

The Impact Of Investment Business In The Plantation Sector On Increasing Community Welfare In Keerom District¹

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Abstract

The issue of this research focuses on the investment objectives that have not been achieved in Keerom Regency, especially the plantation sector, namely increasing the welfare of the community around the company. The method used in this research was qualitative research. This research is to find out and explain the forms of cooperation between investment companies and the people of Keerom Regency in improving the welfare of the community around investment companies in the plantation sector. And, to find out the efforts to empower the community around the Planting Company in improving people's welfare. The purpose of implementing investment is to improve the welfare of the community and create employment opportunities to benefit the region, provide benefits to the community around the company through community empowerment (Community Development), and provide benefits to

plantation business actors.

I. Introduction

Investment is one of the alternatives that is considered good for the government to solve capital difficulties in launching national development, because one of the functions of investment, especially foreign investment, is to take advantage of capital, technology, skills or abilities possessed by investors to manage their potentials. economic potential (economic resources) that really

¹Aminuddin Ilmar, 2010, Investment Law in Indonesia, Kencana Prenada Media Group, Jakarta p. 185.

²Sentosa Sembiring, 2007, Investment Law, Discussion supplemented by Law Number 25 of 2007 concerning Investment, Nuansa Aulia, Jakarta, p. 37

³Taufiq Effendi, 2013, Bureaucratic Reform and Investment Climate, Constitution Press, Jakarta, p. 218-119.

⁴ Sentosa Sembiring, 2007, Hukum Investasi Pembahasan dilengkapi dengan Undang-Undang Nomor 25 Tahun 2007 tentang Penanaman Modal, CV. Nuansa Aulia, Bandung, hal. 57

⁵ *Ibid*, hal. 33.

⁶Gunawan Sumodiningrat, Membangun Perekonomian Rakyat (Yogyakarta: Pustaka Pelajar, 1998), hlm. 24

require large capital, sophisticated technology, professional skills and abilities that have not been fully handled by the national private sector or the government itself.

Law Number 25 of 2007 concerning Investment, aims to create a just and prosperous society based on Pancasila and the 1945 Constitution, it is necessary to carry out sustainable national economic development. Investment is part of the implementation of the national economy based on economic democracy to achieve state goals. To accelerate national economic development, it is necessary to increase investment to process the potential economy into real economic strength, using funds originating from within the country as well as from abroad.

Facing the global economy and Indonesia's participation in various international cooperation, it is necessary to create a more conducive and promotive investment climate.

One of the factors that really determine investors invest their capital, namely the framework and rule of law will create legal certainty which includes legal protection, balance and justice. Legal certainty in services, especially in the regions, also includes requirements, costs and time so that services are easy, fast, accurate and inexpensive.

Special Autonomy for the Province of Papua is regulated in Law Number 21 of 2001. In Article 1 b, it is stated that Special Autonomy is a special authority that is recognized and given to the Province of Papua to regulate and manage the interests of the local community according to their own initiative based on the aspirations and rights the basis of Papuan society.

Recognition of the existence of customary rights by the Basic Agrarian Law is a natural thing, because customary rights and customary law communities existed before the formation of the Republic of Indonesia on August 17, 1945. Article 3 of the Basic Agrarian Law confirms this recognition by stating "with the the provisions in Articles 1 and 2, the implementation of customary rights and similar rights of customary law communities, in so far as they actually exist, must be in such a way as to be in accordance with national and state interests, which are based on national unity and not may conflict with laws and other higher regulations.

Ulayat rights are a series of authorities and obligations of a customary law community, which relate to land located within their territory. Ulayat rights cover all land within the area of the legal community concerned, whether someone has already claimed it or not.

Broadly speaking, in customary law communities there are 2 (two) types of land rights, namely individual rights and legal partnership rights over land. The members of the legal community have the right to collect wild plants and animals from the land of the legal community. In addition, they have the right to enter into certain legal relations with the land and all contents on the land of the legal partnership as objects.

2. Research Method

The method used in this research was qualitative research. This research is to find out and explain the forms of cooperation between investment companies and the people of Keerom Regency in improving the welfare of the community around investment companies in the plantation sector. And, to find out the efforts to empower the community around the Planting Company in improving people's welfare.

3. Results and Discussion

In Community Empowerment Efforts Around the Company

1. For Local Communities

Investments invested by investors have a very important role for local communities because these investments have an impact on the lives of local people. Investment, of course, can have both good and bad effects so as to reduce and even prevent bad effects from arising investment, we need an arrangement that obliges a company to carry out local community development.

The development of the plantation business aims to eliminate poverty and underdevelopment, especially in rural areas, while also paying attention to economic equality between groups and between regions. Plantation development in a broad sense aims to improve the welfare of the community so that a change occurs in the lifestyle of the surrounding community.

Indigenous Papuans are the owners of land and forest rights which were inherited from their ancestors as a hereditary inheritance. The indigenous Papuan people who live around the company hope that development in Keerom district should not only count economic benefits, but what is more important is how the welfare of the people who own customary rights and the communities around the company benefit.

The development of the plantation business in Keerom district is expected to have a multiplier impact on the regional economy, especially in creating opportunities and employment opportunities. Plantation companies in Keerom should provide benefits so that they can expand the power of distribution to the surrounding community. The more plantation companies develop, the more felt the impact on the workforce working in the plantation sector in this region.

But in reality, the community around the company has not felt the impact. This can be seen from the people's income which is still very low and has not had an impact on a better life. Likewise, there has been no significant change in the level of welfare of the community around the company, such as improvements in their health and education.

The obligation to carry out Corporate Social Responsibility for every investor is regulated in Article 15 letter b UUPM Number 25 of 2007 which states "every investor is obliged to carry out corporate social responsibility" is also regulated in Article 74 of the Limited Liability Company Law Number 40 of 2007.

Based on the provisions mentioned above, even though it is an obligation for every plantation company to carry out corporate responsibilities, this is not the case with PT. Rajawali Group which operates in Keerom district. This company has been operating since 2008 with a cultivated land area of around 18,000 hectares.

PT. Rajawali Group uses the nucleus and plasma pattern of 30% for the people who own customary land rights. The company handed over 30% of the total area of plantation land to the community around the company to be managed. The produce from this plantation is purchased by the company.

PT. Rajawali Group to the community has not been so visible that it has been felt by the community as well as education and health facilities that have not been optimal. Communities around the company have not felt the positive impact of the plantation company, in fact the community sees the reality that the impact of the presence of plantation companies has brought setbacks

In the name of development, the government is sacrificing the indigenous Papuan people who live around the company in order to maintain the existence of the plantation company in Arso, Keerom district.

The reason given was for welfare. The local government only listens to the company that the company is a partner of the government that will carry out development programs with the aim of improving people's welfare.

PT. Rajawali Group which also operates in the Yeti district of Keerom. The community around the company hopes that there will be concern from the company and the government regarding the welfare of the community. Community protests against "Tali Asih" are too small and the community charges for company promises that are not fulfilled but the company does not respond to them.

As for the oil palm plantation activities of PT. Rajawali Group Keerom has resulted in various social impacts, especially for people who live around plantations related to social problems. The existence of this palm oil mill will create various perceptions in society. Perceptions tend to influence people's behavior and responses to environmental, social and cultural conditions.

Based on the results of the study, it was shown that the plantation activities carried out have provided benefits according to community respondents and employee respondents, this is because the community believes that the existence of plantations contributes to improving community welfare

such as employment of local workers.

Meanwhile, some people think that oil palm plantations are of little use to them. The oil palm plantation activities carried out also had other impacts, namely the existence of people who felt disturbed by plantation activities such as: the traffic of company vehicles and factory fumes, while respondents who felt not disturbed argued that the company had tried to overcome the impacts that occurred such as pouring ash on the way to the palm oil factory. The following are facilities and infrastructure for the surrounding community.

Although not all plantation activities provide or cause sources of income for the community, this depends on the type of plantation investment (nucleus or plasma) and the economic sector to be carried out. Investment in the plantation sector will ultimately affect the extent to which plantation activities benefit the surrounding community. Local government policies and the ability of the community to benefit from plantation development are very influential.

The benefits of this plantation activity on rural economic aspects include expanding employment and business opportunities, increasing the welfare of the surrounding community and contributing to regional development. The positive impact obtained from investment is the opening of employment opportunities for local communities around the company which means providing opportunities for the community to earn income, with the income received, the community can meet their needs, the more people's needs are met, the more prosperous the life of the community.

The purpose of organizing plantations is intended to increase the welfare and prosperity of the people, increase the country's foreign exchange sources, provide This can be seen from the people's income which is still very low and has not had an impact on a better life. Likewise, there has been no significant change in the level of welfare of the community around the company, such as improvements in their health and education.

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The purpose of organizing plantations is intended to increase the welfare and prosperity of the people, increase the country's foreign exchange sources, provide of employment and business opportunities, providing protection to plantation business actors and the community.

Basically the purpose of investment companies is to seek profit, profit or profit. Economic goals have big responsibilities such as responsibility in maintaining the existence of their business and the welfare of employees and the community around the company.

Plantation companies build partnerships with surrounding communities, these partnerships are carried out based on the principle of benefit and sustainability based on mutual benefit and responsibility. Partnerships are intended to be able to further empower and increase the added value of welfare for the planters, employees and communities around the plantations as well as to guarantee and maintain the security, sustainability and continuity of the plantation business integrity. With the intent of the partnership, of course, plantation companies also have an interest in implementing good and effective partnerships. Partnership provisions are intended to further improve the welfare of employees, smallholders and the community around the company as well as to maintain security, continuity and integrity of the plantation business.

PT. Rajawali Group facilitates the development of community gardens around the company with a minimum area of 30% (thirty percent) of the total area of the plantation cultivated by the plantation company. The company is obliged to foster and assist plasma farmers so that the goals for the welfare of the community around the company and the beneficiaries of the plasma are achieved.

Plantation companies in the Keerom district do their best to encourage the economy in the area and pay attention to the local wisdom of indigenous peoples, taking into account the cultural characteristics and noble values that apply in the life of the community around the company.

To empower the plantation business, plantation companies enter into plantation business partnerships that are mutually beneficial, mutually

respectful, mutually responsible and mutually reinforcing and interdependent with planters, employees, and communities around the plantations. Plantation business partnerships can have a pattern of cooperation: provision of production facilities; production; processing and marketing; and share ownership.

2. Corporate Social Responsibility

Every company is obliged to carry out what is called Corporate Social Responsibility (CSR). The company is no longer just running economic activities to create profit (profit) in maintaining the continuity of its business, but also has a responsibility towards society (social) and the environment. Corporate responsibility towards the public interest can be realized through the implementation of CSR programs that are sustainable and directly touch aspects of people's lives.

The obligation to carry out Corporate Social Responsibility (CSR) is also regulated in Article 74 of the Limited Liability Company Law Number 40 of 2007 as follows:

(1) Companies that carry out their business activities in the field of and or related to natural resources are required to carry out social and environmental responsibilities.

(2) The obligation is calculated as the cost of the company whose implementation is carried out by taking into account decency and fairness.

(3) Companies that do not carry out the obligations referred to in paragraph (1) are subject to sanctions in accordance with the relevant laws and regulations.

(4) Further provisions regarding social and environmental responsibility are regulated by Government Regulation.

The provisions of this law create phobia among a number of people, especially local business actors. The pros and cons of this provision are still continuing today. Then, if examined further, it can be seen that the provisions of Article 74 of the Limited Liability Company Law only state that companies that run a business in the natural resources sector are required to carry out social responsibility, what about companies that are not engaged in the natural resources sector, do they not have CSR obligations, then what sanctions can be imposed on companies that do not carry out these CSR obligations. In addition, important aspects of fulfilling the rights of local communities, including the right to information, the right to a healthy environment and the right to participate where they are the parties directly and indirectly affected by the operation of a company also need to be clarified.

PT. Rajawali Group has carried out several CSR programs in the fields of education, health and other public infrastructure. Programs like this must be

maintained or implemented continuously so that the relationship between the community and the company is well maintained. This CSR is very useful, of course the government is also helped by this program. This is because the costs of CSR are all borne by the company.

Meanwhile, the local government hopes that the CSR program can help complete these social problems, such as unemployment, poverty, education, health, and economic problems, such as empowering small/medium enterprises and so on.

The CSR program is an investment for the company for the growth and sustainability of the company and is no longer seen as a means of cost but as a means of making a profit. CSR is the company's commitment to support the creation of sustainable development and is the company's contribution to the sustainability of the life of the surrounding community, both socially, economically and environmentally.

Forms of corporate social responsibility include providing scholarships to students from the areas where the company operates, providing guidance to plasma farming community cooperatives, building places of worship (churches and mosques) and participating in religious and traditional events.

Plantation companies should carry out corporate social responsibility towards the surrounding community to eliminate the negative social and economic impacts that arise. Corporate social responsibility (CSR) is a business commitment to construct sustainable economic development.

Through CSR, the welfare and socio-economic life of local communities and the wider community will be guaranteed. This condition in turn will ensure the smooth running of all company processes or activities.

If CSR is really implemented effectively, it can improve the company's image, strengthen or increase the accumulation of social capital in order to improve people's welfare.

Basically CSR is a form of company contribution to the sustainability of the lives of the surrounding community, both socially, economically and environmentally. The CSR program is the company's commitment to support the creation of sustainable development.

In order for the CSR program in Keerom district to run well, the involvement of the three stakeholders, namely companies, communities and local government must be optimized. In implementing CSR programs, it is hoped that these three elements will interact, support each other, participate actively and synergize in a comprehensive manner. In addition, it is necessary to involve Universities and Non-Governmental Organizations which are used as a forum for the implementation of CSR. The advantage for companies that carry out CSR is the development of a company's reputation or image, eliminating social conflicts around the company. It is also expected that the

implementation of CSR must be based on the aspirations of the community around the company. An understanding of the real conditions of the social and economic conditions of the community around the company is needed to develop a systematic CSR program, empower the community and fulfill the rights of the community around the company. can be avoided.

In addition to corporate social responsibility, companies can also continue to develop partnership patterns intended to be able to further empower and increase added value/welfare for the community around the company as well as to ensure and maintain security, sustainability or continuity of plantation business integrity.

4. Conclusion

The purpose of implementing investment is to improve the welfare of the community and create employment opportunities to benefit the region, provide benefits to the community around the company through community empowerment (Community Development), and provide benefits to plantation business actors. The presence of investors as local government partners to leverage to improve the welfare of the community around the company. The company's responsibility to local communities through the implementation of Corporate Social Responsibility (CSR) programs from plantation companies has not had a positive impact on the community around the company. Plantation companies are expected to be able to maximally carry out corporate social responsibility (CSR) to communities surrounding plantation companies through community empowerment (Community Development) so that they can provide great use value/benefits for communities surrounding plantations. Regulations are needed regarding rules related to programs and implementation of Corporate Social Responsibility (CSR). For this reason, it is necessary to make Perda/Perdatus regarding corporate social responsibility, of course with a more in-depth and comprehensive study, supervise companies by involving non-governmental organizations, academics (universities in Papua) and provide sanctions to plantation companies that do not carry out corporate social responsibility to the community around the plantation company.

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