



## Implementation of Good Corporate Governance (GCG) in the Field of Securing Plantation Assets

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### Abstract

*This article discusses the implementation of Good Corporate Governance (GCG) in the Field of Securing Plantation Assets, especially at PT Perkebunan Nusantara (PTPN) IV. Good Corporate Governance (GCG) in the area of securing assets in PTPN IV can be measured by the three elements of the legal system, namely: the legal substance (the Forestry Law); its legal structure (Law Enforcement Officials: Forestry and Police PPNS); corporate legal culture. The three systems are interrelated with one another. Systemic law enforcement efforts must pay attention to the elements of the legal system because it is the essence of law enforcement. the findings in the field of plantation crime mode are massive and organized. With regard to theft of oil palm, many people believe that it is often carried out by oil palm ninja (simple crime), but in reality theft by "oil palm ninja" is about 10% to 15% only. In reality, there is an oil palm mafia operating in PTPN IV's estates which holds 85% of these oil thieves. 90% organized / serious crime. The criminal act of theft and embezzlement of oil palm FFB (Fresh fruit bunches) in the PTPN IV area is massive and can be categorized as very critical.*

## Introduction

Crime is a complex phenomenon that can be understood from various different sides. That is why in daily life can capture various comments about a crime that is different from one another (Santoso & Zulfa, 2013). Victims of these crimes are mostly people. Where later the public will question how the performance of the security forces, in this case, is the police and the security or security guard in carrying out their duties to prevent the occurrence of criminal acts of theft, especially in the plantation sector. The act of overcoming crime is one of the objectives of an integrated criminal justice system that is the system in a society to tackle crime problems. Community efforts in tackling crime aim to keep crime within the limits of community tolerance (Reksodiputro, 1994).

Nowadays, theft is found in all aspects of the scope, especially in the scope of plantations. This is because plantations are businesses that have a lot of valuable assets, coupled with plantation commodities such as oil palm, which are currently growing rapidly, while the communities around the plantations do not share the welfare impact of plantations standing in the midst of the community. This is a factor attracting the community to be able to own plantation assets through criminal means. The minimum conditions for achieving good governance are transparency, accountability, participation, legal empowerment, effectiveness and efficiency, and justice. Public policies issued by the government must be transparent, effective, and efficient (Junaedi, 2020). The asset management aspect is still a weak point in carrying out

state financial administration. Improvements in governance must still be done consistently. Good Corporate Governance (GCG) is one of the keys to a company's success to grow and be profitable in the long run, while at the same time winning global business competition (Iswandi, 2011). In theory, Good Corporate Governance (GCG) is a concept that can finally create a system that regulates and controls a company or organization in creating added value for all stakeholders other than just producing profit (Halimatusadiah et al., 2015). Based on this description, this article discusses the implementation of Good Corporate Governance (GCG) in the field of securing plantation assets, especially at PT Perkebunan Nusantara (PTPN) IV.

### **PT. Perkebunan Nusantara (PTPN) IV Assets**

In connection with this paper that there are problems that must be resolved in PTPN IV, which is related to the theft of oil palm Fresh Fruit Bunches (FFB) in each plantation. As is well known, PTPN IV is engaged in the business of oil palm plantations. At present, there are 30 (thirty) business units of oil palm plantations owned by PTPN IV as an extension of the state to improve community welfare. In addition, there is also 1 (one) tea plantation business unit, 1 (one) oil palm plasma business unit, and 1 (one) workshop business unit. (Nusantara Plantation Annual Report, 2018).

A company of PTPN IV that holds the status of a subsidiary of a BUMN (State-owned enterprises) that has total assets as of December 2017 of Rp. 14.61 trillion, consisting of current assets of Rp. 1.86 trillion and non-current assets of Rp. 12,75 trillion, is inseparable from the legal problems faced. PTPN IV, which holds the status of a subsidiary of a BUMN, has since joined PTPN IV to PTPN III, which is a holding of Perkebunan Nusantara, so PTPN IV has become a subsidiary of PTPN III and PTPN III has become its holding company. Can be seen at: RI Government Regulation No. 72 of 2014 concerning Addition of State Capital Investment of the Republic of Indonesia into the Company's Share Capital of the Company (Persero) PT. Perkebunan Nusantara III. Assets with a total value of more than Rp. 14 trillion must be secured for the sustainability and sustainability of the company's business wheels. The security of these assets must start from the smallest, the example in this paper is the security of oil palm Fresh Fruit Bunches (FFB) which are often stolen, both by oil ninja, and oil mafias. Various modes of crime surfaced, such as: theft of FFB; trimming FFB; land grabbing; employee abuse; core darkening and Crude Palm Oil (CPO); and employee mistreatment.

The facts of the findings in the field of plantation crime mode are massive and organized. With regard to theft of oil palm, many people believe that it is often carried out by oil palm ninja (simple crime), but in reality theft by "oil palm ninja" is only about 10% s.d. 15% only. In reality, there is an oil palm mafia operating in PTPN IV's estates which holds 85% of these oil thieves. 90% (organized / serious crime). The oil palm mafias consist of: collectors, Youth Organizations (OKP), Non-Governmental Organizations (NGOs); RAMP; PKS without garden; intellectual actor; financier; drug dealer; naughty employees; and backing. The weak security and law enforcement system and the lack of coordination with Law Enforcement Officers are the reasons for the theft and embezzlement of the FFB. This can be traced to Report No. TBL / 937 / XII / 2017 Bareskrim, dated December 8, 2017, concerning Reporting of Alleged Crimes of Harvesting or Collection of Illegal Plantation Products as referred to in Article 107 of Law No. 39 of 2014 concerning Jo Plantation. Article 55 Criminal Code.

The criminal act of theft and embezzlement of oil palm FFB in the PTPN IV area is massive and can be categorized as very critical (state of civil emergency). The theft and embezzlement of oil palm FFB can be likened to stage IV cancer that has spread to every important organ. The estimated value of losses suffered by PTPN IV is + Rp. 500 billion / year, even though the company has issued a security fee of + Rp. 130 billion / year with a total security workforce of

+ 2,200 personnel (estimated number of losses of PTPN IV against theft of Oil Palm FFB). In addition, the lack of law enforcement resulting in a lack of deterrent effect on the perpetrators of crime due to the application of criminal sanctions in Law No. 39 of 2014 concerning plantations is still minimal.

As for one of the breakthroughs in implementing Good Corporate Governance (GCG) which will be implemented at PTPN IV to secure assets to minimize the theft of oil palm Fresh Fruit Bunches (TBS) is the application of technology, information, and communication at PT. Perkebunan Nusantara IV in the form of an application system "Smart Security of Integrity". The picture of the Smart Security of Integrity system process can be seen below:

The Smart Security of the Integrity application system will provide information automatically to the Security Unit if there are people who will or have stolen the oil palm FFB. This article is expected to be able to resolve these critical issues by implementing Good Corporate Governance (GCG) in PTPN IV in the area of asset security, which is expected to be able to at least reduce the crime of theft and embezzlement of oil palm FFB in PTPN IV. The problem is Good Corporate Governance (GCG), which is how to secure assets to minimize the theft of oil palm FFB in PTPN IV; whether by implementing the plasma plantation program and the Community Development Partnership Program (PKBL) as a manifestation of the implementation of Social and Environmental Responsibility (TJSL) or Corporate Social Responsibility (CSR) as an order/mandate Article 74 of the Limited Liability Company Law can secure assets owned by PTPN IV and minimize theft of oil palm FFB that has taken root occurs in the field.

### **Stakeholders Theory of the Modern Corporation**

That the basic obligation of company management is not to maximize the financial success of the company, but to ensure its survival and balance the conflicting demands of various stakeholders. The company executive (executive) must be notified by law to manage the company in the interests of stakeholders. (Snoeyenbos et al., 1983).

The principal teachings of R. Edward Freeman on "A Stakeholder Theory of The Modern Corporation", namely: (1) That company managers have duties to all groups and individuals who have shares (a stake) in or claims to the company (Freeman mentions groups these groups and individuals as 'stakeholders'); Theberge, 1980; Smerden, 2010). (2) That there is no stakeholder group that should give priority to the others when the company mediates stakeholder competition claims; and (3) That corporate law must be changed so that it requires executives to manage their companies in accordance with the principles of stakeholder theory, that is, Freeman states that executives (Moffitt & Bordone, 2005). must be told (legally / legally) to manage their companies for the benefit of their stakeholders (Snoeyenbos, 1983).

### **Linkages of Good Corporate Governance in securing Plantation Assets**

The term Good Corporate Governance is a series of processes, habits, policies, rules, and institutions that affect the direction, management, and control of a company or corporation. Corporate governance also includes relationships between the stakeholders involved as well as corporate management objectives. The word governance is defined as the activity or manner of governing while the meaning of governing as having the power or right to govern (Hornby & Cowie, 1995).

The connection with this paper is that in the application of Good Corporate Governance (GCG) in the field of securing estate assets in PTPN IV can be measured by the three elements of the legal system, namely: its legal substance (Forestry Law); its legal structure (Law Enforcement Officials: Forestry and Police PPNS); corporate legal culture. The three systems are interrelated

with one another. Systemic law enforcement efforts must pay attention to the elements of the legal system because it is the essence of law enforcement so that the internal and external processes of law enforcement and justice can be realized in a real way, minimally reducing the theft and embezzlement of oil palm FFB. By reducing the theft and embezzlement of oil palm FFB, it can automatically increase the company's production. The company's production increases, so employee welfare also increases. With the support of stakeholder theory, an increase in company income is expected to improve the lives of the communities around the company's oil palm plantations.

## Conclusion

The Smart Security of the Integrity application system will provide information automatically to the Security Unit if there are people who will or have stolen the oil palm FFB. This article is expected to be able to provide input for critical issues by implementing Good Corporate Governance (GCG) in PTPN IV in the field of asset security, which is expected to be able to reduce crime at a minimum. Good Corporate Governance (GCG) in the area of securing assets in PTPN IV can be measured by the three elements of the legal system, namely: the legal substance (the Forestry Law); its legal structure (Law Enforcement Officials: Forestry and Police PPNS); corporate legal culture. The three systems are interrelated with one another. Systemic law enforcement efforts must pay attention to the elements of the legal system because it is the essence of law enforcement. the facts of the findings in the field of plantation crime mode are massive and organized. With regard to theft of oil palm, many people believe that it is often carried out by oil palm ninja (simple crime), but in reality theft by "oil palm ninja" is only about 10% s.d. 15% only. In reality, there is an oil palm mafia operating in PTPN IV's estates which holds 85% of these oil thieves. 90% or organized/serious crime.

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