

The Implementation of Plantation Business License in Siak Regency

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ABSTRACT

Palm oil plantation business licensing in Siak Regency has not been implemented effectively in accordance with the in force regulations (act on forestry, permenhut, permentan, SKB 3 Ministers), especially regarding to the release permission of forest area and HGU permit. This condition is affected by several factors, namely communication, namely the dissemination, system and procedure (SOP) for implementing the licensing effort of implementation of palm plantation in siak Regency. Therefore it is necessary to take some steps in order to overcome the factors that affect the success of the palm plantation business licensing implementation in Siak Regency, such as the increase of socialization to the target, the transformation of the information clearly and consistently, the increase of the quality and quantity of the implementing policy reform, as well as crafting a clear SOP so that law enforcement can run optimally.

Keywords: *Implementation, Permission and Plantations*

INTRODUCTION

Riau Province can not be separated with the presence of oil palm, though in this oil-rich region there is still commodities, such as; sago, Palm and rubber as well as cocoa, however, oil palm is still being a favourite among a row of such commodities. This is quite reasonable, considering the current facts proving that palm plantation in Riau is the widest in the country. This sector is believed to be able to move the economy of Riau faster.

Commodity plantations developed in Siak Regency are listed 7 types of plants, with rubber and coconut plantations are the main crops, and palm oil as the main commodity plantations. Large Private Plantation is the largest structure that have obtained permission in the Siak Regency to develop a superior type of commodity, namely palm oil. While the community plantations spread around the neighborhood and the large plantations serve as the great plasma plantations.

The potential of Siak Regency is palm oil plantation with a total spread of oil palm plantation area is 217.715 hectares and the spread of oil palm mills is 20 units. The production of palm oil of the Siak Regency society is currently 4.227.028 Tons with average production 23.697/KgHa. Plantation crops that are experiencing increasing significantly are palm oil, while rubber plantation suffering for reduction. That means some existing plantation commodities including rubber are transferred into oil palm plants, because based of the forestry and plantations data, the Palm plants suffered no reduction.

541

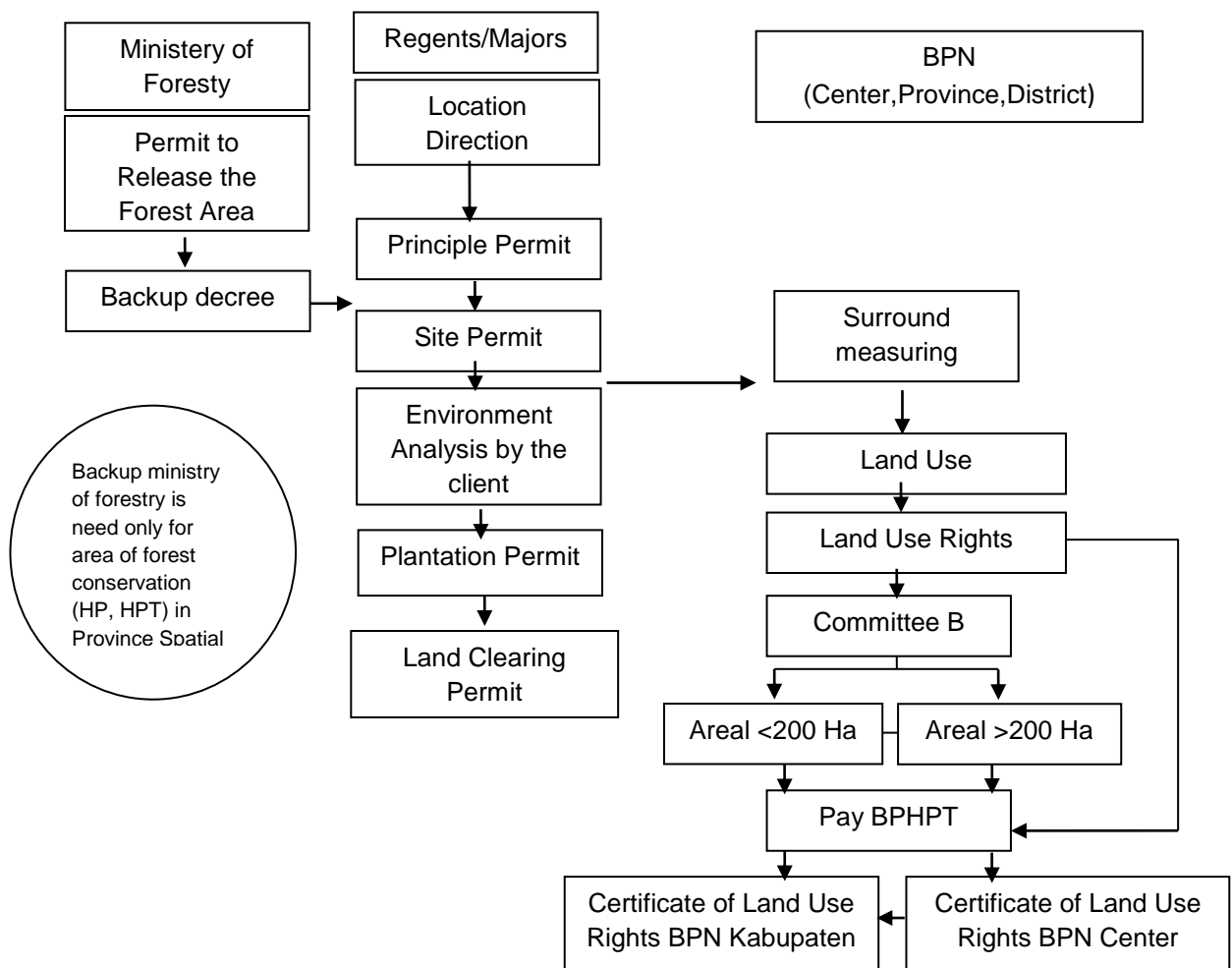
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The development of oil palm plantations still gives great opportunities in Siak Regency. The implemented pattern in the development of the commodity plantations, among others, are; the pattern of private companies, partnerships, self-help pattern and the core plasma. An increase in value-added of CPO downstream industry so it can produce margarine, cooking oil, soap and so on. CPO Downstream industry activities could be developed as an integral in the industrial area of Tanjung Buton. Very major works offered to investors are to build industry downstream. The increasing investment in Siak Regency year to year for investors is in the fields of plantations of Palm, because the land is supporting and strategic, so nearly every empty land or forest is used to build palm oil plantations.

Licensing Management Procedure Plantation Business, more or less its essence as follows:

Picture 1. Flow Management Licensing for Plantation Business



Based on the above procedures, the new company can open land or build business after taking care all stages of licensing.

Table 1. The company as an investor and permission obtained for business management of plantation in Siak Regency

No	Nama Perusahaan	Jenis Izin
1	PT Siak Prima Nusa Lima	Izin Lokasi
2.	PT Berlian Inti Mekar	Izin Lokasi
3.	PT Duta Swakarya Indah	Izin Lokasi
4.	PT Siak Prima Sakti	Izin Lokasi
5.	PT Maridan Sejati Surya Plantation	HGU
6.	PT Ivo Mas Tunggal	HGU
7.	PT Aneka Inti Persada	HGU
8.	PT Era Sawit Perkasa	Izin lokasi
9.	PT Bina Pitri Jaya	HGU
10.	PT Smart. Tbk	Izin lokasi
11.	PT Sawit Bumi Minas	HGU
12.	PT RAKA	Izin Lokasi
13	PT LEKO	Izin Lokasi

Source : Data olahan, 2014

The Table 1.1 above explains some Palm oil plantations that use site license issued Bupati/Walikota to carry out operational activities in the field. Prior to the release of forest area and forest area borrowed permits from Menhut, potentially fall into the category of using the forest areas not procedurally.

The other problems to province of Riau is its RTRW not on the passed by the Minister of forestry yet. For a while the only guided TGHK which was not an assignment of TGHK forest area, but still as a designation which must be implemented with limitation and determination. It also divides the forest based on ownership, functions and allocation. Meanwhile TGHK was simply dividing the forest based on its functions only, whereas the division of forests based on ownership and allocation was also not implemented.

LITERATURE REVIEW

According to Grindle in Solichin (2002: 45), the actual implementation policy is not just relevant to the elucidation mechanism of political decisions into routine procedures through bureaucratic channels, but more than that, it concerns the problems of conflict, decision and who gained what from the policy. It is therefore not too wrong if it is said that the implementation of policies is an important aspect of the overall policy process. As good as any kind of a policy will not be beneficial if it may

not be applied according to the plan. The application is a process which is not simple.

To implement a policy is not a simple problem, especially in achieving the objectives together, it is hard enough to make a good and fair public policy. More and more difficult to execute it in a satisfactory way to all people including those who are considered to be the client. Another issue is the difficulty in meeting the demands of the various groups that can cause conflicts which encourages the development of political thought as a conflict.

According to Riant Nugroho (2012: 674), if we already had a good concept, 60% of success is already in the hand. However, the 60% will be scorched if 40% of the implementation is not consistent with the concept. Unfortunately again, there are many researchers who found that the planning concepts and implementation is consistently average between 10-20% only. From here we know that the implementation of the policy, it is indeed crucial.

The definition and concept of public policy implementation vary widely. According to Van Meter and Van Horn in Fadillah (2001: 81) stated that the implementation of policies is the implementation and control of the direction of policy action to the achievement of the policy. Then formulating the policy implementation process as: "Policy implementation encompasses those actions by public or private individuals (or group) that are directed at the achievement of the objectives set forth in the prior policy decisions" (this statement gives the meaning that policy implementation is the overall actions being carried out both by individuals and groups of private and Government which directed to the achievement of goals and objectives, which is a priority in policy decisions).

In principle the matrix of Matland has "five right" that is needed to be fulfilled in terms of the effectiveness of the policy implementation, namely:

1. Is sole discretion just right

The accuracy assessed from the policy are:

- a. the extent to which existing policy have charged things which indeed to be solved its problem. The question is how excellent the policy.
- b. Whether the policy had been formulated in accordance with the character of a problem to be solved.
- c. Whether the policy is made by agencies that have authority (institutional mission) and corresponds to the character of the policy.

2. the Right executor

The actor of policy implementation is not only a Government, there are three institutions that could be the executor; Government, cooperation between Governments – the community/private, or the private implemented policy.

3. the Right target

- a. Whether the intervened target is in accordance with the plan, is there no overlap with other interventions, or does not conflict with other policy interventions.
If the target is in a condition ready to intervene or not. Readiness is not only in the sense naturally, but also whether the target conditions exist in conditions of support or reject.
- a. is the implementation of policy interventions are new or the update of previous policy implementation. Too many policies which seem new but in principle repeating from an old policy, will result not effectively as the previous policy.

4. Appropriate environment

There are 2 of the most decisive environment, namely:

a. the environment of policy

it is the interaction between institutions of managing policies with the policy framers and related institutions. Donald J. Calista referred to it as endogenous variables, as the authoritative arrangement regarding the power source of authority of the composition, network policy with regard to the composition of the networks of the various organizations involved policy, either from the Government or society, setting the implementation with regard to the position of bargaining between the issuing authority policies and networks with regard to the implementation of the policy.

b. external Environment

This environment by Calista referred to as exogenous variables, consisting of public opinion, that is the perception of the public on policy and its implementation. Interpretive institutions which deal with the interpretation of strategic institutions in community, such as the mass media, the pressure groups, and interest groups, in interpreting and implementing the policy, and individuals, are individuals who are able to play an important role in interpreting the policy and implementing of the policy.

5. Right process

In general, the implementation of a public policy consists of three processes, namely:

- a. Policy acceptance
The public understands the policy as a "rules of the game" that are needed for the future, on the other hand the Government understands the policies as a task that should be carried out.
- b. Policy adoption
Public accepts policy as a "rules of the game" that are needed for the future, on the other hand the Government accept the policy as a task that should be carried out.

c. Strategic readiness

The public is ready to perform or be part of the policy, on the other hand the bureaucrats on the street (or executing bureaucrat) is ready to execute the policy. the Five "proper" still need to be supported by three types of support, namely

1. political support
2. strategic support, and
3. technical support.

RESEARCH METHOD

This conducted research methods is explanation research through qualitative research approaches to explain and to dig deeper about the subject and the object, either a person, institution, community and others as well as on the results of observation and based on conducted interviews as well as providing analysis of what is found in field of research and is associated with the concept of relevant theory. As for the research informant i.e. Head Section Perpetaan and Forest Inventory of Forestry Agency in Riau Province, head of Business Department of Forestry and plantations (Dishutbun) of Siak Regency, as well as an inventory of Head Section, Forest and Land Use in The forestry and Plantations (Dishutbun) of Siak Regency.

RESEARCH RESULTS AND DISCUSSION

Generally, researchers divided the licensing procedures into 4 stages which are the release permit of forest area, site license, business license and Permit of HGU plantation. As for the reason that among all the licensing procedure, the four permission at the real implementations found many problems that did not comply with the applicable rules and mechanisms that had been set in advance according to the respective licensing mechanisms. Many found the implementation of licensing in the field is non procedural dealing. In this chapter, researchers discuss and break it as follows:

1. Permit the release of forest area

In Act No. 41 of 1999 on Forestry on article 6 it is mentioned the forest based on function point including the conservation forest, protected forest and forest production. On article 19 states that the change in designation and function of forest area designated by the Government and based on the integrated research. On PP No. 10 in 2010 about how to Change the designation and functions of forest areas mentioned that the release is a change in the allocation of forest area that can be converted into productive forest area instead of the forest area. The release of this forest area will not be processed in the province whose vast forest is less than 30% unless by the way of exchanging forest area.

546

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Release of the forest area is done for the sake of development of the outside activities of forestry, i.e. as for resettlement and for plantations. Petition for the release of the applicant's proposed forest area is to the Minister of Forestry. The Minister may issue a letter of denial or publish approval principle of a release of forested areas, if agreed to do so. Approval of the release of the jungle is a written statement from the Minister that contains the approval of requests for release of the forest area and to be used for the development outside of forestry activities. Principal agreement provided for a period of no longer than 1 (one) year after publication and can be extended by 2 (two) times respectively the longest 6 months.

In the period of the applicant's principal agreement prohibited to conduct activities in forest area except a dispensation from the Minister. When have been completed the boundaries of forest areas and secure the forest area and poured in a news event and map the results the limit signed the boundary Committee of the published Decision, the Minister may release the requested forest area. Furthermore it can be issued a certificate of land rights.

All those who use the forest area should get the permission from the Minister of Forestry. In practice, according to Act No. 5 of 1990, especially for conservation areas, national parks and nature reserves, are supervised by Director-PHKA together with the staff, such as BKSDA and the national parks. While for the protected forest and productive forest they are overseen by Governors and Regents. Its implementation is set in the forest use agreements, and this is an area made.

Request for conversion of forests to plantations development interests keep continuing to rapid improvement, resulting in the wide of conversion forest area continues to decline. Due to the demand to release of the forest area is increasing, then the rate of opening of the forest for plantations in recent years is very high and the pressure on the sustainability of forests will steadily grow. This has resulted in environmental damage due to the extensive forest cover is reduced, the tree is reduced as well as biodiversity and ecosystems in the forest was lost. In addition, the planted palm oil crop plantations needs large amounts of water, that is 7-8 liters per day, in addition to, the plant palm oil is not included as a plant that is environmentally friendly and makes land dry due to absorb the nutrient elements in the land.

Many findings in the Siak Regency, where a large scale company recommended to opening the forest but was not equipped by the permits the Minister of forestry and the head area only (could) give recommendations, while licensing for the forest openings exists at the Ministry of forestry. The used mode that is by cutting the forest to the large scale of palm oil plantations, without first requesting permission to use or borrow the release of forest areas from the Ministry of forestry.

The factors that lead to difficulties in the well application of the policy is due to the difficulty of getting enough information, especially the implementation in the field, and there are various different interests of forest resources so it influences the different actions choice. Businessmen tend to be oriented to the interests of capital



increasing by ignoring the principle of conservation or environmental sustainability, captured the previous forest tenure controlled by local people, and others.

Forest concession which was originally meant to prop up the national economy and the region, in fact has kebablasan. Forest concession has created a group of wealthy on one side, and community groups who are suffering on the other side. Environmental severe degradation, denuded forests, waste, forest fires, smoke, marginalized communities is part of the inherent uncontrolled forest concessions.

2. Site Permits

Location permissions are the permissions granted to the company to acquire the necessary land in the framework of the applicable capital investment as well as permit the transfer of rights, and to use the land for purposes of venture capital investment. Groove backup site license of the company that needs the land for the purposes of his business must apply for site direction to the Regents/Majors with a copy to the head of the Office of Land, head of plantation Department and head of the Department of Forestry in 2nd regional territory by attaching the company statute which has been certified by the Minister of Justice and human rights.

In getting Land direction, the head land office convenes coordination with relevant agencies and suggests the area of nonhutan (APL). the Regents/Majors published a letter of decision directives of applicable location which is valid 6-12 months. Based on the decision letter of referral locations the company can undertake activities survey of land. If the land is suitable for the development of palm oil, then the company can apply for permission principle. The principles permits will be issued by the Regent of Siak for a period of 1 year. During this period, employers must undertake activities/mastery over land and ask permission principle.

Site license which has expired can be extended. Petition for extension of the permission must be submitted no longer than 10 working days prior to the term site license runs out of end accompanied by reason of its extension. The petition site license should only be submitted if the terms of the acquisition of land is more than 50% of the area is reserved. Extended site license only allowed one time for a period of 12 months. Regent Siak published decision extended site license no longer than 10 working days after the application for extension of the permission file location receipt.

3. Plantation business permit

The plantations with the amount of area less than 25 ha must be listed by the Regents/Majors and given the Letter Sign List Plantation Cultivation. For a land area of 25 ha or more required to have permission. Plantation Business permit is a written authorization from the competent authority (Mayor/Regent when in the City/County and Governor for the cross-county) and is owned by the company that is obliged to do plantation cultivation and Processing Industry enterprises which is integrated with the results of the plantation. Specifically for palm oil must meet a minimum of 20% of

the raw material needs are kept to themselves. The company is obliged to build a garden for the surrounding community to a minimum of 20% of the total area of cultivated plantation. Plantation business permit granted to one company of wide of 100,000 ha.

Terms of the plea of an Plantation business permit are; to attach recommendations compliance from the Mayor/Regent (for Plantation business permit, published by the Governor), recommendations for compliance with the plan of the estate macro development provins of Governor (for for Plantation business permit, published by Regent/Mayor), a site license from Regent/Mayor of technical considerations, availability of land and forestry agencies of the AMDAL, as well as a statement of willingness to do a partnership. To that end, the granting of a permit should be considered with AMDAL, so that anyone who violates the provisions must be solved completely. So there is no condition of false AMDAL in development related to the environment around them. And in this case the implementation of Act No. 32 of 2009 on the protection and management of the living environment should be clear and precise objectives.

4. Rights of Petition effort

Kepres No. 34 of 2003 about national policy in the field of land handed over to government authorities of nine department of land to Government the city and districts, which are: the granting of the permit location; organizing the procurement of land for construction purposes; granting permissions to open ground; land use planning area of kabupaten/kota.

The company which has obtained the location permission from the Regents/Majors and once finished executing the acquisition of rights over the land which had been released, can apply for rights of Petition effort. As for acquisition land procedures can be done with some process as follows:

1. sale and prospective recipient is eligible to be the subjects of land rights and land obtained the existed certificate already. Buying and selling is done through land deed official.
2. Waiver of rights in front of a Notary if the soil has not been registered and/or indigenous land. Publishing rights over land such as this can be done after the announcement expires.
3. through the application of a right if the land was controlled by the State. In the case of arable land must be free of other control over the question land.
4. via the Exchange if the land belongs to government agencies after obtaining approval from the Minister of Finance.
5. land release accompanied the submission of payment recognition in respect of his land is land rights to unalienated, along the unalienated fact still exists.

Factors that affect the success of the palm plantation business licensing implementation in Siak Regency i.e. communication, resources, a factor that is still lack of implementing policy resources in terms of quality and quantity, the disposition

of which implementing attitude in terms of accepting or rejecting the policy, as well as the bureaucratic structure that is not yet available to its systems and procedures that are raw and definitely in terms of implementing business palm plantations licensing policy, it is apparent from the not legalized of Spatial plans of district/cities yet in Province by the Ministry of Forestry. Spatial plans of district/cities is so influential to the settings control and supervision in the field of utilization of space. Spatial plans of district/cities should also refer to Spatial plans of Province. It is intended that there is sincronisation of Development among national level, provinces and district/cities. In terms of setting up a space forestry service only guided to TGHK while TGHK can be viewed as a general Spatial Plan of the imaginary nature that does not have the force of law definitively.

CONCLUSION

Implementation of licensing of palm plantations businesses in Siak Regency hasn't run with maximum, meaning that the implementation is still not running or has not been effective either in the process of implementation. It is apparent from the palm plantation company, that does not have HGU yet while it has been operating, so, without HGU, they did not pay tax which is the source of the local income. A palm plantation in the new rule can do plantation cultivation activities after getting HGU from the BPN. The Government in this matter, namely Forestry and Plantations Office in Siak Regency should perform socialization and provide access to surrounding communities for the opinions and oversee the process of granting permits the Government does. Because of the limited licensing of socialization at a particular place and far from the building of the estate. Though socialization is the most important key issue of all the process that will follow.

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