

Legal Reconstruction of Partnership Agreements in the Oil Palm Plantation Revitalization Program

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Abstrak

This research discusses the challenges and weaknesses in partnership agreements between PT. Boswa Megalopolis and the community of Aceh Jaya Regency, focusing on aspects of power imbalance, unclear provisions, and minimal legal protection for plasma farmers. Through an analysis of contributing factors such as social and economic structures, availability of information, and the limited role of the government, the need for regulatory reform and practical guidelines is identified to improve justice in partnerships. Furthermore, strengthening mediation institutions and implementing community-based partnership models are proposed as strategies to create sustainable partnerships. These findings are expected to provide insights for policymakers and stakeholders in creating a more just and sustainable partnership system in the oil palm plantation sector.

Keywords: Legal Reconstruction, Partnership Agreement, Revitalization, Oil Palm Plantation.

INTRODUCTION

Oil palm is one of the strategic commodities for Indonesia's economy. Oil palm plantations not only significantly impact the agricultural sector but also play a key role in supporting the national economy. As one of the largest producers of palm oil in the world, Indonesia dominates the global palm oil trade. Based on reports, palm oil contributes greatly to national export revenues. Derivatives of palm oil, such as Crude Palm Oil (CPO) and oleochemicals, continue to be leading export commodities that generate significant foreign exchange for the country. In 2020, Indonesia's palm oil exports reached over 30 million tons, greatly contributing to the trade surplus. The role of palm oil in international trade is crucial, given that Indonesia heavily relies on exports to maintain economic stability.

In addition to its vital role in export sectors, the palm oil industry directly contributes to job creation. According to data from the Indonesian Oil Palm Farmers Association (APKASINDO), over 16 million people depend on this sector, both directly and indirectly. Most of the involved workforce comes from rural areas, giving this industry a critical role in reducing unemployment in remote areas. The oil palm plantation sector also contributes to infrastructure development in plantation areas that are far from urban centers. New roads, educational facilities, and health services are often established along with the growth of palm plantations. This drives rural economic development and positively impacts the lives of local communities around plantations.

From the perspective of revenue contribution to the state, taxes and levies generated from the palm oil sector are a significant source of national income. Through export levies and taxes, the palm oil industry has contributed billions of dollars to the state treasury each year. The export tax on CPO, for example, is one of the government's instruments to balance export needs and domestic demand, as well as to promote

industrial downstream processes. Revenues from these taxes and levies are then allocated to support various development programs, including infrastructure improvement and community welfare.

To improve farming productivity, agribusiness activities that are supportive and sustainable are needed so that farmers can achieve optimal results according to expectations. One of the solutions that can be applied to address various issues in the agricultural sector is through partnership models. Through partnership patterns, farmers can not only receive support in technical and expertise aspects but also benefit from the synergy created among small, medium, and large entrepreneurs. This partnership serves as a bridge connecting various parties to cooperate in a more structured and mutually beneficial manner.

This partnership model is officially governed by legal provisions in Indonesia, one of which is in Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises (MSMEs). Article 1 paragraph (13) of the law states that a partnership is a form of relationship between large, medium, and small enterprises, either directly or indirectly, based on the principles of mutual dependence, trust, strengthening, and mutual benefit. This partnership involves micro, small, and medium enterprise (MSME) operators with large businesses, allowing all parties to collaborate in running a joint business.

In agribusiness partnerships, large companies often play the role of providing capital, technology, and expertise needed to build and develop gardens or agricultural land. Meanwhile, local communities, especially farmers, provide their land as part of the partnership. In this system, large companies act as investors and technical support providers, while farmers contribute land and labor. With this synergy, it is hoped that land productivity can be increased, and the harvest obtained by farmers can be more optimal.

Furthermore, partnership models like this also provide benefits for both parties. Smallholders gain access to modern technology, capital, and technical guidance necessary to manage their land more efficiently. On the other hand, large companies benefit from this partnership in the form of guaranteed supplies of raw materials, well-managed land, and profits from a more harmonious relationship with the surrounding community. This partnership model also has the potential to minimize conflict risks between companies and communities because both parties have the same interests in sustainably managing the land. With this partnership, not only is farming productivity increased, but the rural economy as a whole can also develop better. Farmers' incomes rise, community welfare around the plantations improves, and regional infrastructure development is also encouraged by a more dynamic economic activity. This partnership essentially creates a win-win solution, where both parties benefit from a well-organized and mutually beneficial cooperation.

The patterns of cooperation in plantation partnerships greatly vary depending on the proposals submitted by companies and the agreements reached by both parties. Usual cooperation schemes include profit-sharing or land-sharing, with various agreed-upon sharing percentages, such as 70:30, 60:40, or even 50:50. The forms of these partnerships also vary; ranging from very simple types based on unwritten agreements but still maintained with principles of transparency, voluntary participation, and equality between the two parties. Even partnerships that are not formally documented can work well if grounded in mutual trust and a common purpose.

Partnerships in oil palm plantations have become one of the government's steps to revitalize community plantations. The presence of oil palm plantations not only

changes the dynamics of community work but also contributes to their increased income. Furthermore, the impact of the existence of palm oil plantations is evident in changes in living patterns and social relations. The social interaction patterns that were previously simple and based on local traditional structures have become more complex, exceeding the limits of villages, with increasing economic and social interactions due to the presence of plantation companies. The growth in the population around plantation areas also brings changes in daily rhythms, expanding the interactive patterns that mutually influence the rural community level.

Optimism regarding this social change is justified, especially when viewed from the policies underlying the implementation of partnerships between companies and communities in the development of oil palm plantations. These partnerships enable local communities, which usually have limited resources or access to capital and technology, to optimize their previously less productive land. With this partnership, communities are given the opportunity to gain additional sources of income from land that they might find difficult to manage independently.

Initial research shows that the company has conducted several socializations to the community regarding the partnership program that will be implemented. This socialization is crucial for the community to understand their rights and obligations in cooperation, as well as to know how this partnership mechanism will operate. In accordance with the Minister of Agriculture's decision and regulations, such partnerships must be bound in a written agreement that includes rights and obligations, aspects of coaching, funding, cooperation duration, and dispute resolution mechanisms. This written agreement is an important legal tool that protects the interests of both parties and ensures transparency in partnership implementation.

Partnerships between palm oil plantation companies and communities are expected to run smoothly and be supported by all involved parties. If companies empathize and care for the surrounding communities, the communities in turn will become good partners in maintaining the sustainability of the plantation. This also creates a more harmonious relationship between companies and communities, where both parties have the same interests in ensuring the success of the program. Local governments welcome the companies' commitment to build this collaboration, especially since the involvement of local farmer groups is expected to improve their economic conditions. However, while this partnership brings many benefits, it must be acknowledged that there is an imbalance in managerial capacity between companies and communities. Companies usually have financial capital and managerial expertise advantages, while plasma farmers often have limited legal knowledge and financial capacity. This imbalance can make farmers more vulnerable to exploitation, thus, adequate legal protection is necessary.

Considering the complexity and variety in partnership patterns in oil palm plantations, especially involving communities and companies, legal reconstruction in the context of oil palm plantation revitalization becomes an urgent necessity. Although these partnerships have huge potential to increase productivity and community welfare, many issues arise regarding management, financing, and legal knowledge inequalities between large companies and plasma farmers. This imbalance often places communities in a weaker position during negotiations and implementation of partnership agreements. Therefore, stronger legal reconstruction is needed to protect farmers' interests, provide legal clarity, and ensure that partnerships are conducted fairly and sustainably.

Legal reconstruction for oil palm plantation revitalization needs to strengthen regulatory aspects involving core-plasma partnerships, especially in terms of supervision and protection for small farmers. In many cases, unclear agreements and minimal transparency in profit sharing often disadvantage plasma farmers. With limited background knowledge about laws and regulations, small farmers often are not aware of the risks and long-term consequences of the agreements they sign. Therefore, there needs to be a more transparent and accountable legal mechanism to govern these partnership relations, for example, through regulations that provide more detailed rights and obligations for both parties, as well as strict supervision of the implementation of these agreements.

Moreover, this legal reconstruction must include efforts to strengthen legal protections for plasma farmers. For example, stricter regulations regarding income guarantees for plasma farmers, fair profit-sharing percentages, and more accessible conflict resolution for communities. Existing partnership systems often place plasma farmers in a vulnerable position against exploitation, especially when technical or economic problems occur on the ground. With clearer and stronger regulations, it is hoped that plasma farmers can have greater access to legal justice, ensuring that they are not just objects of partnerships but also maintain equal bargaining positions with companies.

Revitalization legal reconstruction also needs to consider environmental and social sustainability aspects. Current partnership programs often focus on economic aspects without considering the long-term impacts on the environment and social order of local communities. In fact, oil palm plantations are often associated with environmental issues such as deforestation, habitat destruction, and loss of biodiversity. Therefore, more comprehensive regulations are required that not only address economic issues but also environmental and social aspects. For example, through provisions that require companies to adopt environmentally friendly agricultural practices, or through incentives for companies committed to social sustainability by involving communities in land use decision-making.

On the other hand, the government's role in overseeing and facilitating partnerships also needs to be strengthened within the framework of this new law. The government must ensure that companies and plasma farmers genuinely execute partnership agreements fairly and according to applicable provisions. One of the ways to do this is by providing a dedicated institution that acts as a mediator or facilitator in negotiation and dispute resolution processes, so that communities do not feel alone in facing companies that have greater economic and legal power. This institution can also serve as a supervisor in the agreement implementation, ensuring community interests are protected and companies remain accountable in fulfilling their commitments..

RESEARCH METHOD

The normative juridical research method is an approach that focuses on the study and analysis of law based on prevailing legal norms. This study emphasizes written legal sources, such as legislation, doctrines, and recognized legal principles. In this research context, the normative juridical approach aims to examine how the law, particularly concerning partnership agreements in oil palm plantation revitalization, is applied and interpreted. This research typically utilizes primary legal materials, such as laws, as well as secondary legal materials, such as literature and doctrines, to assess whether existing regulations align with expected goals or if reconstruction of these

regulations is necessary. This method provides a strong theoretical foundation for understanding and analyzing relevant legal aspects.

Legislation approach (statute approach) and conceptual approach are often used in normative juridical research to delve deeper into legal aspects. The legislation approach focuses on studying various legal rules related to the issue being researched, in this case, laws regarding business partnerships, plantations, and agreements. Researchers analyze the interrelation between regulations, identify legal gaps, and assess the consistency and implementation of these regulations. Meanwhile, the conceptual approach aims to examine the legal concepts underlying the application of law, such as concepts of justice, legal protection, and balance in partnerships between companies and communities. By combining these two approaches, researchers can understand not only formal rules but also how legal concepts are applied in practice, providing suggestions or solutions to existing legal issues.

RESULTS AND DISCUSSION

Legal Rules of Partnership Patterns in the Oil Palm Plantation Revitalization Program and Legal Protection for the Parties

The partnership agreement in agricultural ventures between PT. Boswa Megalopolis and the community in Aceh Jaya Regency represents a partnership model that emphasizes the core-plasma pattern in developing oil palm plantations. The primary goal of this cooperation is to enhance productivity and welfare for farmers, who, in this case, are local communities providing land for plantation initiatives. In this agreement, PT. Boswa Megalopolis plays a vital role as the core company responsible for technical management and marketing production results, while plasma farmers contribute by providing land and labor. The legal relationships formed in this partnership involve several parties. First, between plasma farmers and PT. Boswa Megalopolis, where farmers provide land and receive a share of profits derived from revenues after deducting operational costs and other obligations. Additionally, the Chairman of the Farmers' Group acts as a representative of farmers in managing administration and profit distribution.

The relationship between farmers and banks is also crucial, as banks provide loans for plantation development, secured against land ownership certificates, with PT. Boswa acting as an avalis to guarantee debt repayment. In terms of conflict resolution, this agreement stipulates that any disputes must first be resolved through mutual consultation. If no agreement is reached within 30 days, mediation by the Aceh Jaya Regency Government will be conducted. The government's role as a mediator is critical, particularly given the potential for conflicts arising related to profit-sharing and plantation management. Furthermore, the implementation of this agreement is structured in two phases: the pre-agreement phase which includes socialization and negotiation, and the implementation phase in which the company is responsible for plantation development and yield management.

The Aceh Jaya Regency Government also plays an essential role in facilitating this partnership and ensuring its implementation. Although the government has established periodic pricing for Fresh Fruit Bunches (TBS), there has yet to be strict legal mechanisms in place to impose sanctions on companies that violate agreements. Therefore, more intensive supervision is necessary to protect farmers' rights and ensure the agreement is executed as agreed. Despite the significant benefits this partnership provides for farmers, existing challenges must be addressed, such as the power imbalance between companies and farmers. Companies, possessing stronger bargaining

positions, may trigger the potential for exploitation of plasma farmers. Additionally, the lack of legal understanding among farmers and limited guidance from companies pose concerns that require active support from the government.

The partnership pattern in the plantation sector, particularly in the context of oil palm plantations, is governed by several legal provisions that provide a foundation for cooperation between large enterprises and small or micro farmers. One of the primary regulations is Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises. This law governs the principles of partnership, including the rights and obligations of the involved parties. Within this framework, large enterprises are expected to provide technical and financial support to small and micro enterprises, while small and micro enterprises are anticipated to contribute meaningfully to production and sustainability. Moreover, the Minister of Agriculture Regulation No. 26/Permentan/OT.140/2/2007 provides guidelines on plantation business permits, focusing on partnership regulations. This regulation outlines the obligations of companies to support plasma farmers, including training, provision of production facilities, and corporate social responsibility.

The Minister of Agriculture's Decree No. 940/Kpts/OT.210/10/97 also offers specific guidelines for agricultural business partnerships, directing the implementation of fair and transparent partnerships in the agricultural sector, including oil palm plantation development. The core-plasma partnership model in oil palm plantations refers to the relationship between core companies (like PT. Boswa Megalopolis) and plasma farmers. In this scheme, core companies are responsible for technical management, marketing, and provision of production aid, while plasma farmers provide land and labor. The core-plasma concept aims to create synergy between both parties, in which plasma farmers are not merely land providers but also active partners in production.

Various partnership models can be implemented to suit local conditions, such as profit-sharing models, land-sharing models, and other collaborative forms. The profit-sharing model, for instance, allows plasma farmers to receive a certain percentage of profits obtained after deducting operating costs. Furthermore, the role of the government as a facilitator of these partnerships is very important, where the government ensures that partnership implementations comply with prevailing regulations and provide protection for farmers' rights.

To protect their rights, a robust legal framework is required. Existing legal mechanisms, including the roles of notaries and legal mediators, can help offer protection for farmers facing potential violations of their rights. Farmers' rights that need protection encompass rights to fair profit-sharing, land rights, and needed transparency regarding production management. This protection is crucial to establish trust between farmers and companies and ensure that farmers are not exploited within the partnership. Dispute resolution in partnerships is also a critical aspect. Regulations concerning the resolution of disputes between companies and plasma farmers must be explicit, including mediation procedures and legal pathways that can be pursued. In this context, both the courts and mediation institutions play vital roles in ensuring conflicts that arise can be resolved in a fair and timely manner. By providing clear regulations and effective dispute resolution mechanisms, it is hoped that partnerships in oil palm plantations may develop positively, benefiting all parties involved and contributing to economic and social development in the region.

Weaknesses in Palm Oil Plantation Partnership Agreements and Legal Reconstruction for Creating Fairer and More Sustainable Partnerships

Partnerships in oil palm plantations are often hoped to provide solutions for plasma farmers to enhance their welfare and productivity. However, in reality, many partnership agreements face various weaknesses that frequently disadvantage farmers. The stark power imbalance between core companies and farmers, unclear provisions in the agreements, and minimal legal protection create unfavorable conditions for farmers. Moreover, limitations in technical support and a lack of transparency in the management of production results pose further challenges that must be addressed. In this context, it is crucial to perform legal and policy reconstruction that could support the establishment of fairer and more sustainable partnerships. By strengthening protective mechanisms for farmers, increasing transparency, and promoting proactive participation from involved parties, these partnerships are expected to function as models that not only benefit the companies but also provide tangible advantages for farmers and the wider community.

The weaknesses found in palm oil plantation partnership agreements often become obstacles to establishing mutually rewarding relationships between core companies and plasma farmers. A primary issue that must be addressed is the lack of power balance. In many instances, core companies possess significantly stronger bargaining power than farmers. This creates situations where plasma farmers often feel compelled to accept unfavorable terms. This injustice can lead to exploitation, where farmers do not receive equitable profit shares from their production, while companies continue to earn significant profits. Consequently, farmers' welfare remains unguaranteed, and they remain trapped in poverty even while participating in a partnership that is supposed to be beneficial.

Additionally, unclear provisions in agreements also present a critical problem. Many partnership agreements are drafted with ambiguous clauses, resulting in uncertainty for plasma farmers. This ambiguity is frequently related to farmers' rights regarding harvests, profit-sharing procedures, and responsibilities of each party. Such unclear clauses offer room for companies to engage in one-sided interpretations that may disadvantage farmers. In these situations, farmers often lack the expertise or resources to seek justice, causing injustices to persist without a clear dispute resolution mechanism.

Insufficient legal protection for plasma farmers is another significant weakness that merits attention. Despite the existence of several regulations aimed at safeguarding farmers' rights, their implementations are often weak and ineffective. Many farmers do not understand their rights under the agreements, including rights to fair profit shares and land rights. In this context, it is essential to bolster legal protection mechanisms, allowing farmers to have better access to needed information and legal assistance to safeguard their rights.

Moreover, lack of training and support also negatively impacts the success of these partnerships. Companies often fail to provide adequate technical support to farmers, resulting in low productivity and sustainability of efforts. Without sufficient training, farmers struggle to apply good agricultural practices, which can lead to decreased harvests and incomes. Therefore, companies must intensify their commitment to providing quality training and support to plasma farmers.

Insufficient transparency and accountability in the management of results also remain a serious concern. Many farmers feel they do not have sufficient access to understand how their harvests are managed and shared. This lack of clarity can create distrust between farmers and companies, leading to prolonged conflicts. Hence, companies need to ensure that a transparent system exists in managing results and

distributing profits so that farmers can feel secure and believe that their rights are respected. By addressing these weaknesses, it is hoped that partnerships in oil palm plantations can be conducted in a fairer and more sustainable manner.

The weaknesses in palm oil plantation partnerships are interlinked with various root causes embedded in the social and economic structures of communities. In this regard, social factors often obstruct farmers from actively participating in partnerships. Existing social structures can influence power relations between companies and farmers. Many farmers come from backgrounds with lower education and experience, making it difficult for them to voice their rights in agreements. Additionally, prevailing social values can pressure farmers to accept terms that companies offer, even when detrimental to them. This creates profound injustice, as farmers not only lose potential income but also access to resources that could aid their welfare improvement.

Furthermore, the availability of information is a key factor impacting the quality of partnerships. An imbalance of information between companies and farmers can create disparities during negotiations. Large companies often have better access to market information, regulations, and the latest agricultural technologies. Conversely, farmers frequently lack adequate insights regarding their rights and how to effectively manage plantations. This lack of understanding may result in farmers accepting unfavorable or even harmful agreements. In this context, efforts to enhance information literacy among farmers are crucial for them to actively participate in negotiations and comprehend the implications of the agreements they sign.

The government's role also significantly impacts the weaknesses in these partnerships. Although the government is expected to act as a facilitator and overseer, limitations in capacity and resources often hinder the effectiveness of this role. Weak oversight of the implementation of partnership agreements can result in companies not complying with the established terms. Furthermore, the lack of legal enforcement against violations by companies makes farmers feel inadequately protected. Without clear sanctions for parties who violate agreements, farmers tend to feel trapped in unfavorable conditions, rendering the partnership relationship unsustainable. Therefore, it is imperative for the government to enhance its role in oversight and law enforcement, ensuring that the partnerships formed operate in a fair and effective manner.

The factors that cause weaknesses in oil palm plantation partnerships are interconnected and form a complex ecosystem. Hence, a holistic and integrated approach is necessary to tackle these issues. Enhancing education and access to information for farmers, reinforcing the government's role in supervision, and establishing a more equitable social structure can be initial steps toward creating more sustainable and mutually beneficial partnerships. In the long run, these changes are expected to empower plasma farmers, ensuring they receive the fair benefits they deserve from the partnerships they engage in

CONCLUSION

The conclusion of this discussion emphasizes that partnerships in the oil palm plantation sector, such as those occurring between PT. Boswa Megalopolis and the community in Aceh Jaya Regency, possess great potential to uplift farmers' welfare. However, various weaknesses in partnership agreements, such as power imbalances, unclear provisions, minimal legal protection, and limitations in training and support, have hindered achieving these goals. These weaknesses create injustices that can exploit plasma farmers and obstruct sustainable development. Therefore, it is crucial to

undertake regulatory reforms encompassing the enhancement of farmers' rights protections and the establishment of clear practical guidelines in partnership management.

Furthermore, to create fairer and more sustainable partnerships, it is essential to strengthen independent mediation institutions that can effectively resolve disputes. Ongoing education and training for farmers, as well as collaboration among companies, governments, and civil society, are also key to building partnerships that are not only economically advantageous but also socially and environmentally responsible. With these measures, it is expected that partnerships in oil palm plantations can yield greater and sustainable benefits for all parties involved, while also supporting inclusive and equitable economic development

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