

Empowering Local Workers To Resolve Social Conflicts In West Aceh District's Palm Oil Sector

Jamaluddin¹, Marlia Sastro², Ramziati³, Yusrizal⁴, Sela Azkia⁵,

Azhari Yahya⁶

¹Malikussaleh University, Indonesia, email: jamaludin@msu.ac.id

²Malikussaleh University, Indonesia, email: marliasastro@msu.ac.id

³Malikussaleh University, Indonesia, email: ramziati@msu.ac.id

⁴Malikussaleh University, Indonesia, email: yusrizal@msu.ac.id

⁵Malikussaleh University, Indonesia, email: selaazkia@msu.ac.id

⁶Faculty of Law & Center for Law, Islam and Custom of Syiah Kuala University, Indonesia, email: azhari.yahya@usk.ac.id

Abstract

This study starts with the existence of social conflict and the importance of resolving social conflict between oil palm plantation companies through the empowerment of local workers. For the sustainability of the oil palm plantation business and improving people's welfare. Article 74 paragraph (2) of Law Number 40 of 2007 concerning Limited Liability Companies (UUPT) and Article 2 paragraph (1) letter e of Law Number 19 of 2003 concerning State-Owned Enterprises. Although efforts to resolve the conflict between the community and oil palm plantation companies in West Aceh have been made, the conflict has not been resolved until now. This study aims to analyze the obstacles to resolving social conflict between the community and oil palm plantation companies in West Aceh. This study uses a sociological legal approach to look more deeply at the effectiveness of law in society. The study uses primary data and secondary data as well as field data in West Aceh. The results of the study indicate that the obstacles to resolve the conflict between the community and oil palm plantation companies in West Aceh are because many productive-age villagers are not working and the empowerment program is not running effectively. This study produces a model for empowering local workers through CSR budgets to provide job training to productive age people aged 18-35 years so that productive age people have skills that can encourage them to live independently and improve their quality of life.

Keywords: Community, Local Labor, Plantation Companies, Settlement, Social Conflict.

1. INTRODUCTION

Sector development palm oil plantation business is growing along with the needs of the business world for palm oil processed products that have a positive impact on the development of the country's economy. The palm oil plantation industry sector business carried out by palm oil plantation companies requires very large land, workers, and a comfortable environment to be able to grow and develop palm oil plantation companies. The existence of palm oil plantations cannot be separated from the environment of a community of indigenous peoples in the place where the plantation industry is located. Companies in a region make a big contribution to the development and improvement of the lives

of the surrounding community, especially in terms of economy, society, education, and culture, or what is called mutual symbiosis. So the plantation industry company and the community environment of the indigenous community is a system that cannot be separated from each other. The positive impacts, as well as the negative impacts felt by the presence of oil palm plantations, are especially felt by the community environment of the Indigenous community around the company concerned. All parties hope that the presence of oil palm plantations as one of the superior sectors supporting Indonesia's economic growth from the past until now will have a positive impact on the country, companies, and society, especially a positive impact on the community environment around the company. However, on the other hand, the negative impact of the presence of a plantation industry company cannot be avoided, especially in the community environment.¹

Therefore, the presence of oil palm plantations also gives rise to social conflict in the surrounding community. The importance of the presence of plantation businesses for the progress and increasing welfare of the community in a region and country by utilizing the potential of the workforce. The utilization of local labor is one of the goals to minimize the occurrence of conflict between plantation companies and the environment of indigenous communities around the company.² However, on the one hand, the number of workers in various fields needed by plantation companies is very limited, while the number of local workers who want to work for the company exceeds the capacity of the company. Although it is carried out through a labor recruitment selection procedure to determine graduation according to the potential and abilities of the workers and those needed by the company, conflicts between the number of local workers and the company still occur.³

The weak management of social conflicts between the palm oil plantations and the local indigenous community associations, especially with the local workforce, is one of the factors that causes the progress of the palm oil plantation business. According to Sumardjo⁴ that the powerlessness of society in facing environmental changes creates a wider gap between society and other societies, as well as between society and entrepreneurs, becoming part of the trigger for social conflict. In addition, the ineffectiveness of conflict management has an impact on the emergence of conflict.

The high level of conflict between communities and companies can be explained by the causes, among others; community demands on companies, social jealousy of local communities, land grabbing by communities and companies, lack of government concern in resolving prolonged conflicts, and several other causes that have different characteristics between regions. Several conflicts that occur are given alternative solutions, including; the form of a review of government policies on plantation permits, mapping of forest and plantation areas to obtain clear boundaries, eliminating the basis of conflict from the actions of those who are in conflict, victory for one party and defeat for the other, compromise, peace and the impossibility of reconciliation, promoting

1 Sidik R Usop, "Conflict Between Corporations And Indigenous Communities: Cases in Plantation Businesses in Central Kalimantan," *Journal of Sociology*, vol. VI, 2023.

2 Suparno Suparno et al., "The Evolution and Implications of CSR in Indonesian Tobacco Companies: A Bibliometric Analysis Based on Business Law Theory," *Volksgeist: Jurnal Ilmu Hukum Dan Konstitusi*, November 23, 2024, 293–319, doi:10.24090/volksgeist.v7i2.12029.

3 Suparno Suparno et al.,

4 Sumardjo, "Community Empowerment Model And Social Conflict Management In Oil Palm Plantations In Riau Province," accessed April 10, 2024, https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://www.academia.edu/9071020/Community_Empowerment_Model_And_Social_Conflict_Management_In_Oil_Palm_Plantations_In_Riau_Province_1&Ved=2ahukewih6mw_Gbefaxvlogmghum_Bziqfnoeca8qaq&Usg=Aovvaw0znhtecg3xdpadxy8sgnzp.

mediation between conflicting parties and the application of religious teachings as an effort so that the intensity and duration of the conflict can be reduced or even reduced, especially conflicts that have been going on for a long time due to the repetition of previous conflicts.⁵

The palm oil plantation conflict in Indonesia is a complex issue involving various parties, including plantation companies, local communities, and the government. Efforts to resolve this conflict require a comprehensive and integrated approach. Resolving natural resource conflicts requires appreciation from many parties involved, such as government policymakers, companies, and the community to provide new enlightenment and agreements that do not harm all parties.⁶ This is in line with what was expressed by Wieke Herningtyas⁷ that social conflict between communities and palm oil plantation companies was resolved by the local government through the recognition of customary law communities and their rights. This recognition can be in the form of empowering local workers to improve community welfare, to realize the development and sustainability of palm oil plantation businesses based on customs and culture. The social conflict between companies and the environment of indigenous peoples' associations over the presence of plantation companies is something that is certain to happen and must be considered and calculated when presenting plantation companies. Because the demands and potential of local workers who want to get the opportunity to work for the presence of plantation companies are very large, but in terms of quality, skill capabilities are still limited. In this regard, the involvement of all parties, both the government, company management, customary leaders, and the community in managing conflicts is very important by taking an approach to empowering local workforce potential that is by the needs of plantation companies and the quality of local workforce resources that are more quantitatively.

Community empowerment in general through the use of local labor is not optimal in implementing corporate social responsibility programs for community empowerment in general and local workforce empowerment in particular. In the context of this study, the utilization of local workforce social responsibility programs should be able to improve their skills and abilities.⁸

According to Rizka Amalia,⁹ that system's ineffective governance has not reduced the negative impacts of palm oil plantation business operations. Social conflict still often occurs due to corporate social responsibility programs not being able to be utilized optimally for community empowerment to improve community welfare, in the context of this study, especially through the use of local labor sources and empowering communities around oil palm plantation companies. Handling the utilization of local labor and empowerment of communities around plantation companies that have not touched the root of the problem comprehensively has caused social conflicts between plantation companies and the environment of Indigenous community associations to

5 Basri and Nurhamlin, "Community and Plantation Company Conflicts and Alternative Resolutions in Rokan Hulu Regency," University of Riau Repository, 2014, <http://repository.unri.ac.id/xmlui/handle/123456789/5742>.

6 Basri and Nurhamlin.

7 Wieke Herningtyas, "Conflict of Palm Oil Companies with Indigenous People and Forest Surrounding Society," BHUMI: Jurnal Agrarian Dan Pertanahan 7, no. 2 (December 12, 2021): 199–209, doi:10.31292/bhumi.v7i2.504.

8 Fakhruudin Fakhruudin and Ahmad Sidi Pratomo, "Bank Wakaf Mikro Dan Pemberdayaan Usaha Mikro Kecil Dan Menengah Di Indonesia Perspektif Maqashid Syariah," *De Jure: Jurnal Hukum Dan Syariah* 13, no. 2 (December 25, 2021): 323–36, doi:10.18860/j-fsh.v13i2.15485.

9 Rizka Amalia et al., "Land Cover Changes Due to Oil Palm Plantation Expansion: Social, Economic and Ecological Impacts," *Journal of Environmental Science* 17, no. 1 (May 29, 2019): 130, doi:10.14710/jil.17.1.130-139.

not be resolved properly, which continues to hurt the progress of plantation company businesses.¹⁰

The plantation sector in Indonesia has had an important role and strategic position for the country, since the colonial era until now. The role includes economic aspects, social aspects, employment aspects, and ecological aspects.¹¹ The existence of palm oil plantation business amid society in principle not only brings benefits to plantation companies but ideally also improves the welfare of society, improving the standard of living of society. In addition, the development of plantations at this time also does not only building physical but also paying attention to the social and cultural levels of society. As the results of Nanu Hasanuh's research management is obliged to consider the benefits for business owners. In addition, it is also necessary to consider the welfare of the community and the impact of its operations in the social dimension equivalent to the economy and the surrounding environment.¹² This is in line with Bentham's view in utility theory that action becomes important to do or not by tracing the advantages or benefits that will be produced. The principle of benefit is a principle that underlies the consideration of every activity carried out to what extent the action can increase or conflict with happiness.¹³ The principle of balance and proportionality between plantation companies and the environment of Indigenous communities around the company has not yet received serious attention in preventing and resolving social conflicts between the community and the company. Therefore, serious attention is needed from all interested parties for the sustainability of plantation companies' businesses as supporters of the country's economy and for increasing welfare, prosperity, and happiness for its people as links that are interconnected with each other in the plantation business world.

Government intervention as the state authority towards plantation companies that have a strong economy that is burdened with responsibility through CSR programs to maintain balance and harmony with the environment, especially with the indigenous community associations that are around the company through the utilization of local labor as one way to overcome unemployment and community empowerment that is regulated in state regulations.

Palm oil plantation companies have a responsibility toward stakeholders in the form of empowering the workforce and the community, especially those around the company. This is by Article 74 paragraph (2) of Law Number 40 of 2007 concerning Limited Liability Companies (UUPT) and Article 2 paragraph (1) letter e of Law Number 19 of 2003 concerning State-Owned Enterprises. Government efforts through partnerships between business entities by utilizing CSR programs to empower local workers, and to realize the development and sustainability of palm oil plantation businesses based on local customs and culture. Given the importance of these factors, the potential of the workforce and community should be empowered and utilized properly,¹⁴ to reduce unemployment in Aceh.

The Central Statistics Agency (BPS) noted, that the level unemployment opened (TPT) in Aceh by 6.30 % in August 2021. This value decreased by 0.29 points from August 2020 which was 6.59 %.¹⁵ Thus, the unemployment rate which is only zero point

10 Iwan Permadi, Weny Almoravid Dunga, and Azhani Arshad, "Ensuring Indigenous People's Rights Protection Through Normative Law in Land Acquisition for Indonesia's New National Capital City, Nusantara," *Jambura Law Review* 7, no. 1 (December 23, 2024): 30–54, doi:10.33756/jlr.v7i1.24930.

11 Teguh Wahyono, "Land Tenure Conflicts on Oil Palm Plantations in Sumatra," *Journal of Palm Oil Research* 11, no. 1 (2003): 47–59, <https://pis.iopri.co.id/upload/journalIOPRI/files/230822152816.PDF>.

12

13 Ian Shapiro, *Principles and Morals in Politics* (Jakarta: Yayasan Obor Indonesia, 2006).

14 Rika Dwi Yulihartika, "Analysis of Demand for Casual Daily Laborers at PT. Sandabi Indah Lestasi (SIL) Plantation, North Bengkulu," *Agroqua Journal* 16, no. 1 (2018).

15 Databox, "Open Unemployment Rate (TPT) Aceh (2017-2021)," 2021.

means that the unemployment rate in Aceh is still very high. Palm oil plantations as one of the large business companies and a mainstay supporting the Indonesian economy, can accommodate a fairly large workforce in various fields, although its capacity is not yet comparable to the number of potential unemployed workers in society.

In 2019, the company showed there are 135 palm oil plantations in Aceh province, consisting of 13 large state-owned companies and 122 large private companies.¹⁶ The vast area of oil palm plantations in Aceh has great potential to improve community welfare and minimize social conflict. However, efforts to resolve social conflicts between oil palm companies and local communities through empowering local workers have not been maximized. This has a negative impact on the development of companies and reducing unemployment and poverty rates in Aceh which amounted to 834.24 thousand in 2021. In March 2022, the poor population increased to 14.75 percent in September 2022. In rural areas, the percentage of poor people increased from 16.87 percent to 17.06 percent (0.19 points).¹⁷

Although government intervention through the creation of norms related to empowerment through partnerships has been carried out, the reality of empowering local workers through CSR of palm oil plantation companies, which is one part of the practice of good corporate governance (GCG), has not yet been implemented maximally.

This can lead to a negative impact on the development and sustainability palm oil plantation business which also reduces the number of unemployed and increases community welfare as a factor in anticipating and resolving social conflicts between the community and the company. This study will analyze the inhibiting factors resolving social conflicts between palm oil plantation companies and communities through empowering local workers for the development and sustainability of palm oil plantation businesses in West Aceh and finding solutions.

This study uses a sociological legal approach that aims to look more deeply into the effectiveness of law in society. This study is supported by primary and secondary data. Primary data was obtained by conducting field research in West Aceh District. Secondary data was obtained by conducting a literature search and regulations related to the focus of the study. Data collection techniques were carried out through structured interviews and Focus Group Discussions (FGD) with the parties involved in this study.

Data analysis and criticism are needed so that the data can be interpreted,¹⁸ and find the problems found. If necessary, will revise the related legislation. According to Chatterjee¹⁹ that there is room for researchers to criticize, improve, and provide suggestions for revisions or cancellations and changes to weak and ineffective laws. In this context, it is related to legal regulations on the development and sustainability of oil palm plantation businesses based on local customs and culture through the empowerment and utilization of human resources in the form of local workers, both through recruitment and short training by oil palm plantation companies to improve the welfare of local communities in West Aceh.

2. RESULTS AND DISCUSSION

¹⁶ BPS-Statistic Indonesia, Directory of Palm Oil Plantation Companies 2019 (Publisher Central Bureau of Statistics, 2019).

¹⁷ Central Bureau of Statistics of Aceh Province, "Poverty Profile in Aceh March 2022 BRS No. 35/07/11/Th. XXV," 2022.

¹⁸ Moleong, *Qualitative Research Methods* (Bandung: Remaja Rosda Karya, 2010).

¹⁹ Chatterjee, *Methods of Research in Law* (London: Old Bailey Press, 2000).

2.1 Social conflict resolution and its benefits

The social conflict between the management of the oil palm plantation business entity and the indigenous community association in the company environment needs to be resolved immediately. If the resolution of the social conflict is allowed to drag on between the management of the oil palm plantation business entity and the local indigenous community association, it will have a negative impact on the development of the oil palm plantation business. Social conflicts between the management of the oil palm plantation and the indigenous community association often arise due to differences of interest, especially in terms of land use and natural resources. Conflict resolution that is not immediately carried out can worsen the situation, hamper company operations, and harm indigenous communities. The potential that can arise is caused by conflicts between plantation companies and plantation companies using a safety valve to resolve conflicts between plantations and communities. The resolution of the conflict was carried out through the use of local labor and community empowerment. According to Lewis Coser²⁰ that conflict resolution is carried out by using a conflict rescue valve, in this study the rescue valve is CSR which is manifested in the form of activities including effective empowerment of local workers. Local workers in the company's surrounding community, if not empowered effectively, can become a source of potential conflict with palm oil plantation companies.

Efforts to resolve social conflicts through empowering local workers are beneficial for the community and plantation business entities, considering that local workers are potential human resources as one of the elements that determine the success or failure of a plantation business. Where conflict can have a positive functional impact as long as it can strengthen the group.²¹ Social conflict will change to be positive as long as it can be managed well so that it does not damage the system by channeling feelings of hostility toward each other through the concept of a safety valve.²² For companies, negative conflicts can also cause negative impacts such as operational disruptions, decreased productivity, and bad reputations that can have an impact on investors and markets. Meanwhile, for communities, conflicts can trigger social instability, hinder local development, and reduce the quality of life of indigenous peoples who depend on the land. Social conflict in every presence of a palm oil plantation company with the local indigenous community association is unavoidable, but what is very important is how to manage the conflict so that it does not bring negative impacts, but rather brings positive impacts for the sustainability of the company's business and the welfare of the community.

George Simmel's theory of gifts for the loser that entertainment is given to the loser becomes important in cases where the object of the conflict cannot be divided between the conflicting parties. The entertainment in question is that one party can give something of value to the other party as a substitute for the disputed object to maintain a good relationship. The concept of a lifeline and a consolation prize for the losing party²³ in the form of empowering local workers and local indigenous communities as well as other components within the community, such as former GAM combatants, can be a consolation prize for the losers so that the potential for conflict that may occur between residents and palm oil plantation entrepreneurs has a positive impact.

²⁰ Lewis A. Coser, "Social Conflict and the Theory of Social Change," *The British Journal of Sociology* 8, no. 3 (September 1957): 197, doi:10.2307/586859.

²¹ M. Margaret Poloma, *Contemporary Sociology*, 4th ed. (Jakarta: Rajawali Grafindo Persada, 2000).

²² Lewis A Coser, *The Functions of Social Conflict* (New York: The Free Press, 1956).

²³ Doyle Paul Johnson, *Classical and Modern Sociological Theory*, vol. Volume 1 (Jakarta: Gramedia, 1986).

The theory of social change also views that problems that occur in society will have an impact on social change in society, just like the existence of a company where the presence of the company makes social changes that will occur in the community environment and result in the process of adjusting social values that bring changes and social symptoms that exist in society, such as shifts in values, norms, social institutions in all aspects resulting from interactions between humans. This shift in values creates a high level of inequality in the community's economy so that employment is used as a form of competition between communities including poverty factors, youth unemployment in villages, as well as social jealousy, and the emergence of conflicts between communities and other social problems.²⁴

The important role of efforts to empower local workers is seen as a safety valve which will be seen in the extent to which the existence of oil palm plantations can improve the welfare of the community, in addition to seeking profit.²⁵ Empowerment of local labor is very important to improve community welfare, in addition to seeking profit. Effective oil palm plantations can be the backbone of national economic growth and improve community welfare, especially for indigenous peoples and local workers. The basic idea of organizing an oil palm plantation business is to gain profit for plantation companies which are also the backbone of national economic growth and can improve community welfare, especially the welfare of indigenous people associations and local labor shelters in the environment where the organization exists as a basis for avoiding and resolving social conflicts.

Local workers who are powerless and do not have the skills to work in palm oil plantation companies have a negative impact on the development and sustainability of palm oil plantation companies. Thus, an effective empowerment pattern is an important matter to be carried out immediately. This is necessary as part of good business management arrangements to anticipate negative impacts and minimize the failure of development efforts and the sustainability of palm oil plantation companies' businesses, an effective local workforce empowerment pattern is needed.

2.2 Resolution of Conflict of Interest and Corporate Social Responsibility (CSR)

Resolving social conflicts between companies and local communities through empowering local workers by utilizing programs of *Social Responsibility (CSR)* is one of the more effective solutions put forward by the norm. CSR is about how businesses adapt themselves with their values and behaviors to the expectations and interests of their stakeholders such as society as a whole.²⁶ CSR demands that businesses manage the economic, social, and environmental impacts of their operations to maximize benefits and minimize losses. In addition, the cultural and customary values of local community associations are very urgent to be considered by the management of oil palm plantation companies in managing and resolving social conflicts.

The company was founded in a way in general, one of them is to meet the needs of society through empowerment and utilization of labor and products produced and at the same time also to seek profit and must pay attention to the welfare of society as an

24 Siska Mahmud, "Form of Social Conflict Resolution (Identification of Form of Conflict Resolution Between Public Relations of PT DONGGI SENORO LIQUEFIED NATURAL GAS Luwuk Banggai Regency and the Community)," *Politico: Journal of Political Science* 8, no. 3 (2019), <https://ejournal.unsrat.ac.id/v2/index.php/politico/article/view/30472>.

25 Natsir Said, *Government Companies in Indonesia Reviewed from a Corporate Law Perspective* (Bandung: Alumi, 1985).

26 Michael Fontaine, "Corporate Social Responsibility and Sustainability: The New Bottom Line?," *International Journal of Business and Social Science*, vol. 4, 2013, www.ijbssnet.com.

important element for the sustainability of business in the future in the long term. This definition is the basis for the introduction of the company's obligation to set business objectives aligned with the goals and values of society.²⁷ The concept introduced by Howard R. Bowen emphasizes the business obligation to create business policy lines and objectives that are by the expectations and values of the local community. According to Susanto, CSR in a critical society has developed into a social license for companies to carry out their business.²⁸ CSR becomes a strategy to overcome this problem because corporate business activities have a major influence on the sustainability of local communities and the surrounding environment. CSR creates comparative advantages both internally and externally to improve its image and reputation. CSR is used as a strategy to gain legitimacy from the community so that corporations can continue to carry out their business activities and also become a bridge to overcome conflicts that arise in the community.²⁹

The concept of CSR is in principle an ethical concept, it follows the changes in society that focus on social concerns in the business world as a business activity that must be carried out to improve the quality of life of society.³⁰ In general, companies commit to social responsibility, but according to Kash Rangan, Lisa A. Chase and Sohel Karim³¹ they do not have a strategy, and high values of togetherness. Therefore, it is up to the palm oil plantation company to design and implement a community empowerment system and utilization of local labor through CSR that is more effective and ethical so that the company's business goals are achieved by prioritizing the principles of balance and togetherness between the company and the local indigenous community association environment.

Maimunah Ismail³² affirms that CSR is a Company strategy to conduct business in an ethical and community-friendly manner. It involves various activities such as working with local communities, socially sensitive investments, developing relationships with employees, customers, and their families and engaging in environmental conservation and sustainability of natural resources. This opinion is in line with WBCSD³³ that corporate social responsibility is a continuous commitment from the business world to act ethically and contribute to economic development while improving the quality of life of workers and their families as well as the local community and the general public. Corporations in upholding their business ethics are truly responsible not only to the company's shareholders (high productivity, large profits, high stock values, internal achievement) but also to other stakeholders, namely parties who have an interest in the existence of the corporation. The implementation of CSR must be optimal and in line with the community, it is hoped that this will be done to optimize the form of performance in a community and be able to be fully responsible for being able to contribute and help

27 Ian Solihin, *Corporate Social Responsibility: From Charity to Sustainability* (Jakarta: Salemba Empat, 2009).

28 AB Susanto, *Corporate Social Responsibility* (Jakarta: The Jakarta Consulting Group, 2007).

29 Desy Nur, "The Role of Corporate Social Responsibility (CSR) in Conflict Resolution in Indonesia," in *Proceeding of the National Conference on Business, Media and Peace*, Faculty of Social and Political Sciences, UPN "Veteran" Yogyakarta, 2012, <http://www.ibl.or.id>.

30 Bhanu Murthy, "Business Ethics And Corporate Responsibility: A New Perspective," in *Paper Presented At Workshop On Iso 26000 Guidance On Social Responsibility And The Implications for Developing Countries* (New Delhi, 2007).

31 Kash Rangan, Lisa A Chase, and Sohel Karim, "Why Every Company Needs A CSR Strategy And How To Build It" (Boston, 2012).

32 Maimunah Ismail, "Abstract," *Uluslararası Sosyal Araştırmalar Dergisi The Journal of International Social Research*, vol. 2, 2009.

33 WBCSD, "We Need a Revolution of Capitalism to Balance Returns on Financial, Natural and Social Capital: World Business Council for Sustainable Development," 2012.

the community to meet the basic needs of the community³⁴ through empowering local workers. In the context of managing social conflict through empowering local workers and other components in society, a model for resolving social conflict is intended for business involvement and value creation to use human resources in ways that benefit society.³⁵

In the atmosphere of the country's economic growth that is experiencing ups and downs or unstable due to various economic crises that hit the world, it has a major impact on Indonesia as a developing country and a dependent country, coupled with prolonged conflicts and natural disasters that have occurred in various parts of Indonesia, such as natural disasters and the prolonged Aceh conflict, most recently the Covid-19 pandemic which caused the country's economic growth and society to be in disarray. Many industrial companies that can accommodate workers have gone bankrupt, resulting in unemployment that cannot be contained. As the only large company that survives is the palm oil plantation company, so that it becomes the mainstay of the community's hopes and the struggle for workers, especially the mainstay of the hopes of the local indigenous community association and local workers who must be a priority scale. This situation cannot be denied which causes an imbalance between the formation of the palm oil company's needs for workers and the community's needs for jobs that are being fought over. Conditions like this always cause conflicts between companies and the community and local workers who need to be managed properly by prioritizing ethics and cultural values and local customs. If the government and palm oil plantation companies prioritize state security for the sustainability of plantation companies' businesses without paying attention to and prioritizing the empowerment of local indigenous communities and the use of local workers, then social conflict cannot be avoided, and the company's business objectives cannot run well and smoothly. This is because the company and the environment of the local indigenous communities and local workers are one entity that cannot be separated from each other. This is where critical thinking is needed that is able to filter the developing business world, which demands business people and their corporations to carry out their business more responsibly. Corporations are not only required to meet their profit targets economically, but also to contribute both physically and socially to the community and the environment.³⁶

Basically, in terms of geographical location, companies need more security support from local indigenous communities and local workers for the convenience of the sustainability of the palm oil company's business, while local communities and workers need welfare and environmental comfort from the impact of pollution from the presence of palm oil companies in their environment. Therefore, in managing social conflicts through CSR, palm oil plantation companies must prioritize fostering partnerships and a sense of brotherhood, a sense of kinship with local indigenous communities by empowering them and giving priority to local workers to work in the company by providing effective coaching and training for local workers.

Investment in CSR programs issued by corporations is an effort to strengthen social capital which will later can lead to what is called positive peace, which is not only

34 Nur, "The Role of Corporate Social Responsibility (CSR) in Conflict Resolution in Indonesia."

35 Dima Jamali and Ramez Mirshak, "Corporate Social Responsibility (CSR): Theory and Practice in a Developing Country Context," *Journal of Business Ethics* 72, no. 3 (March 27, 2007): 243–62, doi:10.1007/s10551-006-9168-4.

36 Desy Nur, "The Role of Corporate Social Responsibility (CSR) in Conflict Resolution in Indonesia," in *Proceeding of the National Conference on Business, Media and Peace*, Faculty of Social and Political Sciences, UPN "Veteran" Yogyakarta, 2012, <http://www.ibl.or.id>.

limited to reducing conflict but also allowing for cohesive collaboration and cooperation. Management of social conflict through empowerment of local workers, indigenous peoples and other components as a safety valve that functions to reduce the psychological atmosphere of the parties in society. Therefore, the management of social conflict functions as a way out that reduces hostility without which the relations between the conflicting parties will become increasingly sharp.³⁷ So it needs to be adjusted to the customs and developments of the indigenous community.³⁸

This is where the role of CSR as a bridge and conflict resolution efforts carried out by corporations towards local communities is important. Implementation of CSR in palm oil plantation companies will provide benefits for the company. In the context of this study, CSR has a direct impact on human resource capital, especially in this case local labor.

2.3. Barriers to resolving conflicts between local communities and palm oil plantation companies through empowering local workers in West Aceh.

Conflict resolution between local communities and palm oil plantation companies that occurred in West Aceh basically with an approach method that prioritizes customary values as local wisdom and an approach to utilizing local labor effectively which is linked to CSR regulations managed by palm oil companies. The habit of community life is to work together in facing a conflict of interest. Related to obstacles to resolving social conflict that occurs between palm oil plantation companies and local communities, through empowering local workers to use CSR as a safety valve. However, it is still a problem in the community because the resolution pattern is not optimal.³⁹

Muksin, Assistant Head of Unit 1 of the Palm Oil Plantation in the Focus Group Discussion (FGD) stated that the obstacles to resolving social conflicts between palm oil plantation companies and the community through empowering local workers are as follows:

1). Many residents are unemployed

The number of residents as local workers who are ready to work is not comparable to the number of job formations needed by palm oil plantation companies. Many residents are unemployed and have weak economic capabilities, this has a negative impact on the sustainability of the plantation company's business, for example, there are acts of theft of company assets in the form of palm fruit and various other disturbances. They steal because they need food, and some just for pocket money and various other daily needs. Theft of palm fruit is carried out in the plantation area, in addition, some take the fruit that has been harvested on the side of the road. This happens because the number of security personnel is not comparable to the vast area of the palm oil plantation that stretches across the residential environment of the local indigenous community association. Lack of security personnel, meaning the lack of workers who are assigned as security guards as Security Units (Satpam) who are specifically tasked with overseeing the safety of palm oil plantation company assets compared to the size of the plantation. This condition occurs as a result of the calculation of the swelling

³⁷ Poloma, Contemporary Sociology.

³⁸ Jamaluddin et al., "The Ideal Customary Court Model: Efforts to Strengthen Customary Court Decisions in the Indonesian Legal System" (Lhokseumawe, 2021).

³⁹ Abdul Rajab Pasaribu, "The Effect of Programs Corporate Social Responsibility (CSR) Palm Oil Company to Development of the Region in the District of South Labuhanbatu," in National Seminar on Conservation and Utilization of Natural Resources (Medan: PKLH-FKIP UNS, University of North Sumatra, 2015), <https://media.neliti.com/media/publications/169591-ID-pengaruh-pelaksanaan-program-corporate-s.pdf>.

operational funds that are not sufficient for the palm oil company to meet the number of workforce formations in various fields, especially the field of plantation security.

Field supervision that is considered lacking until now has harmed the development of the palm oil plantation company business, opening up opportunities for the theft of palm fruit or loose fruit by residents or other irresponsible parties continuously. When workers are busy working in their respective fields and places, the plantation supervisors are only 3 (three) people, while the palm oil plantation area is large. This situation opens up opportunities for them to steal the palm fruit. Sometimes even mothers are found taking loose fruit that is not suitable for use and according to the provisions of the palm oil plantation company is not allowed to be taken by the company, which is reminded by security officers or Security Units (Satpam).

Theft cases that occur in the palm oil company environment. According to Muhammad Munir, an employee of the Palm Oil Plantation, most of them are still small-scale, if they want to be raised to the formal legal path, the state does not meet the requirements because the amount is small, following the applicable Qanun for theft with losses of up to Rp 2,500,000, - (two million five hundred thousand rupiah) is resolved via the Village Customary Court unless the amount stolen is large, then the case will be raised to the legal path. However, for cases of theft on a small scale that has been repeatedly reported to the police, even though the resolution is carried out according to customary law, it is only to create a pretense for the perpetrators so that they do not repeat theft. Thus minor violations can be resolved by traditional leaders through village customary court.⁴⁰ It is further explained that the enactment of the Qanun which limits the path to resolving cases of palm oil theft with losses of up to Rp. 2,500,000 (two million five hundred thousand rupiah) is an obstacle for companies, especially for those who repeatedly commit theft which does not deter the perpetrators, because resolution through customary courts is more oriented towards the family or peace system.

2) Empowerment programs are not on target

An in-depth approach and study are needed regarding targeted empowerment programs, especially those that support basic needs, both economic, social, and environmental, as well as improving the skills of local workers so that they can be independent which is highly expected by the local indigenous community association. Starting from the basic capabilities of the company which are also limited, a comprehensive approach is needed between the company and the indigenous community association around the company to produce targeted programs. Without an in-depth approach and study, it is unlikely that the empowerment program can be targeted, which will result in endless social conflicts between indigenous peoples and companies that hinder the business journey of palm oil companies.

The program that has been implemented by the company is in the form of village road repair, clinic health, and palm oil seed assistance. The company's Health Clinic provides clinic services for factory employees which are also open to the public for the local community with Social Security Administration (BPJS) facilities. With the existence of the company's clinic close to residential areas, many people take advantage of the company's health clinic every working day, turns to be crowded by residents.

CSR program in the form of Eid al-Adha donations, the company provides cattle to be slaughtered on Eid al-Adha which are distributed to the local indigenous community,

40 Nanda Amalia, Mukhlis Mukhlis, and Yusrizal Yusrizal, "DISPUTE RESOLUTION MODEL AND CUSTOMARY JUSTICE IN ACEH," *Ius Quia Iustum Law Journal* 25, no. 1 (January 2018): 159–79, doi:10.20885/iustum.vol25.iss1.art8.

and volleyball for village youth. This program is expected to anticipate social conflicts between the local indigenous community and plantation companies.

Efforts to resolve social conflicts in the midst of indigenous communities with empowerment program patterns like this have not been resolved properly, because they have not touched and supported the basic needs of the community around the company. Therefore, empowering indigenous communities as a thought that cannot be separated from the development paradigm that is centered on the community, requires an in-depth and comprehensive approach and study to produce empowerment programs that are right on target.

Company no longer an entity that only prioritizes and cares about themselves and isolates themselves from the community environment. CSR must be able to integrate economic, social, and environmental into their business strategies and activities without getting caught up in legal issues.⁴¹ The advantages of CSR must be interpreted by the company to become a program that supports the basic needs in empowering indigenous communities around the company, both economically, socially, and environmentally, which becomes a facility to approach, anticipate, and resolve social conflicts with the indigenous community associations around it. However, the reality is that CSR has not been fully interpreted by the management of plantation companies for indigenous community-based development.

Unfortunately, CSR seems to only be seen as a form of philanthropic activity or social tax. Therefore, education for entrepreneurs so that they can understand CSR in a broader sense. Therefore, in order for CSR implementation to be more effective, companies must determine the allocation of CSR funding appropriately, through a more touching and in-depth approach and assessment so that CSR programs can be sustainable and social conflicts can be resolved properly. According to Marlia Sastro, the company's social and environmental responsibility programs can be implemented according to the needs of the community and the habits of the surrounding community, concretely the implementation of CSR programs is carried out through deliberation between the company and the community.⁴²

Even though the government has firmly stipulated and continues trying to resolve social conflicts in the community can be suppressed. In addition, unemployment is reduced and encourages increased community welfare. However, it has not shown maximum results. This is because the CSR program cannot be relied on as a program that empowers and fosters independence for indigenous communities around oil palm plantation companies.

The results of this study are in the form of a model for resolving social conflict through empowering local workers, namely: "A Model for Empowering Local Workforce Appropriately and Effectively by Utilizing CSR Budget in the Form of Comprehensive Job Training for Villagers of Productive Age 18-35 Years". If this productive age workforce is not empowered, especially those who are unemployed in the midst of indigenous communities around oil palm plantations, it becomes a potential social vulnerability with the company. Therefore, the training is intended to provide and improve the skills of residents around the company in order to encourage their productivity and not rely solely on hoping to work for the Company.

41 Rajab Pasaribu, "The Effect of Programs Corporate Social Responsibility (CSR) Palm Oil Company to Development of the Region in the District of South Labuhanbatu."

42 Marlia Sastro et al., "Concretization of the Equity Principle - Implementing Social and Environmental Responsibility on the Palm Oil Plantation Company in Aceh Province, Indonesia," *International Journal of Innovation, Creativity and Change*. 12, no. 5 (2020).

3. CONCLUSION

The resolution of the conflict between the palm oil plantation company and the community through the empowerment of local workers in West Aceh has experienced obstacles due to many productive residents who are unemployed and empowerment programs that are not well targeted. Suggestions for resolving social conflicts through the empowerment of local workers are: "A Model for Empowering Local Workers Appropriately by Utilizing the CSR Budget in the Form of Comprehensive Job Training for Villagers of Productive Age 18-35 Years on an ongoing basis. The activity periodically involves components of the Community, academics, Local Government and NGOs for monitoring and evaluation to ensure that the activity runs well.

4. DECLARATION OF CONFLICTING INTEREST

Hereby we declare that this article has no conflict of interest at all with the other parties and we are legally responsible for any issue that occur in the future.

5. FUNDING INFORMATION

This article comes from research project funded by PNPB Malikussaleh University with the Grand Number: SK 530/UN45/KPT/2022 dated 12 Juli 2022.

6. ACKNOWLEDGMENT

We are really thankful for the Rector and the head of Research and Community Service Institution of Malikussaleh University who has funded this research. Our great thankful also comes to the Dean of Law Faculty of Malikussaleh University who always motivates us to conduct the research throughout the year. Special thanks we dedicate to all fellows at our Law Faculty and peer review team who have given us insightful feedback for the betterment of our research. Last but not least, we are really thankful for all respondents and informants who have supplied us huge of data and information to be used for this research.

REFERENCE

- Amalia, Nanda, Mukhlis Mukhlis, and Yusrizal Yusrizal. "MODEL PENYELESAIAN SENGKETA DAN PERADILAN ADAT DI ACEH." *Jurnal Hukum Ius Quia Iustum* 25, no. 1 (January 2018): 159–79. doi:10.20885/iustum.vol25.iss1.art8.
- Amalia, Rizka, Arya Hadi Dharmawan, Lilik Budi Prasetyo, and Pablo Pacheco. "Perubahan Tutupan Lahan Akibat Ekspansi Perkebunan Kelapa Sawit: Dampak Sosial, Ekonomi Dan Ekologi." *Jurnal Ilmu Lingkungan* 17, no. 1 (May 29, 2019): 130. doi:10.14710/jil.17.1.130-139.
- Badan Pusat Statistik Provinsi Aceh. "Profil Kemiskinan Di Aceh Maret 2022 BRS No. 35/07/11/Th. XXV," 2022.
- Basri, and Nurhamlin. "Konflik Masyarakat Dan Perusahaan Perkebunan Serta Alternatif Penyelesaiannya Di Kabupaten Rokan Hulu." *Repository University of Riau*, 2014. <http://repository.unri.ac.id/xmlui/handle/123456789/5742>.
- BPS-Statistic Indonesia. *Direktori Perusahaan Perkebunan Kelapa Sawit 2019*. Penerbit

- Badan Pusat Statistik, 2019.
- Chartterjee. *Methods of Research in Law*. London: Old Bailey Press, 2000.
- Coser, Lewis A. "Social Conflict and the Theory of Social Change." *The British Journal of Sociology* 8, no. 3 (September 1957): 197. doi:10.2307/586859.
- Coser, Lewis A. *The Functions of Social Conflict*. New York: The Free Press, 1956.
- Databox. "Tingkat Pengangguran Terbuka (TPT) Aceh (2017-2021)," 2021.
- Dwi Yulihartika, Rika. "Analisis Permintaan Tenaga Kerja Buruh Harian Lepas Pada Perkebunan PT. Sandabi Indah Lestasi (SIL) Bengkulu Utara." *Jurnal Agroqua* 16, no. 1 (2018).
- Fakhruudin, Fakhruudin, and Ahmad Sidi Pratomo. "Bank Wakaf Mikro Dan Pemberdayaan Usaha Mikro Kecil Dan Menengah Di Indonesia Perspektif Maqashid Syariah." *De Jure: Jurnal Hukum Dan Syar'iah* 13, no. 2 (December 25, 2021): 323–36. doi:10.18860/j-fsh.v13i2.15485.
- Fontaine, Michael. "Corporate Social Responsibility and Sustainability: The New Bottom Line?" *International Journal of Business and Social Science*. Vol. 4, 2013. www.ijbssnet.com.
- Herningtyas, Wieke. "Conflict of Palm Oil Companies with Indigenous People and Forest Surrounding Society." *BHUMI: Jurnal Agraria Dan Pertanahan* 7, no. 2 (December 12, 2021): 199–209. doi:10.31292/bhumi.v7i2.504.
- Ismail, Maimunah. "CORPORATE SOCIAL RESPONSIBILITY AND ITS ROLE IN COMMUNITY DEVELOPMENT: AN INTERNATIONAL PERSPECTIVE." *Uluslararası Sosyal Araştırmalar Dergisi The Journal of International Social Research*. Vol. 2, 2009.
- Jamali, Dima, and Ramez Mirshak. "Corporate Social Responsibility (CSR): Theory and Practice in a Developing Country Context." *Journal of Business Ethics* 72, no. 3 (March 27, 2007): 243–62. doi:10.1007/s10551-006-9168-4.
- Jamaluddin, Marlia Sastro, Yusrizal, and Ramziati. "Model Peradilan Adat Yang Ideal: Upaya Penguatan Putusan Peradilan Adat Dalam Sistem Hukum Indonesia." Lhokseumawe, 2021.
- Johnson, Doyle Paul. *Teori Sosiologi Klasik Dan Modern*. Vol. Jilid 1. Jakarta: Gramedia, 1986.
- Mahmud, Siska. "BENTUK PENYELESAIAN KONFLIK SOSIAL (Identifikasi Bentuk Penyelesaian Konflik Antara Public Relations PT DONGGI SENORO LIQUEFIED NATURAL GAS Kabupaten Luwuk Banggai Dengan Masyarakat)." *Politico: Jurnal Ilmu Politik* 8, no. 3 (2019). <https://ejournal.unsrat.ac.id/v2/index.php/politico/article/view/30472>.
- Moleong. *Metode Penelitian Kualitatif*. Bandung: Remaja Rosda Karya, 2010.
- Murthy, Bhanu. "Business Ethics And Corporate Responsibility: A New Perspective." In *Paper Presented At Workshop On ISO 26000 Guidance On Social Responsibility And The Implications for Developing Countries*. New Delhi, 2007.

- Nur, Desy. "Peran Corporate Social Responsibility (CSR) Dalam Penyelesaian Konflik Di Indonesia." In *Proceeding Konferensi Nasional Bisnis, Media Dan Perdamaian FISIP UPN "Veteran" Yogyakarta*, 2012. <http://www.ibl.or.id>.
- Permadi, Iwan, Weny Almoravid Dungga, and Azhani Arshad. "Ensuring Indigenous People's Rights Protection Through Normative Law in Land Acquisition for Indonesia's New National Capital City, Nusantara." *Jambura Law Review* 7, no. 1 (December 23, 2024): 30–54. doi:10.33756/jlr.v7i1.24930.
- Poloma, M. Margaret. *Sosiologi Kontemporer*. 4th ed. Jakarta: Rajawali Grafindo Persada, 2000.
- Rajab Pasaribu, Abdul. "Pengaruh Pelaksanaan Program Corporate Social Responsibility (CSR) Perusahaan Pabrik Kelapa Sawit Terhadap Pengembangan Wilayah Di Kabupaten Labuhanbatu Selatan Effect of Programs Corporate Social Responsibility (CSR) Palm Oil Company to Development of the Region in the District of South Labuhanbatu." In *Seminar Nasional Konservasi Dan Pemanfaatan Sumber Daya Alam*. Medan: PKLH-FKIP UNS, Universitas Sumatera Utara, 2015. <https://media.neliti.com/media/publications/169591-ID-pengaruh-pelaksanaan-program-corporate-s.pdf>.
- Rangan, Kash, Lisa A Chase, and Sohel Karim. "Why Every Company Needs A CSR Strategy And How To Build It." Boston, 2012.
- Said, Natsir. *Perusahaan-Perusahaan Pemerintah Di Indonesia Ditinjau Dari Segi Hukum Perusahaan*. Bandung: Alumni, 1985.
- Saphiro, Ian. *Azas Dan Moral Dalam Politik*. Jakarta: Yayasan Obor Indonesia, 2006.
- Sastro, Marlia, Tan Kamello, Azhari Yahya, and Sri Walny Rahayu. "Concretisation of the Equity Principle - Implementing Social and Environmental Responsibility on the Palm Oil Plantation Company in Aceh Province, Indonesia." *International Journal of Innovation, Creativity and Change*. 12, no. 5 (2020).
- Solihin, Ian. *Corporate Social Responsibility: From Charity to Sustainability*. Jakarta: Salemba Empat, 2009.
- Sumardjo. "MODEL PEMBERDAYAAN MASYARAKAT DAN PENGELOLAAN KONFLIK SOSIAL PADA PERKEBUNAN KELAPA SAWIT DI PROPINSI RIAU." Accessed April 10, 2024. https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://www.academia.edu/9071020/MODEL_PEMBERDAYAAN_MASYARAKAT_DAN_PENGELOLAAN_KONFLIK_SOSIAL_PADA_PERKEBUNAN_KELAPA_SAWIT_DI_PROPINSI_RIAU_1&ved=2ahUKEwiH6MW_gbeFAxVLoGMGHUM_BzIQFnoECA8QAQ&usg=AOvVaw0ZNHTeCg3XdPaDxy8sGNZP.
- Suparno, Suparno, Edris Zamroni, Ari Kartiko, and Majdy Kasheem. "The Evolution and Implications of CSR in Indonesian Tobacco Companies: A Bibliometric Analysis Based on Business Law Theory." *Volksgeist: Jurnal Ilmu Hukum Dan Konstitusi*, November 23, 2024, 293–319. doi:10.24090/volksgeist.v7i2.12029.
- Susanto, AB. *Corporate Social Responsibility*. Jakarta: The Jakarta Consulting Group, 2007.

- Teguh Wahyono. "Konflik Penguasaan Lahan Pada Perkebunan Kelapa Sawit Di Sumatera." *Jurnal Penelitian Kelapa Sawit* 11, no. 1 (2003): 47–59. <https://pis.iopri.co.id/upload/journalIOPRI/files/230822152816.PDF>.
- Usop, Sidik R. "KONFLIK ANTARA KORPORASI DAN MASYARAKAT ADAT Kasus Pada Usaha Perkebunan Di Kalimantan Tengah." *Jurnal Sosiologi*. Vol. VI, 2023.
- WBCSD. "We Need a Revolution of Capitalism to Balance Return on Financial, Natural and Social Capital: World Business Council for Sustainable Development," 2012.