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BEYOND COMPLIANCE: INDONESIA'S POLITICAL RESPONSE TO EU GREEN PALM OIL REGULATIONS

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ABSTRACT

This article examines Indonesia's economic security response to the European Union green regulations on palm oil, framing them as an existential threat. Drawing on securitisation theory, the study analyses how Indonesian policymakers, through speech acts, politicise EU policies such as the Renewable Energy Directive II (RED II) and the European Union Deforestation Regulation (EUDR). Originally presented as environmental measures, these regulations are reframed as discriminatory and protectionist instruments that endanger palm oil as a referent object tied to national sovereignty, smallholder livelihoods, and economic stability. This article uses a qualitative case-study design. Data was collected through semi-structured interviews with government officials, industry associations, and researchers, as well as through reviews of official documents, academic articles, research institute reports, and policy archives. The analysis was conducted using content and discourse analysis methods, based on securitisation theory to explain how the Indonesian government's speech acts frame EU policies as a threat to national economic security. The findings show that Indonesia's response includes domestic measures such as the mandatory Indonesian Sustainable Palm Oil (ISPO) certification under Presidential Regulation No. 44/2020, and cross-ministerial coordination. While these efforts have produced diplomatic gains, including favourable WTO rulings on EU discrimination, they face implementation challenges, particularly for smallholders, highlighting tensions between global regulatory pressures and domestic equity. The study demonstrates how politicisation transforms regulatory disputes into broader struggles for economic justice, contributing to cultural and social change debates by illustrating resistance to hegemonic environmental norms in global trade.

KEYWORDS: Economic Security, Palm Oil, Politicisation, Securitisation, European Union.

1. INTRODUCTION

In contemporary International Relations studies, the concept of security is no longer limited to military issues, but also includes economic dimensions as a strategic element in maintaining state stability. Economic security emphasises the importance of resource control, access to global markets, and resilience to external pressures that could potentially disrupt economic sovereignty (Buzan, 2008). Within this framework, trade regulations and international environmental policies can be understood as instruments that have the potential to threaten national economic security. International relations have become an arena for contesting interests, where regulations are used as a tool to influence the structure of global economic power. One strategic issue in this context is the trade of crude palm oil (CPO), which, despite being a mainstay commodity for countries such as Indonesia, faces strict regulations from developed countries in the name of environmental sustainability (Radmann, 2021).

The European Union (EU), known as the second-largest biodiesel market in the world after the United States and regarded as a normative actor in the international system, initiated the Renewable Energy Directive II (RED II) and Commission Delegated Regulation (EU) 2019/807 policies, which substantively stipulate that palm oil is classified as a biofuel feedstock with a high risk of indirect land use change (ILUC) (Efeca, 2019; Limenta, 2020; Rahayu & Sugianto, 2020; Rina, 2019; Stiadi, 2020). This policy threatens the palm oil commodity and ultimately affects Indonesia's economic security.

Although it is claimed to be based on environmental sustainability and climate change mitigation in accordance with the Paris Agreement, the EU policy has triggered various reactions from palm oil producing countries, including Indonesia. RED II limits the contribution of palm oil-based biofuels in the EU's renewable energy mix, to be phased out completely by 2030. Furthermore, incentives for the use of palm oil-based biofuels have also been discontinued (Bangun & Hidayat, 2022; German & Schoneveld, 2011; Ivetta Gerasimchuk & Peng Yam Koh, 2013; Souza, 2022; Stefan et al., 2020; World Trade Organisation (WTO), 2025).

Indonesia, as one of the countries affected by this regulation, through various channels of diplomacy and international litigation, considers that this policy not only violates the principle of non-discrimination in the multilateral trading system, but is also protectionist in nature (Nugraha, 2021; Tyson & Meganingtyas, 2022). In the government's official

narrative, RED II and its derivative regulations are positioned as non-tariff trade barriers that indirectly threaten national economic security. The main criticism is directed at the ILUC classification method, which is considered unscientific, non-transparent, and not applied equally to other vegetable oils such as rapeseed and sunflower, which also have an impact on land conversion (European Commission, 2013; E. V. Sari, 2017). Indonesia considers that this policy has a significant impact on the national palm oil sector and is contrary to the provisions of international trade organisations, namely the General Agreement on Tariffs and Trade (GATT) 1994, the Technical Barriers to Trade (TBT) Agreement, and the Subsidies and Countervailing Measures (SCM) Agreement (World Trade Organisation (WTO), 2025).

The strategic position of palm oil for Indonesia cannot be separated from its contribution to the national economy (Edwards & Heiduk, 2015; Gatto M et al., 2017; Hasna et al., 2021; Ibrahim, 2021; Khatun et al., 2017; Perwitasari & Sari, 2013; Purba & Sipayung, 2018; Qaim et al., 2020; Rahayu & Sugianto, 2020; Rahma, 2022; Susila & Setiawan, 2007; Susila W.R, 2004). According to data from the Indonesian Palm Oil Association (GAPKI), Indonesia's palm oil production reaches more than 45 million tonnes per year, contributing around USD 20 billion in export earnings and providing employment for more than 17 million people directly and indirectly (GAPKI, 2022b). In several regions such as Riau, Central Kalimantan, and South Sumatra, this sector is the backbone of the local economy (Santika et al., 2019). Therefore, any external policy that threatens the existence and competitiveness of Indonesian palm oil will have a systemic impact, not only at the national macroeconomic level, but also on social and political stability in the regions.

In the context of contemporary security studies, environmental regulations imposed by the European Union are seen as a form of securitisation that affects not only environmental aspects but also the economy. Meanwhile, this article focuses on the politicisation carried out by the Indonesian government in framing European Union regulations as a threat to national economic security. In the context of securitisation theory, politicisation is defined as the process of raising an issue in the political arena through speech acts, namely explicit statements from actors who have the authority to construct a threat.

Indonesia actively frames the EU's environmental policy on Indonesian palm oil as a threat to national economic security. Politicisation is carried out by the

Indonesian government in various international forums and domestic discourses. Statements from then-President Joko Widodo and various relevant ministers highlighted aspects of injustice, discrimination, and the impact on farmers' welfare and state revenue. The reaction from the national media further reinforced the public perception that the EU was acting unfairly towards Indonesia (Suwarno, 2019).

A further step in this politicisation was seen in Indonesia's filing of a formal complaint in an international forum, namely the World Trade Organisation (WTO), through the palm oil dispute case with the code DS593 in April 2021. In January 2025, the WTO panel issued a report stating that the European Union's policy violated the principles of the General Agreement on Tariffs and Trade (GATT 1994) and the Technical Barriers to Trade (TBT Agreement). The panel concluded that RED II and Delegated Regulation 2019/807 were discriminatory because they applied different standards to CPO without valid scientific evidence and gave preferential treatment to vegetable oils produced in the European Union (World Trade Organisation (WTO), 2025). Indonesia's victory in this case is not only legal but also symbolic of the success of economic diplomacy in narrating the threat posed by the EU's palm oil regulations.

However, this victory does not necessarily resolve all the structural problems faced by Indonesia in defending the CPO market. Negative perceptions of palm oil, pressure from environmental NGOs in Europe, and the transformation of sustainability norms in EU public policy remain long-term challenges. This shows that the politicisation of this issue, manifested through political framing or speech acts, does not stop at the litigation level but continues to require the strengthening of narratives and communication strategies at the international level, as the palm oil issue is a matter of vital national interest for Indonesia.

The victory at the WTO can be understood as the result of Indonesia's success in framing the RED II policy as a form of economic discrimination that threatens national security. This politicisation is key to reducing the impact of strict EU regulations, maintaining Indonesia's bargaining position, and preserving domestic economic and social stability amid external pressures. Therefore, this article focuses on how political speech acts by Indonesian government actors in international forums actively frame EU regulations as a threat to national economic security. This framing process is manifested through a series of speech acts, namely official, diplomatic,

and political statements that explicitly state that the EU's palm oil regulations are a form of unfair and protectionist non-tariff trade barriers.

The academic relevance of this issue lies in how the dynamics of international trade, environmental regulations, and global political economy can be examined within the framework of non-traditional security. The securitisation approach provides an analytical space that connects International Relations theory with the reality of national policy. Through this analysis, economic issues are no longer exclusively in the realm of economists and trade experts, but also become part of the state's security agenda. This article aims to examine how the European Union's environmental policies are constructed as a threat to Indonesia's economic security, and how the state responds to these threats through international law, public diplomacy, and domestic political strategies.

Given this relevance, it is important to review how previous studies have conceptualised the relationship between economics and security in the discipline of International Relations. A number of previous studies in this field have broadened the understanding of national security, which is no longer limited to the military dimension but also includes economic aspects. Among these scholars are Baldwin (1997), Buzan, Ole Waeber, et al. (1998), Gilpin (2001), Hettne (2005), Katzenstein (1976), Mathews (1989), Ruggie (1982), Strange (1996), Walt (1991), and Williams (2008), who agree that the economy is now an integral part of the concept of national security. However, most of these studies still focus on global structural dynamics and have not explained in depth how developing countries discursively raise economic issues in the realm of security as a political strategy.

In the context of palm oil, researchers such as Bangun S. (2022), Bastos Lima M. (2021), Hidayaturrohman et al. (2022), Purba J. (2017), Purnomo et al. (2020), Schunz S. (2020), Wahyudi (2019), and Yana et al. (2020) explicitly show how the European Union's sustainability narrative is used to discredit Indonesian palm oil without consistent scientific evidence. One example is the application of ILUC classification and assessment, which is not transparent and is not applied equally to other vegetable oils such as rapeseed or sunflower. Other EU policies such as RED II, RSPO certification, and negative campaigns are considered forms of protectionism that fuel diplomatic tensions and widen the gap between the Global North and Global South. This confirms that the sustainability agenda is sometimes used to maintain European agribusiness

interests, rather than solely for climate change mitigation.

In addition, previous studies have explained how non-military issues such as the environment, migration, the economy, and health can be constructed as security threats through the process of securitisation. In the context of Southeast Asia, studies by Caballeron-Anthony (2008) and Emmers (2007) have applied this theory to issues such as terrorism and health security. Meanwhile, research examining security policy through the securitisation of environmental issues includes Apriawan (2012), Barnhoorn A. (2019), Becker L. (2019), Edwards et al. (2015), Hakala (2018), Lucke von Franziskus (2015), Nyman et al. (2016), Sall (2019), and Warner et al. (2019). This shows that there are still limited studies applying it in the context of economics and trade policy. Although securitisation theory has developed extensively, research that specifically applies the securitisation framework to non-traditional economic threats, particularly in economic issues such as palm oil trade and biofuel regulation, is still very limited.

In the context of Indonesia and palm oil, several studies show how the government frames RED II as a form of economic discrimination and its impact on the national economy. These studies (Awaliyah et al., 2023; Benyaich et al., 2023; Chairunisa & Haryanto, 2021; Damanhuri, 2023; Javier Arenas Alonso, 2024; Krustiyati et al., 2023; Rilus A. K et al., 2023; Ros, 2024; Saragih, 2022; E. P. Sari et al., 2023; Setiawan, 2024; Suling et al., 2023; Syifa, 2022; Trystanto, 2021; Victor, 2024; Widayat et al., 2024), through various theories, explain that the European Union's policy through RED II is a discriminatory decision that has a significant impact on Indonesia, including on gross domestic product (GDP) performance, exports, trade balance, and farmer welfare. Meanwhile, Paikoh's (2024) study, which uses a Partial Equilibrium Model, and Rum's (2022) study, which uses a Multi-Regional Input-Output (MRIO) framework, show not only the impact on trade and price shifts (economy), but also a reduction in deforestation and greenhouse gas emissions (environment).

In general, with their various ideas and perspectives, the above studies conclude that the existence of EU palm oil regulations, framed as discriminatory policies, has had social and economic impacts on Indonesia, and various diplomatic strategies have been implemented in response. However, although previous research has highlighted the legal, economic and environmental aspects of the conflict between Indonesia and the EU over palm oil, few studies have explicitly analysed

the dynamics of politicisation, namely how Indonesia, through political and diplomatic statements, actively constructs EU policy as a threat to national economic security. This article aims to fill this gap in the literature by highlighting how developing countries such as Indonesia use diplomatic discourse and instruments in international and domestic economic forums to respond to regulatory pressure from developed countries in the global trading system.

Most previous studies have not specifically examined the link between EU regulations as a source of threat to economic security in a systematic manner, particularly by using a securitisation framework to explain how the Indonesian government frames it as an existential threat through speech act practices in international forums such as the WTO, regional and multilateral forums such as ASEAN, the Council of Palm Oil Producing Countries (CPOPC), the Comprehensive Economic Partnership Agreement (CEPA), and through the politicisation of the public via the mass media. Recognising this gap, this article examines how this narrative was constructed, conveyed through diplomatic practices and international litigation, and contributed to Indonesia's success in winning the dispute at the WTO forum.

Through a securitisation approach, it is possible to analyse how government actors (the President and relevant ministries) use speech acts to frame the RED II policy as a threat to national economic security, and how the palm oil trade conflict between the EU and Indonesia becomes a case study of the relationship between regulatory hegemony and normative resistance in the global trading system. Speech acts that frame a policy as a threat play an important role in mobilising political legitimacy in the international arena. Therefore, this research is highly relevant for further development by applying a securitisation approach in global political economy studies as a theoretical contribution that has not been widely explored in previous literature.

This research is important given the increasing tensions between developing and developed countries in the dynamics of international trade, which are often packaged in narratives of sustainability. The European Union, through policies such as RED II and Delegated Regulation 2019/807, has constructed palm oil as a commodity with a high risk of land use change, which has resulted in restrictions on Indonesia's access to European markets. Meanwhile, for Indonesia, palm oil is a leading commodity that is part of national economic security.

Therefore, the urgency of this research lies in the need to understand more deeply how developing countries such as Indonesia respond to regulatory pressure from developed countries, not only through formal diplomatic channels, but also through narrative construction. Most previous studies have focused on the legal and economic aspects of the EU palm oil conflict, while the dimensions of discourse, threat-framing strategies, and political mobilisation through securitisation approaches have not received adequate attention. Furthermore, this research is expected to strengthen Indonesia's position in facing similar challenges in the future and support efforts to maintain the competitiveness of the palm oil industry in an international trading system that is increasingly influenced by discriminatory regulations.

The purpose of this article is to analyse how the European Union's environmental policy on palm oil is framed by the Indonesian government as a threat to national economic security. In this case, the study examines the form of politicisation carried out through speech acts and discourse strategies by government actors in responding to regulatory pressure. This article is expected to provide meaningful contributions to policymakers regarding the politicisation of EU environmental policies on palm oil in relation to national economic security.

The Concept of Securitisation in Economic Security.

The concept of securitisation as formulated by Buzan, Wæver, and de Wilde (1998) asserts that economic issues can be positioned as threats that require an extraordinary response from the state. Floyd (2019) also emphasises that inter-state economic threats can be perceived as national security issues that can be securitised. With this perspective, this article analyses how economic issues are framed as security issues through the processes of politicisation and speech acts.

The conceptual basis of securitisation is rooted in Wæver's (1995) constructivism, which states that threats do not exist as objective realities, but rather as social constructs based on human subjectivity. Therefore, security threats are intersubjective, influenced by social context, vulnerability, perception, and time (security as a contested concept). In this context, the perception of threats to European Union (EU) regulations on Indonesian palm oil trade is also seen as the result of social constructions by state and non-state actors in an effort to meet economic security criteria.

This idea is reinforced by Wæver's work and its development with Buzan and de Wilde, who define securitisation as a socio-political process in which actors (generally political elites) declare an existential threat so that extraordinary measures can be

justified. Further contributions from Bigo (2002), Caballero-Anthony (2006), Emmers (2007), Williams (2008), and others expand the securitisation model by adding desecuritisation actors and cross-sector security practices.

The Copenhagen School has applied this theoretical framework to diverse issues such as international crime (Emmers, 2007), the HIV/AIDS pandemic (Elbe, 2006), minority rights (Roe, 2004), terrorism (Buzan, 2006), and migration (Huysmans, 2006). The common thread running through all of these studies is the analysis of issues raised "outside normal politics" (Bigo & Walker, 2007), thereby reinforcing the role of securitisation as a key analytical tool in contemporary security studies.

In the context of democratic countries such as Indonesia, securitisation is a political process involving the government, industry, the media, and civil society. The models of Buzan, Wæver, and de Wilde place security as a condition of safety, while securitisation is a political process towards policy formation through the construction of existential threats. The outcome of this process can be securitisation (formal policy) or desecuritisation (issues remaining at the discursive level). They emphasise the role of security, vulnerability, perception, and misperception as the foundation of threat analysis.

The securitisation process occurs through the interaction of three elements via speech acts: referent objects, securitising actors, and functional actors. Issues move along a spectrum from non-politicised to politicised to securitised. At the heart of the entire process is the formation of rhetoric capable of generating audience acceptance of threat claims.

In this article, existential threats refer to the economic impact of EU regulations on Indonesian palm oil trade. The Indonesian government acts as a securitising actor that frames EU policies as an existential threat to national economic security. The palm oil sector is positioned as a referent object related to foreign exchange stability, farmer welfare, and strategic economic interests. Meanwhile, GAPKI, APKASINDO, and farmer groups function as functional actors.

The success of securitisation is determined by facilitating conditions. Internal conditions relate to linguistic capacity and rhetorical coherence between actors, while external conditions depend on political authority, social legitimacy, and institutional capacity. Balzacq (2005) asserts that audience support through public opinion is an important condition for the success of securitisation, while Taureck (2006) highlights that the effectiveness of securitisation is largely determined by the readiness of the social and political context to accept the threat claim.

In the case of palm oil, the success of securitisation depends on the government's ability to persuade the audience that EU policy is an existential threat to the palm oil industry. Because the securitising actor determines the threat, it also bears responsibility for the resulting policy. The Copenhagen School securitisation framework allows for a more comprehensive analysis of state responses to non-military issues such as EU environmental regulation.

This article integrates this framework with the dynamics of the politicisation of EU regulations. Several government actors, GAPKI (Indonesian Palm Oil Association), APKASINDO (Indonesian Palm Oil Farmers Association), and CPOPC (Council of Palm Oil Producing Countries) frame EU regulations as an existential threat through various forms of speech acts. They position palm oil as a referent object related to national economic sustainability and sovereignty. The narratives developed include discrimination, protectionism, threats to foreign exchange, and Global South solidarity, through arenas such as the WTO, national media, bilateral diplomacy, and coordination through the CPOPC.

The instruments of politicisation include public diplomacy, official statements, strengthening the bargaining position of Indonesia and Malaysia, and creating narratives of threat in international forums. The policy responses that emerged were the acceleration of ISPO, downstreaming, and market diversification, which were the result of the politicisation process, not extraordinary measures. Thus, the politicisation of palm oil falls within the spectrum of securitisation, in which Indonesia has fulfilled the analytical elements of securitisation at the discursive level (identification of referent objects, construction of existential threats, use of speech acts), but policy responses remain within the realm of normal politics. This politicisation can be categorised as discursive securitisation or pre-securitisation, which is the stage when the construction of threats is used intensively to raise the status of an issue without moving to full securitisation.

2. METHOD

2.1 Research Design

A descriptive qualitative approach to understand the politicisation of EU regulations on Indonesian palm oil in the context of economic security. Drawing on Lamont's method (2015) (deepening of phenomena, actor analysis, and text-based analysis), the research aims to understand how different state and non-state actors interpret and respond to EU measures, and how these interpretations reflect broader security concerns.

2.2 Data

Primary data: qualitative interviews (face-to-face, semi-structured). Secondary data: official documents from ministries/agencies, associations, research reports, news, books, articles, related tables/archives.

2.3 Informants

Purposive: officials/experts from the Ministry of Foreign Affairs, Ministry of Trade, Ministry of Agriculture; GAPKI & APKASINDO administrators; supporters: PPKS and BRIN researchers.

2.4 Data collection techniques

(1) Document-based research on agreements, official reports, policy statements, media; (2) Internet-based research for online journals/archives with attention to validity; (3) In-depth semi-structured interviews with relevant officials/stakeholders.

2.5 Data analysis

Content/discourse analysis following Lamont's steps: determining the scope; selecting sources; categorizing; coding keywords; compiling coding outputs for description/interpretation of politicisation (speech acts, issues of deficit/debt/investment/social security).

2.6 Instruments

The researcher as the main instrument, assisted by interview guidelines, a laptop/mobile phone, and the Internet.

2.7 Data validity

Careful/periodic observation; cross-source triangulation; member checking with subjects.

2.8 Location & Time

Jakarta; research duration approximately one year (2025-2026).

2.9 Dataset & output

Dataset tables detailing themes, details, informants, and techniques; analysis outputs linking findings to economic security categories.

3. RESULTS AND DISCUSSION

3.1 The Palm Oil Sector as a Referent Object in Indonesia's Economic Security.

In the context of Indonesia's economic security, the palm oil sector occupies a strategic position as a referent object. This is inseparable from the role of

palm oil, which not only functions as a leading export commodity but also as a major pillar of national economic stability through its contribution to gross domestic product (GDP), foreign exchange, fiscal revenue, and employment for millions of workers in rural areas.

The importance of the palm oil sector in Indonesia's economy is increasingly prominent when viewed from its position in global trade. Indonesia is the world's largest producer and exporter of palm oil, with a market share of more than 55 per cent. With this position, any turmoil in the industry has direct implications for the country's macroeconomic performance. Therefore, discriminatory external policies such as the Renewable Energy Directive II (RED II) and the European Union Deforestation Regulation (EUDR) not only affect companies and traders, but also have the potential to threaten the overall security of the national economy (Ministry of Foreign Affairs of the Republic of Indonesia: Directorate of Trade, 2023).

In addition to its strong macroeconomic dimension, the palm oil sector also has a strong social dimension. Approximately 40 per cent of the total area of oil palm plantations in Indonesia is managed by smallholders who depend on the stability of Fresh Fruit Bunch (FFB) prices and access to export markets for their livelihoods. With this management structure, any price fluctuations or global trade barriers will have a direct impact on the economic life of rural communities. If this condition is not managed properly, economic vulnerability at the farmer level can spread into social and political pressures that have the potential to disrupt national stability (Indonesian Ministry of Agriculture, 2023).

According to APKASINDO in an interview discussion, smallholder farmers face a number of structural challenges that make them extremely vulnerable. Limited access to capital, production

facilities, and modern technology means that the productivity of smallholder farms is much lower than that of large state-owned or private plantations. In addition, smallholder farmers' dependence on global price fluctuations makes their income highly unstable. In the long term, this situation could worsen the welfare of rural communities and trigger social instability.

The vulnerability of smallholders is also exacerbated by a lack of transparency in the pricing system used by palm oil companies. In many cases, the price of fresh fruit bunches (FFB) received by farmers does not fully reflect fair market mechanisms, but rather depends heavily on internal company policies and the weak bargaining position

of farmers. Furthermore, the demand to meet international sustainability standards such as ISPO (Indonesian Sustainable Palm Oil), RSPO (Roundtable on Sustainable Palm Oil) and EUDR certification often places an additional burden on smallholders that is difficult to meet. Geolocation tracking of land, proof of deforestation-free practices, and certification requirements pose the risk of excluding farmers from the global supply chain if they are unable to meet these standards (APKASINDO, 2023).

This situation shows that the palm oil sector is not only a macroeconomic issue, but also concerns broader economic security dimensions. Threats to the sustainability of smallholder livelihoods can have implications for national economic security because they concern social stability, equitable welfare, and the state's legitimacy in protecting vulnerable groups. Furthermore, the decline in exports due to the EUDR and RED II policies also has an impact on the country's fiscal capacity through a decrease in palm oil export levies managed by BDPKPS. This condition directly reduces the government's ability to support palm oil rejuvenation programmes, biodiesel subsidies, and downstream industry research and development.

Thus, in this case, the palm oil sector plays a very strategic role in maintaining national economic stability and security. On the one hand, its contribution to GDP, exports, and employment makes it an important pillar of Indonesia's economic growth. However, on the other hand, it is highly dependent on smallholders, accompanied by pressure from global dynamics and pressures. Therefore, making palm oil the object of reference in studies of Indonesia's economic security is a relevant analytical step with a strong empirical basis, as this sector reflects the close relationship between the economy, society and politics in maintaining national resilience. In other words, placing the palm oil sector as the object of reference in Indonesia's economic security also means making smallholders a concrete indicator that reflects the level of national vulnerability.

European Union Regulations as an Existential Threat to the Sustainability of Indonesian Palm Oil.

Indonesia, as the largest producer of crude palm oil (CPO), faces serious challenges as the European Union introduces increasingly stringent environmental regulations, such as the Renewable Energy Directive II (RED II) and the European Union Deforestation Regulation (EUDR). These policies are claimed to be an effort to strengthen the green energy transition and protect biodiversity, but in practice

they have placed palm oil in a position that is vulnerable to policy discrimination. With regulations requiring verification of deforestation-free supply chains, the EU indirectly categorises palm oil as a high-risk commodity, unlike other vegetable oils such as rapeseed or soybean, which are more accepted in the European market (Pacheco *et al.*, 2021).

From Indonesia's perspective, the European Union's environmental policy not only affects trade, but also economic sovereignty and the legitimacy of national development. The European Union's decision to classify palm oil as a high-risk commodity is seen as a form of delegitimisation of Indonesia's commitment to implementing the principles of sustainable development. In fact, the Indonesian government is currently working to strengthen sustainability instruments through the Indonesian Sustainable Palm Oil (ISPO) scheme, which requires certification for industry players, including smallholder plantations. However, this domestic initiative is often overlooked in international recognition, as the European Union's sustainability standards emphasise the European Green Deal as the sole benchmark (Schouten & Bitzer, 2015).

In terms of security, the European Union's policy can be seen as a threat that has the potential to delegitimise the position of palm oil as a strategic commodity. This threat is existential because it has direct implications for the sustainability of an economic sector that supports millions of livelihoods in Indonesia, as well as the country's image on the global stage. Therefore, this issue is not just a matter of the environment or trade, but a definition of sustainability itself. This is what makes the threat from the EU's environmental policy towards palm oil not just an ordinary challenge, but an existential threat that tests Indonesia's capacity to maintain its national development sovereignty. Thus, the EU's environmental policy can be categorised as an existential threat because it touches on the foundations of Indonesia's economic, social and political sustainability.

3.2 The Politicisation of EU Regulations for the Sustainability of Indonesia's Palm Oil Industry

The politicisation of Indonesia did not only arise from its response to discrimination by the European Union, but also because palm oil concerns both the economic foundation and political legitimacy of the country. This became even more apparent when the government actively raised this issue in the realm of international diplomacy. Since the enactment of RED II, the Ministry of Foreign Affairs, together with the

Ministry of Trade and the Ministry of Agriculture, has repeatedly expressed its objections through bilateral and multilateral forums. Similarly, in a daily report by Tempo, Foreign Minister Retno Marsudi (2019) emphasised that the European Union's policy on palm oil not only affects trade but also threatens sustainable development in producing countries. This statement shows that the government has attempted to take the palm oil issue out of the technical economic framework and into the broader global political arena, emphasising its social and developmental impacts.

A concrete step was taken when Indonesia filed a lawsuit against the European Union with the WTO Dispute Settlement Body in 2019. The Indonesian government argued that the European Union's policy through the Renewable Energy Directive II (RED II) and the Delegated Act, which categorises palm oil as high-risk Indirect Land Use Change (ILUC), is a form of discrimination. In Indonesia's view, this policy not only restricts market access but also violates fundamental WTO principles that require non-discrimination, including the Most Favoured Nation (MFN) and National Treatment principles. This lawsuit was a strategic move because it placed the palm oil issue in the arena of international law, which is fraught with inter-state political dimensions (Ministry of Trade of the Republic of Indonesia, 2020).

On 10 January 2025, the WTO panel ruled that although the European Union has the right to implement climate and renewable energy policies, a number of aspects were found to be inconsistent with WTO principles, mainly because they resulted in discriminatory treatment of Indonesian palm oil. Indonesia's victory in this forum is not only a technical trade issue, but also a significant political achievement. With this success, Indonesia has succeeded in shifting the narrative from palm oil being a problematic commodity to one of global regulatory injustice. This victory is an important momentum to expand the diplomatic arena, while also showing that the palm oil issue is no longer a bilateral debate between Indonesia and the European Union, but concerns fair global trade governance. The Ministry of Trade emphasised that the WTO ruling provides moral assurance as well as a legal tool for Indonesia to strengthen its advocacy for palm oil in multilateral forums.

One arena that will be immediately utilised is the G20. As the world's largest economic forum, which includes vegetable oil producing and consuming countries, the G20 is a strategic stage for Indonesia to emphasise the importance of balancing sustainable

development goals with the economic interests of developing countries. At the G20 summit in Bali in 2022, President Joko Widodo explicitly underlined the importance of inclusiveness in energy transition and sustainable trade, mentioning how commodities such as palm oil are often targeted by unfair unilateral regulations. This statement reflects Indonesia's efforts to utilise the momentum of the WTO to expand political support from other developing countries that have had similar experiences facing non-tariff barriers from developed countries (Setkab (Secretariat of the Cabinet of the Republic of Indonesia), 2022).

Apart from the G20, the ASEAN arena is an important instrument in consolidating the region's position. Through the ASEAN Economic Community (AEC) framework, Indonesia is pushing for the palm oil issue to be seen not only as a national issue, but as a common challenge that affects the economic competitiveness of Southeast Asia. ASEAN is the world's leading producer of palm oil through Indonesia and Malaysia, so strengthening regional solidarity is considered important in facing external pressures, including from the European Union. At the 2021 ASEAN economic ministers' meeting, Indonesia and Malaysia specifically raised the issue of palm oil discrimination as a collective ASEAN agenda in dealing with external trading partners (ASEAN Secretariat, 2021).

Furthermore, the role of the Council of Palm Oil Producing Countries (CPOPC) has become increasingly prominent as a special forum established to advocate the interests of palm oil producing countries. Established in 2015 by Indonesia and Malaysia, the CPOPC has become the main channel for mobilising political support, building a common narrative, and promoting alternative sustainability standards such as Indonesian Sustainable Palm Oil (ISPO) and Malaysian Sustainable Palm Oil (MSPO). Following the WTO ruling, the CPOPC used its legal legitimacy to pressure the European Union to open a more balanced dialogue. According to GAPKI, without the solidarity of producing countries through the CPOPC, the narrative of sustainable palm oil will continue to be dominated by European Union standards and regulations.

In addition, Indonesia's politicisation of palm oil policy was also carried out at the Indonesia-EU Comprehensive Economic Partnership Agreement (CEPA) negotiation forum. In this case, the European Union sought to enforce strict environmental standards through the European Green Deal and the European Union Deforestation Regulation (EUDR),

while Indonesia considered these policies to be discriminatory and contrary to the spirit of free trade. Ultimately, the palm oil issue has become a separate political negotiation within the CEPA, with Indonesia demanding that the EUDR not hinder palm oil exports, while the EU seeks to maintain its credibility as a pioneer of global environmental regulation.

The impact of this politicisation can be seen in the European Union's strategy to diversify its vegetable oil imports. Some member states have begun to increase imports of sunflower and soybean oil from the United States and Latin America in an effort to reduce their dependence on Southeast Asian palm oil. However, as noted by the OECD-FAO (2023), this diversification effort has limitations because palm oil productivity is much higher than that of other vegetable oils, making it economically difficult to replace. This fact means that Europe cannot completely ignore palm oil, even though it continues to try to reduce its role in the regional market.

For Indonesia, this politicisation strengthens its bargaining position in the long term. By asserting that palm oil is part of its economic sovereignty and an instrument of international politics, the Indonesian government is building stronger bargaining power. This was evident when Indonesia successfully delayed several clauses of RED II implementation and opened additional consultation space related to EUDR. According to the Indonesian Ministry of Foreign Affairs (2023), this strategy shows that the European Union is beginning to realise the need for compromise in implementing environmental regulations so as not to completely harm producer countries. The impact of this politicisation even extends beyond the bilateral relationship between Indonesia and the EU, as it also shapes international perceptions of the legitimacy of European environmental policies. In other words, this politicisation has had a reputational impact on the EU.

In addition to garnering international support, the Indonesian government is also using this momentum to strengthen domestic legitimacy. The success at the WTO is being used as political and economic campaign material to promote palm oil as a strategic commodity that must be preserved, as well as a symbol of national economic sovereignty. This is in line with the downstreaming and export market diversification programmes. Downstreaming, through the mandatory B30 to B40 biodiesel policy, is promoted as proof that palm oil is not only a raw export commodity, but can also be the backbone of domestic renewable energy. Market diversification is

directed towards India, China, Pakistan and African countries, in order to reduce dependence on the European Union, which tends to restrict access to palm oil (GAPKI (Indonesian Palm Oil Association), 2022; Indonesian Ministry of Trade, 2023). Thus, politicisation is not only taking place at the global level, but is also being used to strengthen national economic independence.

The WTO momentum also reaffirms the importance of ISPO certification as a political instrument in countering the dominance of European standards. The Indonesian government promotes ISPO not only as a technical certification mechanism but also as a symbol of regulatory sovereignty that serves to counter global standard monopolies. ISPO provides greater space for small farmers to be recognised in the global supply chain, unlike European Union standards, which are considered to suppress independent farmers. Thus, politicisation through ISPO has become a strategy to counter discrimination while demonstrating the capacity of developing countries to formulate their own sustainability standards domestically.

From all of Indonesia's steps following its WTO victory, it is clear that Indonesia is converting the results of litigation into broader political instruments. The politicisation of palm oil is carried out through strengthening its position in global forums such as the G20, ASEAN, CEPA and CPOPC, domestic policies such as downstreaming and market diversification, and through regulatory legitimisation such as ISPO. All of these strategies form a complex constellation of politicisation, in which palm oil is positioned as a strategic commodity that is not only of economic value, but also laden with political, diplomatic and national sovereignty significance.

3.3 Speech Acts of the European Union's Politicisation of Regulations in the Indonesian Palm Oil Trade.

In the contemporary security framework, securitisation theory helps explain how the European Union's environmental policy towards Indonesian palm oil has shifted from a technical-administrative issue to a political issue that touches on the nation's existence. Following Buzan, Wæver, and de Wilde (1998), an issue does not automatically become a security problem, but must be presented as a threat through speech acts by actors with authority. In this context, the Renewable Energy Directive II (RED II) and European Union Deforestation Regulation (EUDR) policies, which the European Union initially claimed were technical instruments to curb

deforestation and reduce carbon emissions, were perceived and politicised by Indonesian actors as a threat to national economic security. Through a series of statements by the government, industry associations, farmer organisations, academics and the media, an issue that was originally technical in nature has been successfully projected as a discriminatory threat that harms millions of small farmers and undermines the nation's dignity in the global order.

The narrative of discrimination and protectionism became the main entry point in this process. President Joko Widodo openly emphasised that the European Union's policy on palm oil was discriminatory and protectionist, asserting that Indonesia would not accept rules that discriminated against palm oil because the policy was not solely about the environment but about trade protectionism (Setkab (Secretariat of the Cabinet of the Republic of Indonesia), 2022). The President's statement is assertive in that it explicitly states the existence of unfair treatment, while also being expressive in that it channels national disappointment, which strengthens collective sentiment. By framing the EUDR and RED II as instruments of protectionism that protect the European Union's domestic vegetable oils, especially rapeseed and sunflower, the President has shifted the issue of palm oil from a debate on sustainability to the realm of international trade justice. The Minister of Trade, through the Directorate of Foreign Trade, reinforced this narrative by referring to the EUDR as a non-tariff barrier that could potentially hinder Indonesian palm oil exports to Europe and contradict the principles of free trade (Ministry of Trade of the Republic of Indonesia, 2023a). This statement officially positions Indonesia as the aggrieved party and elevates this issue from the technical realm of regulation to a strategic issue concerning national interests.

This narrative of discrimination is articulated not only by state actors, but also by industry associations and the national media. GAPKI asserts that the EUDR and RED II treat palm oil differently from other vegetable oils, thereby creating an unfair level playing field in the global market (GAPKI, 2022a). GAPKI's discourse is politically charged, as it frames EU regulations as policies that violate WTO non-discrimination principles and channels industry aspirations into language that can be adopted by the government in international diplomacy. Mass media outlets such as Kompas and The Jakarta Post then expanded the reach of this narrative. Research by Rahmadan & Setiawati (2021) shows that these two

media outlets consistently use the terms "discrimination", "government" and "exports" in their reporting on palm oil, thereby reinforcing the public perception that Indonesia is facing international injustice. The Jakarta Post tends to use diplomatic language and emphasises aspects of inter-bloc relations and the threat of bringing the case to the WTO, while Kompas highlights the emotional rhetoric of the President and officials, such as statements that if the European Union does not buy palm oil, Indonesia will consume its own domestic palm oil production. This difference in style means that The Jakarta Post serves to articulate Indonesia's position to an international audience, while Kompas mobilises domestic solidarity through nationalist rhetoric.

The narrative of economic and existential threats then complements this construction of discrimination by emphasising the real impact of EU policy on millions of businesses in the palm oil sector. The Coordinating Ministry for Economic Affairs, for example, asserts that the implementation of the EUDR will significantly reduce Indonesia's access to the palm oil market and have a direct impact on the incomes of tens of millions of farmers and workers (Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2023). The Ministry of Trade even estimates that the implementation of the EUDR could reduce palm oil exports by up to 30 per cent in five years, with serious implications for foreign exchange and palm oil's contribution to the national GDP (Ministry of Trade of the Republic of Indonesia, 2022). This narrative shows that the EU policy is not only seen as a trade barrier but as a direct threat to the sustainability of national economic development. Smallholder associations such as APKASINDO and SPKS (Palm Oil Farmers Union) reinforce this narrative of threat by emphasising that smallholders, who control more than 40 per cent of national palm oil land, do not have the financial and technological capacity to meet EU traceability and certification standards, and are therefore likely to be the main victims of the EUDR (APKASINDO, 2023; Serikat Petani Kelapa Sawit (SPKS), 2023). Thus, the constructed threat is not only about export figures, but also the livelihoods of millions of farming families in rural areas, making this an existential issue.

The dimensions of sovereignty and national identity then give symbolic depth to the politicisation of palm oil. The Minister of Foreign Affairs, through the Directorate of Trade, Industry, Commodities and Intellectual Property Rights, emphasised that Indonesia does not reject international cooperation

on sustainability issues, but rejects standards that are discriminatory and threaten the nation's economic sovereignty (Ministry of Trade of the Republic of Indonesia, 2023b). President Joko Widodo has consistently used rhetoric of sovereignty, including by emphasising that Indonesia cannot accept policies that undermine the sovereign right of a nation to determine development standards appropriate to its own conditions (Setkab (Secretariat of the Cabinet of the Republic of Indonesia), 2022). In parliament, a number of members of the House of Representatives referred to palm oil as part of the people's economy and Indonesia's food sovereignty, so that the European Union's intervention in the development of palm oil was seen as a violation of the nation's right to regulate itself (House of Representatives of the Republic of Indonesia (DPR RI), 2023). Through this series of discourses, palm oil is no longer positioned merely as an export commodity, but as a symbol of national dignity and identity.

The narrative of smallholders as social victims introduces a strong moral dimension to the politicisation of palm oil. APKASINDO emphasises that the EUDR's traceability and certification requirements are only realistic for large companies, while smallholders will be excluded from the market due to limited costs, technology and access to information (APKASINDO, 2023). SPKS makes a similar argument by highlighting the structural inequality that will further benefit large corporations and marginalise smallholders (Serikat Petani Kelapa Sawit (SPKS), 2023). The government then adopted this narrative in its statement, emphasising that smallholders are the backbone of the national palm oil industry and that EU regulations have the potential to create barriers for this vulnerable group. Thus, resistance to the EUDR and RED II can be presented not merely as a defence of corporate interests, but as an effort to protect social justice and vulnerable groups in rural areas.

To strengthen the rational basis for resistance, state actors, industry and academics developed scientific and technical rebuttal narratives. The Ministry of Environment and Forestry stated that the concept of Indirect Land Use Change (ILUC) used by the EU to classify palm oil as a high-risk commodity is only a theoretical model that does not reflect agronomic conditions in Indonesia (Ministry of Environment and Forestry of the Republic of Indonesia (KLHK), 2023). GAPKI criticised the European Union's Life Cycle Assessment (LCA) methodology as biased because it uses assumptions that favour domestic vegetable oils such as rapeseed and sunflower, while disadvantaging palm oil

(GAPKI, 2022a). Academics add that palm oil land productivity is much higher than other vegetable oils, so from a land use efficiency perspective, palm oil has the potential to be more environmentally friendly (Kettunen & Pratiwi, 2025). This rebuttal narrative shows that Indonesia's resistance is not solely driven by political sentiment, but also by scientific and technical claims that challenge the methodological legitimacy of the European Union's policy.

The next layer is the narrative of solutions and diplomatic responses, which means that the discourse does not stop at criticism but becomes a commitment to action. President Joko Widodo emphasised that Indonesia would not hesitate to bring the issue of palm oil discrimination to the WTO if the EU continued to impose harmful policies (Setkab (Secretariat of the Cabinet of the Republic of Indonesia), 2022). The Ministry of Trade added that Indonesia's legal team has prepared arguments to prove that EU regulations violate the WTO principle of non-discrimination (Ministry of Trade of the Republic of Indonesia, 2023b). At the regional level, CPOPC, through a joint statement with Malaysia, affirmed the commitment of producer countries to fight the EU's discriminatory policies through diplomacy and international law (CPOPC, 2023). At the same time, the Indonesian government is developing a market diversification narrative by emphasising efforts to expand palm oil exports to India, China and Africa to reduce dependence on the European market. In forums such as the G20 and ASEAN-European Union, Indonesia has also stated that discriminatory regulations against palm oil are contrary to the spirit of global cooperation for sustainable development. Thus, Indonesia's resistance appears as a strategy that is not only defensive but also proactive and integrated into the multilateral diplomacy agenda.

Ultimately, the narrative of Global South solidarity and anti-colonialism positions this palm oil policy conflict in a broader historical and geopolitical context. Foreign Ministry officials have cited EU regulations as an example of how environmental standards are used as an instrument of neo-colonialism that hinders the development of developing countries (Ministry of Trade of the Republic of Indonesia, 2023b). CPOPC asserts that the EU's discriminatory policies reflect a pattern of economic colonialism that seeks to control producer countries under the guise of sustainability (CPOPC, 2023). Through this narrative, Indonesia seeks to build political solidarity among Southern countries, expand the arena of resistance from the national to

the global level, and position palm oil as a symbol of the struggle against double standards and the domination of developed countries.

Overall, this series of speech acts shows how the European Union's environmental policy, which was originally positioned as an instrument of sustainability, has been transformed by Indonesian actors into a political issue that touches on the core of economic security, political sovereignty, national identity, social justice, and global justice. Within the framework of securitisation, all layers of this narrative show how speech acts are consistently used to elevate technical issues to existential issues, while strengthening Indonesia's bargaining position in the international political constellation.

2.4 Indonesia's Economic Security Policy in the Context of European Union Regulations on Palm Oil

Indonesia's economic security policy in the context of EU regulations on palm oil is constructed as an integrated response that combines domestic policy, institutional strengthening, and international diplomacy. The government views RED II and EUDR as policies that have the potential to reduce market access, create non-tariff barriers, and harm millions of small farmers, thereby shifting the issue of sustainability to one of economic security. Statements by officials emphasising that Indonesia rejects discriminatory standards that threaten economic sovereignty are used to build legitimacy for the need for strong domestic policy intervention. In this way, the state justifies the creation of a series of palm oil policies as part of efforts to maintain strategic economic security from perceived external threats that are increasingly political.

Within this framework, the implementation of sustainability standards through Indonesian Sustainable Palm Oil (ISPO) and its reinforcement through Presidential Regulation No. 44 of 2020 are at the heart of this strategy. ISPO is a mandatory national standard as stipulated in Minister of Agriculture Regulation No. 38 of 2020, which binds large companies and small farmers alike through a mechanism of certification, supervision and sanctions. From a technical perspective, ISPO serves to ensure that palm oil plantation practices meet sustainability aspects, including land management, environmental protection, and social aspects. However, from a political point of view, ISPO represents Indonesia's regulatory sovereignty, namely the state's assertion that the definition of sustainability does not only belong to the European Union, but can also be determined based on its own

national context (Ministry of Agriculture of the Republic of Indonesia, 2020). The issuance of Presidential Regulation No. 44 of 2020 strengthened the position of ISPO by providing a legal basis at the presidential level, making it a cross-sectoral state mandate, and forming an ISPO Committee consisting of various ministries and stakeholders to oversee and determine the strategic direction of certification implementation.

Presidential Regulation No. 44/2020 can be understood as a counter-regulatory instrument to the European Union's policy. By raising the status of ISPO from a ministerial regulation to a presidential regulation, Indonesia has given additional political weight to its national standards. Indonesia responds by pointing out that palm oil is regulated through the highest domestic regulations, so there is no rational reason to discriminate against Indonesian palm oil products (Pacheco et al., 2021). From an economic security perspective, this Presidential Regulation has a protective function because it aims to reduce the risk of palm oil products being excluded from the global market, an adaptive function because it aligns national standards with internationally recognised sustainability principles, and a resilient function because it strengthens Indonesia's bargaining power in diplomatic forums. Thus, Presidential Regulation No. 44/2020 is not merely a technocratic measure, but a political statement that Indonesia manages sustainability according to its own interests, while also emphasising that the source of the threat actually comes from external regulations that ignore domestic policies.

This economic security strategy is implemented through cross-ministerial and inter-agency synergy. The Ministry of Foreign Affairs frames EU regulations as a form of discrimination and a threat to the welfare of small farmers, then articulates this narrative in multilateral forums such as the WTO, ASEAN, and the Council of Palm Oil Producing Countries (CPOPC). The Ministry of Environment and Forestry integrates palm oil policy with the no deforestation, no peat, no exploitation (NDPE) agenda through forest cover mapping, land use regulations, and peat restoration, thereby providing ecological legitimacy to the claim that palm oil can be managed sustainably. The Ministry of Trade plays a role in protecting access to the palm oil market, using ISPO and Presidential Regulation 44/2020 as the basis for arguments to reject the European Union's non-tariff barriers, while encouraging export diversification to non-European markets. On the other hand, the Palm Oil Plantation Fund Management Agency (BPDPKS) provides financial

support for replanting and certification, especially for smallholders, so that sustainability policies are not only a regulatory burden but are also facilitated by state funding instruments.

These domestic policies do not stop at the national level but are used as key assets in international diplomacy. At the WTO, Indonesia used the existence of ISPO and Presidential Regulation 44/2020 as evidence that the country had met strict sustainability standards when it challenged the EU's

RED II and Delegated Act policies through the Dispute Settlement Body (DSB) mechanism in 2019, arguing that restrictions on palm oil biodiesel violated the principle of non-discriminatory trade. In the CPOPC forum, ISPO and Malaysian Sustainable Palm Oil (MSPO) are positioned as legitimate national standards and used as a basis for building a coalition of producer countries to collectively face pressure from the EU. In ASEAN, Indonesia sought to make palm oil a regional issue, so that its bargaining position with the EU would not rely on a single country, while in the G20, Indonesia promoted its palm oil policy as a good practice in the sustainable management of strategic commodities.

Thus, domestic policies developed within the framework of economic security also functioned as instruments of soft power and diplomatic legitimacy.

An evaluation of the effectiveness of this strategy shows ambivalent results. On the one hand, policies such as RAN KSB, ISPO, and Presidential Regulation 44/2020 have succeeded in strengthening Indonesia's political legitimacy and clarifying the narrative that palm oil is a strategic commodity that is regulated in a sustainable manner. These policies also provide a strong basis for legal and political diplomacy, enabling Indonesia to counter EU regulations in various international arenas with arguments supported by national regulations. On the other hand, from a technical perspective, significant challenges remain, especially at the smallholder level. Although ISPO is mandatory, its adoption among smallholders remains low due to cost constraints, limited access to information, and technical assistance, making certification often easier to achieve for large companies. Furthermore, international recognition of ISPO has not fully offset the dominance of other certification schemes that are more recognised in the European market, while the EUDR brings new requirements such as geo-tagging and supply chain tracking that are difficult for smallholders to meet.

Interviews with officials from the Ministry of Trade, the Ministry of Foreign Affairs, and representatives from GAPKI and APKASINDO

reinforce the view that national sustainability policies are not only designed to meet global market demands, but also to assert Indonesia's economic sovereignty and political legitimacy vis-à-vis the European Union. The sources emphasised that the politicisation of EU policy has actually opened up space for Indonesia to turn external pressure into momentum for internal consolidation, both in terms of strengthening regulations and institutions. However, they also acknowledged that the long-term success of this strategy is highly dependent on the country's ability to overcome implementation gaps, particularly the integration of smallholders into the national certification scheme, enhancing the credibility of ISPO in the eyes of international buyers, and technical adjustments to EUDR requirements. Thus, Indonesia's economic security policy in the context of EU regulations not only reflects a response to external pressure, but also illustrates internal tensions between the need to maintain foreign exchange reserves, protect the livelihoods of millions of farmers, and meet demands for greater sustainability and governance within the country.

4. CONCLUSION

This article shows that Indonesia's response to EU regulations on palm oil is shaped by a combination of politicisation, the construction of existential threats, and economic security policies. Various state and non-state actors framed EU regulations as discriminatory, economic, social, and sovereignty

threats, which then shaped a series of speech acts to strengthen the legitimacy of Indonesia's resistance at the domestic and international levels.

The palm oil sector is positioned as an essential referent object for economic stability and community welfare, especially for smallholders, so that the narrative of existential threats gains strong political appeal. Through rhetoric of discrimination, neocolonialism, questionable scientific methods, and Global South solidarity, Indonesian actors mobilise public support and strengthen their diplomatic bargaining position.

At the policy level, Indonesia implements economic security strategies through instruments such as ISPO, Presidential Regulation 44/2020, downstreaming, market diversification, and multilateral diplomacy through CPOPC. These efforts serve as a counter-regulatory response to external pressures, although their effectiveness still faces structural constraints, particularly related to smallholders and supply chain traceability.

Overall, this article confirms that Indonesia's response is at an intense level of politicisation within the spectrum of securitisation, where the state adopts a security perspective to elevate the status of the palm oil issue, while remaining within the framework of normal policy rather than extraordinary measures. This process demonstrates how Indonesia uses strategic narratives to maintain regulatory autonomy, protect national economic interests, and strengthen its geopolitical position in the face of EU environmental regulations.

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