The Existence of Oil Palm Plantations and Challenges for the Riau Provincial Government

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ABSTRACT: Palm oil is a commodity with considerable potential, in contributing to profits for Riau Province. Oil palm plantations that grow in Riau Province are owned by several companies and have grown into smallholder plantations. This means that the situation of Palm Oil Commodities in Riau Province is the primary supplier of economic value. On the other hand, Palm Oil Commodities that have grown for many years in Riau Province are in the Peatland area, which has a large potential for burning due to the character of land clearing which is mostly done by burning. This article is the result of research conducted simultaneously, by conducting qualitative research methods supported by primary and secondary data that strengthen the analysis. Riau without smog is difficult to escape, and it is always lucky if it enters the rainy season so that the disaster is not visible and the situation will be very different if it enters the long dry season. The existence of the environment is indeed difficult to go hand in hand with the existence of economic value generated from palm oil commodities.

Keywords: Haze Disaster, Palm Oil Commodity, Peatland Policy, Environmental Existence, and Economic Existence

INTRODUCTION

The Indonesian state and the Indonesian people have lived side by side for a long time, and have benefited economically from the production of palm oil, especially for the islands of Sumatra and Kalimantan (Jelita et al., 2020; Suhartini et al., 2022). Palm oil products became the largest contributor to state revenue in 2017 amounting to 239 Trillion Rupiahs (Purba, 2019). A number of publications also highlight the negative aspects of oil palm plantations in Indonesia, such as state losses and the environmental impacts of oil palm (Khatiwada et al., 2021; Wasef & Ilyas, 2011). State special attention is needed on oil palm plantations, regulations that do not overlap, and strengthening the capabilities of local governments are also required to be able to realize not only the existence of the economy but also environmental security which always gets a negative impact from the existence of oil palm plantations in Indonesia (Marini et al., 2022; Stephanie et al., 2018; Tyson & Meganingtyas, 2022).
The birth of the latest Indonesian government policy through Presidential Regulation Number 44 of 2020 concerning ISPO (Indonesia Sustainable Palm Oil) also helps the central and regional governments in structuring more structured, systematic, and sustainable Palm Oil (Khiabani & Takeuchi, 2020; Setyowati, 2020). Protection for the community related to land legality, good selling price (Ernah et al., 2020; Papilo et al., 2022; Watts et al., 2021). The implementation of the ISPO policy is also a challenge for independent smallholders or smallholder plantations because they must meet the specified criteria, but the focus of the analysis, in this case, is how this existence is strongly supported by the presence of the state and local governments (Apriani et al., 2020; Yu et al., 2022), especially regarding the maximum limit for independent oil palm plantations, land requirements and also settlements land status (Oliphant & Simon, 2022; Rum et al., 2022). In 2025, all forecasting carried out by researchers and academics as well as practitioners will answer the first period of the success of the ISPO policy, Indonesian planters and companies have better competitiveness after the ISPO policy is implemented (Liu et al., 2020; Nupueng et al., 2022; Xin et al., 2022).

On the other hand, oil palm plantations, both owned by the community and companies in Riau Province, cannot be separated from the impact of environmental damage and also the smog disaster (Retnaningsih et al., 2022). The existing peat structure in Riau, and the pattern of land replanting by clearing burned land are the causes of the haze in Riau Province which emphasizes that there needs to be local government capability in harmonizing oil palm policies, land and also the environment caused by the spread of oil palm in Riau (Meiwanda, 2016). Whose economic existence has been felt so far, whether it is a village community or an elite group, and on the other hand the environment is damaged?

The main highlight that emerges is, the right implementation strategy like what Indonesia needs for the Palm Oil industry, oil palm plantations in Riau increase GRDP and the business of rural communities is no longer limited but whether this is the same and directly proportional to entrepreneurs. Are the economic benefits commensurate with the environmental damage caused? Sustainability of implementation strategies from strong leaders and strengthening among stakeholders (Wardhani & Rahadian, 2021). The existence of an economy that is not accompanied by a strengthening of the environment is something that is not sustainable.

Riau without smog did occur during the Covid 19 pandemic that was felt from 2020 to May 2021, but what happens next, is this due to momentum. Meanwhile, on the other hand, strengthening the people's economy through the rejuvenation of smallholder oil palm plantations in Riau Province, giving linearity, Riau will always live with the commodity of palm oil whose existence is as a producer of palm oil (CPO). The peatlands in Riau have evaporated, they are no longer the main topic of discussion except during a long dry period and land fires that cause smog. Disasters are also inseparable from issues caused by the environment, as well as humans (Fitriani & Meiwanda, 2021). Basically, the company denies the actions of forest burning and instead blames the blame on the surrounding farmers (Erman, 2013). So this is what is required to be a good harmonization for the Riau Provincial government between the economic existence of Oil Palm and Riau without the Haze.

Land fires that occur cannot be separated from the failure of the government's power to produce an appropriate policy, handle land status, and also the ability of local governments to read their area (Al Kautsar & Mulvono, 2021). The arrangement of palm oil sustainability through ISPO is one form of strengthening the governance of the Indonesian government as well as the local government in this case the Riau Province in seeking the welfare of the oil palm plantation sector.
and ensuring the environment remains good. This strategic perspective will seek to be interdependent for the economy, environment, and society which will be seen in both the long and short term (Wardhani & Rahadian, 2021).

The data shows the distribution of oil palm plantations in Riau Province, plantations owned by the people, the private sector, and the government. Of the 12 districts in Riau Province, more than 90% have oil palm plantation areas, and almost all land in Riau Province, as well as coastal areas in Bengkalis Regency and even Meranti Regency which does not have oil palm plantation areas, are peat areas that have various peat depths of approximately 8 – 12 meters.

Answering the analysis that will be given in this article Riau without oil palm, it is impossible because the level of dependence from the village community level to even the region as well as the state on oil palm products is very large. Overlapping conflicts and local government readiness in structuring oil palm policies (Laia, 2021). Problems that also occur in Riau Province and a number of regencies/cities throughout Riau are people's plantations, companies, permits and the problem of land fires on peatlands that cause smog (Mustofa & Bakce, 2019).

METHOD
This article is the result of a literature analysis supported by secondary data from qualitative research (Sugiyono, 2019), which was conducted by the author. There are a lot of publications on palm oil and haze in Indonesia and have become an interesting issue not only for environmental studies but also for social and economic studies in general. This is inseparable from the number of data collected by the author, which has one thing that is always reviewed, that palm oil is a strategic sector that provides considerable income for the region and we can call it for the country.

RESULT AND DISCUSSION
Riau Province and Palm Oil have very strong ties since it was clearly photographed starting in 1998 when forest and land fires caused smog in Riau Province (Meiwanda, 2016). 90% of districts/cities in Riau Province are oil palm plantation areas, both community, and private plantations. Various efforts to utilize oil palm plantation areas have also developed quite a bit in Riau Province, one of which is in Rokan Hulu Regency which in turn has led to the contestation of electricity resources utilized from palm oil waste (Meiwanda, 2018). This is a positive thing but it has not been able to accommodate into a good force apart from the regional economic growth of Palm Oil and also the haze for Riau Province and its neighbors as if Palm Oil is always compartmentalized by challenges and obstacles that do not progress.

Disposable income generated from palm oil commodities for Indonesia is undeniable. Another aspect of an open economic policy is the foreign exchange earnings from oil exports from the global market (Panglaykim, 2011). For this reason, it is necessary to prepare every level of government, both central government policies and local government readiness in reading the challenges and obstacles of the palm oil commodity. Riau Province must establish and reflect as a representative of government agencies dealing with mature palm oil. An institution's maturity will also be reflected in things such as the strength of the policy, how large and often the effect of the process produces an outcome, policy, and even a strategy in reading more broadly and in the future (Wardhani & Rahadian, 2021).
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Riau Province Regional Regulation Number 10 of 2018 concerning the Regional Spatial Plan of Riau Province for 2018 – 2038, contained in article 20 a number of districts whose land was designated for plantations, one of which was oil palm plantations as well as a number of other commodities, one of which was sago. Based on the planted area, it is true that oil palm is the largest type of planting commodity in Riau Province.

From 2014 to 2015, there was an increase of more than 100% in the oil palm plantation area in Riau Province. In 2015 Riau Province did not yet have the latest RTRW, still referring to the RTRW that existed in 1994. The number of planted areas increased, private and community economic dependence on oil palm plantations was quite high, and regional and state revenues were also large from oil palm. Besides that, in 2015 forest and land fires occurred in peat land areas in Riau Province, which incidentally above was an oil palm plantation area, the land clearing process by burning was found at that time.

2015 was the year of the quite severe Haze disaster that occurred in Riau Province at that time. Indeed, in the past few years almost every year, Riau Province has always been side by side and has become a routine disaster, namely the smog that occurs due to the burning of peatlands in Riau Province. Haze in the last two years from 2020 until now in 2021, since it was confirmed that Indonesia has entered a country affected by the Covid 19 pandemic, there has been no smog disaster, but the economy of the people of Riau continues to run with the results of oil palm plantations.

Palm oil is an economic source for the state and Riau Province, on the other hand, investment in oil palm by the private sector will provide an increase in markets, public infrastructure networks and employment opportunities for communities around the oil palm plantation area (Mispansyah & Nurunnisa, 2021). The dilemma that arises when the economy moves and on the other hand is the need to maintain environmental sustainability, because the peat land planted with oil palm has been burning but has caused haze due to peat that can be up to 12 meters deep (Utami et al., 2017).

This article will provide an analysis and identification of two sides of the coin that is present, from the growth of oil palm in Riau Province, namely economic growth and protecting the environment in this case peat soil which is flammable and causes forest and land fires, causing haze disaster. The following identification and analysis will be pinned up by the author:

1. Overlapping Peatland Policy in Indonesia

Forest and land fires that occurred in Riau Province, which caused the smog have started to occur since 1998. Exposure and soil structure in Riau Province, which is peatland, and planted by the Palm Oil commodity, which is currently developing, is not only owned by large companies but also owned by large companies. also people's plantations. This is a positive thing for Riau Province because with Palm Oil it contributes quite a lot of PAD, supported by the existence of a policy of Oil Palm certification by the central government. Presidential Regulation of the Republic of Indonesia Number 44 of 2020 concerning the Indonesian Sustainable Oil Palm Plantation Certification System. Presidential Regulation No. 44 of 2020 has a scope, namely ISPO certification, institutionalization, acceptability, market competitiveness, and participation, guidance and supervision and sanctions.

The birth of ISPO certification is a breath of fresh air for the Palm Oil commodity industry, but it is different from Riau Province in addition to receiving the benefits but must be in line with preparations related to the pattern of land clearing by burning. Because almost all of the oil palm
2. Palm Oil Domination, Potential Haze Disaster in Riau Province

The Haze Disaster in Riau Province occurred in a number of peatland areas that have a high level of difficulty to extinguish because they have a fairly deep peatland. Most forest and land fires occurred in the east coast of Riau Province, namely in Rokan Hilir, Bengkalis, Siak, Meranti and Pelalawan Islands. The distribution of forest and land fire hotspots in Riau Province is almost all districts in Riau.

The pattern of land clearing with the character of burning is still a culture for the local community, companies are no longer the main target for burning because policies are already binding on a number of prohibitions. This burning culture is because the price for land clearing by burning is much cheaper, around Rp. 700,000 – Rp. 900,000, compared to clearing land without burning it can take quite a long time, and costs up to Rp. 3,000,000.

A thought is needed to minimize the possibility of smog in Riau Province if the Palm Oil commodity has a large enough profit potential, a preventive effort supported by policies with the right formulation by the local government. Because this is a decentralized area of the local government. The transfer of peatland commodities also has a pretty good preventive direction to maintain the environmental value of peatlands in Riau Province.

Preventive efforts to protect peatlands are an effort to maintain the existence of the environment in Riau Province, although it seems difficult, the economic existence of oil palm must be in line with the environmental existence of peatlands. The current impact that is always highlighted is forest and peat land fires that cause haze disasters, but on the other hand, there are not a few land areas, one of which is Bengkalis Regency, where abrasion occurs in the peat area. Sea abrasion is much faster than coastal abrasion in general because it is exposure from peatland areas.

The following is an explanation of the distribution of hotspots that occurred in 2021 in Riau Province, and naturally Riau Province is currently saved by the presence of quite high rainfall.
3. Value of Economic Benefits of Riau Province from Palm Oil Commodities

The economic value advantage of Palm Oil in Riau Province is very large. Riau Province is one of the provinces with the largest oil palm plantations in Indonesia. Riau Province is one of the provinces that is the largest producer of palm oil in Indonesia. The area of oil palm plantations in Riau Province has increased from year to year. Based on the Governor of Riau Regulation No. 52 of 2020 concerning the Work Plan of the Plantation Office of Riau Province in 2021, Achievement of production performance for the main commodity of oil palm plantations, the production target for 2019 of oil palm commodities, amounting to 8,150,267 tons of CPO was realized at 7,513,376 tons of CPO or 91.6%.

The form of the Riau Province government's seriousness in seeking economic benefits from Palm Oil Commodities is by supporting the oil palm rejuvenation policy. The implementation of this oil palm rejuvenation policy can be seen from the rejuvenation of smallholder palm oil which has been directed into a priority program in the Work Plan of the Riau Province Plantation Office in 2021. Rejuvenation of smallholder oil palm is a priority program for the Governor and Deputy Governor whose policies will be implemented in the directions and programs in the Provincial RPJMD. Riau in 2019-2024.

Oil palm production increases from the age of 4-15 years and will decrease again after the age of 15-25 years. Therefore, the things that really need to be considered are the productivity and price of FFB. Therefore, to increase the productivity of old oil palm trees, efforts should be made such as tree replanting (rejuvenation). Plant replanting is carried out so that the production of oil
palm plantations does not decrease drastically. At this stage, careful and detailed planning is needed to avoid losses during rejuvenation activities. Oil palm rejuvenation has been regulated in the Decree of the Director General of Plantations No: 29/KPYS/KB.120/3/2017 concerning Guidelines for Rejuvenating Oil Palm Plantations, Human Resources Development and Facilities and Infrastructure Assistance in the Funding Framework of the Oil Palm Plantation Fund Management Agency.

CONCLUSION
The existence of the Environment in Riau Province, in preserving peatlands has not become the main focus. This has not been supported by local policies in strengthening local commodities produced from peatlands, a number of districts already exist but are not an advantage because they are considered not to provide benefits such as peatland planted by oil palm. High rainfall, in other words, a good natural factor, is a supporter of the smog disaster that does not appear, although statistically, fire hotspots still occur. The existence of the economic value of Palm Oil remains a concern of the regions, with support such as ISPO certification and oil palm rejuvenation policies in Riau Province.

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