

OPTIMIZATION OF UTILIZATION OF RESOURCES POTENTIAL AREA BORDERS FOR REGIONAL DEVELOPMENT (Political Economy Justice at Indonesian Border)

DR. PAZLLSIP.MSI

University of Riau, Pekanbaru -Indonesia

Tel./Mobile: 081276511634, E-mail: pazliku@gmail.com ; Pazli@unri.lecturer.ac.id.

ABSTRACT

The state border is the identity and the identity of a country. From the perspective of international relations, the border region is the outer boundary of the state that separates the state, with other countries whether land, sea or air and even all three are governed by an agreed agreement. Object area has the potential and resources of a complex area. This paper is about the optimization of resource utilization border areas Riau Province whose imaginary line is not in direct contact with the border of neighboring countries but with the international trade traffic zone, which gives opportunities for capital penetration, especially from the foreign capitalism in cooperation with the domestic capitalism. Because the potential of Indonesia's border resources is facing the forces of the global and capitalist currents as a consequence of the era of MEA market liberalization. The phenomenon is that the practice of utilizing existing resources in the Riau provincial border region is not yet optimal for regional development, in order to optimize the ownership of assets and access. Optimization of assets and access will almost certainly be realized with the work of capitalism and modernization.

The problem is how the border area resources are perceived as benefiting (residents living) in regional development in the framework of realizing social justice, correlative social rights, sharing the benefits of inclusive social cooperation. In relation to this, it is appropriate that the existing resources should be managed in inclusive terms, ie territorial planning and intervention: by local residents with local resource capital and for local residents, summarizing the territory's wealth for its citizens. Interaction with the outside world still directed by minimizing the leakage of territorial wealth in the context of a profitable economic and political exchange.

Keywords: *Border Potential, Inclusive Development Resources.*

1. INTRODUCTION

The territory of the Unitary State of the Republic of Indonesia, among others, is adjacent to the natural material of land, sea and air, and even all three. While geographically bordering the territory of other countries and general objects such as separated by the Ocean. One of the provinces in Indonesia that borders the common object (International Sea) is the territory of Riau Province. Riau Province as a region located in the central part of Sumatra Island (formerly Central Sumatra). With an area of 110,620.96 km². It consists of 89.150,16 Km² (80.59) % Mainland and total ocean area of 21,470.80 Km² (19,41)% (Riau Province Government 2014). In the study of International Relations Riau Province is on the East coast of the island of Sumatra and is an international strategic route

of shipping, in the north bordering Strait Melaka and North Sumatra Province; East side with Riau Islands Province and Melaka Strait; West side borders with West Sumatra Province and North Sumatra Province while the South with Jambi Province and West Sumatra Province. Thus from north to east its territory faces directly with the Strait of Melaka.

In general, the province of Riau is divided into two categories of highland area as a region that forms Bukit Barisan and coastal areas bordering the sea of international traffic. Plateau and hilly areas are in RokanHulu district, Kampar district, KuantanSingingi district, Indragiri Hulu district and Pelalawan district. This land area for now has a very dominant resource of oil palm plantations.

While the coastal areas are on the east coast of the region that includes Bengkalis district; Meranti Archipelago whose coast is bordered directly by the Melaka Strait from North to South. Coastal areas dominated by swampy marshes with muddy beaches have the most prominent resource potential of Sago plant commodities.

Regional Resources Riau Province has contributed significantly to the national economy for a long time. Formerly Riau Province as a producer of crude oil, Caltex (California Texas), since the mid-1990s contributed to the plantation sector of oil palm crops. Meanwhile, along with the need for national food diversity and the northern region of Riau Province bordering Strait Melaka, Sago plantation commodity gives new hope as renewable plantation resource.

The study of the potential of the region's resources, formerly of oil and now plantations, especially of Palm Oil and the future expectation of Sago commodity in Riau Province. This paper takes a sub-theme of optimizing the utilization of the potential of border area resources for regional development, which will examine how existing resources in the border areas of citizenship are utilized for regional development in Riau Province.

With a bit of learning from the various shortcomings of the development approach that led to potential leakage of potential resources in the past that led to the contribution of what Riau's development has gained from oil revenue-sharing, as well as the benefits of palm oil commodities, what is the bid of the development approach especially in the region the border that is the place where the world capitalist traffic takes place. His analysis will be stronger on the traffic of thought on Political Economy as its atmosphere.

2. RESOURCES AT THE BORDER AREA

Riau Province is one of the provinces producing energy resources, namely oil on the island of Sumatra. Oil is a variable that determines the national economy for decades. However, in the demographic of Riau province, there are still many residents who are brought poverty line. Utilization of existing resources "spilled" out of the Riau region, Riau border areas such as Siak regency, Bengkalis no more flashy than the districts that do not produce oil several years ago. Its optimization has no impact on the economy of Riau province in the short term, let alone long-term to the

increasing competitiveness of human resources in Riau province.

Along with the national development policy to not depend on non-oil development resources, the Riau Province which has approximately 9456,160 ha of forest area, becomes the target of the implementation of Forest Management Rights in the forestry sector, with government permission which then practices the Right to Use in the plantation sector for the development of oil palm commodities, with the main actor being the company large state-owned or private plantations, which intensified into the early 1990s. Based on Perda No 10/1994 Riau Province RTRW, which directs, the policy on the development of the plantation area of 3,133,398 ha, ie as much as 33.14% of the total existing area, in 2011 realized 3.244.000 ha.

The potential extent of the land as a usable resource makes it possible for the development of plantations in this region, as Bahari (2004) notes, "one aspect of which is the prerequisite for agricultural development, access to land tenure". Therefore, land resources, an element that is very important for the welfare, prosperity and social justice of Indonesia.

With regard to the potential of land resources, the plantation sector contributes to national economic growth where the government prioritizes economic and productivity improvements (White 1990). The contribution of the agricultural sector to the national Gross Domestic Product (GDP) is 10.97 percent, of which 2, 31 percent is the plantation sub-sector, after the food crops sub sector of 6.96 percent (Department of Agriculture, 2008). According Soesastro (2007) large plantations as a source of non-oil foreign exchange, employment opportunities as well as investment field for national and international investors. The contribution of plantations is also seen as giving multiple effects to the national economy as Frasetiandy (2009). According to Pangabean (2010) quoted from SinarTani "in line with the increase in the area of export revenue of plantation commodities also experienced a significant increase. In 2009 alone it reached US \$ 31.72 billion (or about 317 trillion rupiah), CPO export levies more than Rp. 9.2 trillion.

Graham and Floering argue that "large estates provide benefits to the state for production and value-added, contributing significantly to the state's revenue through the fulfillment of domestic demand and exports (Graham and Floering 1984). But Saith (1989) asserted

that "large plantations do not encourage local economic development, are anti-development, have no meaningful linkages to the surrounding economy". Added also by Fauzi (1999), "that the government's structural policy is unclear, the people are constrained by their land rights, while legal entities have the freedom to obtain HGU as wide as possible. According to Fadjar and Herman (2001), "the model of land resource use exists only profitable core enterprise, people marginalized ". Similarly, Syarfi (2007) states that "people's plantation development for more than two decades has not given maximum benefit to the peasants' peasants, ignoring the basic dimensions of popular economic development, maintaining dualism in plantations, dominating large plantation companies on people's rights".

The use of land resources, oil palm plantation resources in Riau province has shown that; the people have no economic power and policy access to gain land tenure, land ownership; There was de-consolidation of community's communal lands; Monopoly and policy domination by subjects with great power have eliminated the recognition of people's rights over existing land and garden resources; Collaboration between private plantation companies and local governments has abandoned communal land rights, impoverishing the people through the spinning of community-owned land resources in a communal way (Pazli, 2015).

Conditions that occur in the practice of energy management of petroleum resources in the province of Riau and stewardship of land sourced from state forests, ulayat land for the development of oil palm plantations in the province of Riau, is a common method used by the capitalist in the perspective of international relations, however, capitalism as a mode of production was born in the 16th century when the replacement of the feudal agricultural system, ie the change of production orientation from "production of goods for self-use" to "production for sale" (Sanderson, 1993). In capitalism, selling commodities for maximum profit becomes the core of economic life. This is what happens to forest resources and plantation resources in Riau Province. Marx (in Sanderson, 1993), calls capitalism an economic system that allows some individuals to master vital resources and use them for maximum benefit.

The highest profits lead to the exploitation of laborers cheaply, because labor is the most easily engineered factor of production compared to capital and land. And what's worse is that in controlling land

resources there is a collaboration between private companies and the government, and is increasingly incomparable to peasant power despite the majority (Fadjar, 2006).

Thus land resources and oil palm plantations coming from KawasanHutan, through the policy: Law No. 5/1967 on Forestry and SK Menhutbun). 728 / Kpts-II / 1998-the release of forest areas, provides little benefit to people who live in this area significantly. In the aspect of plantation resources ie oil palm production, providing economic benefits to large state and private plantation companies, on the contrary the people as self-help farmers in processing products only as a supplier of Palm Fruit Bunches (TBS), but not getting the proper benefits; on the marketing of sideline production of plantations applying state / private plantation companies as owners of Palm Oil Mill (PKS), where plantation companies enjoy the economic value of benefit and marketing of yields to the primary and sustainable production of plantations; such as Crude Palm Oil, High Acid, Shell, Kernel / Inti, Fiber / Fiber (Pazli, 2015). Utilization of plantation resources from the aspect of processing the results, the benefits of production and marketing of the main production and sideline of the plantation has flowed out of the territory of the citizens to the capitalists whose posts come from outside the rural development area.

Learning the mistakes of the past, especially in organizing and using the potential of land resources, the resources of oil palm plantations, which led to a prolonged criticism that the large plantation resources are not optimal in contributing to regional development, the expected benefits of leaving a number of development problems i.e. unemployment, poverty which is never exhausted or cannot be diantaskan from Riau Province. The 2014-2015 range of open unemployment rate is 4.99 and 6.72% respectively. (Riau Province Development Analysis Series, 2015). Similarly, the poverty rate in 2014, 2015 amounted to 7.72 and 8.12% (BPS, 2014). So far in the Riau coastal area, which is the border area of Riau province precisely in the districts of Meranti, Bengkalis and Siak Islands, Indragiri Hilir and Pelalawan have land and plantation land for Sago plant commodities (Metroylon, SP). Sago is one commodity of food crop as source of carbohydrate beside Rice, Corn or Cassava.

Sago is also used for industrial needs. Potential land for sago plant commodity development is quite wide, the area of Sago plant in the border area of Riau

Province (covering the Meranti Islands, Bengkalis and Siak, Indragiri Hilir and Pelalawan) about 100 thousand Ha. Especially for the Meranti islands 44,657 Ha, about 2.98% of the national sago plant. Production rate per hectare reached 9.89 tons, in 2006 and 2010 reached production of 440,339 tons, while in 2015 total sago plant production of 198 thousand tons / year (Forestry Service and Plantation of Meranti Islands, 2016).

Land use resource management of Sago commodity plantation in Meranti Regency is seen from the aspect of land tenure, where there have been 20,000 ha of land which is controlled by private plantation company of Sago plantation which is present as investor. While the land area is owned by the people as a farmer ownership of Sago plantation in Meranti island district of Riau Province covering 38.614 hectares with farmers totaling 7,487 farmers. Meanwhile, there has been cooperation between Meranti and Malaysia districts that have been established during the period 2010-2016 in Sago export activities to Malaysia. This activity is based on the MOU signed by the government of the Republic of Indonesia and the Government of the Kingdom of Malaysia on February 26, 2009 in Kuala Lumpur. However, in terms of processing the results, the benefits of production are still not well ordered, and there have been two medium to medium investors investing in this plantation sector on the utilization of Sago crops and Sago waste processing. For this reason, it is possible that the control of land and the benefit of Sago commodity resources will only benefit exporters from outside the border areas of Riau province.

So special on the potential resources of Riau border areas such as Sago plant resource utilization that has not been for regional development in general do not happen again. Optimizing aspects of tenure, ownership and allocation of land resources, plantation commodity resources, production processing resources must really provide benefits to regional development and leakage of existing resources to Exogen Rural Development to a minimum.3. Development Approach and Leakage Utilization of Potential Resources.

Optimization is an action, or a process or method for making something (as a design, system or decision) becomes more fully functional or more effective (Great Dictionary of Indonesian Language, 1994). By doing effectiveness and efficiency, resources will increase their productivity. Is not talking about optimization cannot be released in terms of efficiency? If it is true then there will be a subject of development

that gradually eroded, because measured from the concept of modernization, the traditional and inefficient work, takes a long time dominant in the middle of rural communities or depth of the border.

Modernization has much in common with the notion of capitalism. Namely for example efficient advanced technology which of course to get the profit as big as possible. The economic and efficient values that exist in modernization are the values of capitalism as well. The point is that only by forming modern capitalist societies is the backward countries can make progress (Sanderson, 1993).

Modernization born in the West will tend toward Westernization, has strong pressures although certain elements in the native culture of a third country can always exist, but at least there will be a feature of Western culture in its culture (School, 1988). Modernization that goes through change agents (Harison, 1988), will tend to homogenize the economic system, so that eventually modernization, development, and capitalism will each have an increasingly convergent meaning, this is the beginning of leakage of development benefits for the local community, to make the development of inclusive boundaries will only remain a dream.

The main theory used in modernization is Rostow's theory of the stages of economic growth. In order to achieve autonomous economic growth it is necessary to mobilize all capabilities of capital and its natural resources. Investment is an absolute that can be obtained from outside or inside. That is, this opinion invites the entry of capitalist capital institutions, certainly with high interest so that eventually happened dependence (Frank, 1984).

The authors argue that dependence (not independently) is the beginning of the disappearance and leaking of natural resources to markets that have power over the market in the border regions that just started in the lyrics. According to Harison (1988), modernization will affect the change of structure and pattern of society, namely the occurrence of structural differentiation. Likewise, capitalism which has been proven by history, and criticized by Marx, will lead to a conflicting structure.

Modernization theory based on the theory of evolution, expect a gradual change of society, from the same state to the more differentiated (Sanderson, 1993: Veeger, 1990). The classical modernizers, for example

Colleman (in Suwarsono, 1991) wanted that the modern individual is expected to have high achievement needs. Furthermore, Inkless claims that modern man is open to new experiences, independent of traditional forms of authority, and believes in science.

When viewed and carefully observed, that what it wants is in accordance with the personal and lifestyle of capitalist society. In essence, what is meant by modernization is also the values of capitalism itself, namely the pursuit of progress, high consumption, efficiency, money economy, and others. If all this is going to be done on the border, then run out of resources on the border territory. The main impact of capitalism is the formation of employer and labor classes, and exploitation and inequality. Even though capitalism brings many advances, it also brings many negative things, such as egoism, greed, and the desire for excessive favors or understanding of hedonism (Sindhunata, 1997).

Briefly Schumacher (1987) concludes, capitalism can only benefit a small number of people (perhaps the elite) but miserable most of it. Pessimism about the ability of capitalism to human welfare has been widely expressed experts who have felt the impact widely. And this as a result of the accumulation of economic and political power only on the economic elite and government that generally are in urban areas even from outside the borders of the country. The function of dominance, the monopoly of economic and political power by the economic and political elites is very important and is needed primarily to control and assets and secure sustainable access to existing resources starting from the resources land and resources above and within them.

Patterns of discriminative relations are characterized by differences in treatment between people, amongst the class of society that elites usefully design and guard as well as protect the access and benefits of the resources they want to master and which they have mastered. The patterns of dependent relationships between capital owners and the people are a consequence of a pattern of relationships that are controlled by dominance, exploitation and discrimination that are close to comfort that is constantly characterized by the border-dependent people's living situation on resources that lead to economic, social and even political vulnerabilities in society which has been in the 3T region even though it is now realized that it is they who are in the forefront of dominance.

Their borderline (citizenship in the territory) of the border will be in direct contact with other citizens as occurs between the Indonesian border and the liberal market in the Straits of Melaka. Market liberalization is the idea that economic activity merely takes place in the market competition, in order to realize the hope of efficient allocation of international economic resources. Today in the era of economic liberation of MEAs on the borders of the Unitary State of the Republic of Indonesia with neighboring countries, capitalism on the utilization of potential resources in general and special commodities such as palm oil and Sago in Riau Province will be more difficult to avoid. Utilization of the source will certainly be under the control of market mechanisms.

Liberalization of the market (economy) opens opportunities as well as a challenge to the people especially those on the border in the face of the onslaught of international trade. This thinking has a lot of support, because the community that wants or oriented to the activity to seek profit based on the efficiency continues to grow in the middle of the resource span.

On the other hand, there are critics of the group who want the justice of the potential of existing resources not continuously serve the interests of the capitalists. Generally this group of pro populist economy that has long been buzzing in this country. They are not convinced of efficiency, but they expect dominance, marginalization and monopoly on aspects of control, ownership to the utilization of existing resources, fellow citizens, people with employers and even people with the state.

3. REGIONAL DEVELOPMENT AND RESOURCE OPTIMIZATION IN BORDER AREAS

The new orientation of regional development today is directly to the distribution of income or equity, which will lead to reduced poverty. Therefore regional development is actually to reduce or eliminate poverty, inequality and unemployment, where the redistribution of economic growth is becoming an issue in today's world.

The concept of a border "development zone" in this paper is a homogeneous region on the border of a unified spatial structure of Riau consisting of several districts that share the same characteristics as the same production structure, the occupational structure of the

same population, geographical factors, natural resources that stand out the same and another (Ghalib, R, 2005). Optimal use of existing resources not only sees the aspect of industrialization, as the impact of modernization and is the ideals of the capitalists. Are not the ways in which this practice does not contribute much to the citizens of the territory so that the potential of existing resources do not leave the former let alone the benefit to the development of the region for the long term? But only to the short-term benefits that are pursuing growth, true. In the future, however, a development approach should be developed, namely the establishment of a territorial territory within an inclusive border rural area. The continuous metamorphosis of the Exogenous Rural Development (Ex-RD) regime into the Endogenous Rural Development (En-RD) regime subsequently transformed into Neo Endogenous Rural Development (NE-RD).

This change is evident from a change in the perspective of market economic development to concentrate on pursuing high economic growth by using modernization theory to an Inclusive Perspective that is believed to release the dependence and exploitation of the rural economy by urban areas, where so far the border is called the rear. Ex-RD has been emphasizing the intervention of parties outside the territory of citizens themselves to optimize the utilization of existing resources. Likewise, the market as an existing spatial and inter-sectoral economic connectivity. While En-Rd is an anti-thesis against Ex-Rd which has also been assessed to allow the economic benefits of resources, resulting in leakage and economic loss in rural areas, so that the frontier areas away from the center of growth are left to pass for a long time. En-Rd needs to be operated to overcome the negative impact of foreign market entry with a focus on strengthening the intra-community cooperative. Such as strengthening the cooperative institutions so that the community market excesses are consolidated.

En-Rd also to prevent leakage of existing resources and their usefulness. Such as coconut palm commodity in some districts in Riau province. The existing natural area of the economy has so far grown, it needs to be solidified in order to be in the cage within certain geographic and demographic areas while protecting the negative effects of the outside market (see Benneworth, 2013).

The approach in resource optimization is due to leakage in the form of economic exploitation of resources, so it

cannot be used for regional development in the sense that the residents can feel the benefit of the existing resources by approach (NE-RD). This is a synthesis of both dialectics (Ex-RD) (En-RD). The objective is to develop social cooperation in rural communities, which is the outpouring of Wallace's (1956) anthropological approach to how opportunities for innovation and social entrepreneurship in local cultures. Economic and political integration in the optimization of resource utilization for development is in the broad sense, namely the synergistic (energy sync) between Government, Private and Citizenship territory minimum leakage for welfare at the level of citizens residing in the territory.

In an effort to optimize the utilization of resource potentials of inclusive borders for regional development, local governments make maximum efforts to maximize their economic potential and include as much as possible the labor force in the Decent Work market. In recent years the Central Government has started with embodied in the Village Law, various packages of national economic policy, strengthening economic institutions such as society interconnectivity between people, groups within cooperatives and Village Owned Enterprises, Village Fund Allocations that have entered into optimizing the use of village funds through layered supervision at the age of 72 years of Indonesia. And Private as an entrepreneur opens productive economic business opportunities for the poor and vulnerable as an effort to improve welfare and reduce the gap.

The challenge for governments and the private sector is to facilitate the upgrading of the poor and vulnerable in managing basic finance, developing self-financing, and financial literacy, and promoting growth in various development sectors, such as agriculture, industry and services, to avoid growth which tends to the capital-intensive sector. For the society as a territorial citizen it also unites forces within the border community through Batoboh's local power, namely the mobilization of energy and resources owned by citizens dwelling in rural border territories in the struggle for justice and economic benefits of resources for the welfare of the population in small areas toward social justice for all people of Indonesia. For market liberalization as in the MEA will continue to run without cooperation with resident residents who must have low economic power and bargaining politics.

BIBLIOGRAPHY

1. Bahari, Samsul. 15 March 2004. Opinion Articles, Compass: 23 (1-7).
2. Bennetworth, Paul. (2013). 'Regional Innovation Culture in an Age of Globalization-Toward culture 2.0?' "Regional Studies Association European Conference 2013, Tempere, Finland, 5th-8th 2013.
3. Plantation Office of Riau Province. (2013). Plantation Statistics Riau Province. Jakarta: Directorate General of BP Plantation.
4. Department of Forestry and Plantation of Meranti Island (2016).
5. Fadjar, Undang and Herman. (2001). Development of Social Capital and Social Management to Overcome Conflict Between Large Plantations and Smallholders Plantations. Research Report. Bogor: APPI.
6. Fadjar, Undang . (2006). "Changes in incomplete structure in plantation business partnership", Agro Economic Research Forum, Vol. 24, No 1, pp. 46-60.
7. Fauzi, Noer. (1999). Farmers and Rulers, Insist Press-Consortium of Agrarian Development. Yogyakarta: PustakaPelajar.
8. Frank, Andre Gunder. (1984). Sociology of Development and Backwardness of Sociology. Preface Arief Budiman. Pulsar Library.
9. Frasetiandy, Dwitho. (2009). Tackling the Social Impact of Palm Oil Plantations. <http://www.walhi.kalsel.org/content/view/full/131/48/> [Accessible 2013/2/07]
10. Ghalib, Rusli. (2005). Regional Economy. Bandung: PustakaRamadhan
11. Graham, E and Floering, I. (1984). The modern plantation in the third world. London: Croom Helmet
12. Harison, David. (1988). The Sociology of Modernization and Development.London: Unwin Hyman.
13. Kamus Besar Indonesia. (1994). BalaiPustaka, Jakarta. pp. 800.
14. Pangabeau, Godlim. (2010). Plantations, Past, Present, and Future. Tabloid SinarTani. Edition 22 - 28 December 2011 3385 Years XLI
15. Pazli. (2015). Equitable estates and management policy (analysis of the benefits and the primary side, product marketing palm oil plantation in Riau Province) International Journal of Research In Social Science ISSN 2307-227X vol.4 (9), 66-71, Jan (2015) www.IJSK.org/Ijrs.
- 16-----.(2015). Equitable of Agrarian Policy: Analysis of Land Use for Plantation Riau Province Research Journal of Science Management E-ISSN 2319-1171 vol. 4 (2), 1-7, February (2015) .www.isca.in, www.isca.me.
17. Saith, A. (1989). Location, linkage and leakage: Malaysian Rural Industrialization in national perspective. The Hague, ISS working paper No. 56.
18. Sanderson, Stephen K. (1993). Macro Sociology: An Approach to Social Reality. Second Edition. RajawaliPers, Jakarta.
19. Schumacher, E.F. (1987). Small Is Beautiful: The Economics of Small People. LP3ES, Jakarta.
20. Sindhunata. (1997). Tony Blair, KwikKianGie, and Mubyarto. Kompas, May 24, 1997
21. Soesastro. Hadi. (2007). "Microeconomic Policy Reform: Strategy for Regional Cooperation," EABER Working Papers 21856, East Asian Bureau of Economic Research.
22. Syarfi, Ira W. (2007). Community Plantation Development in West Sumatra: (A Study in the perspective of Community Economic Development) [Dissertation]. Padang. Post-SarjaAndalas Program, 289 p.
23. Wallace, Anthony F.C. (1956). "Revitalization Movements.P American Anthropologist, New Series, Vol.58, No.2 (April, 1956), pp.264-281 (<http://www.jstor.org/Stble/665448>).
24. White, Benjamin. (1990). Agro-Industry, Rural Industrialization and Rural Transformation. In Sajogyo and MangaraTambunan (ed.) 1990. Rural Industrialization. PT.SekindoEka Jaya. Jakarta.