# Palm Plantation Conflict (study of Sintang Regency, West Kalimantan)

### Hasan Almutahar<sup>1</sup>

Faculty of Social Science and Political Science Tanjungpura University

Email: <u>hasanalmutahar4@gmail.com</u>

**ABSTRACT**. Conflict dynamics of oil palm plantation development was conducted in Sintang. This study used descriptive and qualitative approach. The findings are that there are still many farmers who object to the location of their plasma plantation, compared to their residence location, specified by palm plantation companies. The company seems to deliberately delay the conversion for a variety of reasons which is basically detrimental to farmers. Such a long time for conversion means that their credit responsibilities will also increase, longer than the predetermined time, seven years. Work grouping system and lending to small holder plasma farmers; the system of granting credit to farmers in group while the payment is done individually means that the diligently working farmers will feel encumbered by member shaving credit. Such a system must be improved by adding the approval not only from the cooperatives, but also from the chairman and members of the group.

Keywords: conflict, oil palm, plantations

### INTRODUCTION

The very high global demandre of palm oil have prompted Indonesia to spur the expansion of oil palm plantations on a large scale. Since the 1980s, the government issued policies that expedite the process of forest areas and productive land conversion into large-scale oil palm plantations. This includes a variety of convenience and incentive for private investors to strive in this subsector. In contrast, there is no policy protecting the interests of local communities and the environments marginalized by oil palm plantations expansion (Dewi, 2007: 4). Plasma was built as a socioeconomic entity, a unit of the socio-economic scale that can be managed plantation farmers, with by technical support (technical assistance) from the core plantation. Thus, plantation development through the two patterns above basically unites two poles: the community around the plantations and farmers owning people's plantation.

Implementing people's plantation estate program development goal is to build a self-employed, prosperous and harmonious society's plantation in new areas. One component to be established is participating farmers, directed to have the skills and

absorbing innovation, who arethen able to benefit from the principle of economic scale, either individually or cooperation in the group. They are eventually expected to have the power to independently beat other parties in the business world.

Government's effort to achieve these objectives are by using the technical capabilities and management as well as the facilities the private estates. They will be the core companiesto assist smallholder farmer's settlement construction through capital helps. It is expected that such program can be repeated with a project design enabling the development of the direct costs development in the field (Kartasapoetra, 2002: 32).

The international meeting conducted in Sri Lanka in 2011 had discussed about the presence of oil palm plantations. Based on the meeting, it is necessary to conduct evaluation and survey for the existence of oil palm plantations for there are a lot of such companies in Indonesia. Potential areas for the expansion of oil palm plantations are not only mineral lands, but also peatlands. Utilization in the latter would lead to high greenhouse gas emissions, especially carbon dioxide (Ambak and Melling, 2000: 30).

The findings of the study for the causes of conflict in the development of oil palm plantations are: 1) the conflict between the (core) company with the local community. It can be traced from the results of interviews conducted with informants, saving that the oil palm plantation companies provide plasma plantation to the surrounding community, but it is distributed unfairly; resulting to protest for unfairness; 2) dissatisfaction with policies implemented by the company. The actions against resulted from above causes are plot fencing, demonstrations, andthievery. It can be said that dynamics of the oil palm plantation business conflict is a manifestation of their dissatisfaction with policies implemented by the company.

Furthermore, the relationship between (core) oil palm plantations and the society they reside in showed a decreasing mark. At first, the company's social relations with villagers around the plantation was a good one. Eventually, it decreased over time due to a variety of negative impacts occurring in the existence of oil palm plantations in the customary land.

In line with Dahrendorf (1992: 66-67) who discusses that the conflict theory reveals that the conflict in society starts from a real condition division; community members can be classified into two groups: the group that controls and is controlled. This dualism is included in the structure and nature of togetherness but have different and mostly conflicting interests. From the description, Dahrendorf refers to three (3) concepts: power, interests and social groups which in turn give birth to a potential conflict group and actual conflict group due to different interests. These groups will often clash because of opposing interests. In this case, Dahrendorf's theory contrasts conflict theory with the functional theory. The opposition is not repel but complementary. Because, according to him, we cannot discuss about people without realizing the dialectical stability and change, integration and conflict, function and power of motivation, consensus and coercion.

Theory of conflict here does not use social system terms for the public and its units, rather, it uses a set of individuals combined by the authorized partiesor imperatively coordinated association. Society is seen as a set of individuals forcibly placed on an order; while conflict is the situation that concerns about status or social positions division (Dewi, 2007: 13).

findingis Other research disguise resistance of small holder plasma farmers towards oil palm plantations in West Kalimantan, such as yield thievery in core plantation, uncertified oil palm seeds planting, the sale of yields to other companies, burning of palm trees in the core plantation, and plot reclaim. Disguised resistance means it is shrouded using indirect violence because plasma farmers are aware and take into account the fact that they will not be able to resist the co-opted power structure built by the company together with the local authorities. security forces and traditional leaders. Disguised resistance do not aim at destroying the company's existing plantations, nor is intended to restore a subsistence economy but rather to encourage more of farmers' involvement in the plantations system for more income and honour edposition in the plantations bureaucracy.

This finding is far different from the Scott (2007: 14) statement, saying that farmers will always maintain a subsistence economy because the system is considered to guarantee the farmers' family food needs. Plasma farmers, according to him,act over the interests of individual and do not consider the collective interest as stated by the proponents of the theory of moral economy perspective.

An extended in Sintang finding also shows corporate strategy in reducing the resistance of farmers and residents of the surrounding communities by instrumentalizing customary law; companies reduce economic conflicts into violations of customs through indigenous court "ceremony". This can be done in an area whose customary institutions fadingand, thus, traditional leaders can be

co-opted by the company. Symbolic conflict resolution through this indigenous method only reduce the surface conflict. The root problems, existing injustice and poverty, are not resolved. Such settlement seems like a traditional symbolization of putting chaff on heap coals, which will consequently explode into bigger social conflicts when momentum and context allow. Based on these problems it can be formulated the problem is the causes of conflict in Sintang Regency.

#### **METHOD**

This study used descriptive and qualitative approach. Whereas Bogdan and Taylor (Moleong, 1990: 3) describe the qualitative method as a research procedure that produces descriptive data in the form of words written or spoken by people and behaviours that can be observed. Such approach gears to the individual's background holistically or comprehensively.

Based on some proposed concepts departing from different point of views, in principle they lead to the same goal, namely the formulation illustrating that a qualitative approach can describe the data in the form of descriptive and emphasizes the involvement of researchers activelybut limited in the research process to the extent of understanding the empirical world of communities being studied.

### RESULTS AND DISCUSSION

Conflictsin oil palm plantation development that have happened in Sintang are:

## **Plasma Plantation Location Determination Process**

The findings revealed that many farmers feel uninvolved in the plasma plantation determination. For such phenomenon, many of them object the location because it is far from their residence. Being the farmer and owner of this plasma would be hard because transporting to their

plantation takes effort, yet they still have to work the land. Nevertheless, when they try to discuss their objections, no response is received from the (core) companies.

In addition, the companies take a great deal of involvement for the location decision without taking into account the farmers response. Because of this, the farmers have to go kilometres away of their house to reach their designated plantation. As stated by the smallholders' plantation owner, the loss they have to bear for such distance is huge.

The informants' plantation is five kilometres away from their homes, some other farmers even have to go eight kilometres to reach their plantations. On the other hand, the existing plantations close to their residence are owned by the (core) company. In the past they hadproposed to exchange the plantation locations, yet directly rejected by the company saying that it was already decided.

The fact in the field shows that many lands used for agriculture and plantations are currently unproductive abandoned land, good processing efforts of such lands would be able to benefit, and eventually, contribute to welfare improvement of the surrounding community. This picture illustrates that while some part of the lands needsto be conserved and protected, and also set as water absorption area, some others would be potential to be utilized for agricultural development wisely.

Based on the description regarding plantation determination, the (core) company still tends to prioritise their core plantation, and gives less attention to the plasma plantation.

# **Conversion Implementation Process by Company to Small Holder Party**

The statement expressed by the informant from (core) companies is that the conversion period meant here is a grace period of handover of oil palm plantations from the core companies to the farmers. The handover means that farmers own the rights to the designated plantation area. Under the existing

provisions, the implementation period of this conversion is done when the plantations have been managed by the core company for 3 years before they are handed over to the plasma farmers to take care of and manage. Nevertheless. based on the interviews conducted to the informants (small holders): in the conversion of the core company's to the farmers', there was a delay, originally (it was) 3 years, but the conversion happened after 7 vears. Whatever the reason, the farmers are at disadvantages since they have not been the owner of the plantation, so that as long as it has not been converted, it is not only a corporate responsibility but the yields is also owned by the company. The farmers, because the conversion has not done, only became the labourers and earn wages from their work.

Furthermore, based on interviews conducted with other informants (company) the delay in the land (ownership) conversion was caused by oil palm plantations, there are still many problems such as unmet assessment requirements or incomplete assessment by the assessment team comprising members from several agencies that resulted in the late submission for the conversion."

This conversion delay also created a prejudice that the company intentionally delayed the conversion for a variety of reasons which basically was detrimental to farmers. According to the informant, such long time conversion means that their credit responsibilities will also increase. Farmers would not be able to bear the burden any longer than a predetermined time 7 years.

### Work Grouping System and Credit for Small Holder Plasma Farmers

The findings expressed by informant of the company (core), plasma plantation system that is fully given by the company to the public is managed and administered by a body called the cooperatives. The existence of cooperatives in the working group is to prepare fertilizer, equipment of work, as well as giving credit for members. Members of the cooperative are all farmers who are members of the working groups. Each of the working groups consists of at least 10 people and at most amounted to 18 people. Each of these groups has one head of the group who are responsible entirely to the cooperative.

Such a group system is intended to make each group together manages their lands, so that when they need funds for fertilizer or other purposes, it is not done individually but jointly by proposing to the credit unions and the credit will be borne jointly as well.

The concept explained above is ideal to be implemented, but the implementation on the field is not. It can be found from the transcript of interviews conducted with informant (head of the non government) as follows cooperative management in carrying out its daily activities becomes worse, considering the number of credit arrears unpaid by its members. Beside the arrears due to members who have not been able to pay, there is problem in granting credit system to members which is not done carefully. Careless (in giving credit grant) can be seen in lending to members of a group, where the provision of credit to a member of a group is without the knowledge of the chairman of the group and other members, while paying the debt is the burden of the whole group, thus each member in the group that do not have debt to cooperatives should still pay the debt of the member who owes the credit. It is certainly unfair. Moreover, due to the presence of debt, members who borrow money will have their harvest cut, which makes their income insufficient, (as a result) they become lazy to work (in the plantation); on the other hand, other members, being debtless, will still bear the debts of the lazy members who owe and eventually become lazy because they feel it is useless to work on their plantations, because their income will get cut as a results of others' debt.

Based on the descriptions above, to prevent future clash hurting both parties, to reduce, to anticipate and to even eliminate current frictions, a new paradigm is needed.

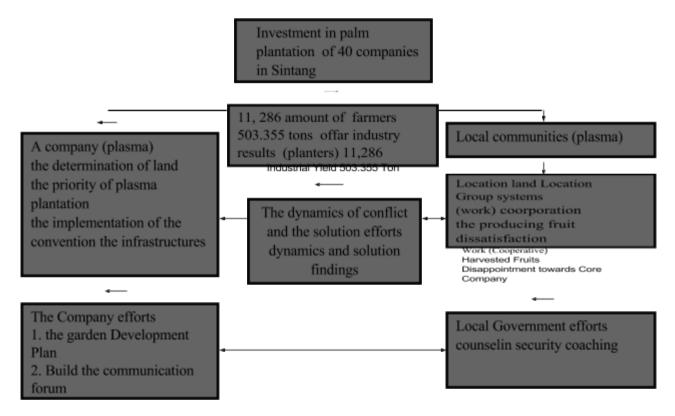
Real action from both the (core) company and the government, especially the Sintang government against demands made by farmers and people living around the plantation is required.

Transcends approach provide the foundation of settlement effort that can be

done 'here' and 'now', and would be done continuously if every party in the crisis agree on the problem-solving concept (Galtung, 2004: 35). When a most acute crisis of social relations, marked by the completion of contending ways of hatred and violent behaviour circle, to find compromising solution would be a serious political process.

Picture 1

The Plantation Company Efforts (Plasma) and The Local Government to Seek the Solution



**Source:** the result of finding Research

### **CONCLUSION**

Based on the research results and discussion on Conflict Dynamics of Oil Palm Plantation Development in Sintang, West Kalimantan as the framework of improving social and economic conditions of society around the estate, a partnership between oil palm companies and small holder farmers in Sintang. The Conflict Dynamics of oil palm plantation development that have been

implemented in Sintang District are:

- 1. Plasma plantation location determination process; developed plasma plantation is still mostly set by the company while the farmers, as the owners of the land, are less involved. It leads to many objections by farmers because of the incomparable layout of the plasma location with their residence location.
- 2. Conversion implementation process of company to small holder party; presence of delay for the conversion also provide a

prejudice by the farmers that the company seems deliberately delay the conversion for a variety of reasons. It is basically detrimental to farmers themselves. Such a long time for conversion means that their credit responsibilities will also increase, longer than the predetermined time, seven years.

3. Work grouping system and lending to small holder plasma farmers; the system of granting credit to farmers in group while the payment is done individually means that the diligently working farmers will feel encumbered by member shaving credit. Such a system must be improved by adding the approval not only from the cooperatives, but also from the chairman and members of the group.

### **SUGGESTION**

Based on the description it can be argued that the system of granting credit to farmers. given to group but paid individually, requires improvements because members who diligently workwill unencumbered bv members who owe money. Another suggestion is that group members' approval is required to borrow the credit, not only of the cooperative's approval.

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