

The Policy for Palm Oil Workers' Employment and Sustainability

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Abstract

Employment policies in Indonesia's palm oil industry often have a significant impact on palm oil workers. Many of the government's efforts to appreciate the existence of workers through regulations have stalled due to low participation by plantation owners and companies. The reality of palm oil workers in Musi Banyuasin Regency indicates the weak knowledge of workers and low participation by plantation owners, which results in a lack of security for palm oil workers' livelihoods. This research uses a qualitative approach, with data collection in the form of in-depth interviews and participant observation. The research results show that workers' low understanding of labour regulations causes the working conditions of palm oil workers to become increasingly difficult, as does the low participation of plantation owners in the implementation of labour regulations, which makes regulations increasingly less functional as the main aim of making palm oil workers prosperous

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1. Introduction

Considering the positive and negative impacts of the palm oil industry in Indonesia, the palm oil sector has become one of the pioneers in the Indonesian agricultural sector. Since 2007, Indonesia has become the largest producer of CPO (crude palm oil), beating Malaysia (Amzul Rifin, 2010; Fathana, 2018). For Indonesia, this sector is not only one of the main sources of foreign exchange reserves but also the main instrument for poverty alleviation and rural economic development (Khairiza & Kusumasari, 2020; Manurung, 2021; Santika et al., 2019). Furthermore, some argue that plantation crops, such as oil palm, drive economic growth and income distribution.

Through job creation, increasing farmer incomes, and investment in infrastructure, the palm oil industry makes a significant contribution to regional development and improves the welfare of rural communities (Urugo et al., 2021). The palm oil sector proved resilient during the Asian financial crisis, which began in 1997, and played an important role in Indonesia's economic recovery (Krishna & Kubitz, 2021). The Indonesian government has taken important steps to improve conditions for workers in the palm oil industry.

We have made efforts to adopt and implement stricter labour laws and regulations. Some of these regulations include Labour Law Number 13 of 2003, which regulates minimum wage standards, reasonable working hours, and basic workers' rights such as leave, social protection, and workplace safety. In addition, the government has collaborated with certification bodies such as the Roundtable on Sustainable Palm Oil (RSPO) to ensure that palm oil companies comply with fair and decent labor standards (Gelder et al., 2017).

Although these efforts have provided some improvements, labour conditions in the Indonesian palm oil industry are still far from ideal. Many cases persist where workers, including children and migrant workers, face unfair treatment and endure dangerous or inhumane working conditions. In addition, many workers do not have access to adequate social protection, such as health insurance and old-age security. Weak law enforcement and a lack of independent monitoring of companies' compliance with labour standards also pose major challenges. Therefore, the Indonesian government must intensify and broaden its efforts to safeguard the sustainability of the palm oil industry and the welfare of its workers, particularly in Musi Banyuasin Regency, a hub for palm oil production in South Sumatra Province.

Musi Banyuasin has a significant role in the national and regional economies; therefore, an analysis of the dynamics of employment policies in the palm oil industry in this region will provide relevant insight into the practices and challenges faced, especially in palm oil production centres in Indonesia. Employment policies and practices in Musi Banyuasin Regency reflect diverse characteristics, including differences in the scale of plantation

operations, relationships between companies and workers, and local government policies and capacities. Therefore, the conducted study enables the identification and understanding of patterns, convergence, and divergence in employment policies and practices across diverse contexts.

Theoretically, the aim of regulations is to enhance the social and economic conditions of palm oil workers and ensure their continued involvement in the production of palm oil. However, in practice, the reality of palm oil workers' lives often falls short of the expectations of these regulations. The deteriorating quality of workers' lives, coupled with the lack of social security, leads to the perception that these regulations primarily benefit plantation owners. Through a study of the policies and sustainability of palm oil worker employment, the author wants to reveal the reality of the lives of palm oil workers in Musi Regency as a portrait and social practice that can be reference material for other regions in Indonesia.

2. Research Methods

This research uses a qualitative approach. The data collection technique consists of three parts, namely interviews, observation, and documentation studies (Sundler et al., 2019). We conducted interviews with key informants, including palm oil workers, related stakeholders, and community members who possess knowledge and experience about the activities of palm oil workers. The interviews focused on their understanding of the regulations and their impacts (Berends & Deken, 2021). We conducted direct observations in the field by observing the activities of palm oil workers, and we conducted documentation studies by collecting data and information related to labour regulations through document studies, which included government documents, previous research reports, and related literature. We used a qualitative data analysis technique. This qualitative analysis includes grouping findings, identifying patterns, and interpreting meaning that emerges from the data collected (Collins & Stockton, 2018; Flynn, 2023).

3. Results and Discussion

The palm oil industry implements labor regulations to safeguard workers' rights and uphold decent work standards across its supply chain. The palm oil sector relies heavily on labor regulations to uphold workers' rights and enforce decent work standards (Rika et al., 2022). The palm oil industry, which is an important sector in the economy, often faces challenges related to working conditions, human rights, and sustainability. As a result of field observations at eight research locations, the author discovered that many palm oil workers still face difficult working conditions. Work on palm oil plantations often involves long hours under the hot sun, demanding physical work, and the risk of work accidents. Furthermore, access to work safety facilities, such as personal protective equipment, is often limited, even though palm oil workers comply with the regulations of Law Number 13 of 2003 concerning employment, which include basic workers' rights, minimum wages, working hours, and occupational health and safety protection (Nurhayati et al., 2023).

The problem was investigated using interviews and focus group discussions, and significant aspects of the phenomenon of difficult working conditions for palm oil workers were found, including their understanding of regulations and participation in implementing regulations as shown in diagram 1.



Diagram 1. Palm Oil Workers' Understanding of Labor Regulations
 Source: Primary Data Processing 2024

Data from Diagram 1 shows that there is quite a dominant difference between workers who really understand

labour regulations and workers who do not understand labour regulations. The diagram data also presents a portrait of workers who understand and do not understand labour regulations, which on average is 12 to 35 percent for workers who do not understand, while workers who understand are at 8 to 28 percent. Based on the data's appearance, we can conclude that palm oil workers' comprehension of labor regulations remains relatively low, leaving them susceptible to challenging work patterns.

Many palm oil workers have a low level of education, which can affect their ability to understand existing labour regulations. Official formats often present information about employment rights, making it difficult for workers with low education to understand. In situations like these, palm oil workers might not be aware of their basic rights, including minimum wages, working hours, health benefits, and work safety, due to the difficulty in understanding the conveyed language (Rahayu et al., 2023). Organizational communication theory emphasises the crucial role of processes, messages, and interactions within and between organisations in comprehending their internal and external dynamics, as well as the transmission and comprehension of information by their members (Putri & Rusdi, 2023). Palm oil workers who are part of organisations that produce palm oil should have access to messages and interactions within the organisation, but if access space is limited, then it is not surprising that their knowledge and understanding of regulations are very weak. Situations like this actually give rise to their dependence on the messenger. Difficult working conditions result in palm oil workers becoming dependent on other parties due to a lack of understanding, as is the case with palm oil workers in Keluang and Sungai Keruh Villages, where they only wait for notification from the foreman, as is the case with workers in Sungai Lilin, Babat, and Sekayu, who only get information through notice boards. This condition could lead to the potential misuse or manipulation of information by certain parties.

Limited access to information regarding labour regulations results in lower knowledge of palm oil workers, which has implications for participation and for the situation of palm oil workers who do not know their basic rights, such as minimum wages, reasonable working hours, and health benefits. This makes them vulnerable to exploitation and unfair treatment by employers. Ignorance of legal regulations and procedures makes it difficult for palm oil workers to file complaints or seek legal assistance if their rights are violated. The foreman, who was considered a representative of the land owner, resolved various problems faced by palm oil workers in the eight research locations by providing one-way directions, making it easy to exploit the workers. The low level of knowledge about labour rights makes palm oil workers active in 8 villages less involved in trade unions or other labour organisations, even though participation in trade unions is important to fight for their interests and rights collectively, coupled with ignorance about legal regulations and procedures. Palm oil workers, on the other hand, will certainly find it difficult to develop themselves because they do not have access to information about training and skill development, so their abilities are very limited.

In the context of implementing labour regulations in Musi Banyuasin, the role of stakeholders is very important. In this case, stakeholders refer to various parties who have an interest in or involvement in employment issues. In general, local governments have the main responsibility for implementing labour regulations in their regions (Che Hassan Pahmi et al., 2022). They are responsible for creating policies and ensuring their implementation is in accordance with applicable regulations. Apart from all that, the Musi Banyuasin district government should be involved in implementing and supervising labour regulations. Diagram 2 presents data from informant interviews about the implementation of employment regulations in 8 research locations.

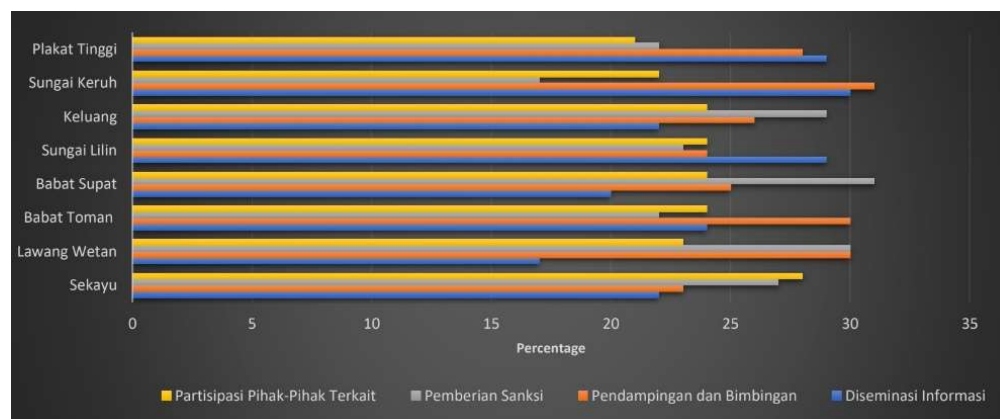


Diagram 2. Implementation of Employment Regulations in Musi Banyuasin

Source: Primary Data Processing 2024

Diagram 2 demonstrates the continued low level of participation and supervision from stakeholders, including the government, non-governmental organizations, and plantation owners, as mentioned in the interview. We can see low implementation of regulations in almost all research locations, experiencing situations where sanctions are quite high but are not accompanied by assistance or information dissemination. Conditions like this will certainly make palm oil workers even more stressed when faced with problems related to their status as workers.

Regional governments have an important role in implementing palm oil labour regulations because they are responsible for managing natural resources and economic development at the local level, as well as non-governmental organisations and plantation owners, who must be more proactive in implementing these regulations (Lawing, 2022). In reality, according to the data obtained, the stakeholders are only in a passive position, such as remaining silent and letting the settlement be carried out by the foreman and palm oil workers. Problem solving is carried out only by prioritising the principle of interests, which only harms palm oil workers.

The functions of stakeholders involved in palm oil labour policy-making, such as analysing local needs, setting minimum standards, enforcing policies, providing education and counselling, and conducting evaluations and revisions, are not functioning as effectively as they should (Fikriman & Herdiansyah, 2017). This is particularly true for policy enforcement, which is often left to the plantation owners during the settlement process, putting workers under increasing pressure. Stakeholders play a crucial role in enforcing labor regulations for palm oil workers, and their analysis of needs in policy enforcement and evaluation can enhance the status of workers by guaranteeing the effective implementation and adherence to established policies by all involved parties. Apart from that, stakeholders can also carry out education and counselling programmes for workers and entrepreneurs about their rights and obligations in accordance with applicable labour policies. This is critical to increasing awareness and understanding of work regulations in society.

The implementation of labour regulations has a significant impact on the sustainability of the livelihoods of palm oil workers in Musi Banyuasin Regency, covering various aspects such as minimum wages, social security, occupational health and safety, and workers' rights (Eliza, 2021). In reality, workers' understanding and implementation of labour regulations by stakeholders is still weak, which has an impact on the welfare of palm oil workers, as presented in diagram 3 below.



Diagram 3. Impact of Labor Regulations on the Welfare of Palm Oil Workers in Musi Banyuasin
 Source: Primary Data Processing 2024

Diagram 3 shows quite varied impacts, such as weak protection for palm oil workers in the villages of Sekayu, Keluang, and Babat Supat. Meanwhile, the low income of palm oil workers in Babat Supat and Keluang significantly contributes to the income problem in these villages. Another impact problem is that skill development and employment opportunities are becoming increasingly difficult in the villages of Plakat Tinggi and Sekayu. This phenomenon indicates that regulations have a significant impact on the existence and sustainability of palm oil workers in Musi Banyuasin Regency.

Regulations have provided opportunities to achieve sustainability, but due to low understanding and participation, their income conditions remain unstable. For example, labor regulations that establish minimum wages and social security can improve the economic welfare of palm oil workers. Decent wages enable workers to meet their and their families' basic needs, as well as reduce poverty in plantation areas, but low stakeholder understanding and participation means wages given are below minimum standards (A. et al., 2013; Rahmawati & Purwanto, 20Palm

oil workers receive their wages, which are insufficient for their daily living needs, due to factors in meeting their life's necessities.

Palm oil workers must confront threats to the sustainability of their livelihoods, as this issue also impacts the regeneration of workers on oil palm plantations and the overall sustainability of palm oil production. When the palm oil worker profession is unable to obtain welfare, subsistence becomes a bad image for society, leading to job migration outside of oil palm plantations. Palm oil worker households will try to leave their jobs and look for other work to make ends meet. Meanwhile, plantation owners will find it increasingly difficult to find workers to care for and process plantation products, which will impact production.

4. Conclusion

Labour regulations in the palm oil sector are very important to create a fair and decent work environment. All parties, including governments, companies, and civil society organisations, must commit to ensuring the protection of palm oil workers' rights and the consistent application of decent work standards. Although labour regulations bring many benefits, their implementation and monitoring are often challenges. The lack of understanding among palm oil workers and low stakeholder participation means that workers can still experience violations of their rights, such as paying wages below standard or unsafe working conditions. Through a coordinated and sustainable approach, the palm oil industry can contribute to economic development while respecting workers' rights and maintaining environmental sustainability. Various parties, including the government, companies, labour unions, and civil society organizations, must collaborate to ensure effective implementation of labour regulations in the palm oil sector. Concrete steps, such as stricter supervision, education and training for workers, and increased social dialogue, can help strengthen labor rights protections and improve working conditions in the palm oil industry.

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