sustainable commodity governance and the Global South", discuss the relevance of going beyond dichotomic questions about the affirmation or failure of TVSS in the Global South and rather investigating more openly the possible reaction of relevant stakeholders to single initiatives. Drawing from the case studies in the special issues, they propose to classify these responses under three different categories: participating, reinterpreting, and creating new initiatives. First, Southern actors can participate in TVSS, even if often hindered by high costs and technical barriers to compliance to certification. Second, Southern actors can reinterpret the prescription of the TVSS, making them more suitable to local contexts, often blending them with other initiatives and regulatory frameworks with which they overlap. Third, Southern actors can create alternative initiatives, such as standards, but also capacity building, partially in cooperation and partially in competition with TVSS.

In this scholarship, the countries of the Global South are generally analysed as producers of agricultural commodities and Southern standards and initiatives are considered as a "local" solution as opposed to "global" TVSS. Then the demand from other Southern countries is only marginally discussed and analysed as generally not being interested in Northern-led certifications, thereby giving a larger space for Southern agencies and initiatives (Van der Ven et al., 2021) (Bloomfield, 2020). This argument has also been made for Chinese and Indian demand for palm oil, considered as being indifferent to the TVSS and thereby promising for MSPO and ISPO (Higgins & Richards, 2019; Schouten & Bitzer, 2015). In particular, Kadarusman & Pramudya (2019) investigate the outcome of Chinese and Indian demand on palm oil sustainability practices in Indonesia. They argue that a “buyer-driven sustainability governance” of regional value chains is currently “non-existent” (Kadarusman & Pramudya, 2019, p. 10). According to the authors, this trend provides space for the development of producer-driven sustainability initiatives, which could be appreciated in the future by India and China, as consumer and state preferences for sustainability grow.

4 Research question, hypothesis, and methods

Both the strands of literature discussed above provide some analytical keys to clarify the controversy concerning RSPO diffusion in China and more generally on the drive of the rising power’s demand over TVSS. However, their results are contradictory, leaving the controversy unsolved. Both scholarships point out the current weak demand for domestic consumption of certified agricultural products in China. However, according to the diffusion literature, the Chinese market could soon open up to RSPO adoption because of evolution in internal drivers, in particular the development of branding firms in the food and oleo-chemical sectors and the openness of the state to sustainability policies. On the contrary, according to the Southern initiatives’ literature, the lack of Chinese demand for TVSS allows the development of producer-driven alternatives, which might have greater international success, as sustainability preferences grow in China.

I argue that this contradiction can be attributed, on the one hand, to limited empirical research on the topic and, on the other hand, to limited communication between the two scholarships. A common limit of both scholarships is to broadly consider the countries of the Global South as producers of agricultural products, empirically under-investigating cases where such countries are importers of products for final consumption. Low demand for certified products, for example in China and India, is usually presented as a given reality and under-analysed through specific cases. The only empirical contribution, by Schleifer & Sun (2018), points out at positive drivers among state and business actors in China, but provides little explanation about persisting low rates of uptake of the standard in the country (WWF 2021).

Then, the questions of these scholarships are complementary, but are usually treated separately. First, the literature discussing the diffusion of TVSS in the countries of the Global South relies on binary questions of adoption or non-adoption of standards, failing to acknowledge the multiplicity of existing alternative initiatives in agricultural value chains, highlighted by the literature about Southern initiatives. Second, the latter literature analyses Southern initiatives in terms of local vs Global/Northern solutions (Schouten & Bitzer, 2015), thereby neglecting the factors and dynamics of international diffusion of Southern initiatives.

This paper proposes to overcome the limits of the literature by contributing to enlightening the controversy through an empirical contribution and by bridging between the two strands of literature. The paper aims to analyse the dynamics of diffusion of RSPO in China, with particular attention to the two internal drivers highlighted by the literature, i.e. state engagement in sustainability policies and companies' emulation of practices of firms that are global leaders in their sector. This analysis will include considerations about the influence of alternative upstream-led initiatives on TVSS diffusion dynamics and will shed light on the agency and reaction of different domestic and international actors. Drawing from relevant empirical works about China and the institutions of global governance (Freeman & Xu, 2015; C. K. Lee, 2014; Lim, 2018; Lu, 2020), discussed in the thesis general introduction, the paper will also attempt to unpack "Chinese" actors falling under the two identified relevant actors' groups:

- The Chinese state – by questioning whether different state actors have been involved and with what approach;
- "Chinese" firms - by questioning the engagement and uptake of RSPO and of other tool-related approaches of the main firms operating downstream of the Chinese palm oil value chain, with a view of their position in the value chain and of the nationality of their headquarters.

With these considerations, I broaden the initial question of whether TVSS can gain traction in China or not, to: what are the reactions of the relevant actors in China to the introduction of a TVSS concerning a commodity for domestic consumption? Is there an emerging Chinese approach to green value chains for imported agricultural products?

In order to formulate a research hypothesis, I draw from the classification of Global South actors' reaction to TVSS proposed by Van der Ven et al. (2021) and discussed in the previous section. Then I formulate the hypothesis that an emerging Chinese approach to sustainability, concerning agricultural products for domestic consumption, will consist in either: *participating* in TVSS, or *reinterpreting* the TVSS or *creating* new initiatives.

4.1 Approach and Methods

In the results section, I retrace efforts to introduce RSPO and other approaches to the sustainability of palm oil in China, with a view to analysing the successes and failures of standards' diffusion and to characterising the related trends. The information that contributes to this analysis is sourced from 43 qualitative semi-structured interviews, which were conducted from March 2019 to January 2022, in Kuala Lumpur and Beijing and online, starting from March 2020, because of Covid-related travel restrictions. During this period, I interviewed Chinese and international experts and practitioners engaged in the sustainability of palm oil globally and in China, from non-governmental organisations (NGO), bilateral governmental organisations (BO) and international organisations (IO), private firms (PF), and consultancies, think tank and universities (CTU), and Chinese and Malaysian governments (G). The interviews are anonymised and referred to with a code as specified in Annexe 1.

Information from the interviews was then complemented by online research on grey literature about sustainable palm oil globally and in China, i.e. reports from NGOs, development agencies, consultancies and think tanks and news items. Two types of grey literature sources have been particularly useful:

- Reports about Chinese palm oil value chain, commissioned by WWF and Proforest, UNDP, CDP, and RSPO, and published in 2020 and 2021. From these reports, I draw, in particular, the identification of key corporate actors of the palm oil value chain supplying China, which from here on I refer to as the "frontrunner companies".
- The Roundtable on Sustainable Palm Oil Annual Communication of Progress (RSPO ACOP) report, which is a yearly compilation by RSPO members of their compliance with the standard.

5 Results

Proponents of RSPO have worked for the affirmation of the standard in China since the early years of the initiative and they have scaled up their efforts in the 2010s. The priority of engaging the Chinese market was stated during the 9th Annual Roundtable Meeting on Sustainable Palm Oil in 2011, in the speech by the first RSPO secretary general, Mr. Teoh Chang Hai. The latter pointed out that, in order to achieve the RSPO vision of 100% certified palm oil and have an impact on the transformation of the palm oil industry, China would have to take up 40% of the certified commodity by 2019[8].

RSPO efforts in the 2000s had limited results and, in 2011, the multi-stakeholder initiative counted only four Chinese members and negligible levels of uptake[9]. At the same time, some positive trends were emerging by the beginning of the 2010s. First, the 12th Chinese Five-Year Plan (2011-15) announced the objective to achieve a 'harmonious society", through pursuing objectives of sustainable development and of a reduction in carbon emissions. Second, voluntary sustainability standards were gaining considerable traction in China. In 2011, the latter was the country with the highest number of ISO 9000 certifications (United Nations

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[8] https://www.youtube.com/watch?v=h9cFnZnSrd8, Teoh Cheng Hai's speech at the 9th Annual Roundtable Meeting on Sustainable Palm Oil.
[9] https://news.mongabay.com/2011/12/will-sustainable-palm-oil-sell-in-china/

Industrial Development Organisation, 2015) and it had successfully introduced another multi-stakeholder initiative concerned with forest protection, i.e. the Forest Stewardship Council.

As a consequence, in the following years, RSPO proponents engaged in multiple activities in China. They partnered with the main INGOs present in the country, in particular WWF, Solidaridad, and later WRI and CDP. Also, they received the support of several ODA agencies, in particular the British DIFID, within the China-UK Collaboration on International Forest Investment and Trade (InFIT) Programme. This coalition of RSPO promoters advocated the introduction of the TVSS with a wide spectrum of actors, including state and corporate actors, civil society and consumers (NGO5, NGO6). Following the identification, in section 4, of two possible key internal drivers for RSPO diffusion in China, in this section I will focus on RSPO promoters' engagement of two group of actors: the central state and frontrunner companies operating in the downstream of the palm oil value chain in China.

5.1 Attempts to engage the Chinese state in endorsing RSPO

RSPO proponents considered the engagement of Chinese central state agencies as paramount for the success of the initiative in China (NGO2, NGO4, NGO5, NGO6). In particular, they aimed at obtaining the involvement of the Minister of Commerce (MOFCOM), as palm oil is not grown in China but solely imported from abroad. The engagement of such a top-level actor was expected as the official partnership of the DIFID-led INFIT programme on its palm oil component.

According to RSPO proponents (NGO2, BO4, NGO4, IO3), the engagement of a ministerial counterpart was of triple importance. First, in the short term, MOFCOM would launch a signal to economic actors in China, encouraging the uptake of the standard. Second, in the long term, it would open up a space for dialogue to frame RSPO adoption within legal measures, e.g. in public procurement and in trade agreements. Third, the engagement of a central ministry would facilitate the translation and introduction of RSPO in the Chinese system of standards. A similar engagement of the State Forest Administration in 2006 had allowed the FSC standard to be included in the Chinese system. If that had meant some modification of the standard, notably a higher participation of the state in certification, it had also allowed for its diffusion in the country (RSPO & SynTao, 2020).

The engagement of MOFCOM was then pursued through a wide range of activities, i.e. the realisation of two policy advice papers; the organisation of multi-stakeholder roundtables, and the organisation of one high-level visit by a Chinese delegation to the Netherlands, to meet with representatives of members of the Amsterdam Declarations Partnership.

However, these activities produced few results. MOFCOM has always declined to participate as a Chinese ministerial counterpart in the palm oil component of INFIT, supporting its position with three main arguments. First, Chinese firms have a limited engagement in the upstream of the palm oil value chain (BO4). According to Kuepper et al. (2021), only four Chinese firms have invested in palm oil production. The largest of them, the Yulong group, is estimated to own a planted area of 50,000 ha, which is relatively small compared to that of major South-East Asian producers, such as Sime Darby 718, 174 ha or Golden Agri 578,244 ha (RSPO ACOP 2020). China imports most of its palm oil already refined from major foreign, in particular South-East Asian, refiners and traders, such as Wilmar, Musim Mas, and IOI. MOFCOM looks increasingly keen on regulating the social and environmental standards of Chinese investments in commodity production and extraction overseas, as testified by the joint issue by MOFCOM and the Ministry of Ecology and Environment (MEE) of the green development guidelines for overseas investment and cooperation in 2021. However, due to the low relevance of Chinese FDIs in palm oil production and refining, this value chain is considered out of its scope of action.

Second, despite being the second or the third global importer of palm oil, depending on the year, China imports only 14% of globally traded palm oil (USDA data for 2019). This figure is small if compared with that of other commodities, i.e. 60% of soy beans and 35% of pulp and paper and 30% of natural rubber (USDA and Comtrade data, 2019). In particular, palm oil in

China is considered as complementary to soy oil, which is a coproduct of soy meal, largely used in China as a feed for industrial livestock production (G4). As the sourcing of soy is considered to be a national priority, in terms of food security, and it is regularly hindered by antagonism with the USA, the sourcing of palm oil is considered as a secondary value chain with little need for intervention (G1).

Finally, MOFCOM has expressed reluctance in interfering with producing countries' sovereignty by supporting a Western-led transnational initiative (CTU2). The Ministry claims to refer to a larger principle of "non- interference" in the internal affairs of Chinese partners, which rejects the usage of social, environmental, and good governance conditionality, also criticising OECD's related practices. This claim has been strengthened by the existence of producer-led different initiatives, for example the state-led national palm oil standards of Malaysia and Indonesia. The latter are getting introduced in the Chinese system. In 2019, the Malaysian Sustainable Palm Oil (MSPO) standard and the Green Food Council of China, an agency of the Ministry of Agriculture with the task of defining food- related sustainability certifications in China, signed an MOU for the domestic introduction of the standard[10].

5.2 Attempts to engage frontrunner companies in China in taking up the standard

Despite a failure to engage MOFCOM, RSPO proponents managed to build cooperation with the China Chamber of Commerce of Foodstuffs and Native Produce (CFNA), which has collaborated with the Roundtable since 2008. Such an agency is not part of a line ministry but, as with many non-governmental actors in China (Guttman et al., 2018), it is government linked. Its involvement showed a certain ambivalence on the part of the Chinese state. The latter did not directly support the initiative but did not oppose it either. This allowed RSPO proponents to operate in the country and engage directly with the business sector, with a particular aim in

[10] http://www.greenfood.agri.cn/dtyw/gzywx/201905/t20190528_6401166.htm

relation to agro-food and oleo-chemical frontrunners. In 2015, the CNFA and DIFID drafted the Chinese Guide for Overseas Investment and Production of Sustainable Palm Oil, drawing on key RSPO principles. CNFA, RSPO, and leading INGOs, in particular WWF and Solidaridad, then cooperated in the facilitation of activities and events for business engagements and, notably: roundtable discussions, multi-stakeholder consultations, business workshops and field trips to palm oil-producing countries, to visit certifying producers, and also to Europe, to visit firms with certified supply chains.

Firms' engagement in the initiative faced major market constraints. Palm oil is imported in China mainly for domestic consumption and not for processing and re-exporting to North American and European markets , where there is a demand for certification (Di Canossa et al., 2020) (PF2, PF3), as is the case instead with other agricultural commodities, such as timber, pulp and paper, and natural rubber. RSPO certification is scarcely appreciated in domestic markets, despite growing income and consumer preferences for sustainable and certified products. A 2019 survey on sustainable consumption in China shows that green and organic food labels are increasingly popular for Chinese consumers (Y. Li et al., 2019). However, RSPO is relatively unknown, with 7.11% of respondents recognising the label, compared to 14.8% for FSC; 35.12% for Organic Food; 46.81% for the China Environmental Label; and 68% for Green Food (Y. Li et al., 2019)[11] . As those interviewed explain (NGO4, NGO5, NGO6), similarly to Europe, consumers are not aware of, nor demanding, palm oil sustainable certification. Palm oil is a "hidden commodity" (CDP, 2020) in products on the Chinese markets, often blended with other vegetable oils and scarcely included in labels detailing ingredients in processed food or oleo-chemical products.

Despite this major obstacle, RSPO proponents attempted to leverage on global leading companies, present in China and already engaged in RSPO. This is the case with major food

[11] The survey is conducted on a sample of consumers in five wealthy Chinese cities and does not concern the entire Chinese population.

and oleo-chemical manufacturing and branding firms, such as Unilever, Mars, and L'Oreal, that are members of RSPO and have a 100% uptake commitment in their supply chains. These firms have plants in China that mainly use palm oil as an ingredient in products commercialised in China or elsewhere in Asia. However, they manage their reputation globally, as they can be exposed by scandals concerning the practices of both their subsidiaries in foreign countries and by their suppliers, with risks for their sales but also for their access to credit from International Financial institutions (PF2). RSPO also attempted to leverage on major palm oil refiners and traders, such as Wilmar, Golden Agri, and Musim Mas, which also have a significant presence in China, where palm oil is mainly imported already refined. These firms are members of the Roundtable and they play a key role in allowing for the traceability of palm oil and in organising the certified value chains logistically.

RSPO has attempted to leverage on these corporations for larger firms' engagement in China. Since the beginning of the 2010s, international RSPO members present in China have participated in workshops and roundtables as RSPO "champions" and have been invited to share their experience of RSPO sourcing and to show how engagement in the MSI fits into their business model and corporate strategy (NGO6, NGO8). Also, in 2018 WWF, CNFA and RSPO launched the Chinese Sustainable Palm Oil Alliance (CSPOA), modelled on successful examples in Europe, in particular the ESPO (NGO11). Multinational companies were engaged early in the CSPOA, with the organisers hoping that this would attract Chinese participants.

However, these activities of businesses' engagement also produced few results. The Chinese guidelines for sustainable investment in palm oil have never been implemented as they were not binding, non-governmental guidelines, with quite a limited scope of application (BO4). RSPO uptake lagged at between 2% and 5% in 2020, far below the 10% targeted by the Roundtable in 2015, and even further from the 40% mentioned by Mr. Theo in 2011 (RSPO 2020, WWF 2021). Then, in 2019, Chinese members of RSPO were only 0.02% of a total membership that was still overwhelmingly European, as shown in Table 2. The Chinese Alliance for Sustainable Palm Oil has not gained traction and in 2021 counted only 15 members, most of which were foreign enterprises (NGO6).

TABLE 2: RSPO MEMBERSHIP BY SELECTED COUNTRY

Total	China	India	European Union	Malaysia	Indonesia	USA	Japan	Australia	Thailand
4296	88	50	2629	137	101	500	130	134	80

Source RSPO ACOP Digest and Narrative 2019.

An analysis of the membership and certification uptake of frontrunner companies in the downstream of the value chain, classified per sector of production and per nationality of headquarters, as shown in Table 3, shows that low total levels of membership to, and of uptake of RSPO correspond to low dynamics of the diffusion of certifying practices of Western firms based in China to other firms. According to one early RSPO promoter in China, the initiative seems to be confined to a “Western niche” (NGO8)

TABLE 3: SELECTED FRONTRUNNER COMPANIES IN THE DOWNSTREAM OF THE PALM OIL VALUE CHAIN IN CHINA

Sector	Company name	Country of headquarters	RSPO member	Year of Membership	% RSPO uptake of total palm oil purchased	% RSPO certified sold in China
Trading, refining, edible oil manufacturing	COFCO	China	Yes	2005	5,87%	100%
	SinoGrain	China	Yes	2017	0%	0%
	Musim Mas	Singapore	Yes	2004	11%	3%
	Yihai Kerry	China/ Singapore	Through Wilmar	2004	4,85%	10%
	Cargill	USA	Yes	2004	29%	14%
Manufacturers						
Processed food	Master Kong	China	No			
	Uni President	China	No			
	Dali Food	China	No			
	Want Want	Taiwan	No			
	Toly Bread	China	No			
	Mars	USA	Yes	2010	100%	
	Pepsi Co	USA	Yes	2009	100%	12%
	Unilever	Netherlands	Yes	2004	99,56%	4%
	Nestlé	Switzerland	Yes	2009	48,44%	0%
	Nice Group	China	No			
Oleo-chemical	Guanghou Liby	China	No			
	L'Oreal	France	Yes	2004	100%	8%
	Procter and Gamble	USA	Yes	2010	7,8%	0%
Retailers						
Supermarkets	Walmart	USA	Yes	2010	90.25%	1%
	Rt Mart	Taiwan	No			
Restaurants	Yum! China	China/USA	Yes	2018	100%	100%
	McDonalds	USA	Yes	2010	79,42%	4%
	HaiDiLao Hot Pot	China	No			

Source : the author, with information from the reports of RSPO (2020) and CDP (2020), for the identification of frontrunner companies and RSPO ACOP (2019), for the membership and uptake of RSPO.

5.2.1 Refiners and traders

The membership and RSPO uptake of key palm oil traders and refiners operating in China are presented in the first lines of Table 3. As mentioned in Section 2, major palm oil international traders and refiners were early members of the platform, as their participation is necessary to logistically enable certified supply chains. Such a trend seems to have been diffused to key Chinese refiners and traders, in particular concerning the SOE COFCO, which was the first firm to participate in RSPO in 2005 and which has since developed engagements towards the platform.

COFCO, specialised in the trading and processing of grains, vegetable oils and oil seeds and other soft commodities, has been rapidly internationalising in the last ten years. Between 2014 and 2016, it acquired the Dutch grain trading company Noble and Nideira, which owned agricultural production and processing units, storage facilities, domestic logistics and transportation, and sales networks in some of the world's most productive regions, such as Latin America and the Black Sea. Thanks to this acquisition, COFCO has gained a presence in 26 countries in commodities such as soy, wheat, corn, rice, and fertiliser inputs, becoming a global actor in the sector (Gaudreau, 2015; Gooch & Gale, 2018).

This internalisation seems to have led the company to emulate Western firms' sustainability practices. First, while broadening the geographical scope of the company, it has also raised concerns about its environmental and social performance and consequences for the production of commodities in the world. As with other Chinese SOEs in extractive industries, COFCO is associated with a wider narrative of a "China threat" and the pillage of natural resources in developing countries (Sautman & Hairong, 2007). Second, its merging and acquisition operation has allowed the firm to acquire expertise on corporate social responsibility practices. Then, as with its European and North American counterparts, COFCO has a Corporate Social Responsibility Strategy that includes specific road maps on soft commodities value chains, i.e. coffee, sugar, soybeans, and palm oil (https://www.cofcointernational.com/sustainability/connecting-supply-and-demandresponsibly/). One element that links COFCO's engagements to its internationalisation is that the company's sustainability office is located in its international office in Geneva, while there is no such counterpart in the headquarters in China (Linked-in information and NGO8).

However, the diffusion of RSPO membership among refiners and traders is hardly a vehicle of diffusion of the certification to China. Unlike manufacturers and branders, refiners and traders do not have corporate policies of the uptake of 100% RSPO certified palm oil. According to traders, their procurement practices are more influenced by market requirements than by the CSR of their headquarters, as they argue that they have a limited possibility to influence the demand (PF2, PF4). Even being "RSPO champions" (NGO6), they have the lowest rate (13%) of uptake of certified palm oil, compared to firms in other segments of the value chain (48% for manufacturers and 88% for retailers) (ACOP 2019 Digest). Moreover, these firms have a flexible approach to other palm oil sustainability initiatives, as they are supporters and implementers of the state-led standards ISPO and MSPO and they are the main proponents of NDPE commitments and traceability systems.

A key example of this flexible strategy is that of Wilmar, a Singaporean conglomerate, which is the largest palm oil trader and refiner in the world and whose market share is estimated to be 45% of the globally traded commodity. Wilmar acquired RSPO membership in 2004 and is a key provider of the certified commodity, in its different forms, to Europe. At the same time, it is the first corporation to have put in place an NDPE policy in 2013, later adopted by the main refiners of the value chain. Also, it largely communicates about its implementation and support for state-led sustainability standards (https://www.wilmar-international.com/sustainability/certification).

If Wilmar's headquarters in Singapore is largely engaged in programmes and communication related to palm oil sustainability, its Chinese subsidiary, Yihai Kerry, maintains a much lower profile on the topic. The firm has been listed on the Shenzhen stock market since 2020 and is thereby a Chinese firm. It is estimated to have the largest market share of the edible oil market in China and to be the first importer of palm oil in China[12] (CTU5, CTU6). Despite its centrality and its link to Wilmar, Yihai Kerry does not have a Corporate Social Responsibility agenda, nor a sustainability office in Shenzhen (NGO6, NGO7, NGO8). Its practices of sourcing remain opaque and scarcely disclosed to green value chain organisations. For example, the company is a member of RSPO not as an individual firm but within the overall Wilmar Group. Therefore, its palm oil operations are not disclosed in ACOP, including the volume of palm oil purchased and processed and the uptake of certified palm oil.

5.2.2 Manufacturers and retailers

The second and third sets of lines in Table 3 show information about the membership and certification uptake of frontrunner companies in the manufacturing and retailing sectors. As Table 3 shows, most firms headquartered in Europe and the USA and which are members of RSPO also have high levels of RSPO uptake. However, diffusion of their practices is very limited to the Asian and Chinese firms in their same segment, which are not even members of the initiative.

According to sustainable palm oil practitioners in China, these firms do participate in dialogues and are increasingly keen on discussing the sustainability of their supply (NGO6, NGO13, IO4). However, they see little incentive to engage specifically in the RSPO Roundtable. First, as discussed above, the certification is neither demanded by consumers nor promoted by the state. Then the standard is scarcely appreciated in domestic financial markets. As Nedopil et al*.* (2021) explain, different national financial markets have developed different kinds of green finance standards. According to the authors, while in the EU financial institutions largely rely on voluntary standards, in China green finance is largely based on state-led mandatory standards.

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[12] https://www.bloomberg.com/news/articles/2020-10-14/billionaire-rides-cooking-oil-dominance-to-record-chinese-ipo

Finally, according to the interviews (BO4, IO1,IO2), private Chinese actors are wary of participating in non-state actors' initiatives that are dominated by Western actors, considering them opaque, hard to influence, and possibly politically manipulated by their Western government sponsors. This element is exacerbated by mounting USA and China antagonism. According to the Chinese activists on biodiversity and forest protection interviewed, China-US antagonism is leading to the increased labelling of Western approaches, for example in the field of "wildlife protection" or "forest protection", as "white" "manipulated", and "hypocritical" by public opinion and economic operators (NGO12, NGO17). These narratives are increasingly disseminated on Chinese social networks, such as Weibo, and firms' behaviour labelled "anti-Chinese" have already been the source of boycott by Chinese consumers[13].

5.3 Emergence of a Chinese approach

International NGOs, which have been the key promoters of RSPO in China, have grasped the obstacles hindering certification in China and have turned to exploring different approaches to the sustainability of palm oil. Most green value chain promoters, like UNDP, WRI, and the Tropical Forest Alliance, have stopped focusing on the promotion of RSPO, and promote China-Indonesia and China–Malaysia interstate cooperation and triangular cooperation, inclusive of the EU. Concerning the private sector, frontrunner companies' workshops focus on the development of tracing and transparency tools (NGO8, IO4).

Finally, RSPO is still active in China for the promotion of the standard. However, it prioritises the establishment of a "Chinese" version of the initiative, more compatible with the national standard system and more understandable by Chinese corporations. Promoters of RSPO in China have explored the possibility of designing a "Chinese" standard for sustainable palm oil,

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13 https://www.bloomberg.com/news/articles/2018-11-21/dolce-gabbana-faces-china-boycott-calls-over-racist-videos; https://www.bloomberg.com/news/articles/2021-10-14/china-forces-better-cotton-initiative-fashion-brands-to-be-quiet-over-xinjiang

but since China is not a palm oil producing country, the initiative was hindered by the lack of interest and expertise on the subject. Then, in 2021, RSPO, INFIT and CNFA coordinated a series of multistakeholder consultations to draft the Chinese guidelines for sustainable palm oil (to be published soon). In contrast to the Chinese Guide for Overseas Investment and Production of Sustainable Palm Oil of 2015, which imported principles and concepts from RSPO, these consumption guidelines adopt a broader approach. They are aimed at raising awareness in China about sustainability issues related to the production of palm oil and about the multiplicity of available tools for intervention, including both downstream approaches like RSPO and upstream approaches, such as tracing and national state-led standards.

6 Discussion

This paper has aimed to contribute to illuminating the debate on how rising powers drive change in TVSS. It has done so through the case study of the palm oil TVSS and its tentative diffusion in the Chinese market. In the second section, I have illustrated how RSPO is not the only existing initiative promoting sustainability in the palm oil value chain. The TVSS is supported and promoted by civil society, state, and business actors in consuming countries in the Global North, in particular in Europe. However, it is contested in the main palm oil-producing countries, Indonesia and Malaysia, where a multiplicity of upstream-led initiatives emerged, of which two are widespread: the national standards ISPO and MSPO and corporate engagements of “No Peat, No Deforestation, No Exploitation” (NDPE).

Bridging between the literature about the diffusion of TVSS and about Southern sustainability initiatives, I have investigated the dynamics of RSPO diffusion in China, including considerations about different domestic and international actors’ agencies and of the role of alternative upstream-led initiatives. In particular, I have questioned the reactions of relevant actors, from the state and among frontrunner companies in the downstream of the chain, to the diffusion of RSPO. I have also questioned the emergence of a Chinese approach to the promotion of sustainability of palm oil, testing the hypothesis that this approach would fall into one of the categories theorised by (Van der Ven et al., 2021), i.e. it would either be participation in the TVSS, or a reinterpretation of the TVSS, or creating a new initiative.

TABLE 4: REACTION OF ANALYSED ACTORS TO DIFFERENT PALM OIL SUSTAINABILITY INITIATIVES

Sustainability initiatives	STATE			FRONTRUNNER COMPANIES			Multi-stakeholder initiative
	Central State agencies	State link (CFNA)	SOEs	Foreign and Chinese mid upstream	Foreign downstream	Chinese/ Asian downstream	Guidelines for sustainable consumption of palm oil in China
RSPO	N	E	P/ partially U	P/partially U	P/U	N	E
MSPO /ISPO	E	E	E	E	N	N	E
NDPE and tracing systems	N	E	P	P	P	N	E

Source: the author. Codes : Endorsement (E), Participation (P), Uptake (U), Neglect or opposition (N). Colour Codes: green = support; orange= partially support; red = do not support

The formulated hypothesis is partially verified. The overall official emerging Chinese approach, represented in the soon to be published Chinese guidelines for the sustainable consumption of palm oil, can be said to be *reinterpreting* RSPO. It proposes a multi-tool mechanism, which endorses and recognises all existing initiatives and thereby it composes among different actors' strategies concerning participation to one or the other approach.

However, as shown in Table 4, by unpacking the strategies of the different actors operating in the downstream of the Chinese palm oil value chains and considering each one's reaction to the TVSS, it emerges that effective participation in RSPO, understood not only as supporting or partnering the Roundtable, but also taking up certified products, is confined to a few foreign actors. It also emerges that operational diffusion is greater for upstream-led sustainability mechanisms. RSPO proponents have largely contributed to introducing and defining discussions about palm oil sustainability in China but have not succeeded in diffusing the mechanism of third party transnational certification in the Chinese market.

First, central state-related agencies have consistently declined to officially endorse the initiative, while they have shown official support for state-led palm oil standards, through a MOU signed between MSPO and the China Green Food Council. Then relevant state linked entities, i.e. the producers' association CNFA and the State Owned Firms COFCO and SinoGrain, are partners of RSPO but are at the same time engaging in upstream and producers' led mechanisms, as shown in Table 4.

Second, frontrunner companies are overall more engaged in upstream and producer-led mechanisms than in third-party certification. Uptake of RSPO is confined to a few downstream firms headquartered in Europe and North America, with a production base in China. Then other international firms, notably traders and refiners, are members of the Roundtable but have a low uptake of a certified commodity in their Chinese operations. At the same time, they are key implementers of NDPE engagements and actively support national standards. Finally, Chinese and Asian downstream firms broadly decline participation in the Roundtable, not showing any mimicking dynamics on international firms' practices.

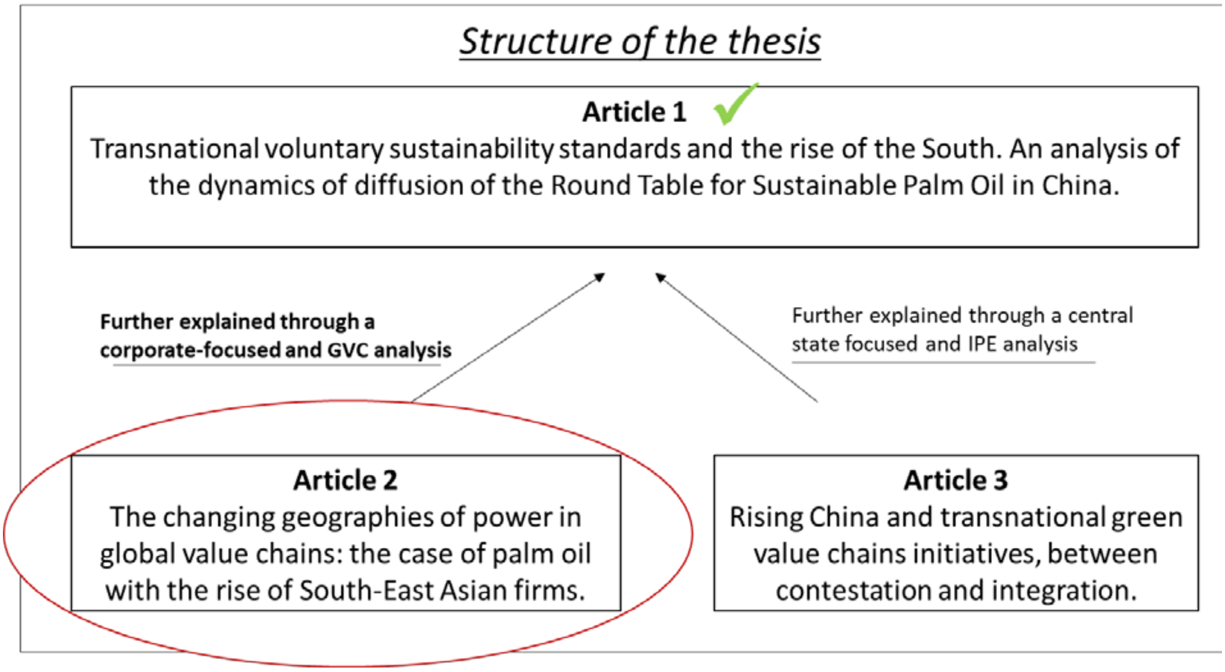
The findings of the paper indicate that, beyond an official approach that can be categorised as *reinterpreting* the standard, there is a more operational approach that tends towards support for producer-led alternative initiatives. However, this approach does not fall into any of the three categories theorised by Van der Ven et al. (2021). As I have shown, there is very limited *participation* in the TVSS and *reinterpretation* seems to be more an official stand than an operational reality. Also, there is no *creation* of new alternatives specific to China, because of the lack of domestic expertise and interest about a crop that is not domestically grown. I then argue that Van der Ven et al.'s (2021) categorisation could be improved by adding a fourth category: participation in producer countries' actor initiatives.

7 Conclusion

In conclusion, the findings of this paper show that TVSS on products for domestic consumtion are hardly gaining traction in China. However, this trend does not correspond to a lack of opening in China towards approaches of the transnational sustainability of agricultural products and has to be understood taking into consideration the plurality of initiatives that address sustainability challenges for agricultural production in the Global South.

According to the findings of this article, the affirmation of the latter not only takes advantage of Chinese indifference towards TVSS, but also leverages on the direct involvement and support of relevant state and business actors. This configuration shows the viability of Southern solutions as tools of international relevance, and not only as local solutions. Also, this support reshuffles the polarisation and division of approach between consuming and producing countries that are characteristic of TVSS and of agricultural products cultivated in the Global South, but not of those of the Global North, where national legal frameworks, producers, and public actors are relevant and engaged stakeholders.

TRANSITION 1



The first chapter has considered the reactions of relevant state and corporate actors in China to the promotion of different tools aimed at improving the sustainability of palm oil production. The findings of the chapter have shown that mechanisms promoted by actors in the upstream of the palm oil value chain have higher diffusion than those based on the engagement of the actors in the downstream of the value chain.

In this second chapter, I focus on corporate actors and I question whether the analysis of the structure of the palm oil global value chain and a structural comparison between value chains supplying China and Europe can contribute to explaining difficulties in international diffusion of RSPO and the emergence of alternative upstream led tools. In particular, the chapter questions the TVSS's underlying assumption of agricultural global value chains driven by downstream lead firms headquartered in the Global North and investigates the rise of emerging Southern lead firms, in connection with Chinese demand for palm oil.

CHAPTER 2: THE CHANGING GEOGRAPHIES OF POWER IN GLOBAL VALUE CHAINS: THE CASE OF PALM OIL WITH THE RISE OF SOUTH-EAST ASIAN FIRMS.

An early version of this paper has been presented at the 15th *Journées de recherche en sciences sociales* INRAE, SFER, CIRAD: Fabiano F., Moustier P. "Expliciting Asian driven governance of palm oil global value chain" 15èmes JRSS - Journées de Recherche en Sciences Sociales. Toulouse 9/10 Décembre 2021.

This chapter has been submitted at the review Global Networks: Fabiano F., Moustier P. " The changing geographies of power in global value chains: the case of palm oil with the rise of South-East Asian firms". It is now under revision.

1 Introduction

Emerging markets are becoming increasingly relevant outlets for globally traded agricultural commodities. This is especially true for what concerns China, which, since its accession to WTO in 2001, has enormously increased its imports of raw materials. As shown in Table 5, today China acquires large shares of internationally traded agricultural commodities and is the first importer of several of them, such as soy beans, pulp and paper and rubber. This trend raises numerous social concerns, for example about global food security, sustainability of production of agricultural commodities and development opportunities for producing countries and their farmers.

TABLE 5: CHINA'S IMPORTS OF SELECTED COMMODITIES, 2018

Commodities	China's share of Global Imports	Global Rank	Unit
Soy	60%	1	USD
Pulp and Paper	38%	1	USD
Timber	33%	1	USD
Beef	17%	1	Tonnage
Palm oil	12%	2	USD

Source: CCICED (2020)

Global Value Chains (GVC) and Global Production networks (GPN) literature has largely informed debates related to the above mentioned social and environmental issues. For example, by shedding light on the power of lead firms, typically based in the Global North, over Southern agricultural producers' practices and possibilities to access remunerative markets, this literature inspired policies for inclusive agribusiness and transnational private tools for the promotion of sustainability, such as transnational voluntary sustainability standards.

However, as underlined by Horner and Nadvi (2018), GVC's and GPN's literature still largely focus on value chains originating in the Global South with outlets in the Global North. This focus neglects the rise of Southern, in particular Asian and Chinese, demand, which drives the emergence of what Horner and Nadvi (2018) refer to as “polycentric” trade.

Since the end of the 2010s, some GVC and GPN scholars have tackled this gap (Barrientos et al., 2016; Henderson & Nadvi, 2011; Horner, 2016; Horner & Nadvi, 2018; Kaplinsky & Farooki, 2011; Kaplinsky & Messner, 2008; J. Lee & Gereffi, 2015). One set of questions raised by these authors concerns the evolution in characteristics of lead firms in GVCs, such as their geographical embeddedness and private or state ownership. On the one hand, some analysis argues that trends of rising Southern demand, in particular of minerals and agricultural commodities by China, are part of the organising strategies of lead firms based in the Global North (Frederick & Gereffi, 2011; Reardon & Berdegué, 2008). On the other hand, other analyses argue that Southern corporations can upgrade from GVC suppliers to lead firms, in particular in regional and domestic value chains, by targeting Southern markets, which have lower entry barriers than Northern ones (Barrientos et al., 2016; Horner, 2016).

The rise of Southern lead firms with distinctive characteristics, for e.g. state ownership, can have major implications for GVCs' structure and governance tools and for the success of related initiatives for the promotion of sustainable development. However, this trend is still hardly informed by empirical case study, in particular in agricultural GVCs. This paper aims to bring an empirical contribution to this literature, by investigating the rise of Southern lead firms in palm-oil global value chains, with a focus on the role played by the rise of China and of Chinese demand for palm oil. The implications of this research are to shed light on policy options and levers for sustainable development in a polycentric global economy.

The paper is organised as follows. In the second section, we define our theoretical framework, review the relevant literature and draw the paper’s research question and hypothesis. In the third section, we present the paper’s methods and data sources. The fourth section presents our results, first through the analysis of the global palm oil value chain and then through a zoom on the value chain supplying the Chinese market, with elements of comparison with the value chain supplying the European market. Then, in the fourth section, we discuss whether these results confirm or invalidate our hypotheses and, in the fifth section, we draw some conclusions concerning development policies in GVC with multiple end markets.

2 Review of the literature and hypotheses

2.1 Global Value Chains and Polycentric Trade

In this paper we draw some analytical keys from three strands of literature inspired from the World System Perspective concept of Commodity Chain (Hopkins & Wallerstein, 1986): the Global Commodity Chain (GCC) and the concepts of governance and lead firms; the Global Value Chain (GVC) and the concept of upgrading; and the Global Production Network (GPN) and the concept of embeddedness.

The concept of Commodity Chain was developed by Wallerstein and Hopkins, in 1986, in order to study the historical evolution of globalisation of the economy, going beyond nation state level macroeconomic analysis. The two authors proposed to identify transnational inter-firm networks, which were referred to as “chains”, linking different processes and actors and made of “nodes”, and to analyse key related trends, for example their expansion and contraction, their geographical shape and the distribution of power between actors in different nodes (Hopkins & Wallerstein, 1986).

In 1994, in the seminal book “Commodity chains and global capitalism”, Gereffi and Korzeniewicz (1994) operationalised the commodity chain concept, in their analysis of contemporary globalisation. The two authors theorised the emergence of Global Commodity Chains, where the expanding international trade, witnessed since the end of the ‘70s, was organised to connect a growing demand in the Global North for high quality and diversified products with low-cost production capacities in the Global South.

In this framework, few Transnational Corporations (TNCs), typically headquartered in the Global North, emerged as the organising actors of these chains and were designed as “lead firms” (Gereffi & Korzeniewicz, 1994). At the beginning, GCC framework distinguished between supplier driven and buyer driven value chains, where the first were capital and technology-intensive industries and the second labour-intensive ones. However, Ponte & Sturgeon (2014) argued that the novelty of the GCC approach was to illuminate the existence of buyer driven chains , where TNCs, such as Nike , Nestlé and Kraft, outsourced labour-intensive tasks to producers in the Global South, while maintaining high profitable operations such as branding and product design , without formal ownership and capital linkages.

Then, GCC and GVC scholarly works, in particular in the agricultural and food sectors, focused on buyer driven chains, where “big buyers” referred to a wide range of downstream TNCs (Gibbon et al., 2008), such as traders, like Cargill and Bunge (Gibbon, 2001), manufacturers, like the coffee roasters Nestlé and JDE (Daviron & Ponte, 2005), and retailers, like Walmart and Carrefour (Reardon et al., 2007; Reardon & Berdegué, 2008; Reardon & Swinnen, 2004).

According to this literature, GCC and GVC lead firms exercised extreme market power over a large pool of agricultural producers based in the Global South, by gate keeping profitable markets in the Global North (Gereffi & Lee, 2009) . According to Ponte & Sturgeon (2014), lead firms governed the chains within three key dimensions: “driving”, in the sense of organising the activities along the value chain and defining the terms of membership to the value chain; “linking”, in the sense of shaping inter-firm linkages, from producers to the markets; and “normalising” , in the sense of making and imposing norms to the actors of the chain, mainly in the form of standards.

At first, these analyses focused on questions related to power distribution in the global commodity chains and aimed at explaining inequalities of distribution of wealth deriving from the expansion of global trade, between developed and developing countries (Bair, 2009). However, later studies, grouped under the renamed Global Value Chain scholarship, argued that it was possible for countries and firms to take advantage of participation in global commodity chains (Gereffi, 1999), through bottom up strategies of countries and firms, which were labelled under the term of “upgrading” (Humphrey and Schmitz, 2002). The latter designed “a process of improving the ability of a firm or an economy to move to a more profitable and/or technologically sophisticated capital- and skill-intensive economic niche" (Gereffi, 1999, pp. 51-52).

Finally, the Global Production Network scholarship criticised the GVC analysis as too corporate-centred and non-spacialised (Henderson et al., 2002). GPN scholars proposed to broaden the analysis of GVC governance by including considerations of its geographical shape as well as of the agency of relevant state and non-state actors, formally external of the chain (Henderson et al., 2002). With the concept of "embeddedness" Yeung & Coe (2015) aimed to illuminate institutional baggage of firms participating to the production networks, e.g. specific non-chain actors' influence on lead firms' strategies, as well as the geographical distribution of developmental outcomes of the production network activities.

GVC and GPN scholarships have informed development policies and debates (Bair, 2009). Analysis on upgrading have informed Official Development Assistance (ODA) programs aimed at inclusion of Southern producers in global value chains, for example building small farmers' capacities to uptake big buyers' quality standards. Then, analysis on GVC governance, in particular in its normalising sense, has informed international civil society's attempts to engage TNCs in sustainability practices, for e.g. through the formulation of transnational voluntary sustainability standards. However, other scholars and civil society activists have contended the effectiveness of these approaches, arguing that both upgrading and normalising approaches can only have limited effects global value chains with inherently unequal power relations (Bair, 2009).

At the same time, by the 2010s , some scholars pointed out that these development related approaches and debates were neglecting major transformations of the international economic geography (Neilson et al., 2014). These scholars pointed out that GCC, GVC and GPN scholarships were based on case studies focused on North- South value chains, thereby overlooking increasing polycentric trade (Horner & Nadvi, 2018). Kaplinsky & Farooki (2010) and Horner & Nadvi (2018) informed such trends, highlighting in particular the rising demand from China of hard and soft commodities, which had been spiking since the country's accession to WTO in 2001, and, more recently, of manufactured products. These scholars have questioned the implications of these trends on governance of global value chains and, in particular, on the rise of new Southern lead firms and related governance practices.

In answer to this question, on the one side, the literature points at persisting North- South polarisation of GVCs and related power of big buyers, despite rising Southern demand. According to Frederick and Gereffi (2011) and Gereffi and Lee (2009), by the 2010s China had emerged as the main production area of GVCs . As a consequence, the spike of Chinese demand for hard and soft commodities could be analysed as a triangular reconfiguration of GVCs, where the operations of commodity production and manufacturing are delocalised by lead firms in different countries. Also, other scholars pointed out at Northern lead firms strategies to address rising Southern demand, for example, in the food sector, by investing in the booming supermarket industry in developing countries and by developing bottom of the pyramid production lines (Reardon and Berdegué, 2008).

On the other side, literature also shows that South-South trade could lead to the emergence of new actors, in particular through industrial concentration and upgrading dynamics of key suppliers of GVCs. According to Gereffi, by the 2010s "the question increasingly posed by the transnational lead firms of GVCs is 'How can we "rationalise" our supply chains from 300–500 suppliers to 25–30 suppliers?'" (Gereffi, 2014, p. 15), leading to the rise of few major Southern "strategic suppliers" (Gereffi, 2014). According to Neilson et al. (2014), in agricultural value chains, this trend had interested in particular the industrialisation and concentration of traders, sourcing from a multiplicity of small agricultural producers and organising the supply chains of big buyers.

Then, other authors have pointed at the role of domestic industrialisation policies in the rise of these "strategic suppliers" and in their upgrading trajectories, in particular in East and South-East Asia. According to Lee & Gereffi (2015), industrial development policies of New Industralised Economies (Korea, Taiwan, Hong Kong and Singapore) had a role in the rise of "strategic suppliers" for TNCs in the US, Europe and Japan. Similarly, Lebdioui (2022) illustrates the role of Malaysian industrial policies to build domestic value-added activities in natural commodities industries of palm oil, rubber and petrol. These practices included the nationalisation of key firms of commodity production and policies of fiscal protection and capacity building in support of manufacturing operations.

Literature has also largely discussed the role of state support in the development and internationalisation of national industrial champions in China. In the agricultural sector, Schneider (2017) documented Chinese policies in support of State Owned Enterprises (SOE) and of key private firms, referred to as "Dragon Head Enterprises". Neilson and Wang (2019), Oliveira (2016) and Oliveira and Schneider (2016) illustrate in particular the rise of the SOE China Oil and Foodstuffs Corporation (COFCO) in global value chains of soybeans and coffee.

Finally, some scholars point out that these firms, concentrating in their industrial sectors and supported by domestic industrial policies, could further upgrade and develop downstream activities beyond lead firms' GVCs, by targeting rising Southern markets. According to Horner (2016) and Kaplinsky & Farooki (2010), Southern markets demand in particular low quality, unstandardized and relatively unprocessed products. This nature of Southern demand leads to lower entry barriers in Southern markets in comparison with Northern ones. Then, Southern markets are more accessible to Southern firms, which could rise as domestic or regional lead firms (Horner, 2016; Horner & Nadvi, 2018) , as in the case of South African supermarkets documented by Barrientos et al. (2016).

At the same time, Kaplinsky & Farooki (2010) and Kaplinsky et al. (2010) point out that the distinctive nature of Southern and Chinese demand can also limit the upgrading possibilities for producers targeting Southern markets, compared to those targeting Northern ones. Similarly, Horner (2016) argues that low entry barriers also correspond to higher competition, which might limit the industrial concentration of Southern firms and their emergence and challenge to the global buyers.

2.2 Research questions and hypotheses

The above discussed literature has allowed to illuminate important emerging trends in GVCs, but still consist of few empirical contributions, in particular in the agricultural and food sectors. Horner (2016), Horner and Nadvi (2018) and Neilson et al. (2014) call for more case studies for exploring the research questions and hypothesis, emerging from the analysis of rising South-South trade trends. This paper, wishes to bring an empirical contribution to this research agenda, by analysing the evolution of one global value chain with relevant outlets in the Global South and by comparing one market in the Global North, the EU, and one in the Global South, China.

The paper questions: How do global value chains change, in particular with reference to lead firms, when there is a high relevance of Southern final demand? What factor facilitates the rise of Southern embedded lead firms? How do VCs supplying China and the EU compare in this extent?

Drawing from the above literature, I draw three research hypotheses:

1. Southern firms are emerging as GVC lead firms, in particular in domestic and/or regional value chains.
2. Their rise is favoured by three intertwining factors: industrial concentration among key suppliers of GVCs, supportive policies of producing countries, and the rise of Southern markets.
3. Southern firms have a higher role in governance of VCs supplying China than those supplying the EU, thanks to lower entry barriers in China. However, the nature of Chinese demand, of lower quality, unstandardised and relatively unprocessed products, and the presence of greater competition in the supply of Chinese markets also limits the emergence of Southern lead firms as global challengers of Northern lead firms.

3 Methods and data.

The paper addresses the case study of the global palm oil value chain. The latter is emblematic of the rise of polycentric trade to different extents. Firstly, palm oil is mainly traded among Asian countries, with India and China being, respectively, the 1st and the 3rd largest importers of palm oil worldwide in 2019. Secondly, despite being a commodity, palm oil is largely imported by Asian countries for domestic consumption and not for processing by export-oriented enterprises. Thirdly, palm oil production, trade and processing involve some major Asian TNCs and industrial conglomerates, which have risen to compete with Northern “big buyers”. Fourthly, the private sustainability standards of palm oil RSPO does not meet the same success in different markets, with 43% of uptake in Europe, while levels are below 5% in India and China. Such trends question scholars and practitioners of diverse governance dynamics in the value chain respectively to different markets and to multiple policy levers for sustainable development.

The following sections are informed by data concerning the structure of the palm oil GVC - in terms of the key actors, geography and industrial sectors involved. We pay particular attention to the structure of the market and the concentration of firms in the different nodes of the GVC, measured by the quantities of palm oil produced, traded and processed by single firms in different nodes. Then, we analyse the rise of Southern firms in global palm oil value chains, paying attention to the intertwining of three factors highlighted by the literature as facilitating this rising: industrial concentration undergone as suppliers in GVCs, supportive domestic policies and access to Southern markets.

These data come from a number of sources: international trade databases USDA PSD and UN Comtrade; public information about firms on their websites; business and specialised press; academic literature about palm oil global value chains, South-East Asian TNCs and industrial conglomerates, and the state and development of agro-business in China; and reports from sustainability organisations (UNDP, WWF, RSPO, CDP). Among the latter group, one key information source is the Round Table for Sustainable Palm Oil Annual Communication of Progress (ACOP) report, a yearly compilation of RSPO members of their compliance with the standard. The report contains quantified information about palm oil-related activities of RSPO members (e.g. surface area planted; palm oil produced; crude palm oil bought and manufactured), thus representing a source of information on the overall value chain activities and on certification.

However, the information contained in the ACOP reports has limits and cannot be used for statistical purposes or to look for correlations. First, the reports only concern members of RSPO, i.e. they include major upstream and North American and European downstream corporations, but ignore most downstream actors of other markets, notably those of India and China. Second, industrial conglomerates often submit multiple questionnaires and include multiple subsidiaries in each questionnaire, thus there is a risk of imprecision and double entries. Third, declarations about RSPO uptake are difficult to check and thus require cross-checking with other information and estimations. Similar drawbacks also characterise the other grey literature we used. Reporting on the subject is clearly negatively affected by the lack of transparency of the corporate environment.

As a consequence, we completed the above mentioned sources by 39 qualitative interviews with key informants: market experts, supply chain executives and sustainability managers of palm oil trading groups, palm oil promoting agencies, NGOs and RSPO officers, who have in-depth knowledge of palm oil markets and value chains. The accounts and analysis of the palm oil value chain in the following sections were derived by crossing the informants' estimations and accounts with one another and with available data. The interviews took place during a field trip in 2019 plus interviews by videoconference in 2020 and 2021. The interviews were confidential and the respondents are anonymised. These actors are grouped in four categories: value chain experts (VCE), value chain practitioners (VCP), sustainable development practitioners (SDP), China international agricultural trade experts (CATE) (see Appendix 1). A code was assigned to each actor, with which each interviewee is identified in the following sections.

4 Results

A striking characteristic of the palm oil global value chain's structure is the high industrial concentration in the up-midstream node of refining and trading. An opinion widely held by experts of the sector is that, by the beginning of the 21st century, fewer than 10 companies – of which the most important are Wilmar, Musim Mas, Golden Agri, AAA, Sime Darby and FGV - controlled 90% of palm oil processing and trade (Pacheco et al., 2018).

As shown in Table 6 in the last RSPO ACOP available report, most of the top refiners and traders are headquartered in the two major producing countries, Indonesia and Malaysia, and in Singapore. From now on, we are going to refer in short to these corporations as South East Asian (SEA). The table also shows that the first four companies in the category of "refiners and traders" declared processing more than 7 million tons of palm oil each. This is higher than volumes produced by the 10 largest companies in the category of "growers", listed in Table 7. One noticeable element is the significant overlapping between the two tables, as 6 out of 10 firms are in both categories.

Then, volumes processed by key refiners and traders are much higher than those purchased by the largest downstream firms , in the categories of "manufacturers" and "retailers", as shown in Table 8 and Table 9. Both tables include only RSPO members, thereby excluding some large manufacturers and retailers, in particular those headquartered in Southern countries. However, the tables give an idea of the quantities of palm oil purchased by "big buyers", which rarely exceeds 1 million tons.

TABLE 6: TOP 10 FIRMS FOR VOLUMES OF PALM OIL PROCESSED, IN THE CATEGORY PROCESSORS AND TRADERS, IN 2019 (TONNES)

RSPO Member	Member Country	Total volume of all palm oil sourced
Wilmar International Limited	Singapore	24 722 394
Golden Agri-Resources Ltd	Singapore	9 482 401
Musim Mas Holdings Pte. Ltd.	Singapore	9 099 906
AAA Oils & Fats Pte. Ltd.	Singapore	7 049 972
FGV HOLDINGS BERHAD	Malaysia	3 670 036
Sime Darby Plantation Berhad	Malaysia	3 412 329
COMMODITIES HOUSE INVESTMENTS LIMITED	Cayman Islands	3 293 195
Louis Dreyfus Company B.V	Netherlands	2 853 573
Cargill Incorporated	United States	2 595 876
IOI Corporation Berhad	Malaysia	2 503 693

Source: « Palm Oil Processors & Traders » Raw Data, ACOP 2019, RSPO

TABLE 7: TOP 10 FIRMS FOR VOLUMES OF CRUDE PALM OIL PRODUCED, IN THE CATEGORY PALM OIL PRODUCERS, IN 2019 (TONNES).

RSPO Member	Member Country	Total Crude Palm Oil produced
FGV HOLDINGS BERHAD	Malaysia	3 070 000
Sime Darby Plantation Berhad	Malaysia	2 523 210
Golden Agri-Resources Ltd	Singapore	2 305 712
PT. Inti Indosawit Subur	Indonesia	1 121 198
Kuala Lumpur Kepong Berhad	Malaysia	1 023 484
First Resources Limited	Singapore	811 947
IOI Corporation Berhad	Malaysia	745 255
Musim Mas Holdings Pte. Ltd.	Singapore	677 328
Wilmar International Limited	Singapore	667 194
PT. Perkebunan Nusantara III	Indonesia	621 020

Source: «Oil Palm Growers » Raw Data, ACOP 2019, RSPO

TABLE 8: TOP 10 FIRMS FOR VOLUMES OF PALM OIL PURCHASED, IN THE CATEGORY MANUFACTURERS, IN 2019 (TONNES).

RSPO Member	Member Country	Total volume of palm oil used in own products
Neste Oyj (Neste Corporation)	Finland	1 336 756
Adani Wilmar Ltd	India	1 269 071
Unilever	Netherlands	876 263
La Lorraine Bakery Group	Belgium	669 856
Fonterra cooperative Group Ltd	New Zealand	554 345
Zetar Limited	United Kingdom	490 361
PepsiCo	United States	485 756
Nestlé U S.A.	Switzerland	455 071
Kao Corporation	Japan	446 000
Musim Mas Holdings Pte. Ltd.	Singapore	426 037

Source: « Consumer Goods and Manufacturer » Raw Data, ACOP 2019, RSPO

TABLE 9: TOP 10 FIRMS FOR VOLUMES OF PALM OIL PURCHASED, IN THE CATEGORY RETAILERS IN 2019 (TONNES).

Member Name	Member Country	Total volume of all palm oil used in own-brand products
YUM! Brands, Inc.	United States	179 899
YUM! China Holding, Inc.	China	103 663
McDonald's Corporation	United States	91 617
HOFER KG dba ALDI SOUTH Group	Austria	63 626
PT ABLE COMMODITIES INDONESIA	Indonesia	50 818
Restaurant Brands International Inc.	Canada	41 199
Tesco PLC	United Kingdom	38 229
IKEA	Sweden	32 960
ALDI Einkauf GmbH & Co. OHG	Germany	24 924
Krispy Kreme Doughnut Corporation	United States	20 735

Source: « Retailers » Raw Data, ACOP 2019, RSPO

The following sections investigate further this GVC structure characterised by high concentration of South East Asian TNCs in the up-midstream node of refiners and trades. We analyse the factors that have contributed to its constitution, in order to understand its implications in terms of governance. In particular, the first subsection discusses three factors that have led to high concentration of South-East Asian corporations in the refining and trading node of the chain: producing countries' policies, characteristics of the industry and emergence of Southern markets. Then, the second subsection shows the difference in the relevance of these corporations in value chains supplying the EU and China , with a view of understanding the role played by the rise of China in the affirmation of South-East Asian refiners and traders as pivot actors of the palm oil global value chain.

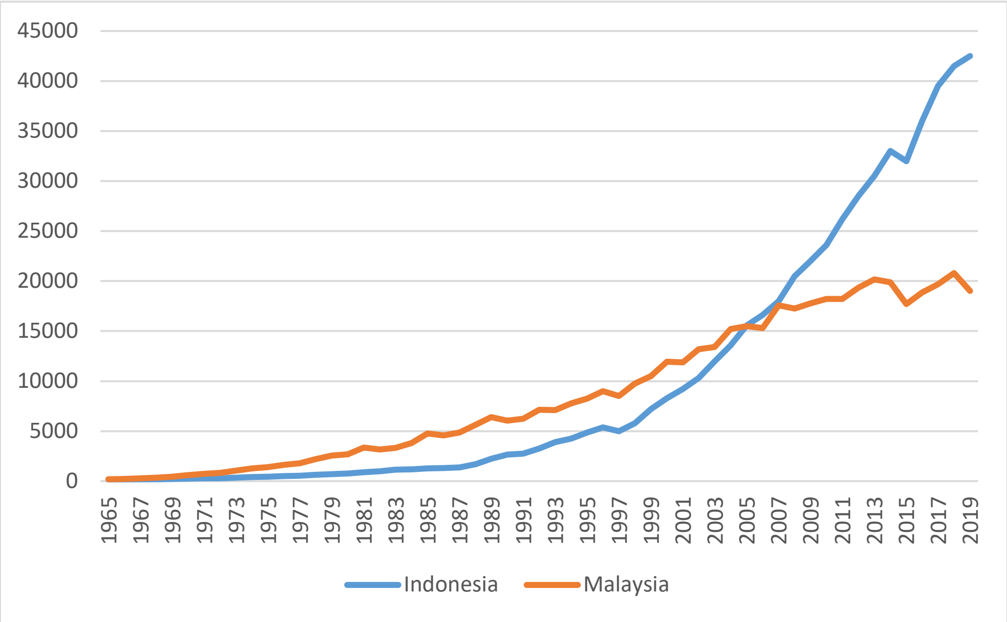
4.1 The evolution of the global palm oil value chain's structure.

4.1.1 Historical and political factors

At its onset in the 19th century, palm oil cultivation was globalised and developed by the European agro-industrial groups, who dominated the upstream and downstream value chain. British and Dutch colonial planters originally imported palm oil trees from West Africa, where palm oil was cultivated for domestic consumption (Corley & Tinker, 2008). Oil palms were grown in industrial plantations in Indonesia and Malaysia, alongside rubber, although in smaller quantities, and palm oil was exported as raw material for processing in Europe. Land concessions were mainly allocated by colonial administrators to North American and European planters, with the exception of some agro-business concessions allocated to firms belonging to Chinese ethnic planters in British Malaya. Local populations were largely excluded from agro-business production, as also labour in the plantations was ensured, often in forced conditions, by migrant "coolie" workers (Barral, 2015) (Gomez, 1999).

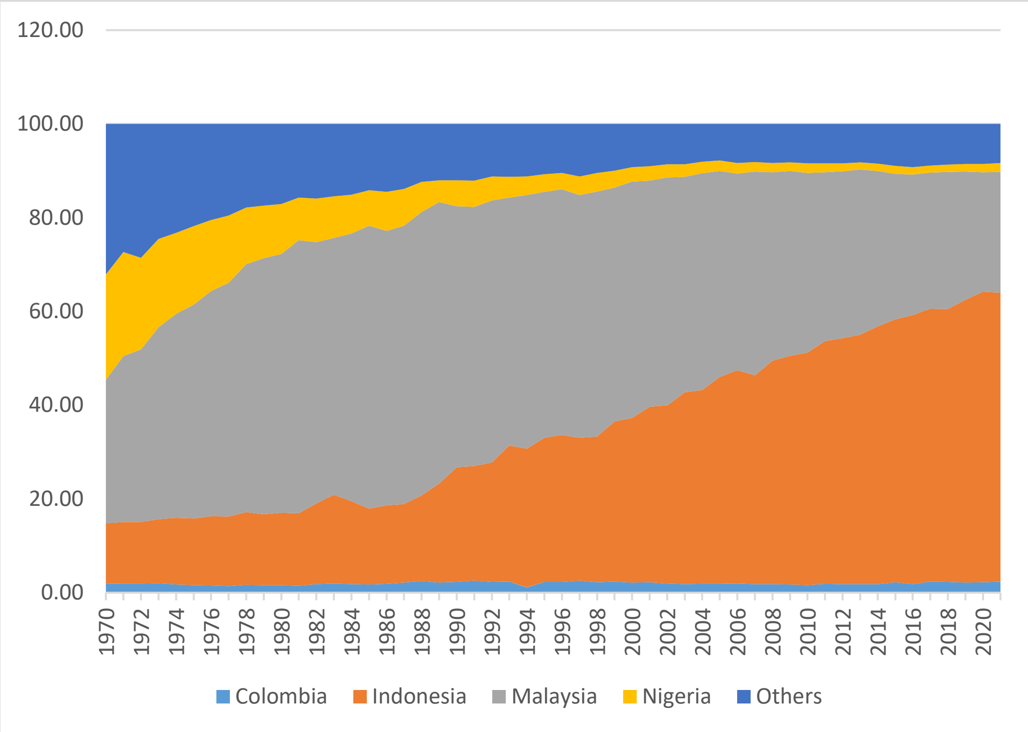
Palm oil production only really took off in the second part of the 20th century, after WWII and the decolonisation of the region, partly replacing rubber production. Large scale palm oil production started in the 1960s and then boomed in the 1990s, as shown in Figure 5. In the following years, Indonesia and Malaysia have been the top global producers of palm oil, accounting since 1980 consistently above 80% of the world palm oil production, as shown in Figure 6.

FIGURE 5: CRUDE PALM OIL PRODUCTION IN MALAYSIA AND INDONESIA, 1965-2019



Source : USDA PSD, Unit 1000 MT

FIGURE 6: SHARE OF GLOBAL PRODUCTION OF THE 4 LARGEST PALM OIL PRODUCERS, 1970-2020



Source: USDA PSD

The development of the palm oil sector in the two countries differs considerably. In Malaysia, oil palms have been grown since the 1960s in the framework of state-led development policies, whereas in Indonesia, the boom in the palm oil sector began in the late 1980s, within more liberal and corporate leaning economic policies. At the same time, both governments promoted the growth of the palm oil sector among development and industrialisation policies (Barral, 2015). In this framework, both countries' policies have encouraged the marginalisation of foreign capital and the affirmation of national champions in both palm oil production and processing.

In contrast to colonial times, land concessions favoured South East Asian (SEA) groups. In the aftermath of independence, Malaysia and Indonesia largely nationalised European and North American owned plantation estates. Especially in Malaysia, palm oil production was developed by state-owned corporations, like Sime Darby, and in a large-scale smallholder palm oil scheme, which grouped producers under the giant corporate cooperative FGV (Barral, 2015). Then, after the 1980s, most state-owned estates were privatised and palm oil cultivation underwent very considerable expansion, particularly in Indonesia. During this period, South-East Asian private groups thrived, thanks to positive connections with national governments, which ensured large land concessions for plantation estates in less exploited regions such as the Island of Borneo (Cramb R. and McCarthy J.F. 2016). Indonesia also promoted large smallholder schemes, often in connection with plantation estates.

Then, first Malaysia and then Indonesia supported palm oil-related value-added industries, in particular refining and processing of crude palm oil. In Malaysia, this support was part of the broader domestic industrialisation effort and included sponsoring high refining capacity as well as domestic oil manufacture and branding (Lebdioui, 2022). Both countries also introduced taxes on exports of crude palm oil (CPO) (Barral, 2015). It is important to note that palm oil processing groups are part of much larger industrial conglomerates that include many different sectors: telecommunication, real estate, other agricultural commodities, which have been supported by their respective governments as national industrial champions.

4.1.2 Technical characteristics of the industry.

With the support of these policies, SEA corporations have consolidated in the upstream palm oil global value chains, while previously important European and North American groups have been marginalised. Then, the up-middle node of the chain, occupied by refiners and traders, saw a high industrial concentration of these companies, also for technical and market reasons.

Palm oil processing is highly capital-intensive and enjoys large economies of scale (VCE7). Key traders and refiners have multiple plants located close to both production areas and consumer markets (VCP4). Refiners operate a number of bulk refineries, which transform CPO into their most basic derivatives: palm oil olein, mainly used for frying, and palm oil sterin, mainly used for soap. These refineries are often located close to palm oil plantations, sometimes in remote areas with limited access to infrastructure. Refiners also operate more sophisticated refineries, where CPO and its fractions (olein and sterin) are transformed into a wide range of palm oil derivatives. These processing plants are often located close to industrial sites and consumer markets and may process other vegetable oils (such as coconut and soy oils) (VCP3 and VCP4).

Major SEA refiners and traders developed industrial structures close to producing sites in Malaysia, Indonesia and Singapore, which have the largest palm oil refining capacity in the world (Di Canossa et al., 2020) and which have supported these firms as national industrial champions, as explained in the previous subsection. In these three countries, major industrial actors own both bulk and specialised refineries with very large capacities, some around 1 million tons of palm oil per year (www.musimmas.com ; www.wilmar-international.com).

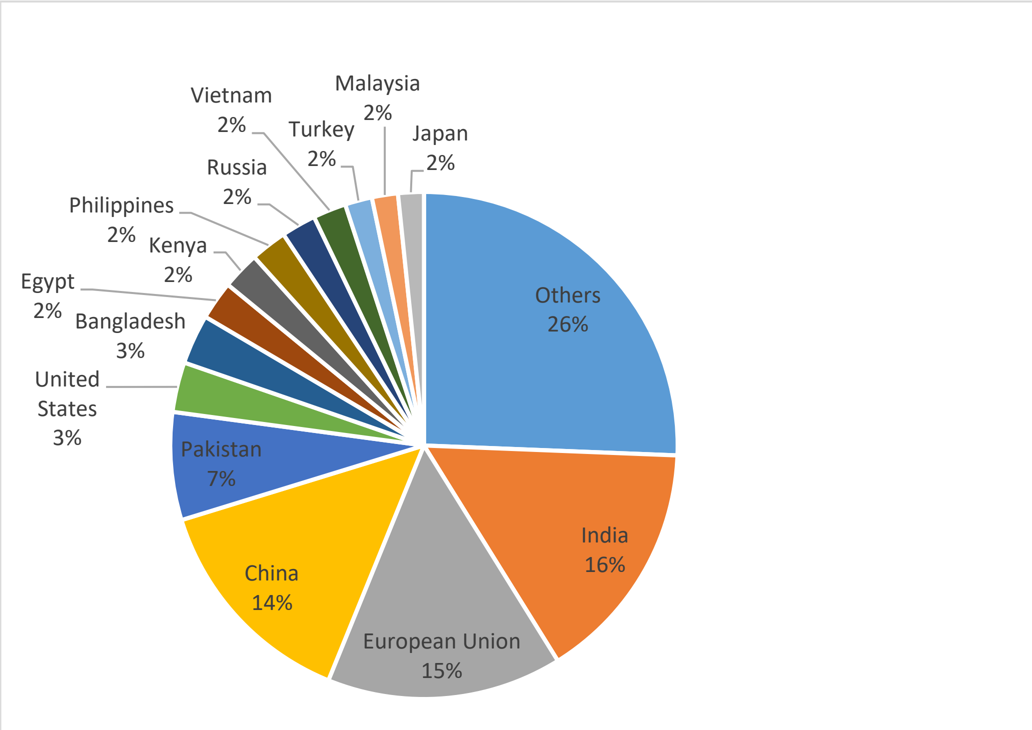
Then, throughout the years, major SEA traders and refiners have also expanded operations in the main importing countries, close to consuming sites. In the early 2000s, industrial groups including Sime Darby, Wilmar and IOI built or acquired key palm oil refineries in Europe, some of which previously belonged to manufacturing groups such as Unilever (DP12) (The Star, 2004). In 2020, three of the six vegetable oil and fat refineries located in the port of Rotterdam belonged to, or had major investments from, SEA conglomerates (https://www.portofrotterdam.com/en/setting/industry-port/refining-and-chemicals/vegetable-oil-refining). Moreover, as we are going to explain later in the paper, since the 1970s, these groups have invested in the edible oil refining and manufacturing sectors in China and India, often in joint ventures with local firms.

4.1.3 Market factors

Thus, major palm oil refiners and traders have large industrial operations in all segments of palm oil value chains. They own large plantations, they concentrate in trading and refining node but also have subsidiaries in processed food manufacturing sectors, particularly in Asia. This means they are partially vertically integrated in the upstream VC, and, to a lesser extent, in the downstream VC, up to the branding of cooking oil.

However, their vertical integration is only partial and these groups connect a large pool of producers with a large dispersed pool of manufacturing and retailing firms. The main processors do not only rely on their own palm oil production (VCE7). To fill their refining capacity, they buy palm oil from other large estates, from medium-scale growers and from smallholders. In 2015, smallholders were estimated to produce 41% of total production in Indonesia and the 13% in Malaysia (Pacheco et al., 2017). Then, the pivot role of refiners and traders in the global palm oil value chain also derives from a geographically dispersed and sectorially fragmented downstream. Indonesia and Malaysia absorb 25% of global production on domestic markets, consuming respectively, 15 and 3 million tons in 2020 (USDA PSD). As shown in Figure 7, international markets are fragmented, with the three biggest importers accounting for less than half the palm oil traded in the world.

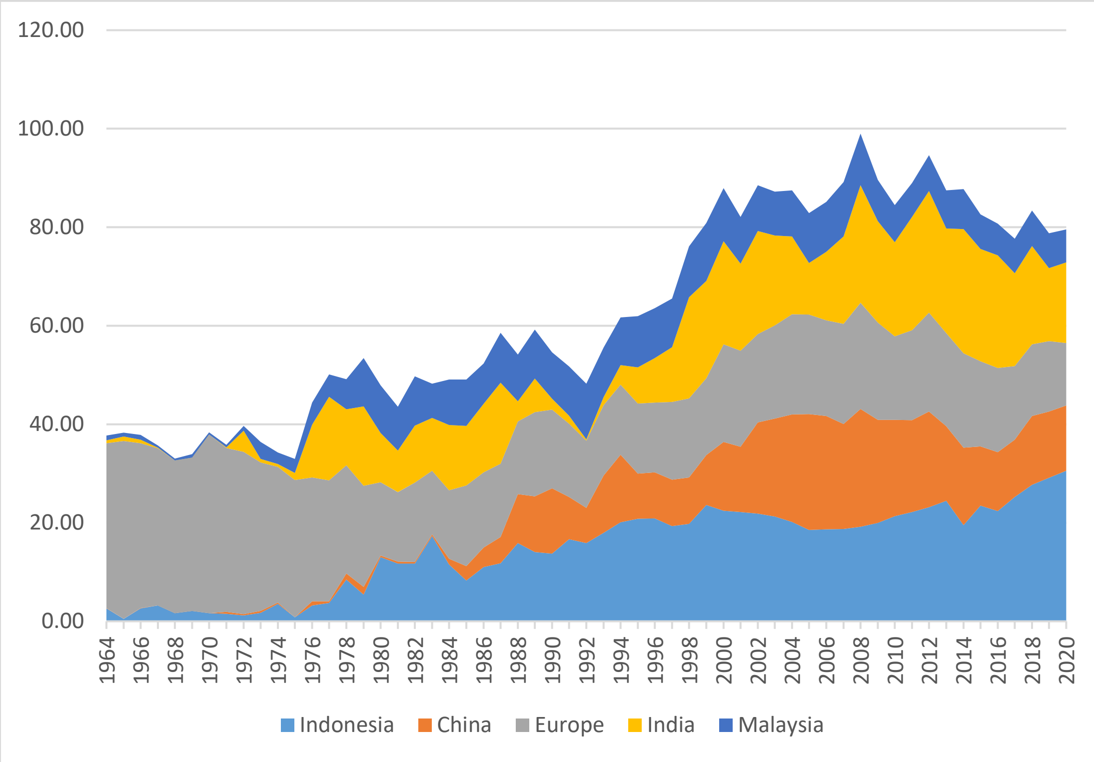
FIGURE 7: 15 LARGEST IMPORTING COUNTRIES OF PALM OIL IN 2020



Source: USDA PSD

Then, as shown in Figure 8, the fragmentation of markets and the relevance of Southern markets is not a new phenomenon , as the key Asian markets, notably Malaysia, Indonesia, China and India, have been relevant consumers since the beginning of the palm oil boom in the 1990s. According to USDA data, in 1964, European countries' consumption of palm oil accounted for the 33% of the worlds' palm oil, with low values for Asian countries and significant consumption of West African countries, notably with Nigeria also accounting for 33%. However, in 1990, at the beginning of the palm oil boom, European relevance as consumption market had been drastically reduced, accounting for 15% of total consumption. The same year Chinese and Indonesian consumption accounted for both for 13% of the world's total one.

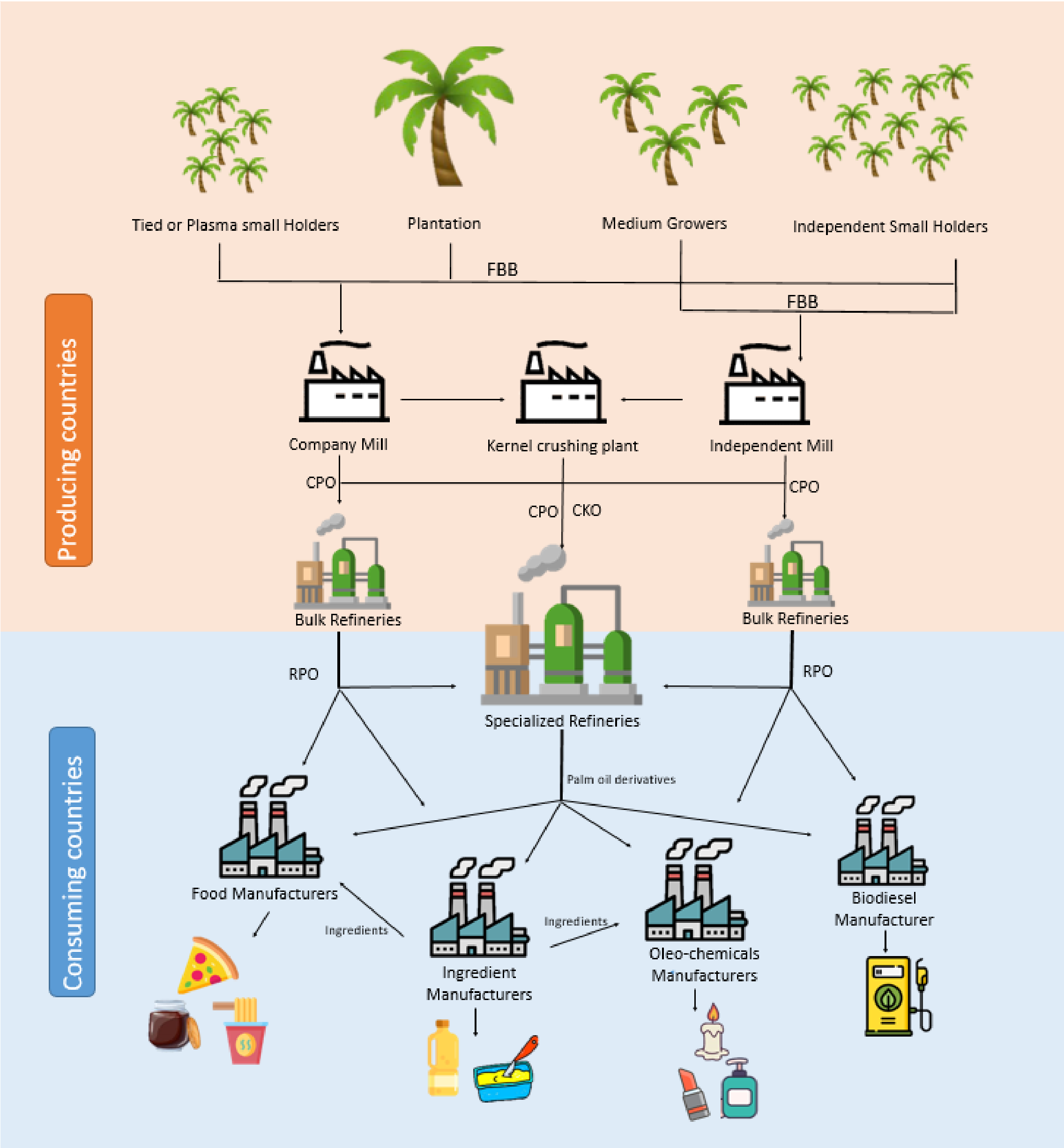
FIGURE 8: SHARE OF GLOBAL PALM OIL CONSUMPTION, SELECTED COUNTRIES, 1964-2020



Source USDA PSD. The category Europe groups European countries, EU15 and EU28

What is more, downstream manufacturers are scattered in different production sectors – mainly agro-food, oleo-chemical and biodiesel. Differently than market dispersion, differentiation of palm oil usages is a more recent trend. According to USDA data, in 2000, food usage accounted for more than 80% in the imports of palm oil of the main palm oil importers, i.e. India, China and the EU. However, in 2019, the EU's share of food usage has drastically fallen to 37%, Chinese one fell to 64% and Indian one still remain predominant at 95%. Among the non-food usages, European markets are further fragmented among oleo-chemical manufacturers and biodiesel producers, as according to OilWorld (2018), energy production is reported to be over 50% of the usage in the EU. This double sectorial and geographical dispersion explains why the downstream segment is much less concentrated than the up-middle segment of the VC.

FIGURE 9: GRAPHIC ILLUSTRATION OF THE GLOBAL PALM OIL VALUE CHAIN WITH THE MAIN INDUSTRIAL FUNCTIONS IN PRODUCING AND CONSUMING COUNTRIES



Source: the author

The above subsection has highlighted some key trends concerning palm oil GVC and its lead firms. The most concentrated node of the value chain is the up-middle one rather than downstream ones, which instead, are sectorially varied and geographically dispersed. SEA TNCs are concentrated in this node, with little presence of European and North American TNCs, and emerge as pivot actors of the chain. First, the palm oil refining industry has a high level of innovation and therefore profitability, as refiners continuously propose new molecules and palm oil derivatives to the downstream sector. Second, supportive policies of producing countries and high capital requirements for entering the node hinder the capacity of upstream or downstream actors to develop refining capacities, thereby making up-middle firms an obligatory passage in the chain. Third, partial integration of the upstream and the downstream chains ensures actors of the middle of the chain obtain adequate supplies and have sufficient outlets, thereby reducing the bargaining power of the actors of other nodes.

4.2 A focus on the palm oil value chain supplying China, in comparison with that supplying the EU

The GVC structure mapped in the previous section is more descriptive of the VC supplying the Chinese market than of the VC that supplies the EU market. According to specialists and practitioners of palm oil value chains (DP12, VCP3, VCE7), Northern “big buyers” still play an important role in palm oil value chains sourcing the EU.

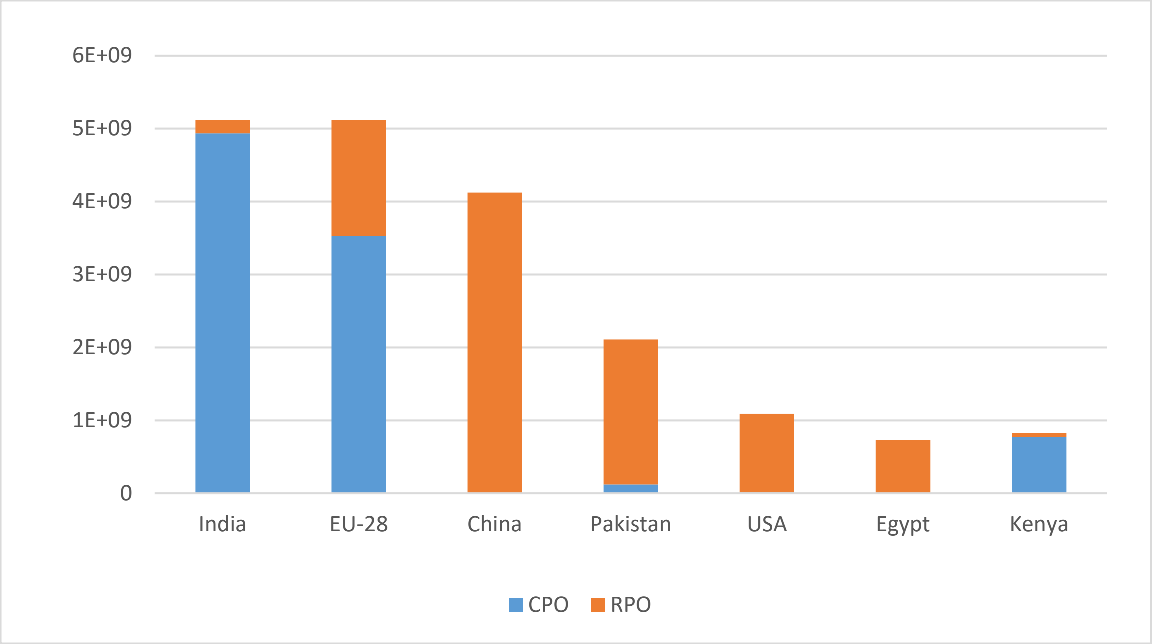
A key explanation is that the EU has significant refining capacities and most palm oil imported into the common market is refined onshore. On the one hand, CPO is subject to lower customs tariffs than refined palm oil (RPO) (table 3). On the other hand, the quality of RPO deteriorates the longer it travels, and thus needs re-refining after being shipped to Europe. SEA refiners have key refining capacities in Europe, but so do European and North American TNCs, such as Bunge and Cargill. The refiners and traders face stronger competition in Europe than in producing countries.

Another reason is that in the EU, palm oil is mainly used as an ingredient in processed food, oleo-chemicals and biodiesel, after having been broken down into sophisticated molecules (VCP3). The buyers of these molecules are major industries in their respective sectors, such as Mars, Unilever, L’Oreal and Neste. Consequently, the downstream part of the VC is quite concentrated and consolidated. As competition is higher in the refiners and traders node and consolidation is stronger in the downstream nodes, the distribution of power is more even than in the overall global value chain.

A sign of driving of large European and North American downstream corporations, in the governance of palm oil value chain supplying the EU, is the large uptake of the sustainability standard RSPO in the common market, at a level of 43% in 2018 (ACOP digest 2018). RSPO certification is championed by key North American and European manufacturers of products containing palm oil, like Unilever and Mars, which have committed to a policy of 100% RSPO certified palm oil in their supply chains.

Conversely, European and North American big buyers and more broadly companies downstream of the chain seem less relevant in the governance of the VC supplying palm oil to China, where the uptake of RSPO lagged below 5% in 2020 (RSPO 2020). In this value chain industrial concentration is higher in the up-middle node. One key reason is that China has limited palm oil refining capacity and mainly imports already refined palm olein (see Figure 10). This trend can be partially explained by geographical conditions. Refined palm oil shipped to China can be used without further processing because, according to specialists (VCE6, VCE7 and VCP4), the distance between the main northern shipping ports in Indonesia and Malaysia and the southern ports in China is short enough for RPO to retain most of its quality during the journey.

FIGURE 10: IMPORTS OF CPO AND RPO, SELECTED COUNTRIES, 2020



Source: COMTRADE

Then, this trend can also be partially explained by low Chinese interest in protecting and developing domestic palm oil refining capacities. As shown in table 4, Chinese import tariffs do not favour imports of CPO, like other major importing countries, including the EU and India. At the same time, CPO is taxed as an export from Indonesia and Malaysia. As a result, RPO is cheaper than CPO and more convenient for Chinese firms to buy.

TABLE 10: IMPORT AND EXPORT TAXES FOR CPO AND RPO, SELECTED COUNTRIES

Tariffs	China	EU	India	Indonesia	Malaysia
CPO	9%	1.9%	12.5%	7.5% to 22.5%	8%
RPO	8.5%	9%	20%	0%	0%

Sources: import taxes (Pacheco 2017); export taxes are variable , especially in Indonesia. Levels reported are drawn from: https://www.theedgemarkets.com/article/malaysia-maintains-cpo-export-tax-8-april-2021

According to specialists (CATE5, VCP1), lack of support for domestic refiners can be explained by the complementarity between palm oil and soybean oil and Chinese priority to rival foreign companies trading and processing soybeans. China is the biggest world importer of soybeans, estimated to reach 100 million metric tons in 2021 (USDA PSD). After crushing, soy meal is used as feed for the domestic livestock industry, while soy oil is the most available oil on the Chinese market. Because of its role in the livestock industry, imports of soybeans are considered by Chinese authorities to be highly strategic (Gooch & Gale, 2018). Since its liberalisation, China has imposed preferential tariffs for uncrushed beans and has invested in domestic crushing capacity and the manufacturing and merchandising of soybeans coproducts. However, crushing industries were the object of “soy wars” in 2004, when major Chinese soy crushing capacities were acquired by large North Atlantic corporations (Schneider, 2017). Since then, Chinese corporations, in particular SOEs like COFCO and SinoGrains, have invested heavily in soybeans crushing capacity to recapture domestic sovereignty in the sector. COFCO in particular has applied internationalisation strategies by acquiring important soybeans trading and logistic facilities, through the acquisition of the established international company Noble and Nideira (Gooch & Gale, 2018).

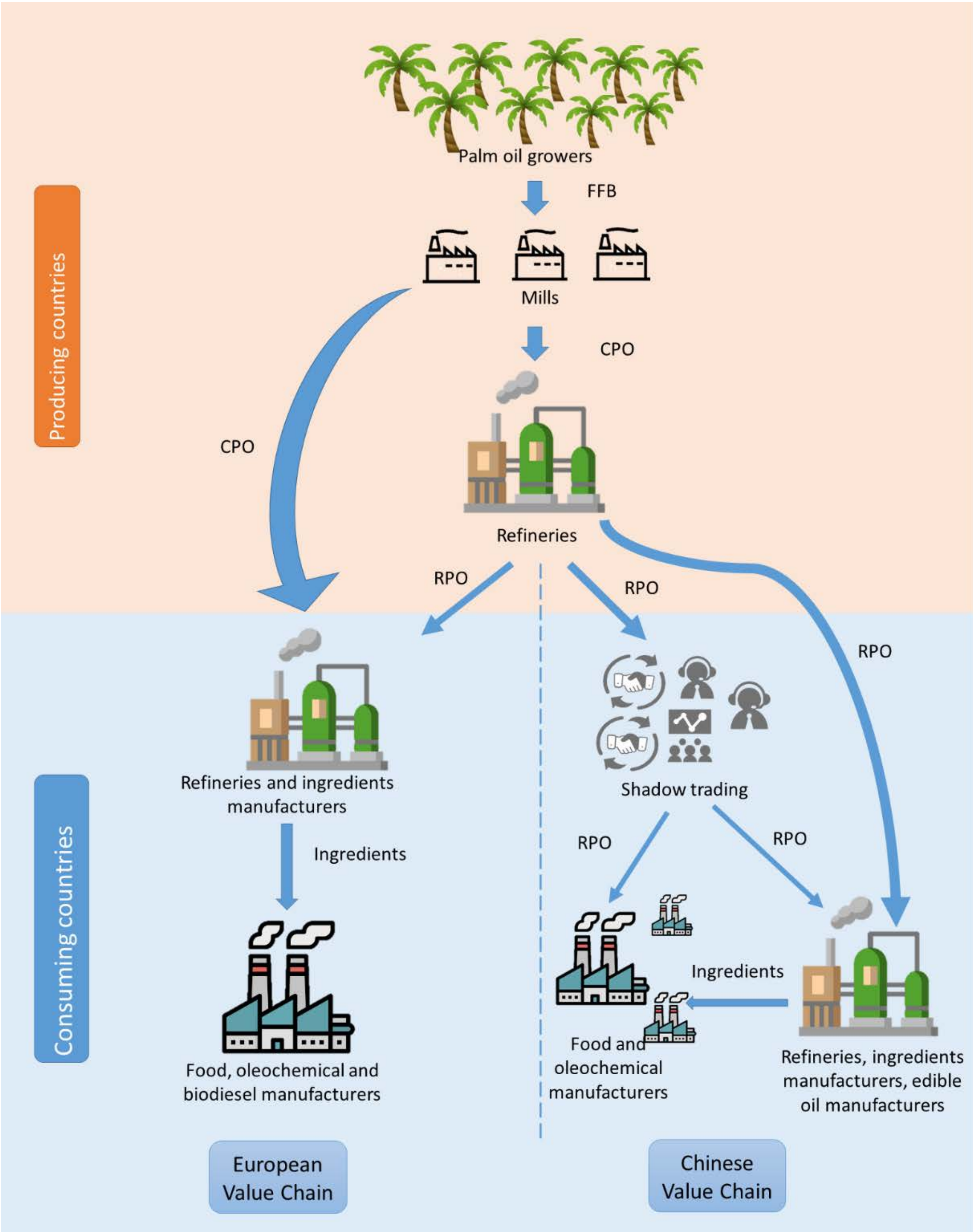
Considering the availability of soy oil and, at the same time, the geopolitical and industrial tension surrounding soybeans, palm oil is considered as a less strategic complement to soy oil (CATE5, CATE 10, DP6, VC7). Palm oil co-products do not have significant industrial usages nor do they play a role in food security. Moreover, the palm oil industry is not subject to geopolitical tensions. On the contrary, palm oil trade is part of the good relations between China and Malaysia and Indonesia and is sometimes used as a bargain chip for other agreements (David, 2019).

Then, competition in the node of refiners and traders of the palm oil VC supplying China is further limited by quality specifications of Chinese demand for palm oil . In 2013, Chinese authorities established a strict quality standard to ensure the freshness of RPO that is specific to the Chinese market and is designed to ensure that the palm oil can be used directly after landing (The Star Asia News Network, 2013). Only a few refiners and traders, based in producing countries, are capable of meeting the characteristics of Chinese demand, i.e. very large quantities of RPO and the respect of stringent quality specifications in terms of freshness. These characteristics then favour few corporations disposing of refineries with very large capacities that are estimated to produce most RPO sold to China (VCE6 and VCE7).

Finally, the downstream of the VC supplying China is relatively less concentrated than that of the VC supplying the EU. Once landed in China, large quantities of RPO are purchased by big corporations, such as Yihai Kerry and Yzhen Fanshun, or State-owned enterprises COFCO and SinoGrains (Segi Enam, 2020) . However, a large pool of small industrial manufacturers can also purchase RPO directly upon landing, as RPO can be used without further processing for cooking usages (VCE6). Moreover, once onshore, large quantities of palm oil are exchanged among small traders for the purpose of financial speculation, a practice that is referred to in reports as “shadow trading”. According to Segi Enam (2020), CFNA reports that the ratio of onshore trading of palm oil is “broadly higher than 60%”.

As illustrated in Figure 11, these technological, political and market factors result in a higher corporate concentration in the trading and refining node in palm oil-producing countries.

FIGURE 11: GRAPHIC REPRESENTATION OF THE VALUE CHAINS SUPPLYING EUROPEAN AND CHINESE MARKETS.



Source: the author

4.2.1 Wider industrial links between palm oil refiners and traders and China: the case of Wilmar

Finally, conducive policies in China, favouring SEA refiners and traders can be partially explained by the ambiguous “Chineseness” of these companies and the role played by related conglomerates in Chinese industrialisation. Major SEA palm oil traders and refiners – like Wilmar , Golden Agri, Musim Mas and IOI- are part of larger industrial conglomerates that were funded and run by entrepreneurs of the Chinese diaspora (like Robert Kuok , Lee Shin Cheng and Eka Tjipta Wdjaja), referred to as “Overseas Chinese”, in the literature on Chinese capitalism and SEA TNCs (Santasombat, 2017). As we are going to illustrate with the case of Wilmar, the world’s largest palm oil refining and trading company, these firms have been pioneers investors in China, in the 1970s, emerging as SEA but also Chinese key industrial actors.

According to the literature, Overseas Chinese conglomerates emerged in the second half of the 20th century as key actors of South-East Asian economic development and of its transnational value chains. Often funded by Chinese migrants or refugees, with little or no initial capital, by the 1990s “companies owned by ethnic Chinese families in Singapore, Malaysia, Thailand, Indonesia, and the Philippines ma(de) up about 70 per cent of the private business sector in those countries” (Weidenbaum and Hughes, 1996, p. 8).

Such economic success has at times spurred hostility and even violence towards ethnic Chinese minorities in SEA countries and also policies designed to reduce their weight in the domestic economy, like the New Economic Policy in Malaysia (Gomez, 1999). For this reason, several of these entrepreneurs established their headquarters in more friendly places, like Singapore or Hong Kong. Also, discriminatory policies in Malaysia and hostility in other SEA countries coincided with the arrival of policies to attract capital in Deng Xiaoping’s China (Gomez, 1999; Santasombat, 2017; Weidenbaum & Hughes, 1996). The coincidence of these opposing political lines led Overseas Chinese conglomerates to largely invest in the opening

Chinese economy, acquiring important business positions and becoming a bridge between South-East Asian and Chinese economies.

According to Gomez (1999), the success of these conglomerates is largely due to their flexibility and capacity to blend and adapt to different models and institutional contexts. These capacities are revealed in these firms' multiple inter- and intra-ethic alliances, with European, North American and Japanese industrial groups and Chinese firms and businesses, as well as their adaptation to different institutional contexts and economic policies, e.g. in Malaysia, Singapore and China. According to Weidenbaum and Hughes (1996), these groups also leveraged their cultural and social resources in the early stages of Chinese liberalisation, acting as bridges and translators of Western capitalism in China.

The palm oil refining and trading firm Wilmar shows how the above trends are relevant for the palm oil GVC. Wilmar, that is estimated to concentrate 45% of the trading of globally traded palm oil, is part of the larger conglomerate Kuok Group.

Its founder and president, Robert Kuok, is himself an emblematic example of Chinese Overseas entrepreneurs. Born in Malaysia in the 1920s, Robert Kuok started making his fortune in sugar trading between the 1950s and 1970s, in South-East Asia and as a pioneer trader in China, since the 1960s, when the country was considerably economically isolated (Santasombat 2017). Originally based in Malaysia, Kuok moved the headquarters of its conglomerate to Hong Kong, in 1975, acquiring the Chinese nationality (Weidenbaum & Hughes, 1996).

Over the years, Robert Kuok became a public figure in China and South-East Asia. Thanks to his pioneer status, gained from his first investments in mainland China in the 1970s (Santasombat 2017), the entrepreneur became a public figure close to Beijing government, holding political positions in Hong Kong and acquired the main English-speaking media of the city, the South China Morning Post (Gomez 1999). At the same time, Kuok was an advocate for Chinese Overseas transnationalism, close to Singaporean president Lee Kwan Yew, claiming Chinese Overseas' role as drivers of Asian development and of mainland China (Kuok & Tanzer, 2018). Also, he retained political influence in Malaysia. When, in 2018, a financial scandal ended 50 years of UMNO party hegemony in the Country, Robert Kuok was on the 5-person advisory council, called to advise the newly elected government (CK Tan, 2018).

Among the different sectors of the conglomerate, the Kuok Group developed major firms in palm oil and vegetable oil cultivation, trading, processing and packaging. This business started in Malaysia in the aftermath of the independence, in the palm oil production sector, through the group firms' Peril's Plantation, active both in Malaysia and Indonesia. Then the conglomerate's activity in the sector expanded through a subsidiary manufacturing edible cooking oil, called Arawana, which rapidly became one of the most popular cooking oil brands all over Asia (Poupon, 2016).

Robert Kuok started exporting palm oil to China in the early stages of the opening, affirming his patriotic role supplying China with affordable oil for the "poor man" (Kuok & Tanzer, 2018). Aside from these export activities, the entrepreneur invested early in the edible oils industrial complex in China, through a joint venture with the State-owned firm COFCO, building China's first large-scale modern refinery, drum and consumers pack plant in Shenzhen in 1988 (https://www.yihaikerry.net/en/GroupIntroduce/history.aspx). Then, Arawana oil was launched in 1991 in China. At the time, it was the mainland's first packed oil production line and today it is the country's top consumer pack oil brand (Bloomberg 2020). Wilmar was founded in 1991 in Singapore and invested in China in 1993, in a joint venture with Archer Daniels Midland (ADM) and Top Glory (COFCO), to build major crushing plants, oil refineries and manufacturing facilities. (https://www.yihaikerry.net/en/GroupIntroduce/history.aspx)

Shortly after the liberalisation of palm oil in China, in 2006, Wilmar merged with Kuok Group, with ADM participating for 16.2% of the group (Financial Times 14/12/2006). According to the Financial Times, the merger created the largest merchandiser and refiner of palm oil, the largest integrated agri-group in Asia and one of the largest listed oil palm plantation companies.

The Financial Times reported Wilmar's chairman saying that the "merger is all about China, which is emerging as the world's biggest consumer of edible oils".

Finally, in 2007, the conglomerate's activities in the vegetable oil sector in China was further embedded in the domestic economy. Kuok Group's and Wilmar's investments in vegetable oils in China were grouped under the company Yihai Kerry. The firm is estimated to have the highest soybeans crushing capacity in the country, together with COFCO, and the highest market share of cooking oil (Bloomberg, 2020). Yihai Kerry and Wilmar are separate companies, but value chain specialists (VCP3 VCP4 and DP8) argue that there is a fair extent of vertical integration between them. Even including the participation of COFCO, Yihai Kerry is considered as a foreign firm. However, in 2020, the company launched "the biggest ever initial public offering on the Shenzhen Stock Exchange", becoming *de facto* a Chinese firm (Bloomberg 2020).

The analysis of the Kuok firms' presence in China highlights several points. Firstly, China has been more than just an important end market for the Kuok Groups' palm oil activities. It has represented a basis of industrialisation that has allowed the group to vertically integrate downstream, but also to acquire financial capital, technological knowledge and political alliances. Then, ambiguity surrounds the Chineseness of palm oil-related Kuok's firms. Yihai Kerry is now officially a Chinese firm and ventures with COFCO in Chinese "going out" strategy to other continents. However, Wilmar has its headquarters in Singapore and is both active and has subsidiaries in numerous other countries. These trends show that with the rise of China came not only the rise of Chinese SOEs in commodity chains but also the rise of SEA TNCs.

5 Discussion

The findings outlined in the previous section allow to discuss the validity of our three hypotheses, which are restated and discussed here below.

1. *Southern firms are emerging as GVC lead firms, in particular in domestic and/or regional value chains.*

Our findings confirm the rise of TNCs that are non-Northern, but South-East Asian, as key actors of the global value chain. Their rising is not confined in domestic or regional value chains, but concerns global ones. Our analysis shows that the latter are not driven by big buyers headquartered in the Global North, considering their low market power, understood in terms of share of palm oil quantities demanded, and their weak normative power, understood in terms of low global diffusion of their championed RSPO certification.

However, even if SEA refiners and traders are pivotal in the GVC, we cannot qualify them as “lead firms” of the whole GVC. As Sturgeon (2008) points out, the concept of lead firm is used in the GVC to qualify buyers who control their suppliers. However, suppliers who are not captives of their buyers, do not control them either. In our case, the refiners and traders are positioned in the middle of the VC. Therefore, they probably exert power over their upstream VC but only have limited power over their downstream VC. Sturgeon (2008) refers to this case as “platform producers”, i.e. oligopolistic producers who have significant power but do not “lead” the overall chain, because they cannot control their downstream. Sturgeon (2008) suggests that not all GVCs should be considered as having a “lead firm”. Our findings confirm his suggestion.

2. *Their rising is favoured by three intertwining factors: industrial concentration among key suppliers of GVCs, supportive policies of producing countries, and the rise of Southern markets.*

Our findings confirm the relevance of the second and third explicating factors as facilitating the rise of South-East Asian conglomerates as pivotal firms in palm oil GVC. Malaysian and Indonesian policies of nationalisation of key production industries and of supporting and protecting domestic processing and refining have played a key role in the development of major palm oil refining conglomerates. Moreover, the geographical dispersion of buyers has increased the refiners' bargaining power.

Then, the role of the first factor is more nuanced. Demand from the "big buyers", in the 1980s and 1990s, has probably facilitated the industrial development of refiners. However, as shown in the section 3.1.1, Asian demand, not linked to "big buyers'" supply chains, has been relevant since the beginning of the palm oil boom in the 1990s, when China and India already imported similar percentages of internationally traded palm oil to Europe. Dynamics in these markets, as for example the documented lack of support to domestic refiners in China, have also largely contributed to consolidation of SEA refiners and traders.

Another identified factor favouring the industrial consolidation of very few groups is the capital and technological intensive character of palm oil refining industry . On one side, this characteristic has functioned as entry barrier to the node, largely limiting competition. Then, through the production of a wide range of diversified products, this has allowed refiners to sell their products to buyers that are not only geographically dispersed but also operating in different industrial sectors, thereby increasing refiners' bargaining power. A recent literature has discussed the increasing flexible utilisation of biomass derived products in industrial processes of what are called the "flex crops" (Borras et al., 2016) , including palm oil (Alonso-Fradejas et al., 2016) and of its implication in political economy of these crops. We argue that one of these implications can be the questioning of the buyer driveness assumption behind the analysis of agro-food commodity chains and the conceptualisation of certain agricultural commodity chains as suppliers driven, where the key value-added products are complex molecules extracted from agricultural crops.

3. *Southern firms have a higher role in governance of VCs supplying China than those supplying the EU, thanks to lower entry barriers in China. However, the nature of Chinese demand, of lower quality, unstandardized and relatively unprocessed products, and the presence of higher competition in the supply of Chinese markets also limit the emergence of Southern lead firms as global challengers.*

This hypothesis is only partially confirmed. South East Asian refiners and traders are analysed as having a more relevant role in supplying the Chinese market than in supplying the EU one. However, our analysis shows that this different relevance is not linked to lower entry barriers in the Chinese market compared to the EU one.

Firstly, our findings show that Chinese market demands relatively more processed palm oil compared to the EU. Secondly, Chinese market has stringent quality requirements concerning freshness of the product. Both these characteristics constitute entry barriers to the refiners and trader's node, lowering competition and providing possibilities for upgrading for SEA TNCs.

Secondly, more than a difference in the nature of the demand between China and the EU, the analysis has shown different policies, protecting domestic refining in the case of the EU and promoting the import of refined palm oil in the case of China. This finding suggests an increasing role of government policies in shaping competition and configurations of global value chains.

Finally, the focus on the palm oil value chain supplying China has highlighted an additional factor that has contributed to the rise of South East Asian TNCs in palm oil GVCs, which goes beyond the role of rising Chinese demand for the commodity. Firstly, as already underlined in the previous section, the rise of Chinese demand dates from the beginning of the 1990s and has therefore been structural since the beginning of the palm oil boom and does not constitute a recent and emerging factor. Secondly, China has also been the destination of large FDIs from South-East Asian industrial conglomerate, which comprises main palm oil refiners and traders. In the case of Kuok Group, this trend has seen the rise of the major global palm oil refiner and trader, Wilmar, within the same industrial conglomerate of the major Chinese corporation of vegetable oil and vegetable oil seeds processing and manufacturing in the country, Yihai Kerry. This trend underlies the role of China as larger industrial base for industrialisation of these groups, which has been structural for their rising.

6 Conclusion

This paper has contributed to shed light on how the rise of polycentric trade is leading to the rise of Southern corporations in the governance of GVCs. It has done so through the empirical analysis of the palm oil GVC and a structural comparison between the VC supplying China and the VC supplying the EU. Our analysis shows that the palm oil GVC is not driven by "Northern lead firms", at either the global or the regional scale. The key corporate actors of this GVC are South-East Asian TNCs, concentrated in the up-midstream and partially vertically integrated, both upstream and downstream. We show that the shift of end markets to non-Northern countries played a significant role in the rise of these firms. However, our analysis has also shown that broader historical, political and economic trends characterising the East and South East Asian region have contributed to the rise of these firms, as a bridge between South-East Asia and China.

As a first part of conclusion, we can sketch some characterising elements of these emerging TNCs, linked to the rise of China. How can they be geographically qualified and distinguished from Northern TNCs? Why does it make sense to distinguish them?

One first highlighted characteristics concerns the private ownership of these firms. Our analysis failed to confirm the association between the rise of China and the rise of state-owned enterprises in transnational commodity chains. This does not exclude the possibility that this association exists in other cases. However, our findings indicate that the rise of China is also associated with the rise of private transnational companies, which have thrived thanks to a blend of Western and Asian capital and business models and which are neither headquartered in the Global North nor in China.

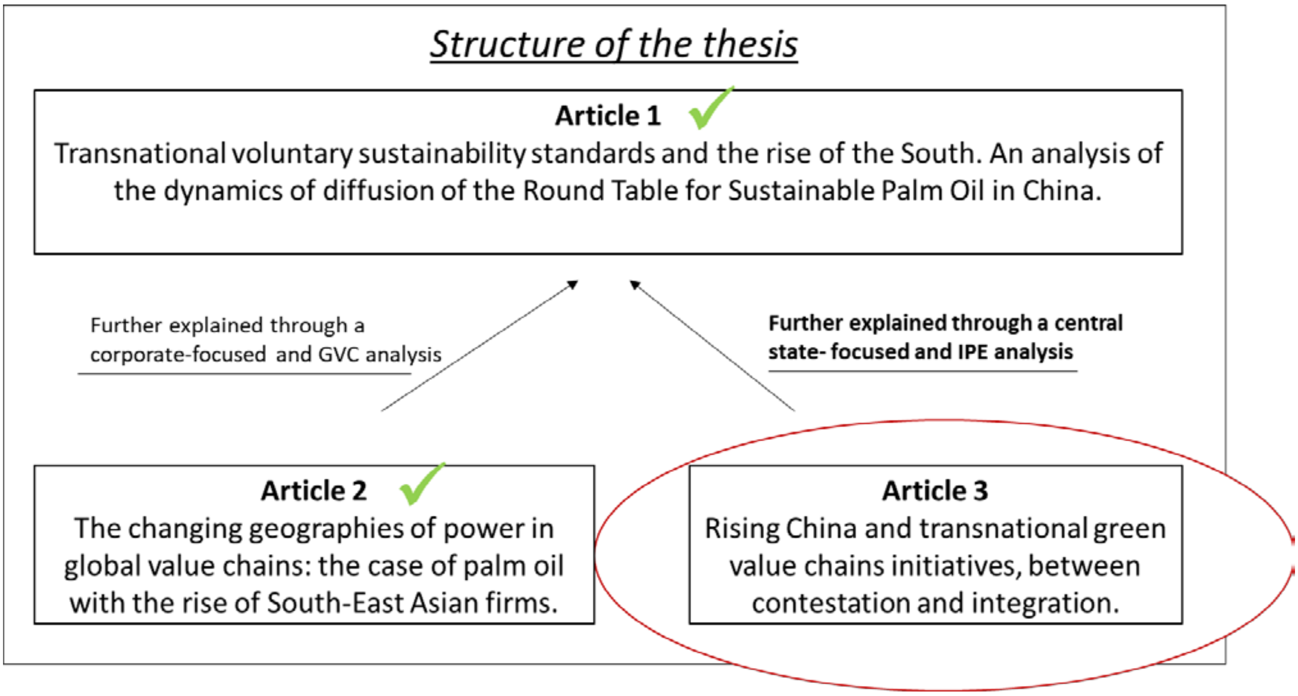
A second peculiarity concerns their geographical embeddedness. According to Yeung (2014), the embeddedness of Asian TNCs refers to the state in which they originated and it explains their link with the "developmental state" that supported their establishment. However, our results show that palm oil refining and trading firms' geographical embeddedness is broader than the state in which they originated and goes beyond this state's support for their development. In accordance with Yeung and Coe (2015), our results indicate that these firms have adapted to different geographical constraints and levers. In so doing, they have become embedded in the larger East and South Asian region because of its markets, industrial basis and political support. China plays an important role in this region, even if these firms did not originate in nor have their headquarters in China. Consequently, we propose to conceptualise these firms as "Asian" TNCs. We suggest testing this conceptualisation with further research including other Asian countries and in particular India, to understand the role of this other rising market and global economic power in regional corporate transnational trends.

The second conclusion we draw from this analysis is that, in the context of polycentric trade, the distinction between North and South has lost much of its heuristic value for elaborating approaches in support of sustainable development. This division was based on the analysis of globalisation driven by "Northern" actors, that were in the "core" of global economy, as opposed to a "peripheral" Global South. Such configuration of power was inherited from or replicated colonial times, but also mirrored a post-cold-war world order, dominated by the United States and its allies. As the latter constituted the developed "North", all other countries were grouped under the developing "Global South". However, our study joins a growing literature arguing that the rise of China, understood as part of the rise of Asia, reflects a larger shift in world economic history (Arrighi, 2008; Hung, 2009), or also a "*retour à la normale*", considering the long centuries before colonisation, when China was a centre of global economy (Frank, 1997) and trade among Asian nations was significant and dynamic (Lombard, 1990).

In the case of palm oil, Chinese and South East Asian actors are in the "core" of GVCs, trends related to these actors have global scope and implications and are not representative of a wider and homogeneous Global South. These findings suggest that sustainable development should go beyond the North/ South division of the world and the related Eurocentric approach to develop environmental governance. Instead, practitioners should investigate levers, policies, strategies, and outlooks that are relevant for non-Northern "cores" of the global economy, in particular in China.

Finally, this study questions another assumption concerning the GVC framework: the corporate centric nature of globalisation and global value chains. Our analysis indicates that there might not be a group of "lead firm" in the palm oil GVC. Moreover, our findings also show the relevance of national EU and Chinese policies in shaping competition in most profitable nodes of the GVC. Such findings have implications for the study of governance, which, in GVC, have largely focused on the way "lead firms" established rules and coordination mechanisms that prevailed in the chain and that allowed access to, or limited, membership, such as private standards (Gereffi & Sturgeon, 2013). Our study suggests that, in the absence of a lead firm and with higher relevance of national policies, governance could be more a mediated process among different actors, including producing and consuming Southern countries' states. Further research could question the implications of this enlarged governance on GVCs-related practices, coordination mechanisms and initiatives for sustainability, for example palm oil sustainability standards.

TRANSITION 2



Chapter 2 has focused on corporate actors operating in the palm oil global value chains. It has attempted to explain the trajectories of international diffusion of palm oil-related TVSS through an analysis of the evolution of lead firms in the GVC, with particular regard to their geographical embeddedness. The findings of the chapter challenge the TVSS underlying assumption of agricultural GVCs driven by downstream TNCs headquartered in the Global North. They have shown the rise of South East Asian TNCs, operating in the up-midstream of the GVC and characterised by a regional embeddedness that comprises but exceeds their country of headquarters and where China plays a significant role. These findings contribute to explain the difficulties of diffusion of downstream and Northern led schemes, such as RSPO, at a global scale and in particular in China. Also, they show an increased role of state actors, of producing and consuming countries, in the governance of palm oil GVC.

Chapter 3 shifts its focus on actors connected to China's central state. Chapter 1 has shown that RSPO promoters' tentative engagement of the relevant line ministry, MOFCOM, has not born positive fruits. At the same time, the Chinese state shows a certain ambivalence towards the initiatives as other state-related actors, notably the producers' association CFNA and the State Owned Enterprises COFCO and Sinograins, have endorsed RSPO. Chapter 3 attempts to further explain these findings by broadening the scope of the analysis to Chinese central state's approach to Western-led initiatives promoting green value chains. Through an international political economy lenses, the chapter questions how Chinese support or reluctance relative to Western led green value chains initiatives and in particular towards TVSS fits more largely within the Country's international relations and within its approach to existing norms and institutions of global governance.

CHAPTER 3: RISING CHINA AND TRANSNATIONAL GREEN VALUE CHAINS INITIATIVES, BETWEEN CONTESTATION AND INTEGRATION.

A shorter version of this paper : Fabiano F., Daviron B. “Rising China and transnational green value chains initiatives, between contestation and integration” is being submitted to the review Third World Quaterly.

1 Introduction

Transnational green value chain approaches and related tools, in particular transnational voluntary sustainability standards (TVSS), certifying soft commodities, such as timber, palm oil, coffee and cacao, have become part of the environmental and development cooperation policies of OECD countries (Marx, 2017; F. W. Mayer & Phillips, 2017). European States and the European Union are particularly active in this domain and some examples of official support for these tools can be found in : the UK “Greening Government Commitments” (2011); the French “Strategy against imported deforestation” (2018); and the European “Farm to Fork Strategy” (2020). Other examples are the financial and technical support for multi-stakeholder initiatives (MSI) of OECD development cooperation agencies, such as the British DIFID, the American USAID, or the French AFD. The stated logic is to act on global environment and distant resources leveraging on the private sector, transnational value chains, and the market power of major and profitable commodity importers.

As China is a key importer of globally traded soft commodities, OECD, especially European, promoters of transnational green value chains initiatives have attempted to engage their Chinese counterparts through international dialogue and cooperation programmes. Some examples of these initiatives are the EU-China Bilateral Coordination Mechanism on Forest Law Enforcement and Governance, launched in 2009, and the China-UK Collaboration on International Forest Investment, started in 2011.

Throughout these years, China has not expressed a clear position on the matter, cherry-picking single initiatives and alternating between dialogue with the West and reticence to interfere in producing countries’ sovereignty. Green value chains’ practitioners and scholars have contrasting interpretations about this ambivalence, as well as about the likelihood of China to eventually engage in transnational green value chain approaches.

A first interpretation, which is declining but is nevertheless still widespread, is that the Chinese political system lacks the drive of a free press and an active civil society to support transnational sustainability efforts (Adolph et al., 2017). The Chinese state is considered to be an “irresponsible” power (Hurrell & Sengupta, 2012) and a “rogue” donor (Thompson, 2005), complacent of commodity-producing countries’ low environmental standards and supportive of authoritarian regimes, in order to ensure supplies of commodities to China (Adolph et al., 2017; Economy & Levi, 2014).

A second and more recent interpretation highlights the fact that the Chinese central authorities can open up to green value chains, because they are increasingly engaged in policies promoting sustainable development domestically and they are adopting more progressive positions in global arenas concerned with promotion of sustainability (Schleifer & Sun, 2018; Sun, 2016). Also, against the widespread arguments of the Chinese aversion to market tools, Sun (2016) argues that China is keen on endorsing private instruments for the promotion of sustainability, for example taking up global leadership in the development of green finance. According to Sun, the sustainability of commodities sourced from abroad is not yet a Chinese priority. However, government agendas could evolve in the near future and facilitate the mainstream of instruments such as transnational sustainability standards in the Chinese system.

Finally, a third perspective argues that China might support “Southern standards” instead of international transnational voluntary standards (Higgins & Richards, 2019; Kadarusman & Pramudya, 2019), as the first embodies a “Southern” and milder version of sustainability and allows for lower prices of certified commodities. According to Shouten and Bitzen (2015) these standards, such as the palm oil standard Malaysian Sustainable Palm Oil (MSPO) and Indonesian Sustainable Palm Oil (ISPO), have emerged as a form of producer states’ contestation of the legitimacy of sustainability tools driven by Northern consuming countries. In response to a perceived interference in their sovereignty, commodity-producing countries have developed national and state led certifications, which draw their legitimacy from the actors’ system of upstream producing countries.

This paper aims to contribute towards disentangling this controversy, by considering a question neglected by the literature, i.e. how Chinese support or reluctance relative to green value chains initiatives and in particular towards transnational sustainability standards fits more broadly within the country's international relations and within its approach to existing norms and institutions of global governance. In our view, this discussion is hinted at but disregarded in the literature about "Southern standards". On the one hand, related articles discuss the fact that Southern producing countries have contested what they claim to be Northern consuming countries' interference in their sovereign affairs (Higgins & Richards, 2019). However, by focusing on legitimacy issues of sustainability standards, these scholars neglect the diplomatic rows spurred on by transnational sustainability initiatives and their role in the endorsement of these initiatives by other countries' governments, such as China. Then, by essentialising "Southern" identities, this literature fails to account for the subjectivity of these identities as well as their role in building international alliances and today "Southerness".

Tu and Mo (2015) explain that the category of "developing" country or "Southern" country is rather subjective. If, on the one hand, "developing" and "Southern" status is characterised in terms of per capita GDP or GNI levels by development aid agencies (WB, OECD/DAC and UNCTAD), on the other hand, it is often self-declared by countries while joining specific groups in international negotiations. The authors underline the fact that such statuses have significant practical implications in the international arena, as they define countries' conditions of participation in treaties and their belonging to certain negotiation groups and alliances, for example at the United Nations, in World Trade Organization negotiations, or in development cooperation programmes. Moreover, such "developing countries" and "Southern" alliances have a long historical legacy, rooted in the 1955 Bandung Conference and the following movements of Third World and non-aligned countries (Acharya, 2014). China has been a leading member of such alliances since the 1950s (Acharya, 2008b). However, because of its spectacular economic rise and its current status as the second-biggest global economy, the country increasingly juggles between a dual identity: a "developing" country and a "great power", not without criticism by its international partners and counterparts (Aykut & Dahan, 2015).

In this paper, we propose to employ an international political economy (IPE) perspective, which bridges the gap between economic and political approaches, in order to shed light on international relations conflicts and geopolitical interests that influence China's participation in transnational sustainability policies and initiatives. This research aims more broadly to contribute understanding how green value chain policies would be more likely to be endorsed by China and thereby be more effective globally.

The paper is structured as follows: the theoretical framework is presented below in Section 2. It leads to the formulation of two hypotheses, which are tested by the collection of empirical material as outlined in Section 3, on methods. The results are then presented in Section 4 and the paper ends with discussion of the results and a conclusion in Section 5.

2 Theoretical framework and research hypotheses

IPE literature has emerged, in the USA and UK, during the 1970s, in order to study emerging political and economic trends of globalisation. Related works have studied the affirmation and evolution of international organisations, such as the World Bank, the United Nations, and the gold standard, as well as specific institutions and norms, such as international commodity agreements and food aid conventions.

Two concepts are central to this literature. The first is the conceptualisation of "international regimes", which are defined as "implicit or explicit principles, norms, rules and decision-making procedures around which actors' expectations converge in a given area of international relations" (Krasner, 1982). According to Eden & Hampson (1997), these regimes are governance structures " through which political and economic actors organise and manage their interdependences" (Eden & Hampson, 1997, p. 362) and attempt to correct for various forms of international “politico-market structural failures” (Eden & Hampson, 1997, p. 364): e.g. public goods and externalities; transaction costs; non-competitive markets; and macroeconomic instabilities.

This concept was elaborated to analyse global politics, international norms and institutions and power dynamics in economic globalisation, by going beyond interstate politics and including considerations on the role of non-state actors, such as Transnational Corporations and International Non-Governmental Organizations, but also beyond “high politic” international issues, i.e. war and peace, to study more specialised and technical institutions.

Connected to this concept is the one of “hegemonic stability”. According to literature about international regimes, the latter emerge under the aegis of a single country hegemonic power that dominates, economically and militarily, the international system at a given moment. This domination provides stability to the international order and favours the emergence of international norms and institutions supported by the hegemon (Kindleberger 1973 and Gilpin 1975).

Then, a branch of IPE literature is interested in analysing the historical evolution of international institutions and norms with the transition among different hegemons – the United Provinces of Netherland, the United Kingdom and the United States- as well as hegemonic conflicts, crisis and declines (Arrighi, 1994; Wallerstein, 1974, 1983). In this perspective, current international norms and institutions are analysed as having emerged under the hegemony of the United States and its closest allies, which is being challenged by the rising powers and in particular by the rise of China. The consequences of these systemic challenges are the subject of a debate, mainly split in two opposing positions.

On the one hand, structural realist scholars argue that rising powers, like China today, are likely to bring conflict and disruption to the current system of norms and institutions. Rising powers are likely to defend divergent interests and agendas rather than hegemonic ones

(Bremmer & Roubini, 2011), thereby representing system challengers (Kupchan, 2014) and a source of instability and weakening of existing international institutions.

On the other hand, institutional liberals argue that rising powers can integrate existing international regimes. According to Keohane (2005), the latter were built under US hegemony but are maintained despite the fall in US hegemony, thanks to the involvement of "the common interest of leading capitalist states" (Keohane, 2020), also referred to as the Western states, and their consequent willingness to cooperate. In this perspective, rising powers emerge within economic, political, and institutional interdependencies with Western powers and would thereby be interested in cooperating and in integrating current international regimes (Cox, 2012; Ikenberry, 2009; Nye, 2017). At the same time, they are also likely to negotiate the evolution of norms and institutions that accommodates the new balance of power.

Drawing from this theoretical framework, in this paper we analyse Western led transnational green value chain policies and initiatives, part of international regimes that have arisen under the USA hegemony, to facilitate international trade (Eden & Hampson, 1997; Kindleberger, 1983), and to promote international development and sustainability (Hattori, 2001). Then we question how rising China approaches these international regimes, between conflict and integration.

Different scholars have contributed to informing this debate with empirical case studies of the Chinese approach to specific existing Western led norms and institutions of trade and international development cooperation. This literature largely agrees that China scarcely fits into the dichotomy of postures expressed in the above illustrated debate, as the country adopts an ambivalent , "pragmatic", and at times contradictory approach to international institutions and norms (Carty & Gu, 2021).

Gu et al. (2016) show that China is particularly keen on integrating international trade-related norms, like the WTO and transnational quality standards, while negotiating their evolution from within. Long et al.(2009), Augustin-Jean & Xie (2018) and Quark (2014) illustrate how the

Chinese State and firms have integrated transnational standardisation bodies, like the International Standard Organization (ISO), and renegotiated quality standards of strategic agricultural products, such as cotton and pork. According to Quark (2014) and Gu et al. (2016) this approach has been facilitated by US and other dominant powers, which have favoured Chinese integration in the current trade system and have been willing to make space for negotiation and compromise.

At the same time, China also ignores or openly opposes some international norms and institutions, and in particular those structuring the Official Development Assistance (ODA) the OECD countries as defined by the Development Assistance Committee (DAC). As China becomes a significant aid donor, it increasingly contributes to United Nations international development cooperation agencies. However, it has never joined the DAC group nor adopted its rules (Zhang et al., 2015). China has also historically criticised the "Washington Consensus" and principles of aid conditionality, which currently mainly concern good governance, social policies, and the management of environmental resources (Gu et al., 2014). China proposes an alternative set of development principles, which has been called the "Beijing consensus" (Li et al., 2010), with unconditional development loans and a "South-South" cooperation approach.

This ambivalence, regarding China's engagement with international norms and institutions, is interpreted by some scholars as concealing a conundrum of multiple and contrasting interests that shape the Chinese position and that sometimes converge and sometimes diverge with those of Western countries. On the one hand, Gu et al. (2008) and Hung (2016) argue that the objectives of the expansion of trade and capital liberalisation lead China to converge with current international economic institutions. Hung (2016) points out that the Chinese economy has benefited enormously from the liberalisation of capital flows, establishment of global value chains, and expansion of international trade, regulated by the GATT and WTO, which took place since the 1970s. Its rapid industrialisation has been and is still highly export driven and its economic growth model depends on the expansion of trade (Hung, 2016). As Hopewell observes, today's China is a "megatrader": "China's trade to GDP ratio reached an astonishing

71 per cent at its highest point in 2006, and post-2008 it still rests at above 50 per cent" (Hopewell, 2016 p 131). Moreover, as Hung (2016) argues, Western markets still account for a large share of Chinese value-added creation.

On the other hand, Hung (2016) highlights the fact that China is the first post WWII rising capitalist power not bound to a military alliance with the USA, unlike Germany and Japan, which makes it a political outsider. Hopewell (2015) argues that, as economic might does not directly translate into political ability to negotiate for political change in the international arena, China needs to cultivate alliances with other outsiders in order to reshape different institutions to its advantage. According to the author, this brings China close to countries of the "Global South" and, in particular, to influential and active reformers from this group, such as Brazil and India. Analysing the WTO Doha round negotiations, Hopewell (2015) shows that China has been willing to negotiate against its own interests, soften its claim to broaden the liberalisation of trade, in order to maintain its alliances with other developing countries and with Brazil and India.

Finally, recent literature points out that China is keen on integrating the current system of institutions and rules, when such behaviour allows it to gain the reputation of a "responsible power" (Yeophantong, 2013). As explained by Crescenzi (2018), the reputation of being a responsible and reliable partner matters greatly in countries' ability to join and form international alliances. According to Benabdallah (2019), this factor is increasingly important for China, in order to downplay the mounting narratives of the "China threat", intended as a military threat and resource grabbing, in both developing and developed countries. However, as this reputation is likely to be important in the Global South and with Western countries, it is mainly built in largely participating multilateral initiatives, endorsed by both developed and developing countries, notably those within the framework of the United Nations (Benabdallah, 2019). Here China is increasingly present as a "responsible power" for example by joining peace keeping missions (Benabdallah, 2019).

Drawing on the literature discussed above, this research can be framed within a larger IPE debate about how rising powers approach existing international regimes and how their rising drives change in related norms and institutions. Within this framework, this paper questions: how does China approach transnational green value chain initiatives, considered as part of international regimes, emerged as product of Western power?

Also drawing from the above literature, I formulate the following research hypotheses about China's approach to transnational green value chains initiatives:

1. It is ambivalent, because of a tension between a drive towards convergence from opportunities of integrating with Western economies and a drive towards contestation from China's intent to support the "Global South" alliance.
2. It evolves towards engagement because of growing Chinese interest in improving its reputation of being a responsible power and a reliable partner.

3 Methods

In order to verify these hypotheses, in the following section I outline the evolution, between 2003 and 2022, of the Chinese position towards transnational initiatives of the sustainability of soft commodities and I analyse it in light of the three drivers presented in the research hypotheses: economic integration and reputation as favourable to alignment with Western standards; and Chinese support to the "Global South" alliance as unfavourable to such an alignment. In this analysis, I refer to TVSS as concrete tools of implementing transnational green value chains approaches. In particular, I make reference to two TVSS and related Multi Stakeholders' Initiatives (MSI): the Forest Stewardship Council (FSC) and the Round Table for Sustainable Palm Oil (RSPO). These initiatives are chosen for three reasons. First, both standards concern soft commodities for which China is an important market, specifically the first importer of timber and of pulp and paper in the world and the second or the third importer of palm oil, depending on the year (USDA data). Second, both standards have gained significant traction in Western markets , becoming relevant institutions in the international trade of related commodities (Potts et al., 2014; Voora et al., 2019). The same cannot be said for all TVSS, for example for the Round Table for Sustainable Soy, that addresses a commodity for which China is a major importer but whose uptake is low in all key importing markets (Voora et al., 2019). Third, the two initiatives have been approached differently by Chinese authorities, so the comparison between the two institutional trajectories allows for a better consideration of the three identified explicatory factors (integration with Western economies, support of the "Global South" alliance and reputation of responsible power).

Before proceeding, I must then specify that when I refer to the "Chinese" position and "Chinese" interests I do not mean to refer to all actors of Chinese nationality that are engaged in transnational commodity chains, which are diverse and hardly linked to a central strategy and approach (Lu, 2020; Oliveira, 2016). In this paper, I refer to "China" and "Chinese" with reference to those Chinese actors that can be directly linked to national states, such as line ministries, such as the Ministry of Commerce and Ministry of Environment, State Agencies, such as the State Forestry Administration and the Green Food Council, and State-Owned Enterprises, such as COFCO and SinoGrains.

The following section has been informed through 43 qualitative interviews, conducted between 2019 and 2022, in Beijing, Kuala Lumpur, and online. In their research about the Chinese approach to multilateralism, Carty and Gu (2021) have described the main difficulties in collecting information concerning the Chinese position and interests about international institutions and norms, i.e. that these are hardly discussed in public, but in closed circles of intellectuals, close to the party structure. Moreover, Chinese officials are scarcely available for interviews, in particular by foreigners, who need specific and rarely released authorisations and even more so since 2020, because of COVID-related travel and meeting restrictions.

In order to overcome these difficulties, I have interviewed Chinese and international experts and practitioners, who have first-hand experience of the topic of the research and who work in direct contact with Chinese government officials on: green value chains; sustainable palm oil;

South-South cooperation; Chinese sustainability and environmental domestic and international policies; agro-food standards in China; the Belt and Road Initiative; and China-Malaysia relations.

The interviews were semi-structured and have evolved around three main questions: what is the Chinese position on soft commodities' MSIs and green value chains programmes? How has this approach evolved over time? What are the main obstacles and leverages for Chinese participation in these initiatives? As the case of the institutional trajectory of FSC in China has already been partly explored by the literature, I make reference to these studies, while drawing further information about RSPO from the interviews. The interviewed are henceforth anonymised and are referred to through a code, as defined in Annexe 1.

The results of these interviews were complemented and verified with information drawn from:

- Chinese signed international agreements, policy documents, and policy reports. Within these sources, two have been especially useful:
    - The White Papers that outline the Chinese strategy on international development and cooperation;
    - Policy advice documents on the participation of China in the Green Value Chains programmes of the China Council for International Cooperation on Environment and Development (CCICED). The latter is a high-level advisory board, composed of Chinese and international experts and funded in the aftermath of the Rio Conference in 1992 in order to advise the Chinese government on issues related to sustainable development. The CCICED is not formally a government body. However, its chairperson is a member of China's State Council and it is considered to have a preferential channel to the Chinese authorities.
- ODA programmes and initiative-related documents: project reports and communication outputs; reports from international research institutions, think tanks, and NGOs; and news items.

- Academic literature, in particular about:
    - o The history and defining principles of South-South cooperation and the role of China in developing countries' alliances;
    - o The Chinese approach towards other transnational voluntary sustainability standards and green value chains initiatives, in particular those related to timber.

In the following section, I set out the results of this research. In the first subsection, I recollect the evolution of Chinese engagement in green value chains initiatives in relation to the two identified drivers of Western standards' adoption, i.e. integration with Western economies and improvement in international reputation. In the second subsection, I analyse the identified obstacle to Chinese engagement, i.e. support to "Global South" alliance, in a historical perspective, from the Bandung Conference in 1955 to today's Belt and Road Initiative.

4 Results

4.1 Evolution of Chinese engagement in transnational green value chains initiatives

4.1.1 1st phase: successful introduction of timber certification driven by economic integration

During the last 15 years, China has been engaged by its international partners in programmes against imported deforestation and for "green" value chains. The EU and several single European States have been particularly engaged in these efforts, in partnership with different international NGOs, notably WWF, Solidaridad, WRI, and more recently CDP, Client Earth and the World Economic Forum's initiative, the Tropical Forest Alliance. These efforts have borne mixed results.

The international engagement of China on green value chains started at the beginning of the 2000s, focusing on the sustainable sourcing of commodities with a connection to deforestation risks and in particular of forest products, mainly timber and pulp and paper. The British government foreign aid department, the DFID, took the lead in developing this engagement, first through the "China-UK dialogue on sustainable development", from 2004 to 2009, and then through the "China-UK Collaboration on International Forest Investment and Trade" (InFIT), since 2011.

British activities focused, on the one hand, on the promotion of legal measures to curb illegal timber imports and, on the other hand, on market instruments for sustainable sourcing and production, specifically through a multi-stakeholder initiative, the Forest Stewardship Council (FSC). The European Union then also engaged its Chinese counterparts in order to establish cooperation on the implementation of the European Union Forest Law Enforcement, Governance, and Trade Action Plan (FLEGT), launched in 2003 and intended to address illegal logging and related negative environmental and social outcomes.

The first fruits of these programmes appeared in 2006, with the engagement of the State Forestry Administration in introducing FSC certification into the Chinese system, in harmonisation with national laws and administration (CCICED, 2016). In order to be introduced, FSC had to assume "Chinese characteristics", notably by allowing a higher participation of the state in the certification process (Buckingham & Jepson, 2013).

Then, in 2009, China and the EU started a bilateral coordination mechanism to discuss Chinese support for the FLEGT and to establish a national framework to verify the legality of timber imported in China (https://www.euflegt.efi.int/about-china). In recent years, remarkable advances have been made on these issues in China, as the country has issued a new version of its Forest Law in 2020, with Article 65 containing an obligation for firms importing timber to China of reporting about the legality of their sourcing (https://english.mee.gov.cn/Resources/laws/envir_elatedlaws/202102/t20210207_820735.shtml).

4.1.2 2nd phase: failed tentative enlargement of Chinese engagement to other soft commodities.

Then, during the 2010s, green value chains promoters advocated for the establishment by China of an overarching framework on the country's engagement on the topic. Also, efforts of engagement were broadened to other commodities - notably soy, palm oil, rubber, fisheries, and mining products.

Promoters of initiatives for sustainable palm oil were at the forefront of these efforts, which focused on the official endorsement of palm oil-related TVSS, RSPO. They leveraged on the support of the British INFIT program and hoped to reply the positive trajectory of timber-related TVSS, through the establishment of a partnership with a ministerial body, in a similar fashion to the Forest State Administration with FSC. Such an engagement was pursued through a wide range of activities, i.e. policy advice papers, roundtables, and one high-level visit of a Chinese delegation to the Netherlands, to meet with representatives of the members of the Amsterdam Declarations Partnership.

Then, such efforts were supported by a policy study of the China Council for International Cooperation on Environment and Development (CCICED), published in 2016. The paper advocated for the state to send a "clear policy signal" (CCICED 2016, p. 32) to economic actors about its support for green value chains tools, in particular TVSS, and emphasised China's interest in protecting global sustainability while increasing its "future competitiveness" (CCICED 2016 p. 21) in the global economy. The report outlined three key short-term recommendations: to green sourcing practices of State-Owned Enterprises; to establish a "Green Global Value Chain South-South Cooperation Platform"; and to launch pilot programmes on the sourcing of soy, forest products, and palm oil (CCICED 2016, pp. 33-34).

However, the efforts to broaden the scope of Chinese support to TVSS bore few results. The Chinese authorities received CCICED's policy paper coldly and did not follow up its recommendations. The palm oil component of INFIT program did not manage to establish a governmental partnership, which was assigned to the China Chamber of Commerce of

Foodstuffs and Native Produce (CFNA), linked to the Ministry of Commerce (MOFCOM), but not directly part of the Ministry.

According to those interviewed (CTU2, NGO6, BO7), the governmental engagement in palm oil TVSS has lacked the incentive of gaining international competitiveness for Chinese enterprises, which was a key driver for the introduction of FSC. In 2015 China largely exported wood and paper processed products to Western markets which valued sustainability standards (CCICED 2016), while the country imported palm oil mainly for domestic consumption (RSPO & SynTao, 2020).

Moreover, NGO13 and BO7 also point out that the engagement by the Forest State Administration on sustainable initiatives on forest products was supported by a mounting awareness by Chinese public opinion of the risks of domestic deforestation, which reached a momentum in the aftermath of the disastrous floods of 1998 (Buckingham & Jepson, 2013). However, as palm oil is not produced in China, but only imported, advocacy for mainstreaming palm oil sustainability standards did not benefit from such a momentum, as it scarcely concerned tropical forests outside China.

TABLE 11: SELECTED INITIATIVES FOR THE PROMOTION OF GREEN VALUE CHAINS IN CHINA

Date	Sponsoring and Implementing Agency	Programme/Activity
2005-2011	UK Department for International Development (DIFID)/ UK Department for Environment Food and Rural Affairs (DEFRA) (for green soft commodities' value chains)	UK-China High-Level Dialogue on Sustainable Development
2009	Directorate General for Environment of the European Commission	EU-China Bilateral Coordination Mechanism (BCM) on Forest Law Enforcement and Governance
2011-today	UK Department for International Development (DIFID)/ UK Department for Environment Food and Rural Affairs (DEFRA)	The China-UK Collaboration on International Forest Investment and Trade (InFIT)
2016	China Council for International Cooperation on Environment and Development (CCICED)	Special Policy Study Report "China's Role in Greening Global Value Chains"
2018-2021	EU Foreign Policy Instrument	EU-China Environmental Project
2019-ongoing	World Economic Forum	Tropical Forest Alliance activities in China
2020	China Council for International Cooperation on Environment and Development (CCICED)	Special Policy Study Report "Global Green Value Chains - Greening China's "Soft Commodity" Value Chains"
2021	China Council for International Cooperation on Environment and Development (CCICED)	Special Policy Study "Global Green Value Chains: China's Opportunities, Challenges and Paths in the Current Economic Context"

Source: the author

4.1.3 3rd phase: acceleration of Chinese engagement within a broader international momentum

Despite these initial setbacks, engagement in green value chains re-emerged high on the Chinese political agenda by 2019, after 10 years of stagnation (Table 12). In 2019, the CCICED commissioned another, more ambitious, policy study report on Chinese engagement in global green value chains of "soft commodities", i.e. agro-food commodities.

The study was published in 2020 and, compared to the one issued in 2016, it addressed Chinese perspectives, leverages, and resistance more directly. First, this report emphasises that "a green soft commodity value chain is also a legal value chain" (CCICED, 2020, p. 9), thereby shifting the focus from market-based mechanisms, such as TVSS, to bilateral initiatives aimed at upholding the rule of law, such as supporting exporting countries' efforts to curb illegal logging. TVSS are still mentioned in the report, as also in the later CCICED 2021 and in the EU-China environmental project short paper on green value chains of 2021, but only among a wider pool of possible instruments for intervening in commodity value chains.

Second, if the report still underlines the link between the promotion of the sustainability of Chinese sourcing with its international competitiveness (CCICED, 2020, p. 14), it also emphasises the additional link to securing supplies of commodities in geopolitically unstable contexts and in global value chains weakened by the COVID pandemic (CCICED, 2020, p.11).

Finally, the policy study recommended the establishment of a green value chains strategy, through the declaration of a national initiative, the engagement of an inter-ministerial committee, and the institution of a green value chains centre; the adoption of a mix of regulatory and market-based mechanisms; and leveraging on existing Chinese initiatives, such as those of the Belt and Road Initiative (CCICED, 2020, pp. 34-35).

This second report was received by Chinese central authorities with greater consensus than 2016's report and its set of recommendations were swiftly followed up. At the end of 2020, the Chinese Minister of Foreign Affairs declared that China was willing to engage against deforestation through its soft commodities value chains, during the second High-Level Environment and Climate Dialogue (HECD) between China and the EU (Directorate General for Climate Action, 2021). The Foreign Economic Cooperation Office (FECO) of the Ministry of Ecology and Environment was then given the mandate to engage with the issue, with the relevant international partners. In 2020, FECO opened a Green Value Chains Centre and in 2021 it launched consultations for the drafting of a China Green Value Chains national strategic framework (http://www.fecomee.org.cn/dtxx/xwdt/202110/t20211008_955611.html).

According to the interviews (CTU2, NGO12, NGO15), these positive developments largely reflect greater Chinese international engagement on the topic, which had gained momentum and a broader consensus in the different international arena of the discussion and negotiation of sustainability. First, European partners had continued to develop green value chains' approaches in domestic government strategies[14] while promoting the topic in international conferences, for example at the United Climate Change Conference of Parties (COP) 26, in Glasgow, and within larger environmental, trade, and political negotiations with China[15].

Second, these efforts had become more inclusive of rainforest endowed producing countries (IO4), as witnessed by a change in the name of related initiatives, from initiatives against "imported deforestation", emphasising the responsibility of producing countries, to initiatives promoting "deforestation-free products", emphasising the shared responsibility of all countries involved in the value chain (BO8).

This broader engagement was shown, at the COP 26, by the launch of the "FACT dialogue", a "government-to-government dialogue (which is) bringing together the largest producers and consumers of internationally traded agricultural commodities (such as palm oil, soya, cocoa, beef, and timber) in order to protect forests and other ecosystems while promoting trade and development" (https://www.factdialogue.org/about-fact), chaired by Indonesia and UK and participated in by key rainforest-endowed countries such as Malaysia and Brazil.

Third, China is the host of the 15th Conference of the Parties of the Biodiversity Convention. According to those interviewed (NGO4, NGO5, NGO8, NGO15), the Chinese central authorities wished the event to be a display of their power and willingness to be a positive global force for the protection of biodiversity. Also, the preparation of the conference, which,

[14] Such as the French strategy against imported deforestation (2018), the EU Farm to Fork Strategy (2020) and the European Commission proposal for a regulation for deforestation-free products (2021).
[15] For example, during the 2019 Macron –Xi Jinping summit (https://www.diplomatie.gouv.fr/en/french-foreign-policy/climate-and-environment/news/article/beijing-call-for-biodiversity-conservation-and-climate-change-06-nov-19)

because of COVID-related postponements, lasted much longer than foreseen[16], opened up a negotiation and initiatives connected to the protection of forests and biodiversity.

TABLE 12: MAJOR ACTIONS AND ENGAGEMENTS OF CHINESE STATE AUTHORITIES AND STATE-LINKED AGENCIES ON GREEN SOFT COMMODITIES VALUE CHAINS, IN PARTICULAR FOREST PRODUCTS AND PALM OIL

Date	Overseeing Authority	Action/engagement
2006	China State Forestry Administration (SFA)	Forest Stewardship Council China Working Group
2008	China Chamber of Commerce of Foodstuffs, Native Produce and Animal By-products (CFNA)	Collaboration on RSPO introduction
2009	China State Forestry Administration (SFA)	EU-China Bilateral Coordination Mechanism (BCM) on Forest Law Enforcement and Governance
2009	China Chamber of Commerce of Foodstuffs, Native Produce and Animal By-products (CFNA)	Partnership with DIFID activities on palm oil
2015	China Chamber of Commerce of Foodstuffs, Native Produce and Animal By-products (CFNA)/UK Department for International Development (DIFID)	Guide for Overseas Investment and Production of Sustainable Palm Oil by Chinese Enterprises
2019	China Green Council	Memorandum of Understanding with the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme
2020	Chinese Minister of Foreign Affairs	Declaration on green soft commodities value chains at the second High-Level Environment and Climate Dialogue (HECD) between China and the EU
2020	Foreign Economic Cooperation Office (FECO) of the Ministry of Ecology and Environment (MEE)	Green Value Chains Centre
2020	Government of the People's Republic of China	Revised Forest Law - Art 65 on reporting obligations on import of timber (against illegal logging)
2021	Foreign Economic Cooperation Office (FECO) of the Ministry of Ecology and Environment (MEE)	Consultations for a National Strategic Framework on Green Value Chains

Source: the author

[16] The Conference was supposed to be held in October 2020 and at the time of writing this article it is still in preparation.

4.2 The principle of “non-interference” and “Global South” alliances, from the South-South cooperation to the Belt and Road Initiative.

Another reason for the more welcoming acceptance of Chinese authorities for the CCICED 2020 report is that the policy paper directly addressed Chinese concerns that “recommendations (for the promotion of transnational green value chains) should not interfere with the internal affairs of sovereign nations” (CCICED 2020, p. V).

On the contrary, the document specifies, “by greening its soft commodities supply chains, China would actually support the national sovereignty of its trading partners, (…) because many of China’s trading partners already have in place laws that encourage legal and sustainable soft commodity production and trade” (CCICED 2020 p. 14). These arguments directly address one of the main obstacles to Chinese engagement in transnational value chains initiatives and in particular in TVSS and multi-stakeholders’ initiatives, i.e. the defence of the principle of non-interference in other countries’ sovereignty (BO1, CTU2, BO4).

Transnational voluntary sustainability standards (TVSS) are officially non-state non-compulsory mechanisms. However, these initiatives have been a times criticised by commodities’ producing countries as importing countries’ interference of their sovereignty, for example initially Gabon for FSC (Karsenty 2022) , Malaysia and Indonesia for RSPO (Higgins & Richards, 2019), and China itself with FSC at first, before giving it the “Chinese characteristics” of higher Chinese state control (Buckingham & Jepson, 2013).

In order to understand this criticism, Karsenty (2022) argues that TVSS can be seen in continuity with other instruments defended by Western countries for the protection of rainforests within their diplomatic activities, in international sustainability governance arenas, and within their programmes of development aid.

Since 1992, Western countries have tried to establish an international convention affirming a principle of responsibility over the management of rainforests. Then a German-led proposal, backed by G8 countries, met the outright opposition of India and Malaysia (Barthod, 1993). Karsenty (2022) explains that, in the following years, Western countries attempted to circumvent this opposition, by imposing forest management and protection conditionality on development aid programmes and debt swap programmes[17]. However, such conditionality was criticised as "green colonialism" and was largely hampered by mounting Chinese development loans, free of conditionality (Karsenty, 2022).

According to Karsenty (2022) following intergovernmental initiatives, such as RED +, failed to bear the expected results. Therefore, developed countries resorted to supporting MSIs, leveraging their market power to affect forest management in foreign countries and claiming "sovereignty" over their own imports. Then, even being multi-stakeholders and market-based tools, TVSS meet the same criticism of previous conditionality measures and are debated in terms of respect of sovereignty and non-interference principles.

The upholding of the principle of non-interference by China has been widely criticised in the last two decades by European and North American public opinion and intellectuals, as an easy excuse to escape the countries' responsibility as a donor and foreign investor and by partnering with dictators (BO1, BO6) (Economy & Levi, 2014). However, we argue that a historical perspective of the emergence and affirmation of the principle suggests that this criticism overlooks the collective nature of this principle, which is illustrated in the following two subsections, in the fields of development cooperation and international sustainability governance. Then, in the third subsection, we illustrate how alliances with countries of the Global South are becoming even more important within the Belt and Road Initiative.

4.2.1 Non-interference and non-conditionality in South-South cooperation

"Non-interference" and "non-conditionality" are key principles of the "Global South" alliance and of the so-called South-South cooperation. The latter has its roots in the Asian and African

[17] Programmes of conversion of a debt in the budget of a development programme.

Conference of Bandung, held in 1955, with the aim of promoting cultural and economic cooperation among newly independent African and Asian nations. According to Acharya (2011, 2014, 2016), the main institutional outcome of the conference was the claim by African and Asian states of the universality of the Westphalian norm of non-intervention in other nations' sovereign space, which had been upheld between European countries but violated outside the European space and notably in the colonies.

This principle was enshrined within the 10 principles listed in the final communiqué of the conference, which, like "the Five Principles of Peaceful Coexistence", signed by India and China in 1954, expressed the right of sovereignty of each nation in their territory and the "abstention from intervention or interference in the internal affairs of another country" (Kementerian Luar Negeri, Republic Of Indonesia, 1955). Acharya (2008) argues that, at the time, the principle was elaborated as a "bulwark against colonialism and superpower intervention, by creating an injunction against participation in Cold War military pacts" (Acharya, 2008, p. 47). We argue that the defence of this principle has had a role since then in shaping Chinese support of "Global South" alliances, which can be distinguished in three different periods.

Firstly, alliances emerging from the conference of Bandung constituted a key platform of international socialisation for the newly born Chinese Communist Republic, as the country had been excluded from the United Nations, in favour of Taiwan, until 1971, and was separating from the Soviet Communist block (Acharya, 2008b). Since its early days, the Republic of China has engaged in these alliances and, despite its own development challenges, in South-South cooperation projects, focusing especially on support for post-colonial and independence struggles.

Most interventions had a narrow scope and were symbolic. However, early South-South cooperation also included large-scale interventions, such as the construction from 1970 to

1975 of the Tazara Railway[18], which gave access to the sea to landlocked Zambia through Tanzania, avoiding the white-minority ruled Rhodesia and South Africa (Monson, 2011). In this early period, “non-interference” was established as one of the “Eight Principles for Economic Aid and Technical Assistance to Other Countries”, spelled out by Zhou Enlai during a speech held in Accra in 1964, and which has defined Chinese cooperation ever since (Gu et al., 2016; Xu & Carey, 2015).

Secondly, since Deng’s liberalising reforms in the 1970s, China’s focus in South-South cooperation has shifted from the support to decolonisation struggles to the promotion of economic development, intended as the mutual development of Chinese and partner countries’ economies (Gu et al., 2014). Later, such approach developed as antithetic with the emerging Washington consensus and in open criticism to its conditionality of aid, advocating the defence of the principle of non –interference.

Such evolution was accelerated during Xi’s presidency and the launch of different international initiatives, in the aftermath of the 18th Congress of the Communist Party in 2012. First, Chinese cooperation became framed within larger Chinese global ambitions, under the principle of the promotion of a “global community of a shared future” and within the Belt and Road initiative, both expressed at the 18th Congress. Second, it increased in size, reaching approximately 7 billion US$ between 2013 and 2018, thereby making China the 6th biggest global donor (Johnson & Zuhr, 2021; Kitano & Miyabayashi, 2020). Third, Chinese cooperation consolidated its business-related focus and cooperation activities have sided with the “going out” strategy, aimed at the internationalisation of Chinese companies, mainly through bilateral soft loans attached to spending in infrastructural works by Chinese firms (Xu & Carey, 2015).

Thirdly, in the last few years, the rise of China as a global power has reinforced South-South cooperation but has also shown its contradictions. In celebration of the 50 years of assuming

[18] also called the “freedom railway”

its seat in the UN Security Council, China issued its latest White Paper on cooperation in 2021, entitled “Chinese development cooperation in a new era”.

Here, China is for the first time portrayed as a great power, one that accepts “fulfilling its duties as a major country, providing global development with public goods” (China’s International Development Cooperation in the New Era, 2021, p. 9) . In the paper, China endorses the 2030 Agenda, frames its objectives within the SDGs, alongside to the BRI, and is in favour of China’s stronger involvement in multilateral aid.

At the same time, the very first sentence of the White Paper states: “China is the largest developing country in the world” (China’s International Development Cooperation in the New Era, 2021, p. 4). Also, the White Paper points out that “South-South cooperation is (still) the focus” of Chinese cooperation, which is intended as “a form of mutual assistance between developing countries” (China’s International Development Cooperation in the New Era, 2021, pp. 6-7).

We argue that this paradoxical reference to contrasting great power/developing country identities can be partly explained by the willingness of China to distinguish itself from OECD DAC aid policy norms. According to (IO1) China distances itself from what (Zhang et al., 2015) calls the OECD DAC key assumptions about development cooperation, i.e. developed countries’ responsibility to assist developing countries and the latter’s need to be assisted by others to develop. By framing this last argument as paternalistic and hypocritical, China distances itself from supposed responsibility over partner countries’ development and presents itself as a pragmatic and equal partner. Gu et al. (2014), explain that, in Chinese development documents and the public discourse, the concepts of “aid” and “development” are scarcely associated and are treated as separate concepts. In this framework, each country has responsibility for its own development, while cooperation programmes are defined for mutual benefits (Gu et al., 2014). Such a perspective allows China to associate cooperation with its going out strategy and, at the same time, distinguish itself from OECD DAC’s group and thereby reaffirming its belonging to “Global South” coalitions.

In this perspective, defence of the principle of non-interference reaffirms Chinese “Southerness” in two ways. On the one hand, the principle of non-interference can be seen as an opposition to OECD DAC practices of attaching conditionality to aid and to increasingly condition access to countries’ markets on the respect of certain standards. On the other hand, the principle of non-interference is expressed in terms of equality with partner countries. The 2021 White Paper (ibidem, p. 7) states that one of the constituting principles of Chinese cooperation is:

“Respecting each other as equals: China always supports development cooperation on the basis of the Five Principles of Peaceful Coexistence. When cooperating with other countries for development, no country should interfere in their efforts to find a development path suited to their own national conditions, interfere in their internal affairs, impose its own will on them, attach political strings, or pursue political self-interest.”

4.2.2 The claim of “sovereignty” over natural resources by developing countries in climate and environmental negotiations.

The principle of non-intervention in other countries’ sovereignty has a long-rooted history and importance also for the existence of “Global South” coalitions in climate and environmental negotiations. Here, as in development cooperation, China juggles between its dual identity of being a great power and a developing country and among the contradictory injunctions of gaining the reputation of being a responsible global power, while at the same time remaining a member of the “Global South” group.

Environmental and climate negotiations have been structured on a division between developed “Northern” countries and developing “Southern” countries, since the foundational Stockholm Conference in 1972, where the identity of the second group was mainly based on the claim for their right to prioritise economic development over environmental protection, framing the two objectives as competitive (Hallding et al., 2013). The establishment of the United Nations Framework Convention on Climate Change (UNFCCC) in 1992 and the signing of the Kyoto Protocol in 1995 institutionalised this division, through the principle of “shared but differentiated responsibility" and the division of countries in a "developed countries" group, with reduction emission targets, and a "developing countries" group, charged only with voluntary measures.

China was included in the "developing countries" group, despite its fast-growing income and its weight on global pollution. Over the following years, "developed countries" attempted to engage China and other rising powers outside the UNFCCC framework, calling for concerted action by the "most polluting countries" on earth[19]. However, this attempt scarcely succeeded but reinforcing Chinese and other rising countries' attachment to the UNFCCC framework. China, Brazil, India, and South Africa formed the additional BASIC group in the 2009 conference of Copenhagen, which was meant to be a spokesperson for the larger G77+China group, broadly similar to the "developing countries" group.

This group is defined by the collective claim of three main principles: the responsibility of "developed countries" for global warming accounted for in terms of their past emissions; "developing countries'" right to prioritise current economic development over environmental issues, and each country's sovereignty over its natural resources (Aykut & Dahan, 2015). The latter is especially defended by countries endowed with rainforests, such as Brazil, Malaysia, and Indonesia, which oppose attempts to establish international obligations of states concerning the management and exploitation of forests in their own territories (Chabason, 2019).

Different countries have different interests in the three claims, with China historically especially defending the first two. However, experts in climate negotiations observe that G77+China countries have consistently backed each other's claims through the years, in particular concerning the BASIC group, and this despite frequent disagreements in international and domestic policies and approaches (NGO15, IO4, BO8).

[19] In 2007 and in 2009 China, India, Brazil, South Africa, and Mexico were invited to two conferences during the approach to the G8+5, gathering together the 15 most polluting countries in the world.

On the one hand, Hallding et al.(2013) show how the coordination of rising powers in the BASIC group mirrors a broader alliance built in different negotiating platforms, like the G+20 in WTO negotiations and the IBSA (India, Brazil, South Africa) alliance for the enlargement of the UN Security Council. Then Aykut & Dahan (2015) illustrate how China supports its own claim on developed countries' climatic debt, by holding the important role of the leadership of the G77+ China and the BASIC groups, defending their collective claims and framing them in terms of international justice and equality.

As in development cooperation, China is increasingly available to take up the role of a responsible power in climate negotiations, as shown by its pledges in 2020 to carbon neutrality (https://www.nytimes.com/2020/09/23/world/asia/china-climate-change.html) and in 2021 to stop investments in coal-fired plants outside China (https://www.nytimes.com/2021/09/21/climate/china-power-plants-coal.html). However, as in development and cooperation, China remains attentive to the positions of its key partners from "Global South" alliances – in particular the BRICS - and to support their claims, in order to reaffirm China belonging to the "developing countries" group and the moral stance of its leadership.

4.2.3 Alliances within the Belt and Road Initiatives: the case of the China – Malaysia relationship in the BRI: palm oil sustainability, infrastructure, and mutual benefit

Finally, the defence of sovereignty claims of countries from "Global South" alliances against Western interference has increased within the Belt and Road Initiative, the cornerstone of Chinese geopolitical strategy, since 2013. This trend is illustrated by the case below, where negotiations for a sensitive project of the BRI encountered a diplomatic row over palm oil sustainability between Malaysia and the European Union.

Malaysia joined the BRI from its beginning in 2013. Since then, the country has experienced a high inflow of Chinese investments and increased its integration with Chinese markets and value chains (Gomez et al., 2020). Also, Malaysia is a key country for the BRI and a point of conjunction between the land and the maritime silk roads.

Collaboration between the two countries was scaled up during an official visit to Beijing by the Malaysian President Najib in 2016, when the two heads of state signed a set of agreements, of which the most remarkable concerned the construction of the Eastern Coast Rail Link (ECRL) (Gomez et al., 2020). The railway project, designed to connect the Malaysian West and East coasts, was estimated at a cost of 18.5 BN dollars and it foresaw 85% financing by Chinese soft loans and an implementation by the Chinese State-Owned company, the China Communication Construction Company (CCCC) (Lim, Li, & Ji, 2021).

The agreement was pictured as a win-win solution by both signatories (Lim, 2018). On the one hand, Malaysia would profit from the project by connecting its industrialised West Coast to its underdeveloped East coast, while boasting about its construction sector, which would operate in subcontracting to CCCC. On the other hand, China would export its railway-related products and technology, while developing a new route for its supplies coming from the Indian Ocean. Crossing Malaysia would reduce transport time to China and at the same time contribute to solving the strategic “Malacca dilemma” (Delfolie et al., 2016), i.e. the obligation of Chinese supplies to cross the narrow Strait of Malacca, which can be easily blocked in case of military conflict, to access the Chinese Sea [20].

[20] Today 80% of Chinese supplies of energy (petrol) pass through the Strait of Malacca (Lim, 2018a) .

FIGURE 12: MAP OF THE EAST COAST RAIL LINK PROJECT

Source: the author

However, in the aftermath of the Malaysian general elections of 2018, the new government depicted the deal as "Chinese neo-colonialism" and "debt trap diplomacy" and suspended the implementation of the project, which is depicted by the (*https://www.washingtonpost.com/world/asia_pacific/malaysia-cancels-two-massive-chinese-projects-fearing-they-will-bankrupt-the-country/2018/08/21/2bd150e0-a515-11e8-b76b-d513a40042f6_story.html*). After a year of negotiation, the two countries' delegations reached a new agreement in 2019, in Beijing, on the margins of the Second BRI leaders' forum. Among the new renegotiated clauses, the estimated cost of the project emerged, which is now lowered to 11 BN dollars. (https://www.benarnews.org/english/news/malaysian/rail-deal-04152019164237.html)

Also, between 2018 and 2019, Malaysia was involved in another diplomatic row, this time with the European Union, about palm oil trade and sustainability and amendments to the EU Renewable Energy Directive (RED). The latter was formulated in 2010 in order to frame the

EU's efforts and financial support for a transition to renewable energy sources and attainment of carbon emission reduction targets.

At its formulation, the RED considered palm oil and other 1st generation biofuels sources as renewable energies, and thereby eligible for EU fiscal advantages. The latter played a major role in European imports of palm oil that, in 2017, were destined for the 46% for biodiesel usage (European Parliament, 2017). However, amid mounting civil society criticism, in 2018, the directive was amended with a method for calculating the potential link to deforestation and to related carbon emission of different energy sources, that excluded palm oil (but not soy or rapeseed oil) from the sources of renewable energy (*https://www.reuters.com/article/us-eu-biofuels-idUKKBN1QU1G9*).

This amendment spurred a diplomatic row with palm oil producing countries Malaysia and Indonesia (https://www.reuters.com/article/us-eu-biofuels/malaysia-threatens-wto-challenge-to-eus-move-to-drop-palm-biofuel-idUKKCN1QX0DW?edition-redirect=uk), which openly criticised what they call the "European ban", threatening to retaliate by restricting EU imports instructing a claim to the WTO for discriminatory treatment (*https://www.reuters.com/article/us-eu-biofuels/malaysia-threatens-wto-challenge-to-eus-move-to-drop-palm-biofuel-idUKKCN1QX0DW?edition-redirect=uk*). Also, Malaysia accused Europe of concealing protectionism behind ecological reasoning, quoting the fact that palm oil is the only source of biodiesel that was excluded from the renewable energy list, where soybeans and rapeseed remained as green fuel sources.

The two diplomatic rows overlapped when, on the side of signing the new ERCL agreement, China and Malaysia also signed a Memorandum of Understanding, where China pledged to increase its imports of Malaysian palm oil of 1.9 bn tons in three years and, among other things, to have MSPO recognised by its Green Food Council[21]. The Malaysian press communicated

[21] The Green Food Council is an agency of the Ministry of Agriculture, established in 1992 and in charge of developing and certifying food-related sustainability certification, such as "organic food" and "green food".

widely on this agreement, arguing that the “European palm oil ban” had pushed Malaysia closer to China and that the latter’s timely willingness to increase its demand for palm oil had facilitated the resumption of the ECRL project (*https://www.scmp.com/week-asia/geopolitics/article/3006171/malaysia-take-advantage-ecrl-deal-sell-china-more-palm-oil*) .

One palm oil market expert interviewed has expressed doubts on the actual commercial interest of the deal, arguing that its purpose served Malaysian “politicians starving for legitimacy” more than palm oil producers (CT5). However, palm oil trade figures indicated that Chinese demand for Malaysian palm oil had shown an annual increase of 29% in 2019 and of 18% in 2020, despite surging prices and COVID crises (Comtrade data, quantities).

According to Lim et al. (2021), the renegotiation of the ECRL project shows how small countries’ agency matters in the design of the BRI initiative, which is usually analysed only on the side of China’s interests and agency. Concerning transnational green value chains policy and norms, this story also suggests that the alliances of BRI countries are an additional priority for China, next to “Global South” alliances, and increase the voice of commodity-producing countries in the global definition of approaches and norms.

5 Conclusion

This paper has aimed to contribute to disentangling a controversy about whether China could become a partner of transnational green value chains initiatives or whether, by rising, it would contribute to their demise. Its originality lies in the employment of an IPE approach that allows us to question how Chinese support or reluctance relative to green value chains initiatives and in particular towards transnational sustainability standards, intended as a creation of Western power, fits more largely within the country’s international relations and within its approach to existing norms and institutions of global governance.

Drawing from IPE literature, I formulated two research hypotheses concerning China's approach to transnational green value chains initiatives. The first concerns the ambivalence of the Chinese approach explained by a tension between Chinese opposing interests of integrating Western economies and supporting "Global South" alliances. The second concerns the possible favourable evolution of the Chinese approach explained by its growing interest in developing a reputation as a responsible power.

The results illustrated in the previous section allow us to partially confirm the first hypothesis. The Chinese approach to transnational green value chains initiatives has been ambivalent, in particular in the first decade. On the one hand, China has joined timber-related initiatives since the beginning of the 2000s, endorsing, through the participation of the Chinese Forest Administration, in 2006, the transnational sustainability standard of the Forest Stewardship Council. On the other hand, the Chinese State has not given a broader endorsement to transnational voluntary sustainability standards, even if never expressing outright opposition. It is the case of the palm oil-related standard, RSPO, which was never endorsed by the Ministry of Commerce but was nevertheless supported by the state-linked producers' association CFNA.

According to interviews and previous literature, Chinese endorsement of forest products' related initiatives was largely driven by a willingness to improve Chinese firms' international competitiveness and in particular their opportunities to export to high value European and North American markets. However, when this drive was less significant, as in the case of palm oil, the interest of defending the principle of "non-interference" prevailed. Then a historical perspective of the formulation of this principle and of its place in Chinese international relations showed that its defence has been used by China as a symbol of belonging to the "Global South" alliances, thereby gaining support in climatic and sustainability negotiations and partnership in South-South cooperation projects.

At the same time, the results discussed above also show that this conundrum of interests is gradually evolving towards a convergence. First, the historical analysis of Chinese South-

South cooperation highlights the fact that alliances with the countries of the “Global South” alliance have mattered for China not only politically, but also in terms of the internationalisation of its firms, through cooperation programmes’ focus on economic development and “mutual benefit”. Second, economic interests in trade relations with the countries of the “Global South” alliance are increasing, because of the rising relevance of Southern markets in international trade (Horner & Nadvi, 2018) and because of the Belt and Road Initiative on economic integration.

We argue that this evolution can also contribute to explaining the different Chinese approach towards FSC and RSPO and the broader Chinese approach to TVSS . FSC was adopted in 2006, when China was in a middle man position in global value chains of timber and pulp and paper products, obtaining resources in developing countries and exporting finished goods in developed countries (Freeman & Xu, 2015). However, as Section 4.2.3 shows, when the Chinese Sustainable Palm Oil Alliance was launched, in 2018, the countries that supplied China with palm oil were also important export markets for Chinese high value technological products and services in telecommunication and transport sectors.

Then, our results that also confirm the second hypothesis, i.e. that the Chinese approach towards transnational green value chains is opening up to a stronger engagement, as shown by the engagement of the Ministry of Ecology and Environment in the elaboration of a national framework on the subject. According to collected interviews, this opening is largely connected to the Chinese taking on its role of a responsible power in other environmental negotiations, notably those related to the United Nations conventions on climate change and on biodiversity. However, CCICED policy papers discussed in Section 4.1.2 show that the Chinese opening does not translate into outright support for Western-led initiatives, but rather their reformulation in a version that is consensual with countries of the West and of the Global South.

In conclusion, this paper’s results show that China is integrating transnational green value chains initiatives as part of Western-led international regimes “selectively” (Benabdallah,2019; Wang, 2020), i.e. joining the institution but avoiding contentious initiatives and tools.

International green value chains' Western proponents in China are also favourable to the evolution of the initial approach, in order to accommodate China.

Such approach also seems to contribute to driving change in the overall green value chains programmes and initiatives. The latter are developing through a stronger cooperation between commodities producing and consuming countries, as shown by the signature of FACT dialogue in Glasgow in 2021, recollected in section 4.1. Then, more than a rise in competing "Southern" standards, there could be a "Southernisation" of green value chains initiatives, as (Mawdsley, 2018) discusses about the "Southernisation" of development practices of OECD countries, which, according to the author, are up taking increasingly Chinese characteristics, for e.g. employing the practice of "mutual benefit" and referring to ODA beneficiaries as partners[22].

Finally, it is arguable that the Chinese dual identity and narrative of a developing country and a great power conceals the contradiction of interests typical of the transitory phase of a rising power. However, China increasingly assumes its status of great power and its international economic and political interests converge, also thanks to the higher relevance of its domestic markets, of Southern markets, and of the Belt and Road area. Then, as China depends less on its interconnections with Western countries, its potential for the destabilisation of international regimes is likely to increase.

This analysis also leaves two open questions. The first concerns whether there will still be enough convergence of interests with Western countries for the international system of institutions and norms not to disintegrate, for example with the emergence of parallel standards in the BRI region, distinct from Western standards. The second question is whether Europe will manage not to be entangled in rising China-US antagonism and to find enough grounds for a discussion with China on continuing to lead international discussions and efforts for global sustainability.

[22] One example of this trend is that the Directorate of Development and Cooperation of the European Commission has changed its name to Directorate of International Partnerships in 2020.

GENERAL CONCLUSION

1 Aim of the study

This thesis has contributed to addressing the emerging questions about the tectonic shift that the rise of China is causing for institutions and norms regulating economic globalisation. It has done so by exploring a specific controversy, about the impact of rising Chinese demand for agricultural and forest products on Transnational Voluntary Sustainability Standards (TVSS), promoting sustainability in related sectors. Choosing this case, the ambition of this thesis has been to provide advice on how to formulate policies and programmes for the promotion of transnational sustainability in an increasingly multipolar world.

TVSS have emerged in the 2000s as multi-stakeholder, non-state, and market-led mechanisms for the transnational promotion of sustainability (Cashore, 2002). Their proponents claimed that these instruments could circumvent states' inaction and failures to implement regulation in a globalised economy by leveraging on the awareness of consumers in the Global North and their market power, as well as the pivotal position of key TNCs in global value chains (Henson, 2011). Championed by INGOs, TNCs headquartered in the Global North, and increasingly OECD governments and ODA agencies, TVSS have gained traction in the markets of developed countries (Potts, Van der Meer, et al., 2014).

However, by the 2010s, the centrality of markets and actors from the Global North seemed to be challenged by the relevance of Chinese demand for globally traded agricultural and forest products, the rising role of Chinese firms in GVCs, and Chinese emerging international political influence. Overall China's lack of engagement in TVSS has resulted in a debate on the instrument's long-term viability and thereby its effectiveness (Kaplinsky & Farooki, 2010; Nadvi, 2014).

On the one hand, certain scholars and practitioners have argued that Chinese demand for cheap, unstandardised, and unprocessed products, as well as Chinese unregulated business practices and authoritarian international political influence, would cause a race to the bottom in terms of standards, leading to a bifurcation between "green" and "brown" value chains

(Adolph et al., 2017; Kaplinsky et al., 2010; Pacheco et al., 2018). On the other hand, other scholars and practitioners argued that China is likely to catch up with practices promoting sustainability, diffused in the Global North, as its average income reaches the levels of developed countries, following the so-called environmental Kuznets curve (Zadek, 2010). According to these scholars, signs of possible Chinese engagement are already visible in the diffusion of CSR and sustainable certification practices in China, as well as the central state issue of reforms promoting sustainability (Sun, 2016, 2022).

These studies leave open the underlying question of the controversy, i.e. does the rise of China lead to the demise of TVSS or can TVSS gain market traction and political support in China and thereby strengthen their effectiveness ? This thesis has contributed towards disentangling this controversy through the empirical investigation of the palm oil-related multi-stakeholder initiative, the Roundtable for Sustainable Palm Oil, and the related RSPO certification. This case study has been researched using qualitative methods, drawing information from 44 semi-structured interviews with key stakeholders, informants, and experts in Beijing, Kuala Lumpur, and online, during the period of Covid-related travel restrictions. Interviews have been complemented by information from international trade databases, INGOs and ODA institutions' reports, official policy documents, news items, and academic literature.

The qualitative approach was chosen as the most suitable to unravel the complexity of China's rise in the global economy, as documented in the emerging literature on the topic (C. K. Lee, 2018; Lim, Li, & Adi Syailendra, 2021; Lu, 2020; Sautman & Hairong, 2007). Approaching this complexity has meant challenging widespread visions of China as a monolithic block of actors, employing centrally- and state-led coordinated strategies and having a univocal influence on international trade, sustainability, and development. Instead, this thesis has attempted to unpack the diversity of actors connected to the rise of China and to highlight their different and contradicting interests and strategies, as well as the way their interaction, negotiation, and conflict constitute an overall emerging Chinese approach. Within this diversity, special attention has been devoted to the agency of actors from developing countries, not only passively undergoing Chinese (and Western) strategies and approaches, but contributing to shaping the overall Chinese position.

The thesis has proceeded following three steps. First, drawing from the literature about the diffusion of TVSS and the emergence of Southern standards and sustainability initiatives, I have characterised the emerging Chinese approach to RSPO as emblematic of TVSS concerning products imported into China for domestic consumption. Second, drawing from GCC, GVC, and GPN analytical frameworks, I have analysed how Chinese demand for internationally traded agricultural products for domestic consumption has driven change in the palm oil global value chains' structure and driving actors, illuminating broader trends related to the transformation of GVCs in relation to polycentric trade. Third, employing IPE analytical concepts, I have analysed the evolution, over the last 20 years, of the Chinese central state approach to transnational green value chains initiatives, in particular TVSS, proposed by actors from the Global North, within the broader framework of Chinese international relations and an approach to global governance institutions.

2 Main findings

The main findings of this research, emerging from each chapter, are illustrated here below.

In Chapter 1, I have investigated the dynamics of the diffusion of RSPO in China from 2003 to 2021. In this investigation, I have highlighted the agency of the proponents of RSPO and analysed the reaction to their initiatives of relevant state and corporate actors, operating in the Chinese palm oil supply chain. Also, I have included considerations about other existing initiatives, proposed to improve the sustainability of palm oil, in particular those promoted by actors operating upstream and in producing countries.

The first finding of this analysis shows the failure of the diffusion of RSPO in China. Relevant actors within the central state in China have consistently declined to support the initiative. Then in the business sector, active participation in the Roundtable, through the uptake of RSPO certified palm oil, is confined to a small niche of transnational companies headquartered in the Global North which have industrial operations in China, such as Unilever and Mars. The certification practices of these firms have not been emulated by their Chinese and Asian homologues, which maintain an indifferent and mistrusting attitude towards the initiative.

The second finding of the chapter shows that this failure is not representative of the state of diffusion of green palm oil practices in China. RSPO proponents have managed to introduce the topic of sustainable palm oil consumption in China, as well as related arenas of discussion and multi-stakeholder engagements, such as the soon to be published Chinese Guidelines for the Sustainable Consumption of Palm Oil. However, this emerging approach is not tailored to the uptake of RSPO, it acknowledges the diversity of existing alternative mechanisms and leans towards supporting producer-led initiatives, such as refiners' CSR commitments and related tracing tools and Indonesian and Malaysian national standards, ISPO and MSPO.

Finally, this analysis highlights that an emerging Chinese approach for the sustainability of palm oil is negotiated between the approaches proposed by actors from the Global North and alternative solutions designed by actors from the Global South. This finding sheds light on the potential of Southern initiatives and standards to work not only at a local scale, but also as international solutions.

In Chapter 2, I have argued that the limited diffusion of RSPO and the successful affirmation of palm oil-related upstream-led sustainability initiatives, globally and in China, can be partially explained by analysing the governance of the palm oil global value chain and by structurally comparing value chains supplying Europe and China. The chapter has verified the research hypothesis stating that Southern firms are taking on the role of lead firms in GVC (Horner & Nadvi, 2018; Neilson & Wang, 2019). The hypothesis also states that their rise has been driven by three main factors: industrial concentration gained by integrating lead firms' global value chains (Gereffi, 2014); conducive upgrading policies, implemented by producing countries (Lebdioui, 2022; Lee & Gereffi, 2015); and the rise in Southern markets, since the end of the

2000s, where these firms have developed downstream operations thanks to lower entry barriers such as low quality requirements, but with the challenge of higher competition (Horner, 2016; Kaplinsky & Farooki, 2011).

The first part of the hypothesis is partially confirmed. The analysis highlighted the fact that palm oil GVC is not driven by downstream TNCs headquartered in the Global North and that South-East Asian up-midstream refiners and traders have emerged as pivotal actors of the value chain, partially integrating its upstream and downstream. At the same time, following Sturgeon (2008), I argue that, because of their intermediary position in the value chains, these firms should rather be considered as "platform producers", i.e. oligopolistic producers who have significant power but do not "lead" the overall chain, in a GVC without a lead firm.

The second part of the hypothesis is also partially confirmed. The analysis has confirmed the relevance of the industrial development policies of Malaysia and Indonesia in fostering national champions in the palm oil refining and trading sectors. Also, it has confirmed the role of the geographical dispersion of markets for palm oil and palm oil-related products for refiners and traders to gain negotiation power vis-à-vis downstream TNCs from the Global North.

However, the analysis has also highlighted two factors that were not included in the hypothesis. The first is unrelated to the evolution in economic geography of the value chain and concerns trends in the multiplication of industrial usages of palm oil derivatives, in diverse productive sectors, such as processed food, oleo-chemicals and bio-energy. This trend has emerged having favoured the industrial concentration of refiners, next to the insertion of these firms in "big buyers" GVCs. It has allowed refining to develop as a highly technological and capital-intensive sector, with significant entry barriers, industrial concentration, and producing high value-added products. Moreover, it further fragmented the downstream, already geographically dispersed, thereby increasing the pivotal role of refiners and traders.

The second factor specifically concerns China and highlights the broad role played by the country in the rise in South-East Asian agribusiness conglomerates, which goes beyond the hypothesised recent rise in low quality and low-price commodity demand in Southern markets. First, China has been a relevant market for palm oil since the beginning of the palm oil boom in the 1980s, thereby Chinese market-related trends are not a new influence on the GVC but have been structural since the beginning. Second, China has been the destination, also since the 1980s, for large industrial investments by SEA conglomerates, of which palm oil refiners and traders are only a part, and that are often funded and managed by Chinese Overseas entrepreneurs. As shown by the case of Wilmar and its parent conglomerate, the Kuok Group, these groups have become important actors in the Chinese market economy since the beginning of liberalisation policies by investing in diverse productive sectors, including vegetable oil refining, manufacturing, and retailing. Finally, contrary to what is stated in the hypothesis, the actual characteristics of the Chinese market limit competition and favour the industrial concentration of refiners, as China imports palm oil that is relatively more processed than in Europe and which has stringent and specific quality requirements concerning the freshness of imported palm oil.

Finally, this last modification of the hypothesis allows contributing to characterising industrial actors who are growing in GVCs in connection to the rise of China, going beyond the frequently discussed Chinese State Owned Enterprises (Neilson & Wang, 2019). South-East Asian agribusiness transnational corporations are privately owned and have thrived through a combination of Western and Asian business models and flexibility towards different institutional contexts. I argue that the novelty they represent in GVCs lies in their geographical embeddedness, which is wider than their country of origin and is inclusive of China, as these firms have grown as bridges between China and South-East Asia. Such a finding leads to reconsider the conceptualisation of China as a rising country from the Global South and to frame its rise within an Asian regional dynamic of economic growth.

In Chapter 3, I have argued that the limited diffusion of RSPO, globally and in China, can partly be explained through an IPE analysis of the Chinese approach to TVSS, within its broader international interests and alliances. In this chapter, I have formulated the dual hypothesis, stating: first that a conundrum of interests between financial and economic integration with OECD countries and political alliances with the countries of the Global South would make the Chinese approach to TVSS ambivalent (Gu et al., 2008); second that the increasing interest of China to be recognised as a responsible power would drive towards an opening to green value chains initiatives proposed by actors from the Global North (Benabdallah, 2019; Yeophantong, 2013).

The analysis of the paper partially verifies the hypothesis. Over the years, China has shown an openness towards TVSS concerning products that were exported to certifying North American and European markets, while at the same time claiming to practice the principle of non-interference in other countries' sovereignty for products imported from Southern countries for domestic consumption. Then, since 2019, China has been increasingly keen to take on more leadership in transnational initiatives for the promotion of sustainability and to be more open towards OECD countries', in particular European countries', led green value chains' approaches through the opening of a ministerial Green Value Chains Centre, and drafted a National Strategy for Green Value Chains.

However, the analysis also leads to a modification of the first part of the hypothesis, as it shows that the conundrum of interests is evolving towards a convergence, where alliances with the Global South increasingly have a dual political and economic relevance. A historical analysis of Chinese South-South cooperation has highlighted the Global South alliance's political relevance for Chinese international socialisation after WWII and for the more recent Chinese rise as a global power. However, it has also shown that Chinese South-South cooperation has shifted its focus from political support to economic development and "mutual benefit", since Deng's liberalisation policies in the 1970s. This economic focus has increased with policies of support for the internationalisation of Chinese firms, in the framework of the "going out" strategy. Finally, the case of Malaysia-China relations shows that political and economic interests are particularly intertwined in the Belt and Road initiative, where closeness to Malaysia is relevant for Chinese political and military strategies, but also as an outlet for Chinese FDIs and the export of high-added value products.

This chapter shows that, as China increasingly takes on international leadership for the promotion of sustainability, it does so by continuing to support the claims and the approaches of its allies from the Global South. In this framework, the Chinese international environmental approach still includes a defence of the principle of non-interference in other countries' sovereignty, as the latter is a token of the demarcation of its practices from those of OECD countries and of belonging to alliances of the "Global South", despite the contradictions that have arisen by its increasing status as a superpower. Finally, the chapter argues that the Chinese approach to green value chains initiatives is of selective engagement, consisting of integrating existing institutions while also pushing for their modification. This approach is likely to drive change in the overall green value chains initiatives, with affirmation of mechanisms that are more inclusive of producing countries' actors and which respond to logics of mutual benefit.

3 Main scientific implications.

This research has contributed to disentangling the controversy that questions whether the rise of China leads to the demise of TVSS or whether the country can become a promoting partner of the instruments. The overall findings illustrated above confirm the thesis that states that the rise of China contributes to the demise of TVSS as a transnational instrument for the promotion of sustainability in the agriculture and forestry sectors. However, they also show that China can become a partner of transnational green value chains initiatives, if the latter overcome their North-South bias and are formulated with a higher integration of producer countries actors' claims and approaches.

A major implication, at the same time theoretical and practical, of this research concerns the need to overcome the often implicit North-South polarised vision of the world, underlying research in development studies and the design and implementation of development policies and programmes.

Analysis of Chapter 1 has shown the limits of this framing for research in development studies concerning the long-term viability and the international reach of sustainable development institutions vis-à-vis the rise of China. As discussed, the literature questioning TVSS diffusion to China has often framed the problem in terms of the country's development stages. A reframing of the controversy could have been: is China developed enough to take on and support global and transnational initiatives such as TVSS or is it still developing and therefore preferring Southern local solutions? Such framing has the limit of making an implicit distinction between Northern/global solutions and Southern/local solutions. Also, by essentialising developing countries and Southern identities, it supposes that by developing, countries will emulate OECD countries' sustainability approaches.

However, the case of China's approach to TVSS shows that reaching certain development parameters does not translate into mimicking European or North American approaches and that so-called Southern initiatives can be supported and diffused at an international scale. These findings suggest the need to overcome an implicit North/South polarised framing in research related to sustainable development studies, which could devote more attention to approaches rising from the initiative of non-OECD countries and their institutional development at an international scale.

In Chapter 2, I showed that the North-South bias is also characteristic of approaches inspired by the World System Perspective, notably the Global Value Chain framework, which identified, in a North-South polarisation of the expanding economic globalisation of the 1980s and 1990s, the heritage and persistence of colonial power structures and inequalities.

The analysis of the chapter highlights the limits of such framing in understanding the evolution of Global Value Chains structures and actors vis-à-vis the rise of China. Drawing from a polarised vision of the world, GVC scholarship analyses a corporate-centric global economy, with leading global corporations implicitly being TNCs headquartered in the Global North. Related literature then analyses the rise of China as emblematic of the rise of the Global South, with Southern firms upgrading from "strategic suppliers" of GVC lead firms to domestic and regional lead firms.

The findings of the chapter show that the trajectories of companies such as the South-East Asian palm oil refiners and traders can be only partially explained by a dynamic of upgrading in GVCs, accelerated by the rise of "Southern" markets. Other relevant explanations can be drawn by analysing these dynamics in an Asian regional perspective, characterised by a history of migration and diasporas from China to South-East Asian countries as well as the dynamics of the incremental accumulation of capital and business know-how in the region and its diffusion from country to country and then massively in China, after the liberalisation reforms.

In this perspective, the rise of China is analysed as emblematic of the rise of a geographical area that is more specific than a homogeneous "South" and which comprises East and South-East Asia, or, as proposed by some economic geographers, the ASEAN countries + 5 (China, Hong Kong, Japan, South Korea, and Taiwan) (Alary & Lafaye de Micheaux, 2013). These findings suggest that GCC, GVC, and GPN frameworks should, as in development studies, go beyond the North/South dichotomy of the global economy and the North/global and South/local equation and investigate further trends of global relevance stemming from the East and South-East Asian region and driven by the rise of China.

Finally, Chapter 3 has shown that the IPE characterisation of China as a rising power, challenging US hegemony, can help to overcome the limits of conceptualisations based on North-South polarisation. This framing has allowed us to move beyond the essentialisation of Southern identities and to shed light on political constructions and narratives underlying Southern alliances. The chapter has shown the importance for China to foster the existence of such a group of the "Global South" in international relations, for its political socialisation, its economic development, and for the diplomatic advancement of its claim in different negotiation arenas, such as the WTO or the UNFCCC. At the same time, it has also highlighted the increasingly evident contradiction of a dual Chinese identity as a developing country and a great power and the likely evolution of North/South political discourses on new cleavages, such as the US/China cleavage.

As China moves from being a rising power to an actual superpower, the IPE framework also shows some limits. Notably, questions arise about whether a framework that has been developed in the history of the rise of European (and of European descent) powers provides the right analytical tools to understand the role of China in the international world order and if it can integrate philosophical and historical accounts of Chinese power that are exercised domestically and internationally (Carty & Gu, 2021) as well as non-European and notably Chinese and Asian understanding of concepts such as the "world order" and "great powers" (Ooi, 2014).

4 Policy implications

The findings and implications discussed above allow me to formulate some policy recommendations, aimed at informing the design of transnational tools for the promotion of green value chains in the agriculture and forestry sectors. As analysed in this thesis, green value chains initiatives, such as TVSS, have the limitation of being conceived and organised in European and North American countries and of being implemented in developing countries that produce agricultural and forestry commodities. The European Union has been particularly active in promoting these market-based tools, in the framework of a broader "governing through markets" agenda, promoting the international diffusion of norms through the private sector and civil society rather than by intergovernmental negotiations and agreement.

This strategy relies on the assumption that the size and relevance of European markets provide leverage to European policy makers to influence the practices of producers of agricultural and forest products in other countries, of TNCs sourcing these products, and of corporate and state actors of other importing countries, such as China. However, this research has shown the limits of this reasoning. Producers of agricultural forest products have other relevant alternative markets than European ones. Some key TNCs sourcing agricultural and forest products in GVCs have an institutional embeddedness linked to producing countries and China, rather than to Europe. Moreover, as shown in the case of palm oil refiners and traders, some of these TNCs have a high institutional flexibility and are capable of supplying at the same time "green "and "brown" supply chains, with their practices being only partially affected by engaging in TVSS. Finally, the Chinese economy is increasingly autonomous from its exports to certifying European and North American markets, thanks to domestic but also alternative international outlets for high value-added products, which are expanding within the Belt and Road Initiative.

From these findings, I can draw two main policy implications. The first concerns the development of European states' and the European Union's strategies for reducing deforestation internationally and fostering the sustainability of European imports of soft commodities, which currently increasingly consists of considering firms importing soft commodities to Europe to be responsible to prove that their supplies are "deforestation free". At the moment, this approach largely relies on the recognition of mechanisms developed by European and North American NGOs and corporations, such as TVSS and CSR policies and commitments, as valid proof of due diligence. At the same time, it fails to recognise producer-led schemes and initiatives, such as MSPO and ISPO.

However, this thesis has shown that the latter instruments are likely to gain higher international traction in the following years, while instruments such as TVSS will scarcely become widespread and risk concerning a lower share of international trade. As a consequence, insisting on the sole recognition of these approaches leads to the dual risk of fostering the establishment of parallel sustainable and unsustainable supply chains, with different end markets, and to engender competition between producing countries' approaches and European and North American ones .

In order to avoid this risk, I argue that it is in Europe's best interest to further acknowledge and recognise producing countries' initiatives and standards in its green value chains-related regulation. Moreover, ODA programmes on green value chains could include components on cooperation and capacity building for the improvement and diffusion of these schemes.

The second policy implication concerns European strategies for engaging China in concrete actions to reduce deforestation internationally. This thesis has shown that European states and the European Union have been involved in related efforts for the past 20 years, leading globally for the affirmation of global environmental governance mechanisms, often leveraging on the relevance of European and North American markets for Chinese exports. As this relevance declines and the economic integration of China with non-OECD countries increases, there is a risk of a lower engagement of China in European initiatives and of the development of parallel and possibly competing initiatives and norms among non-OECD countries and thereby a disintegration of global governance in separated blocs.

The recommendation formulated above, i.e. to engage and further recognise producing countries' approaches and initiatives, can already contribute towards avoiding the disintegration of global governance in separated blocs. I also argue that the EU and European states should keep engaging China, leveraging less on markets and more on Chinese interest to gain the reputation of being a responsible power. In this framework, sustainable development practitioners should aim to engage those Chinese agencies and bureaucracies that are shown to be receptive to engagement and also to have an impact, in particular agencies related to the Ministry of Ecology and Environment and the policy advice body CCICED. Sustainable development practitioners could also engage China with and through its key partners on environmental issues, i.e. India, Brazil, and Indonesia, and with countries that are beneficiaries of both European and Chinese development aid.

This strategy could materialise concretely in initiatives of triangular cooperation between China, Europe, and forest-endowed countries. One example of these engagements could be the establishment of an EU, China, and Indonesia triangular cooperation platform, for the capacity building of Indonesian programmes and policies of forest protection and for the establishment of favourable market mechanisms in the EU and China. Such a triangular cooperation could also concern countries in which both the EU and China have an important presence and on themes where there could be a benefit of sharing experiences and expertise. One example could be the engagement of a Chinese partnership in the EU- sponsored project, the “Great Green Wall”, which aims to build a forest belt around the Sahara Desert, in a similar fashion to the Chinese Great Green Wall, established since 1978 on the edge of the Gobi Desert.

5 Limitations and research agenda

Finally, these considerations also allow me to make some suggestions on a future research agenda.

First, this thesis has focused on the study of institutional dynamics related to norms designed and promoted by European and North American actors. This focus has been strengthened because of COVID-related travelling restrictions that reduced field work and the direct study of other existing mechanisms. At the same time, this research has highlighted, on the one hand, the emergence of alternative mechanisms that can have an international diffusion and, on the other hand, the relevance of studying East and South-East Asia as a geographical area, likely to encourage institutional innovation with an international reach in the global economy. Future research could then concern trends in institutional innovation, in the field of international agricultural trade and of sustainability, in East and South-East Asia, with a focus on the role of China in these dynamics.

A first set of questions, under this topic, could concern the study of historical and philosophical legacies concerning institutions regulating international trade in the region, which was particularly active before European colonisation, with China having a central economic and political role (Lombard, 1990) (Tagliacozzo & Chang, 2011). This line of research could also investigate more closely relevant Chinese philosophies and historical experiences, distinct from European countries’ ones. Some examples of relevant concepts to investigate are: “norms” making and implementing that Carty & Gu (2021) argue to be more procedural and flexible than in Western tradition; “change” and “transition” in society and in history, that Jullien (2009) argues to be understood as a more subtle and fluid process in Chinese philosophy than in Ancient Greek inspired Western philosophies; and of experiences of "foreign trade" and understanding of borders and foreign regions, that according to Ooi (2014) have been shaped in China by centuries of imperial relations with its neighbours.

A second set of questions could concern emerging institutional trends in the region. A subject with social relevance (Ortega & Tschirley, 2017) and some empirical breadth (Kim, 2018; Lin, 2019) could concern the design of food safety standards, in ASEAN and within the Belt and Road Initiative. Such research could shed light on how the rise of China influences ASEAN integration, evolution, and norms production, as well as on how ASEAN countries shape the BRI norm-making processes. Also, such research could inform institutional dynamics and actors’ systems that are relevant for future regulation for the promotion of sustainability.

A third set of questions could concern corporate dynamics related to environmental engagements and norms in the region. This line of research could broaden the analysis of the Wilmar case study carried out in this thesis, by identifying key East and South-East Asian TNCs, operating in soft commodities global value chains, and analysing and comparing their strategies in terms of CSR commitments and the adoption of TVSS. This research could explore whether the nationality of the headquarters and state or private ownership are relevant factors for determining differences in strategy. Also, such research could use a comparative approach among different products that are highly traded in East and South-East Asia, in particular: palm oil, rubber, timber, pulp and paper, and feed for livestock production. Finally, this research could attempt to shed light on emerging industrial actors and dynamics in East and South-East Asian agricultural trade, in particular those related to mounting e-commerce platforms.

Second, this thesis has focused on the implication of the rise of China on the evolution of institutions and norms regulating the global economy. This focus was motivated by the singularity of the Chinese case among rising powers and emerging markets, due to the country's size, its endowment of resources, and its political and historical legacy as a global power. This research started from the acknowledgement that the rise of China is bound to cause tectonic shifts in the global economy. However, many of these arguments can also be made for India (Kaplinsky & Messner, 2008). If the latter's recent development trajectory has been less straightforward than that of China, its growth, trade, and development indicators indicate its revolutionary potential for international institutions and norms. Further research could mirror the question of this thesis with a focus on India and could aim to compare the two cases in order to shed more light on institutional and regulatory international trends. Also, such a focus could contribute to understanding whether the ASEAN+5 geographical area is a relevant unit of analysis or whether Indian historical and contemporary political and corporate linkages with South-East Asia could push towards another geographical framing.

Finally, this thesis has focused on the institutional effectiveness of norms promoting sustainability and, because of the specific characteristics of the case study, it has focused on initiatives promoted either by large corporate actors or by state actors. This thesis has shed light on the international dynamics of conflict and of power shifts around the North/South divide involving these state and corporate actors, which has influenced TVSS institutional evolution and effectiveness. In so doing, however, the thesis has neither approached questions of an impact on sustainability and social justice of considered initiatives, nor matters related to conflict and power balances between different social groups, within the considered countries and throughout the East and South-East Asian region. Future research could further take these two elements into account.

First, future research investigating emerging sustainability approaches in East and South-East Asia, like the national standards ISPO and MSPO, could aim to go beyond the study of their legitimacy and institutional viability and analyse their effectiveness in improving environmental and social outcomes in palm oil-producing countries. Moreover, further research could also investigate the dynamics of cooperation and conflict between different actor groups, in relation to the emergence and implementation of sustainability initiatives, driven or supported by the

Chinese state and corporations in the region. This research could shed light on continuity or ruptures in power configurations in agricultural and forest commodity-producing territories, as well as emerging (or weakening) forms of contestation.

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ANNEXES

1 Interviews Table paper 1 and 3

CODE	Place	Date
NGO1	Online	25/04/2018
BO1	Beijing	02/05/2019
BO2	Beijing	03/05/2019
IO1	Beijing/ online	03/05/2019 and 03/12/2021
CTU1	Beijing	07/05/2019
BO3	Beijing	08/05/2019
G1	Beijing	08/05/2019
CTU2	Beijing	08/05/2019
G2	Beijing	09/05/2019
NGO2	Beijing	09/05/2019
BO4	Beijing	09/05/2019
CTU3	Kuala Lumpur/online	14/05/2019 and 13/11/2020
CTU4	Kuala Lumpur	23/05/2019
BO5	Kuala Lumpur	24/05/2019
BO6	Singapore	27/05/2019
NGO3	online	27/01/2021
CTU5	online	02/02/2021
NGO 4	online	05/02/2021
NGO5	online	02/03/2021
NGO6	online	15/03/2021
NGO7	online	24/03/2021
G3	online	31/03/2021
NGO8	online	01/04/2021
PF1	online	01/04/2021
CTU6	online	06/04/2021
NGO9	online	08/04/2021
IO3	online	12/04/2021
NGO10	online	19/04/2021
NGO11	online	05/05/2021

PF2	online	18/05/2021
IO2	online	06/06/2021
PF3	online	24/06/2021
NGO12	online	13/07/2021
NGO13	online	01/12/2021
NGO14	online	02/12/2021
NGO15	online	08/12/2021
BO7	online	15/12/2021
NGO16	online	20/12/2021
IO4	online	20/12/2021
NGO17	online	11/01/2022
PF4	online	11/01/2022
NGO18	online	17/01/2022
BO8	online	21/02/4698

Codes: (BO) bilateral organisations, including diplomatic representations and ODA agencies; (IO) international organisations; NGO for Non Governmental Organisation; (G) Chinese or Malaysian government; (PF) for private firms; (CTU) for consultancies, think tanks and universities.

2 Interviews Table paper 2

CODE	Place	Date
DP1	Online	25/04/2018
CATE1	Chengdu	24/05/2019
CATE2	Beijing	02/05/2019
CATE3	Beijing	08/05/2019
CATE4	Beijing	07/05/2019
CATE5	Beijing	08/05/2019
CATE6	Beijing	09/05/2019
DP2	Beijing	02/05/2019
CATE7	Beijing	08/05/2019
DP3	Beijing	09/05/2019
DP4	Beijing	09/05/2019
CATE8	Beijing	10/05/2019
VCE1	Kuala Lumpur	14/05/2019
VCE2	Kuala Lumpur	15/05/2019
DP3	Kuala Lumpur	16/05/2019
VCP1	Kota Kina Balu	22/05/2019
CATE9	Kuala Lumpur	23/05/2019
VCE4	Kuala Lumpur	24/05/2019
VCE5	Singapore	28/05/2019
CATE10	Singapore	27/05/2019
DP4	online	05/02/2021
VCE6	online	02/02/2021
DP5	online	02/03/2021
DP6	online	15/03/2021
DP7	online	24/02/2021
DP8	online	01/04/2021
VCP1	online	31/03/2021
VCP2	online	01/04/2021
DP9	online	06/06/2021

VCE7	online	06/04/2021
DP10	online	12/04/2021
DP11	online	19/04/2021
DP12	online	05/05/2021
VCP3	online	18/05/2021
VCP4	online	24/06/2021
DP11	online	01/12/2021
DP12	online	02/12/2021
DP13	online	20/12/2021
DP14	online	20/12/2021

Codes: value chain experts (VCE), value chain practitioners (VCP), sustainable development practitioners (SDP), China international agricultural trade experts (CATE)

3 Résume de la thèse en français

Cette thèse a contribué à répondre aux questions émergentes sur le changement tectonique que la montée de la Chine provoque pour les institutions et les normes régulant la mondialisation économique. Il l'a fait en explorant une controverse spécifique, à propos de l'impact de la demande chinoise croissante de produits agricoles et forestiers sur les normes transnationales volontaires de durabilité (TVSS), promouvant la durabilité dans les secteurs connexes. En choisissant ce cas, l'ambition de cette thèse a été de fournir des conseils sur la façon de formuler des politiques et des programmes pour la promotion de la durabilité transnationale dans un monde de plus en plus multipolaire.

Les TVSS sont apparus dans les années 2000 en tant que mécanismes multipartites, non étatiques et dirigés par le marché pour la promotion transnationale de la durabilité (Cashore, 2002). Leurs partisans ont affirmé que ces instruments pourraient contourner l'inaction et l'incapacité des États à mettre en œuvre la réglementation dans une économie mondialisée en tirant parti de la sensibilisation des consommateurs du Nord et de leur pouvoir de marché, ainsi que de la position centrale des principales entreprises transnationales dans les chaînes de valeur mondiales (Henson, 2011). Défendu par les ONG, les entreprises transnationales dont le siège social est situé dans le Nord et de plus en plus les gouvernements et les agences d'APD de l'OCDE, le TVSS a gagné du terrain sur les marchés des pays développés (Potts, Van der Meer, et al., 2014).

Cependant, dans les années 2010, la centralité des marchés et des acteurs du Nord semblait remise en question par la pertinence de la demande chinoise pour les produits agricoles et forestiers commercialisés à l'échelle mondiale, le rôle croissant des entreprises chinoises dans les chaines Globales de Valeur et l'influence politique internationale émergente de la Chine. Dans l'ensemble, le manque d'engagement de la Chine dans le TVSS a entraîné un débat sur la viabilité à long terme de l'instrument et donc sur son efficacité (Kaplinsky & Farooki, 2010 ; Nadvi, 2014).

D'une part, certains universitaires et praticiens ont fait valoir que la demande chinoise de produits bon marché, non normalisés et non transformés, ainsi que les pratiques commerciales chinoises non réglementées et l'influence politique internationale autoritaire, entraînerait une course vers le bas en termes de normes, conduisant à une bifurcation entre chaînes de valeur « vertes » et « brunes » (Adolph et al., 2017 ; Kaplinsky et al., 2010 ; Pacheco et al., 2018). D'autre part, d'autres universitaires et praticiens ont fait valoir que la Chine est susceptible de rattraper les pratiques de promotion de la durabilité, diffusées dans le Nord, à mesure que son revenu moyen atteint les niveaux des pays développés, suivant la courbe dite de Kuznets environnementale (Zadek, 2010). Selon ces chercheurs, des signes d'un éventuel engagement chinois sont déjà visibles dans la diffusion des pratiques de RSE et de certification durable en Chine, ainsi que dans la question centrale de l'État des réformes en faveur de la durabilité (Sun, 2016, 2022).

Ces études laissent ouverte la question sous-jacente de la controverse, à savoir : la montée en puissance de la Chine conduit-elle à la disparition du TVSS ou le pays peut-il devenir un partenaire promoteur des instruments ? Cette thèse a contribué à démêler cette controverse grâce à l'enquête empirique sur l'initiative multipartite liée à l'huile de palme, la Table ronde pour une huile de palme durable, et la certification RSPO connexe. Cette étude de cas a été étudiée à l'aide de méthodes qualitatives, en tirant des informations de 44 entretiens semi-structurés avec des parties prenantes, des informateurs et des experts clés à Pékin, Kuala Lumpur et en ligne, pendant la période des restrictions de voyage liées à Covid. Les entretiens ont été complétés par des informations provenant de bases de données sur le commerce international, de la littérature grise, de documents de politique officiels, d'actualités et de publications universitaires.

L'approche qualitative a été choisie comme la plus appropriée pour démêler la complexité de la montée de la Chine dans l'économie mondiale, comme documentée dans la littérature émergente sur le sujet (C. K. Lee, 2018 ; Lim, Li, & Adi Syailendra, 2021 ; Lu, 2020 ; Sautman & Hairong, 2007). Aborder cette complexité a signifié remettre en question les visions répandues de la Chine en tant que bloc monolithique d'acteurs, employant des stratégies coordonnées dirigées par le gouvernement central et l'État et ayant une influence univoque sur le commerce international, la durabilité et le développement. Au lieu de cela, cette thèse a tenté de déballer la diversité des acteurs liés à la montée de la Chine et de mettre en évidence leurs intérêts et stratégies différents et contradictoires, ainsi que la manière dont leurs interaction, négociation et conflit constituent une approche chinoise émergente globale. Au sein de cette diversité, une attention particulière a été accordée à l'agence des acteurs des pays en développement, non seulement subissant passivement les stratégies et approches chinoises (et occidentales), mais contribuant à façonner la position globale chinoise.

La thèse s'est déroulée en trois étapes. Tout d'abord, en m'inspirant de la littérature sur la diffusion du TVSS et l'émergence des normes et initiatives de durabilité du Sud, j'ai caractérisé l'approche chinoise émergente de la RSPO comme emblématique du TVSS concernant les produits importés en Chine pour la consommation intérieure. Deuxièmement, en m'appuyant sur les cadres analytiques du GCC, du GVC et du GPN, j'ai analysé comment la demande chinoise de produits agricoles commercialisés au niveau international pour la consommation intérieure a entraîné des changements dans la structure des chaînes de valeur mondiales de l'huile de palme et les acteurs moteurs, éclairant les tendances plus larges liées à la transformation des Chaines Globales de Valeur par rapport au commerce polycentrique. Troisièmement, en utilisant les concepts analytiques de l'IPE, j'ai analysé l'évolution, au cours des 20 dernières années, de l'approche de l'État central chinois vis-à-vis des initiatives de chaînes de valeur vertes transnationales, en particulier TVSS, proposées par des acteurs du Nord, dans le cadre plus large de la les relations internationales et une approche des institutions de gouvernance mondiale.

Les principales conclusions de cette recherche, ressortant de chaque chapitre, sont illustrées ci-dessous. Dans le chapitre 1, j'ai étudié la dynamique de la diffusion de la RSPO en Chine de 2003 à 2021. Dans cette enquête, j'ai mis en évidence l'agence des partisans de la RSPO et analysé la réaction à leurs initiatives des acteurs étatiques et corporatifs concernés, opérant dans la chaîne d'approvisionnement chinoise en huile de palme. Aussi, j'ai inclus des considérations sur d'autres initiatives existantes, proposées pour améliorer la durabilité de l'huile de palme, en particulier celles promues par des acteurs opérant en amont et dans les pays producteurs.

Le premier constat de cette analyse montre l'échec de la diffusion de la RSPO en Chine. Les acteurs concernés au sein de l'État central en Chine ont toujours refusé de soutenir l'initiative. Ensuite, dans le secteur des entreprises, la participation active à la table ronde, à travers l'adoption de l'huile de palme certifiée RSPO, est confinée à une petite niche d'entreprises transnationales dont le siège est dans le Nord et qui ont des opérations industrielles en Chine, comme Unilever et Mars. Les pratiques de certification de ces entreprises n'ont pas été imitées par leurs homologues chinois et asiatiques, qui entretiennent une attitude indifférente et méfiante à l'égard de l'initiative. Le second constat du chapitre montre que cet échec n'est pas représentatif de l'état de diffusion des pratiques de l'huile de palme verte en Chine. Les partisans de la RSPO ont réussi à introduire le sujet de la consommation durable d'huile de palme en Chine, ainsi que des arènes de discussion et des engagements multipartites connexes, tels que les lignes directrices chinoises pour la consommation durable d'huile de palme qui seront bientôt publiées. Cependant, cette approche émergente n'est pas adaptée à l'adoption de la RSPO, elle reconnaît la diversité des mécanismes alternatifs existants et penche vers le soutien d'initiatives dirigées par les producteurs, telles que les engagements RSE des raffineurs et les outils de traçage associés et les normes nationales indonésiennes et malaisiennes, ISPO, et MSPO. Enfin, cette analyse met en évidence qu'une approche chinoise émergente pour la durabilité de l'huile de palme se négocie entre les approches proposées par les acteurs du Nord et les solutions alternatives conçues par les acteurs du Sud. Cette découverte met en lumière le potentiel des initiatives et des normes du Sud à fonctionner non seulement à l'échelle locale, mais également en tant que solutions mondiales.

Dans le chapitre 2, j'ai soutenu que la diffusion limitée de la RSPO et l'affirmation réussie des initiatives de durabilité menées en amont lié à l'huile de palme, à l'échelle mondiale et en Chine, peuvent s'expliquer en partie par l'analyse de la gouvernance de la chaîne de valeur mondiale de l'huile de palme et comparant structurellement les chaînes de valeur approvisionnant l'Europe et la Chine. Le chapitre a vérifié l'hypothèse de recherche selon laquelle les entreprises du Sud assument le rôle d'entreprises chefs de file dans les CGV (Horner & Nadvi, 2018 ; Neilson & Wang, 2019). L'hypothèse indique également que leur essor a été tiré par trois facteurs principaux : la concentration industrielle obtenue en intégrant les chaînes de valeur mondiales des entreprises leaders (Gereffi, 2014) ; des politiques de mise à niveau favorables, mises en œuvre par les pays producteurs (Lebdioui, 2022 ; Lee & Gereffi, 2015) ; et la montée en puissance des marchés du sud, depuis la fin des années 2000, où ces firmes ont développé des opérations en aval grâce à des barrières à l'entrée plus faibles telles que de faibles exigences de qualité , mais avec le défi d'une concurrence accrue (Horner, 2016 ; Kaplinsky & Farooki, 2011) . La première partie de l'hypothèse est partiellement confirmée. L'analyse a mis en évidence le fait que les chaînes globales de valeur de l'huile de palme ne sont pas dirigées par des sociétés transnationales en aval dont le siège se trouve dans le Nord et que les raffineurs et négociants en amont d'Asie du Sud-Est sont devenus des acteurs essentiels de la chaîne de valeur, intégrant partiellement son amont et son aval. Dans le même temps, à la suite de Sturgeon (2008), je soutiens qu'en raison de leur position intermédiaire dans les chaînes de valeur, ces firmes devraient plutôt être considérées comme des « producteurs de plateforme », c'est-à-dire des producteurs oligopolistiques qui ont un pouvoir important, mais ne « dirigent » pas l'ensemble de la chaîne, dans une CGV sans entreprise chef de file.

La deuxième partie de l'hypothèse est également partiellement confirmée. L'analyse a confirmé la pertinence des politiques de développement industriel de la Malaisie et de l'Indonésie dans la promotion de champions nationaux dans les secteurs du raffinage et du commerce de l'huile de palme. En outre, il a confirmé le rôle de la dispersion géographique des marchés de l'huile de palme et des produits liés à l'huile de palme pour les raffineurs et les négociants pour gagner un pouvoir de négociation vis-à-vis des entreprises transnationales en aval du Nord. Cependant, l'analyse a également mis en évidence deux facteurs qui n'étaient pas inclus dans l'hypothèse. La première est sans rapport avec l'évolution de la géographie économique de la chaîne de valeur et concerne les tendances à la multiplication des usages industriels des dérivés de l'huile de palme, dans divers secteurs productifs, tels que l'agroalimentaire, l'oléochimie et la bioénergie. Cette tendance a émergé ayant favorisé la concentration industrielle des raffineurs, parallèlement à l'insertion de ces firmes dans les CGV des « gros acheteurs ». Elle a permis au raffinage de se développer en tant que secteur hautement technologique et à forte intensité de capital, avec des barrières à l'entrée importantes, une concentration industrielle et la production de produits à haute valeur ajoutée. De plus, elle a encore fragmenté l'aval, déjà dispersé géographiquement, augmentant ainsi le rôle central des raffineurs et des négociants. Le deuxième facteur concerne spécifiquement la Chine et souligne le rôle important joué par le pays dans la montée des conglomérats agro-industriels d'Asie du Sud-Est, qui va au-delà de l'augmentation récente supposée de la demande de matières premières de faible qualité et à bas prix sur les marchés du Sud. Premièrement, la Chine est un marché pertinent pour l'huile de palme depuis le début du boom de l'huile de palme dans les années 1980, de sorte que les tendances liées au marché chinois n'ont pas une nouvelle influence sur la CGV, mais sont structurelles depuis le début. Deuxièmement, la Chine est la destination, également depuis les années 1980, de grands investissements industriels des conglomérats SEA, dont les raffineurs et négociants d'huile de palme ne sont qu'une partie, et qui sont souvent financés et gérés par des entrepreneurs chinois d'outre-mer. Comme le montre le cas de Wilmar et de son conglomérat mère, le groupe Kuok, ces groupes sont devenus des acteurs importants de l'économie de marché chinoise depuis le début des politiques de libéralisation en investissant dans divers secteurs productifs, notamment le raffinage, la fabrication et la vente au détail d'huiles végétales. Enfin, contrairement à ce qui est avancé dans l'hypothèse, les caractéristiques réelles du marché chinois limitent la concurrence et favorisent la concentration industrielle des raffineurs, la

Chine important une huile de palme relativement plus transformée qu'en Europe et qui a des exigences de qualité strictes et spécifiques concernant la fraîcheur de l'huile de palme importée.

Enfin, cette dernière modification de l'hypothèse permet de contribuer à caractériser les acteurs industriels qui se développent dans les CGV en lien avec la montée en puissance de la Chine, au-delà des entreprises publiques chinoises souvent évoquées (Neilson & Wang, 2019). Les sociétés transnationales agro-industrielles d'Asie du Sud-Est sont privées et ont prospéré grâce à une combinaison de modèles commerciaux occidentaux et asiatiques et à une flexibilité face à différents contextes institutionnels. Je soutiens que la nouveauté qu'elles représentent dans les CVM réside dans leur ancrage géographique, qui est plus large que leur pays d'origine et inclut la Chine, car ces entreprises se sont développées comme des ponts entre la Chine et l'Asie du Sud-Est. Un tel constat me pousse à reconsidérer la conceptualisation de la Chine comme pays émergent du Sud et à inscrire son essor dans une dynamique régionale asiatique de croissance économique. Dans le chapitre 3, j'ai soutenu que la diffusion limitée de la RSPO, à l'échelle mondiale et en Chine, peut en partie s'expliquer par une analyse IPE de l'approche chinoise du TVSS, dans le cadre de ses intérêts et alliances internationales plus larges. Dans ce chapitre, j'ai formulé la double hypothèse, en énonçant : premièrement qu'une énigme d'intérêts entre l'intégration financière et économique avec les pays de l'OCDE et les alliances politiques avec les pays du Sud rendrait l'approche chinoise du TVSS ambivalent (Gu et al. , 2008); deuxièmement que l'intérêt croissant de la Chine à être reconnue comme une puissance responsable conduirait à une ouverture aux initiatives de chaînes de valeur vertes proposées par des acteurs du Nord (Benabdallah, 2019 ; Yeophantong, 2013). L'analyse de l'article vérifie partiellement l'hypothèse. Au fil des années, la Chine a fait preuve d'ouverture envers le TVSS concernant les produits qui étaient exportés vers les marchés nord-américains et européens certifiant, tout en affirmant pratiquer le principe de non-ingérence dans la souveraineté des autres pays pour les produits importés des pays du sud pour consommation intérieure. Puis, depuis 2019, la Chine s'est montrée de plus en plus soucieuse d'assumer plus de leadership dans les initiatives transnationales de promotion de la durabilité et de s'ouvrir davantage aux pays de l'OCDE, en particulier aux pays européens, a conduit les approches des chaînes de valeur vertes à travers l'ouverture d'une conférence ministérielle et d'un Centre des chaînes de valeur vertes et a rédigé une stratégie nationale pour les chaînes de valeur vertes.

Cependant, l'analyse conduit également à une modification de la première partie de l'hypothèse, car elle montre que l'énigme des intérêts évolue vers une convergence, où les alliances avec les pays du Sud ont de plus en plus une double pertinence politique et économique. Une analyse historique de la coopération Sud-Sud chinoise a mis en évidence la pertinence politique de l'alliance Global South pour la socialisation internationale chinoise après la Seconde Guerre mondiale et pour l'ascension chinoise plus récente en tant que puissance mondiale. Cependant, il a également montré que la coopération Sud-Sud chinoise s'est déplacée du soutien politique vers le développement économique et les «avantages mutuels», depuis les politiques de libéralisation de Deng dans les années 1970. Cette orientation économique s'est accrue avec des politiques de soutien à l'internationalisation des entreprises chinoises, dans le cadre de la stratégie de « going out ». Enfin, le cas des relations Malaisie-Chine montre que les intérêts politiques et économiques sont particulièrement imbriqués dans l'initiative "Nouvelles Routes de la Soie", où la proximité avec la Malaisie est pertinente pour les stratégies politiques et militaires chinoises, mais aussi comme débouché pour les IDE chinois et l'exportation de produits à haute valeur ajoutée. Ce chapitre montre ensuite que, alors que la Chine assume de plus en plus le leadership international pour la promotion de la durabilité, elle le fait en continuant à soutenir les revendications et les approches de ses alliés du sud global. Dans ce cadre, l'approche environnementale internationale chinoise inclut toujours une défense du principe de non-ingérence dans la souveraineté des autres pays, car ce dernier est un gage de démarcation de ses pratiques de celles des pays de l'OCDE et d'appartenance à des alliances des pays du sud global, malgré les contradictions suscitées par son statut croissant de superpuissance. Enfin, le chapitre soutient que l'approche chinoise des initiatives de chaînes de valeur vertes est un engagement sélectif, consistant à intégrer les institutions existantes tout en poussant à leur modification. Cette approche est susceptible de conduire le changement dans les initiatives globales des chaînes de valeur vertes, avec l'affirmation de mécanismes plus inclusifs des acteurs des pays producteurs et qui répondent à des logiques de bénéfice mutuel.