

## The Contribution of Investment to the Government and Local Communities in the Kampar Regency Riau

Rida Jelita<sup>1</sup> , Thamrin S<sup>2</sup> , Abd Thalib<sup>3</sup> 

<sup>1</sup>Universitas Islam Riau, Indonesia

<sup>2</sup>Universitas Islam Riau, Indonesia

<sup>3</sup>Universitas Islam Riau, Indonesia

### ABSTRACT

**Background.** This study was conducted to analyze and assess the barriers in the implementation of oil palm plantation contributions to the government and local communities in Kampar Regency, Riau. **Purpose.** The samples of this research are oil palm plantation companies and local communities located in Kampar Regency, Riau.

**Method.** In its discussion, the researcher uses a normative juridical approach, the normative juridical approach used in this research is an approach through positive law, namely positive legal rules to find the legality of the data used is secondary data where journals, articles, books, reviews, papers, and others become the main source in this research.

**Results.** The results of this study indicate that 1) the analysis of the contribution of development in the field of capitalization of oil palm plantations by plantation companies to the government and society has not been significant to economic growth. 2) the implementation of oil palm companies towards the government and the people of Kampar Regency, Riau is a different understanding and implementation in perceiving the law, the effectiveness of the budget year is still lacking, the budget is not absorbed, and employment is not absorbed.

**Conclusion.** In addition, field research can also be used as a complement, namely interviews supported by primary data.

### KEYWORDS

Contribution, Investment, Government

### INTRODUCTION

According to Article 33 (1) of the Constitution (UUD 1945), the economy is structured as a cooperative venture centered on family (Tüfekci dkk., 2021). The phrase "the economy is structured" obviously refers to a framework, that is, a systematic and comprehensive policy structure, ranging from the national structure to the structure of provinces and districts across the city.

Article 33 paragraphs (2) and (3) of the 1945 UUD which regulates: (2) the branches of production that are important to the state and control the life of the people are controlled by the state; and (3) the land and water, as well as the natural wealth contained therein, are controlled by the state and used for the greatest prosperity of the nation. These two words serve as recommendations for Indonesian resource management (Badji dkk., 2022). Natural resources are only available to the state as a governmental authority.

**Citation:** Jelita, R., S, T., Thalib, A. (2023). The Contribution of Investment to the Government and Local Communities in the Kampar Regency Riau. *Rechtsnormen Journal of Law* 2(1), 20–31. <https://doi.org/10.55849/rjl.v2i1.512>

#### Correspondence:

Rida Jelita,  
[ridajelita@gmail.com](mailto:ridajelita@gmail.com)

**Received:** March 12, 2023

**Accepted:** March 15, 2023

**Published:** March 31, 2023



The concept of state control exists in the tradition of the state with the ideology of socialism. This notion is a manifestation of the creator of a nation's inner environment, which has an ideological tendency going to socialism.

The regional government can include society and the business sector in the management of Indonesian resources, one of which is capital planting initiatives (Ferreira dkk., 2022). The Law Number 25 Year 2017 on Capital Plantation (UU PM No.25/2017) serves as the foundation of Indonesian jurisdiction (Bhat dkk., 2020). Capital planting is defined in Article 1 paragraph (1) as "all forms of capital-planting activities undertaken by domestic capital planters or foreign capital planters to conduct business on the territory of the Republic of Indonesia." According to paragraph (2), the planting of domestic capital is the activity of planting capital to carry out business in the territory of the Republic of Indonesia carried out by domestic planters using domestic funds.<sup>2</sup>

Whereas paragraph (3) states that foreign capital planting is the activity of investing capital in order to do business in the territory of the Republic of Indonesia carried out by foreign capital plants, either entirely with foreign capital or in collaboration with domestic capital planners.<sup>3</sup>

Based on the importance of capital investment in an area's growth, every policy and rule must be developed as effectively as possible and give facilities to ensure that the objectives are met.

The most recent advancements in capital plantation are covered by Law 11/2020 on Work Creation and Perpres 10/2021 on the Positive Investment List (DPI), which has been revised by Perpres 49/2021 (Kouvelis dkk., 2021). With the Perpres 49/2021 output, there was a paradigm shift in which this Negative Investment List (DNI) was replaced with a Positive Investment List (DPI). The shift from negative to positive creates greater room and potential impacts.

Increased capital planting development in an area, particularly in the Province of Riau, plays an essential role and will immediately have a good impact on economic stability and the level of living of local and national communities in general.

Riau Province in Indonesia is a natural resource-rich province (Mikhaylov dkk., 2020). Riau is a province that entices investors who wish to set up shop there (Miao dkk., 2019). As a location with enormous natural wealth potential, Riau Province has great potential to promote the industrialisation process (Wilkinson dkk., 2020). If the natural resources owned by the Riau area are analyzed, there is a large possibility for capital planting operations due to the availability of diverse raw materials from agriculture, planting, fishing, and livestock farms that can all be used for the growth of the industrial sector.

a propensity to increase sufficiently high in order to give legal certainty as well as anticipate the impediments required to construct regulations that regulate the area's capital assignment (Mikhaylov dkk., 2020). Increased capital planting development in Riau Province plays a vital role and will have a direct positive impact on economic restructuring and the level of living of local and national communities in general.

Regarding the importance of foreign capital plantation and capital planting in the province of Riau, in addition to the PM Law No. 25/2017, a set of clear rules should be supported in this regard, based on the Presidential Regulation of the Republic of Indonesia No. 10 of 2021 on the Field of Capital Plantation and the Riau Provincial Regional Regulation No. 7 of 2018 (Perda No. 5). 7/2018) (Liu dkk., 2020). The Province of Riau's Capital Planting. These rules are critical for the long-term viability of capital planting, particularly foreign capital planting.

According to Riau Province Perda No. 7/2018 About Capital Plantation, capital plantation aims to improve regional economic growth by creating jobs, improving regional competitiveness, expanding the absorption of local labor (Zhang dkk., 2019), accelerating technology transfer,

developing citizenship economies, transforming potential economies into real economic forces, and improving community well-being.<sup>4</sup>

Capital planting data in Riau province from 2014 to 2018 reveal that Riau Province is still a primadona for investors to perform capital planting (Pai dkk., 2019), demonstrating that Riau is a province in ninth place nationally in 2018, which became the capital plantation destination in Indonesia.<sup>5</sup>

Singapore, the United States, the People's Republic of China, Tanzania, Malaysia, and Hong Kong are the countries of origin for investors, and the fields of investment include planting, food industry, chemical industry, and paper industry.<sup>6</sup>

Riau is rich in gold, coal, bauxite, and lead in addition to oil and natural gas. The Pelalawan district, for example, is thought to have potential coal rocks in the Langgam and Ukui districts. Kuantan Singingi has gold and coal mining potential (Amendolagine dkk., 2019). Subsequently, the other capital planting that contributed significantly to the production of Riau Province was the planting of capital in the plantation area, among other things, the palm coconut plantation in 2004 produced 3.8 billion tons of palm coke, rubber of 303 million tons, cocoa of 10 thousand tons and other outcomes that are potential for capital cultivation in Riau province in particular in the district of Kampar.

The plantation commodity is one of the andalan for the province of Riau's original income. The plant sub-sector's contribution to the regional economy is growing, and it is expected to support plantation development more broadly (Karlsson dkk., 2020). In order to achieve inclusive, autonomous, and competitive economic growth, the planting sub-sector should be developed with a caring attitude toward offering facilitation and service to the community and all planting stakeholders.<sup>7</sup>

However, the regional spatial planning plan has become a serious impediment to investment development, particularly in the planting industry (Thorell dkk., 2022). Until date, the provincial spatial planning plan of Riau has not achieved clarity, which has an impact on the territory's uncertainty for the development activities of the plantation industry and other sectors. Furthermore, a moratorium on deforestation prevented investments in the creation of new land crops. The expansion of investments in the planting sector is being hampered by peculiar obstacles, especially land conflict with society (Xie dkk., 2019). The conditions of this land conflict have affected nearly all new plant development activities. Even in certain circumstances, this results in victims and the destruction of plantations (Suganthi, 2019). This land war has become a never-ending housework, affecting the drop in the index of investor confidence, particularly in the resolution of land conflicts.<sup>8</sup>

The evaluation of the performance of the RI Law No. 25/2007 in the field of capital planting, which has been approved for at least 16 (one-two) years, is of course very urgent, whether the regulation can contribute to the planting of capital against the government and local communities, particularly in the district of Kampar Riau (Stahl dkk., 2020). If he does not contribute, it is vital to identify the source of the problem and then seek alternatives to its resolution through legal reconstruction efforts and dissertation research such as this (Holzinger dkk., 2020). The researchers were interested in examining "Contribution of capital planting of Sawit agricultural fields to government and local communities in the district of Kampar Riau" based on the problem.

### **Understanding the contribution**

#### **The Definition of Contribution**

Capital planting is a powerful tool for national and regional economic development. There is a requirement for a contribution. Contributions to capital planting activities are consistent with the

establishment of laws and regulatory regulations that serve as the foundation for each capital plantation program (Elgar dkk., 2020). Legal protection refers to a written legal system in a country that specifically incorporates clarity in order to ensure rights and obligations in a balanced manner in accordance with societal realities (Chanana & Sangeeta, 2021). The law's protection in conducting business in the field of capital planting provides the idea that there is one basis that becomes a guideline in capital plantation (Mudelsee, 2019). In this regard, the government has given capital plants with the amenities outlined in Articles 18 to 24 of Law No. 25 of 2007.

Contribution is understood as a contribution in the Indonesian Great Dictionary (KBBI). When we talk about meaning, we may say that contribution is the power of support or contribution offered by something that helps to achieve something greater.<sup>9</sup>

In English, contribution refers to participation, engagement, involvement, and contribution. Contribution can be either material or action in this scenario (Teske, 2019). By giving, the individual is also attempting to improve the efficiency and effectiveness of their own lives. Contributions can be given in a range of areas, including thinking, leadership, professionalism, financial management, and others.<sup>10</sup>

According to Soerjono Soekanto, contribution is defined as "as a form of money or funds, energy aid, thought aid, material aid, and all kinds of aid that may help the success of activities in a forum, group and so on."<sup>11</sup>

Contributions are also defined as anything received by a person as a result of numerous efforts that have an impact on the input of resources (materials) or money. The benefit of estimating the value of such contributions is that it may be used as a basis for determining how much the function of the business is performed by someone on income and can

eventually be dependable for the source of income (Nyashanu dkk., 2020). The development of a farm in a region will contribute to the region's income, either directly or indirectly.<sup>12</sup>

According to the description above, the meaning of contribution is a gift offered in numerous forms, such as cash, programs, ideas, or energy given to others to make something better and more efficient.

### **Type of Contribution**

Material contribution is a contribution that is linked to a monetary donation.

Non-material contributions are those that are not tied to funds/money, such as government and public donations, which are related to support and evaluation.

### **Society Contributions Definition**

Based on the sound of the first phrase of the explanation of Article 33 UUD 1945, it may be stated that the content of society's whole contribution consists of three things:

The participation of all members of society in the formation of national production. The participation of all members of society in the process of developing national production holds a very important place in the societal economic system (Kluytmans-van Den Bergh dkk., 2020). It is critical not only to assure the full potential of national resources, but also to ensure the participation of all members of the community in enjoying the fruits of national production (Shaw dkk., 2020). This is consistent with Article 27 of the 1945 Constitution, which stipulates that "every citizen has the right to work and a livelihood worthy of humanity."

All community members contribute to the enjoyment of national output. That is, in the economic framework of society, there must be guarantees that every member of society, even the impoverished and displaced children, contributes to national output (Lee dkk., 2019). According to Article 34 of the 1945 Constitution, "poor and displaced children are lined by the state." In other

words, the state is obligated to construct a social security system for impoverished and displaced children in Indonesia within the framework of the people's economy or economic democracy.

### **Government Contributions Definition**

The contribution and distribution of national output must take place under government oversight or control (Jacob dkk., 2020). That is, the government should not be solely an object of economic activity within the framework of the economy of society or economic democracy. Every government should seek to be a center of economic activity (Seland dkk., 2020). Thus, while foreign financiers may carry out activities related to the establishment of national production, the organization of such operations must remain under the leadership and supervision of government members. This is predicated on the requirement for the entire government to participate in equal ownership of capital or national production elements. Capital in this context comprises not only material capital but also intellectual capital and institutional capital. (Capital Institutional). The state is obligated to consistently seek for a rise in the ownership of such capital plantations reasonably evenly throughout society.

## **RESEARCH METHODOLOGY**

### **Capital Investment (CM)**

#### **Definition of Capital Investment**

Capital planting is fundamentally an investment activity in diverse economic operations with the goal of profiting in the future. Capital plantation is divided into two types: financial capital and non-financial capital. Capital planting is the purchase of capital goods and production equipment by individuals or businesses in order to improve the ability to generate commodities or services available in the economy. In other words, in economic theory, capital planting refers to spending actions that improve an economy's productive potential.<sup>13</sup>

The Law of the Republic of Indonesia No. 25 of 2007 governs it. Such interpretation must then be seen in the context of the meaning given in Law No. 25 of 2007 respecting Capital Assignment (also referred to as UU PM). In the General Explanation part of the PM Act, paragraph 5 states, "These Laws cover all direct capital raising activities in all sectors." Furthermore, "the provisions of this Act apply to capital raisings in all sections on the territory of the Republic of Indonesia," according to Article 2.<sup>14</sup>

The restrictions of the UU PM are the rules of the PM Act that can also be used to interpret the understanding of capital planting. Capital planting regulated by legislation in the oil and gas sector, non-bank financial institutions, insurance, rental for business purposes, mining in employment contracts, coal mining enterprise work agreements, capital plantation issued by technical authorities/sector, portfolio (capital market), and household capital plantations are not included in the PM Act.

When compared to Law No. 1 of 1967 on Foreign Capital Plantation, the incentives in the PM Act are essentially the same. Foreign capital investors are granted tax incentives under Law No. 1 of 1967 on Foreign Capital Investment, which provides for exemption from corporate tax on profits for a period of time not exceeding five (5) years from the time the enterprise begins to produce and exchange tax exemption on the share of profits paid to shareholders on the condition that such profits are obtained within a period not exceeding five

(5) years. Furthermore, foreign capital businesses are excluded from corporate tax on earnings invested for a set length of time, not to exceed 5 (five) years from the moment of capital recovery.  
15



Finally, foreign capital companies were free from entry charges and capital duties on capital placement obtained from foreign capital planting when the equipment items entered Indonesian territory. In addition to the tax benefits outlined above, the Law No. 1 of 1967 on Foreign Capital Plantation includes tax breaks. The tariff is implemented in proportion and at the maximum of fifty percent, with a term of exemption not exceeding five (5) years. 16

According to the changes to Law No. 1 of 1967 on Foreign Capital Plantation enacted in 1970, tax benefits were offered in the form of exemption from capital duties on capital placement generated from foreign capital plantation. Furthermore, foreign capital companies are excluded from customs duties and sales taxes while importing permanent equipment into Indonesian territory. Furthermore, for the first two years after the start of production, foreign capital corporations are exempt from name duties on ship registration documents.

foreign investment companies to be treated the same as domestic investment companies. The conditions for foreign capital to be treated the same as domestic capital are "foreign capital companies in which at least 75% (seventy five percent) of their shares are owned by the state and/or national private companies, or; at least 51% (fifty one percent) of the shares are owned by the state and/or national private and sold through the capital market, or; at least 51% (fifty one percent) of the shares are owned by the state and/or national private and sold through the capital market, If these prerequisites are met, foreign-invested enterprises receive the same treatment as companies founded under Investment Law No. 6 of 1968. 18

### **Investment spending components**

Investment spending is divided into four categories:19

#### **Private-sector investment**

Investment in companies accounts for the majority of a country's investment in any given year. When economists analyze investment, they focus primarily on this investment expenditure. Investment expenditures primarily comprise the construction of industrial structures, the purchase of machinery and other manufacturing equipment, and the provision of raw materials. The goal of the entrepreneurs who are making this investment is to profit from future industrial operations.

### **Government capital investment**

The government also makes investments. Unlike corporate investment, which seeks profit, government investment seeks to promote people's well-being. As a result, government investment is often known as social investment. These expenditures include the construction of roads, ports, and irrigation systems, as well as the construction of schools, hospitals, and dams. The examination of investment is not a topic covered in depth in macroeconomic theory.

Building a house requires an investment. Residential house construction is another expenditure that is categorized as an investment. This is due to the house's properties being close to the company's production equipment, which means that it takes a long time for its worth to drop completely, and the building continuously providing services for the owner or tenant.

Inventory item investment Investment in inventory, which is the company's stock of goods, is the lowest component of investment. Raw materials that have not been processed, semi-finished items that are being processed, and goods that have been manufactured by the company but are still in stock and have not been sold to the market are all examples of inventory. Providing such goods is critical in ensuring the efficiency and seamless operation of the company's operations.

## RESULT AND DISCUSSION

Investment Contribution to the Government of Kampar Regency and Local Communities in Kampar Regency, Riau in the Oil Palm Plantation Sector.

With the performance of the palm oil trade continuing to develop, the Indonesian palm oil sector plays an essential role for the Indonesian economy, and this industry also incorporates many business actors from many economic groups. In this context, the national oil palm plantations continue to expand rapidly, covering 16.38 million hectares.

This industry is highly strategic in expanding the region to become a substantial new growth center in regional oil palm centers like Sumatra, Kalimantan, and Sulawesi in terms of regional economic aspects. The government is also encouraging a partnership model as a kind of synergy between smallholders and enterprises to support growth and equal distribution of economic opportunities in oil palm plantations. This pattern of collaboration will encourage investment in other sectors such as industry and consumption.<sup>21</sup>

Furthermore, in order to encourage the sustainability of the palm oil industry, the government has implemented a regulatory framework and encouraged multi stakeholder cooperation in the palm oil sector, including Presidential Regulation Number 44 of 2020 concerning Certification of Indonesia Sustainable Palm Oil (ISPO), Presidential Instruction Number 6 of 2019 regarding the National Action Plan for Sustainable Palm Oil (RAN-KSB) 2019-2024, and the National Strategic Program for Sustainable Palm Oil (NSPP).

PT Kampar Palma Utama (hereinafter referred to as the company) is one of the major oil palm plantation business entities in Kampar Regency. The Company always strives to maintain the existence and sustainability of its operations so that it can provide optimal benefits for both shareholders and stakeholders. This commitment is one of the most crucial standards for management to follow when running the organization. As part of the business environment, the company maintains harmony and alignment with internal and external environmental components such as employees, consumers, suppliers, surrounding communities, the ecological environment, and others.

An examination of oil palm plantation firms' contributions to the government and local community in Kampar Regency, Riau.

**Contributions to the government include income tax (PPh), state income tax (PPN) from kernel/CPO, charges for acquiring company use rights, and the BPHTB (land and building rights purchase fee).**

\*Income Tax (PPH 21) Employees and laborers in the palm oil industry 5%-35%<sup>22</sup> Income Tax Law No. 7/1983 defines PPh Article 21 as a tax on income derived from employment, services, or activities obtained by domestic individual taxpayers under any name and in any form. Salary, earnings, honoraria, allowances, and other payments are all

examples of income. According to the Regulation of the Director General of Taxes Number: PER-32/PJ/2016, the taxable income exceeds IDR 4.5 million per month or IDR 54 million per year. This is true for both permanent and temporary personnel. Whereas the income ceiling subject to tax (PPh 21) for freelance employees (free workers) who get unsustainable benefits is more than IDR 450 thousand per day or more than IDR 4.5 million per month. The PPh 21 rate for casual workers is 50% of total gross income. As previously stated, the Article 21 PPh duty is aimed at both personal WP and corporate/company WP. Income Tax Article 21, which is addressed to Individual Taxpayers, refers to the tax levied on the employee's income or compensation. As a result,

employees will receive a monthly salary deducted by PPh 21 and will only be required to file a Personal Annual Tax Return (SPT) in the following tax year. Meanwhile, in the context of

employee PPh 21, Article 21, which is directed for Corporate Taxpayers, means that the corporation is the PPh deductor. 21 employees are required to pay/deposit to the state treasury.

### **Property tax**

The value of PBB is determined by the area, plantation design, and price applied. In general, the PBS and PIRTrans patterns feature tax objects that have a similar mix of garden space, fields, and buildings. In the meantime, smallholder (swadaya) plantations are nothing more than garden land. According to the responder, the PBB was paid by the company prior to the conversion procedure from the company to the plasma smallholders, and the plasma smallholders paid (through farmer groups or the village head) when land ownership was transferred.

#### **\*PPN 10% CPO**

In Article 1 point 3 of UU no. 42 of 2009 covering VAT and PPnBM, it is stated: "Taxable Goods are goods subject to tax under this Law."

And it is stated in number 4 as follows :

"Delivery of Taxable Goods" is defined as "any activity involving the delivery of Taxable Goods."

Furthermore, it is specified in Article 4 paragraph (1) :

"Value Added Tax is levied on: Entrepreneurs' Delivery of Taxable Goods in the Customs Area."

Article 4 paragraph 1 a of Law No. 42 of 2009 concerning VAT and PPnBM are CPO and PK as the Appellant's final product, which is a Taxable Goods (BKP) for which VAT of 10% is payable upon delivery.

Regulation of the Minister of Finance Number 78/PMK.03/2010 concerning Guidelines for Calculating Input Tax Credit for Taxable Entrepreneurs Making Tax Payable and Non-Tax Payable Delivery, which essentially regulates integrated companies and regulates units/positions, but does not provide guidelines for calculating Input Tax if the integrated company transfers part of the production in the unit/pisi that produces Taxable Goods that are not subject to VAT.

#### **\*Fees for obtaining an Cultivation Rights 23**

Legal and administrative costs for purchasing land are incorporated into fixed assets (land) and are not amortized, according to Law No. 28 of 2009. The expense of arranging for a legal extension or renewal of land rights is recognized as an intangible asset and is amortized throughout the legal length of the rights or the economic life of the land, whichever is shorter.

#### **\*Land and Building Rights Acquisition Fees<sup>24</sup>**

The BPHTB is a tax on the acquisition of land and/or building rights. This tax is paid by the buyer and is analogous to income tax for sellers. As a result, both the seller and the buyer are responsible for paying taxes. Previously, BPHTB was collected by the central government; however, Law No. 28 of 2009 about Regional Taxes and Regional Levies

says that if BPHTB is shifted to one of the types of taxes collected by the district/city government. The presence of BPHTB is imposed on individuals or entities because acquiring rights to land and/or buildings is a legal act or event that results in individuals or entities acquiring rights to and/or structures.

**Provision of Employment Opportunities, Education, Religion, Health, Sports, Arts, Environment, and Waste Management are examples of contributions to the local community.**

#### **\*Employment Opportunity**

Outside employees fill the majority of lower-level (unskilled) job openings in the activities of large private firms and State-Owned Enterprises (BUMN). Similarly, there are hardly any personnel from the Kampar district at the middle (staff) and top (leadership) levels. These lower-level



employees are typically from North Sumatra, Lampung, Java, and other areas. The majority of the workforce on smallholder plantations is made up of family members. The gap is filled by outside wage labor for plantation firms. The enormous number of job opportunities at oil palm plantations in Kampar district are not being filled by Kampar district residents for a variety of reasons. Among other things, there is no pay or salary match, and the locals already have their own oil palm fields. Whereas there are few local workers at the middle (staff) and upper levels (leadership), this is due to the credentials of the workforce requested.

\*Education, religion, health, sports, the arts, and disaster and infrastructure relief are all priorities.

As part of the Company's commitment for the local community and to support the government in alleviating poverty and decreasing social inequality, the Company has provided Community Development funding to Riau Province Regencies/Cities. Community Development assistance is provided to the community in the form of schools and companies providing opportunities for public and private universities in Riau to carry out Community Service Programs (KKN) or apprenticeships for company oil palm plantations in the Company's environment. the Religious sector (creating houses of worship), the Health sector (supporting health services), the Sports sector, the Arts sector, Natural Disaster Relief, and Infrastructure.

\* Environment and Waste Management

The issue of environmental damage caused by forest conversion to plantation areas is a type of negative campaign that is extremely detrimental to the sustainability of the plantation industry, particularly the palm oil and rubber industrial sectors, which the Company seeks because it can have an indirect impact on the Company's image and performance.

This has become a serious concern for management, which has been addressed, among other things, by supervising and controlling all operational activities, both factories and plantations managed by the Company, so as not to disrupt and harm environmental sustainability, including through regular environmental monitoring in all factories, monitoring the performance of WWTPs (Wastewater Treatment Plants), and the development of an Environmental Management System.

In every production activity, the organization works for cleaner and more ecologically friendly technologies. Through waste management practices such as zero burning, land application, and environmental impact assessments, the organization ensures that there is no damage to the soil, air, or water. The company is also attempting to shift the perception that by-products such as shells, fiber, and industry trash are not garbage and may be used

as fertilizer on the plantation. The organization believes that providing a healthy, comfortable, and safe work environment would not only benefit employees but may also have an impact on business success.

Obstacles in the implementation of the Oil Palm Plantation Company's contribution to the Kampar Regency government and local populations in Kampar Riau Regency.

Obstacles in the implementation of the Oil Palm Plantation Company's contribution to the Kampar Regency government and local populations in Kampar Riau Regency. Among them are:25

There are still disparities in understanding and perceptions of the implementation of laws and regulations, particularly in the management of regional finances and assets, so advocacy efforts for guidance, technical guidance, training, and assistance to regional financial and asset managers are required.

The budget year's efficacy is still less than 12 (twelve months). This is due to the limited number of apparatus resources with a concurrent, creative, and inventive attitude in the production of budget planning, activity plans, implementation, administration, and financial report preparation.

As a result, periodic reconciliation and help is provided to the head of regional financial management in order to improve the quality and mindset of apparatus resources.

The entire budget was not absorbed, particularly for goods and services and capital expenditures, because several activities were delayed due to the tender administration process, climate/weather conditions, and geographical conditions that hampered the completion of several activities.

Based on the analysis results, and formulate many critical steps as a problem-solving method that may be used as material for future consideration, as follows: 26

Improvement of the five-year development plan as a foundation for development, which is then expanded in a more precise and detailed annual performance plan. As a result, the performance plan agreed upon together with stakeholders can be realized and its performance assessed more accurately, yielding better results.

Making last year's performance results a tangible step toward improving current year planning and performance by predicting failure to meet last year's aim and retaining last year's success.

Consolidating the organization in order to raise knowledge and commitment within Kampar Regency Government apparatus ranks to the obligations and functions of public services.

Improving the efficiency and effectiveness of activity implementation in order to achieve goals and objectives within the scope of the Kampar Regency Government.

Improving the validity and mechanism for collecting data and information on a continuous basis, so that performance achievements may be monitored on a frequent basis and supported by correct data.

Increasing the allocation of budget use in a fair and equitable manner so that all community groups can benefit from it in the form of services.

Optimizing the use of current human resources as the driving force, actors of development, and change agents.

## CONCLUSION

In actuality, investment in Riau Province, particularly in Kampar Regency, has no substantial impact on economic growth. Despite the fact that it provides favorable data for Riau's economic development rate, with an average growth reaching 100% above the objective set for the 2015-2019 timeframe. This economic growth has not been felt fully by the inhabitants of Kampar; in fact, many residents continue to struggle to fulfill their daily requirements and have not found work. Obstacles to implementing oil palm plantation companies' contributions to the government and local communities in Kampar Riau Regency include different understandings and perceptions of how laws and regulations are implemented, the effectiveness of the fiscal year is still lacking, the budget is not absorbed, and employment opportunities are not absorbed. The author's suggestion is that the Kampar Government pay attention to regulatory consistency and transparency regarding investment so that investment continuity (foreign or domestic) occurs, promotes public outreach about the benefits of investment in economic development, and expands job opportunities for the workforce so that economic growth can be felt evenly in the future and can further increase the growth rate of foreign investment.

## AUTHORS' CONTRIBUTION

Author 1: Conceptualization; Project administration.

Author 2: Validation; Writing - review and editing.

Author 3: Validation; Writing.

## REFERENCES

- Amendolagine, V., Presbitero, A. F., Rabellotti, R., & Sanfilippo, M. (2019). Local sourcing in developing countries: The role of foreign direct investments and global value chains. *World Development*, 113, 73–88. <https://doi.org/10.1016/j.worlddev.2018.08.010>
- Badji, A., Dieng, Y., & Diop, I. (2022). Information and Discussion Platform in the Context of Monitoring PLHIV in Border Areas and During COVID 19. Dalam Á. Rocha, C. Ferrás, A. Méndez Porras, & E. Jimenez Delgado (Ed.), *Information Technology and Systems* (Vol. 414, hlm. 106–117). Springer International Publishing. [https://doi.org/10.1007/978-3-030-96293-7\\_11](https://doi.org/10.1007/978-3-030-96293-7_11)
- Bhat, S. A., Kamaiah, B., & Acharya, D. (2020). Examining the differential impact of monetary policy in India: A policy simulation approach. *Journal of Economics, Finance and Administrative Science*, 25(50), 339–362. <https://doi.org/10.1108/JEFAS-05-2019-0072>
- Chanana, N. & Sangeeta. (2021). Employee engagement practices during COVID-19 lockdown. *Journal of Public Affairs*, 21(4). <https://doi.org/10.1002/pa.2508>
- Elgar, F. J., Stefaniak, A., & Wohl, M. J. A. (2020). The trouble with trust: Time-series analysis of social capital, income inequality, and COVID-19 deaths in 84 countries. *Social Science & Medicine*, 263, 113365. <https://doi.org/10.1016/j.socscimed.2020.113365>
- Ferreira, S. F. S., Pires, L., Castelo-Branco, M., & Afonso, R. M. (2022). Initial validation of the Portuguese version of the EVE discrimination questionnaire (EVE-D): The level of perceived ageism by physicians in the Portuguese healthcare system. *Educational Gerontology*, 48(11), 549–563. <https://doi.org/10.1080/03601277.2022.2052406>
- Holzinger, A., Carrington, A., & Müller, H. (2020). Measuring the Quality of Explanations: The System Causability Scale (SCS): Comparing Human and Machine Explanations. *KI - Künstliche Intelligenz*, 34(2), 193–198. <https://doi.org/10.1007/s13218-020-00636-z>
- Jacob, D., Teichmann, C., Sobolowski, S., Katragkou, E., Anders, I., Belda, M., Benestad, R., Boberg, F., Buonomo, E., Cardoso, R. M., Casanueva, A., Christensen, O. B., Christensen, J. H., Coppola, E., De Cruz, L., Davin, E. L., Dobler, A., Domínguez, M., Fealy, R., ... Wulfmeyer, V. (2020). Regional climate downscaling over Europe: Perspectives from the EURO-CORDEX community. *Regional Environmental Change*, 20(2), 51. <https://doi.org/10.1007/s10113-020-01606-9>
- Karlsson, I. C. M., Mukhtar-Landgren, D., Smith, G., Koglin, T., Kronsell, A., Lund, E., Sarasini, S., & Sochor, J. (2020). Development and implementation of Mobility-as-a-Service – A qualitative study of barriers and enabling factors. *Transportation Research Part A: Policy and Practice*, 131, 283–295. <https://doi.org/10.1016/j.tra.2019.09.028>
- Kluytmans-van Den Bergh, M. F. Q., Buiting, A. G. M., Pas, S. D., Bentvelsen, R. G., Van Den Bijllaardt, W., Van Oudheusden, A. J. G., Van Rijen, M. M. L., Verweij, J. J., Koopmans, M. P. G., & Kluytmans, J. A. J. W. (2020). Prevalence and Clinical Presentation of Health Care Workers With Symptoms of Coronavirus Disease 2019 in 2 Dutch Hospitals During an Early Phase of the Pandemic. *JAMA Network Open*, 3(5), e209673. <https://doi.org/10.1001/jamanetworkopen.2020.9673>
- Kouvelis, P., Xiao, G., & Yang, N. (2021). Role of Risk Aversion in Price Postponement Under Supply Random Yield. *Management Science*, 67(8), 4826–4844. <https://doi.org/10.1287/mnsc.2020.3755>
- Lee, J., Song, H.-D., & Hong, A. (2019). Exploring Factors, and Indicators for Measuring Students' Sustainable Engagement in e-Learning. *Sustainability*, 11(4), 985. <https://doi.org/10.3390/su11040985>
- Liu, C., Dou, X., Li, J., & Cai, L. A. (2020). Analyzing government role in rural tourism development: An empirical investigation from China. *Journal of Rural Studies*, 79, 177–188. <https://doi.org/10.1016/j.jrurstud.2020.08.046>

- Miao, Z., Baležentis, T., Tian, Z., Shao, S., Geng, Y., & Wu, R. (2019). Environmental Performance and Regulation Effect of China's Atmospheric Pollutant Emissions: Evidence from "Three Regions and Ten Urban Agglomerations." *Environmental and Resource Economics*, 74(1), 211–242. <https://doi.org/10.1007/s10640-018-00315-6>
- Mikhaylov, A., Moiseev, N., Aleshin, K., & Burkhardt, T. (2020). Global climate change and greenhouse effect. *Entrepreneurship and Sustainability Issues*, 7(4), 2897–2913. [https://doi.org/10.9770/jesi.2020.7.4\(21\)](https://doi.org/10.9770/jesi.2020.7.4(21))
- Mudelsee, M. (2019). Trend analysis of climate time series: A review of methods. *Earth-Science Reviews*, 190, 310–322. <https://doi.org/10.1016/j.earscirev.2018.12.005>
- Nyashanu, M., Pfende, F., & Ekpenyong, M. (2020). Exploring the challenges faced by frontline workers in health and social care amid the COVID-19 pandemic: Experiences of frontline workers in the English Midlands region, UK. *Journal of Interprofessional Care*, 34(5), 655–661. <https://doi.org/10.1080/13561820.2020.1792425>
- Pai, S., Pretko, M., & Nandkishore, R. M. (2019). Localization in Fractonic Random Circuits. *Physical Review X*, 9(2), 021003. <https://doi.org/10.1103/PhysRevX.9.021003>
- Seland, Ø., Bentsen, M., Olivié, D., Toniazzi, T., Gjermundsen, A., Graff, L. S., Debernard, J. B., Gupta, A. K., He, Y.-C., Kirkevåg, A., Schwinger, J., Tjiputra, J., Aas, K. S., Bethke, I., Fan, Y., Griesfeller, J., Grini, A., Guo, C., Ilicak, M., ... Schulz, M. (2020). Overview of the Norwegian Earth System Model (NorESM2) and key climate response of CMIP6 DECK, historical, and scenario simulations. *Geoscientific Model Development*, 13(12), 6165–6200. <https://doi.org/10.5194/gmd-13-6165-2020>
- Shaw, R., Kim, Y., & Hua, J. (2020). Governance, technology and citizen behavior in pandemic: Lessons from COVID-19 in East Asia. *Progress in Disaster Science*, 6, 100090. <https://doi.org/10.1016/j.pdisas.2020.100090>
- Stahl, G. K., Brewster, C. J., Collings, D. G., & Hajro, A. (2020). Enhancing the role of human resource management in corporate sustainability and social responsibility: A multi-stakeholder, multidimensional approach to HRM. *Human Resource Management Review*, 30(3), 100708. <https://doi.org/10.1016/j.hrmr.2019.100708>
- Suganthi, L. (2019). Examining the relationship between corporate social responsibility, performance, employees' pro-environmental behavior at work with green practices as mediator. *Journal of Cleaner Production*, 232, 739–750. <https://doi.org/10.1016/j.jclepro.2019.05.295>
- Teske, S. (Ed.). (2019). *Achieving the Paris Climate Agreement Goals: Global and Regional 100% Renewable Energy Scenarios with Non-energy GHG Pathways for +1.5°C and +2°C*. Springer International Publishing. <https://doi.org/10.1007/978-3-030-05843-2>
- Thorell, L. B., Skoglund, C., De La Peña, A. G., Baeyens, D., Fuermaier, A. B. M., Groom, M. J., Mammarella, I. C., Van Der Oord, S., Van Den Hoofdakker, B. J., Luman, M., De Miranda, D. M., Siu, A. F. Y., Steinmayr, R., Idrees, I., Soares, L. S., Sörlin, M., Luque, J. L., Moscardino, U. M., Roch, M., ... Christiansen, H. (2022). Parental experiences of homeschooling during the COVID-19 pandemic: Differences between seven European countries and between children with and without mental health conditions. *European Child & Adolescent Psychiatry*, 31(4), 649–661. <https://doi.org/10.1007/s00787-020-01706-1>
- Tüfekci, S., Aygün, E., & Halis, H. (2021). Evaluation of immunogenicity after first dose of hepatitis B vaccine in newborns with very low birth weight. *Human Vaccines & Immunotherapeutics*, 17(12), 5590–5594. <https://doi.org/10.1080/21645515.2021.1942715>
- Wilkinson, A., Ali, H., Bedford, J., Boonyabancha, S., Connolly, C., Conteh, A., Dean, L., Decorte, F., Dercon, B., Dias, S., Dodman, D., Duijsens, R., D'Urzo, S., Eamer, G., Earle, L., Gupte, J., Frediani, A. A., Hasan, A., Hawkins, K., ... Whittaker, L. (2020). Local response in health emergencies: Key considerations for addressing the COVID-19 pandemic in informal urban settlements. *Environment and Urbanization*, 32(2), 503–522. <https://doi.org/10.1177/0956247820922843>

- Xie, H., Zhang, L., Lim, C. P., Yu, Y., Liu, C., Liu, H., & Walters, J. (2019). Improving K-means clustering with enhanced Firefly Algorithms. *Applied Soft Computing*, 84, 105763. <https://doi.org/10.1016/j.asoc.2019.105763>
- Zhang, G., Deng, N., Mou, H., Zhang, Z. G., & Chen, X. (2019). The impact of the policy and behavior of public participation on environmental governance performance: Empirical analysis based on provincial panel data in China. *Energy Policy*, 129, 1347–1354. <https://doi.org/10.1016/j.enpol.2019.03.030>

---

**Copyright Holder :**

© Rida Jelita et al. (2023)

**First Publication Right :**

© Rechtsnormen Journal of Law

**This article is under:**

