

CHAPTER I

INTRODUCTION

1.1. Research Background

This research began with interest of Singapore's Foreign Direct Investment (FDI) related to waste management in Indonesia it impacts on economic growth and the development of waste management. The point of Singapore's Foreign Direct Investment (FDI) through Circulate Capital to improve waste management at PT Reciki Solusi Indonesia. Singapore's increasing foreign investment to Indonesia is all to be addressed as it is an important object of research. In order to see the extent of Singapore's Foreign Direct Investment, which then contribute to sustainable development in Indonesia.

The debate on twenty-first century on huge increase of plastic waste may continue to debatable reality on industrialization it. Plastic is more flexible and naturally durable, it is material that meets most of the packaging industry's needs. Although plastic has been produced in large quantities for about 60 years, this growth rate has accelerated to reach 8.3 billion metric tons which most of them are single-use items that end up in the trash.¹

Maintaining waste management is essential to keep global warming below the 1.5°C limit. Therefore, spending money on sensible, efficient and ethical plastic waste management can significantly reduce the impact of climate change.

¹ Suman Nandy, Elvira Fortunato, and Rodrigo Martins, 'Green Economy and Waste Management: An Inevitable Plan for Materials Science', *Progress in Natural Science: Materials International*, 32.1 (2022), pp. 1–9, doi:10.1016/j.pnsc.2022.01.001.

Of course, this needs to be combined with better infrastructure and regulations to manage plastic waste, as well as wise production and consumption on the part of businesses and consumers.²

Global security is threatened by environmental deterioration, inequality within and between nations, global financial instability, and the depletion of natural resources, all of which show that the current quo cannot last. Due to shifts in socioeconomic, demographic, and technological dynamics, there is a greater demand for a variety of goods and services that use a lot of natural resources. One could argue that a new, environmentally-related global order is beginning to emerge.³

Environmental issues started to gain attention in 1972 when the United Nations Conference on the Human Environment was convened in Stockholm. The link between economic growth and environmental degradation was first raised internationally at this meeting. Environmental problems are cross-border because: (1) moving resources are not limited to one country; (2) marine-related activities, such as shipping, mining, and migration of alien species, may impact some countries; and (3) the sea is a medium that can spread pollutants relatively easily. People know that this issue needs to be addressed collaboratively because of the goals or influence of this movement, which involves many countries.⁴

² OECD, *Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options* (OECD, 2022), doi:10.1787/de747aef-en.

³ Gulbenkian Think Tank on Water and the Future of Humanity, *Water and the Future of Humanity: Revisiting Water Security* (Springer International Publishing, 2014), doi:10.1007/978-3-319-01457-9.

⁴ Desi Arisanti, 'Politik Indonesia Dalam Isu Lingkungan : Studi Kasus Kepentingan Indonesia Dalam KTT Perubahan Iklim Di Paris Tahun 2015', *Proceeding 6th University Research Colloquium 2017: Seri Humaniora, Sosial, dan Agama*, 2017, pp. 269–80.

Nations are currently looking into using plastic trash to create value-added products that are both economical and environmentally friendly in order to implement the ideas of sustainable growth, environmental preservation, and green development.⁵ The industrial economy has produced a lot of waste that cannot be absorbed and transformed naturally by the environment because of its rapid development. Therefore, waste management, or waste recovery and recycling, is considered one of the main sectors of the green economy.⁶

In Singapore, packaging waste (including plastic) makes up around a third of all waste generated. According to Zero Waste Nation, packaging waste has been identified as a top priority waste stream that must be addressed for Singapore to become a Zero Waste Nation. This will involve efforts to close the resource loop. The energy recovery system in Singapore is well developed. To support waste-to-energy initiatives, most plastic waste is removed through cremation. The government wants to increase both the domestic and non-domestic recycling rates from 22% in 2018 to 30% and 81% in 2030, respectively, as part of its zero waste program.⁷

Singapore's success in managing both domestic and non-domestic waste serves as a compared to neighboring countries, especially Indonesia, which has quite concerning waste management issues. In Indonesia, waste management is

⁵ Duo Pan and others, 'Research Progress for Plastic Waste Management and Manufacture of Value-Added Products', *Advanced Composites and Hybrid Materials*, 3.4 (2020), pp. 443–61, doi:10.1007/s42114-020-00190-0.

⁶ *Sustainable Entrepreneurship and Investments in the Green Economy*., ed. by Andrei Jean Vasile and Domenico Nicolò, *Advances in Business Strategy and Competitive Advantage* (IGI Global, 2017), doi:10.4018/978-1-5225-2075-7.

⁷ R Hicks, 'Singapore's Zero-Waste Plan Aims to Raise Domestic Recycling Rate from 22 to 30 per Cent by 2030', 2019 <<http://www.eco-business.com/news/singapores-zero-waste-plan-aims-to-raise-domestic-recycling-rate-from-22-to-30-per-cent-by-2030/%3e>> [accessed 13 May 2024].

something to consider as new phenomenon, so there are still many things to learn regarding effective and efficient of waste management.

The Ministry of Environment and Forestry (KLHK) reports that Indonesians produce 2.5 liters of waste every day. With around 268 million people living in Indonesia, this country produces 670 million liters of waste every year. Fourteen percent of this amount is plastic waste.⁸ Waste management results from input data from 128 districts and cities throughout Indonesia in 2023 have been published on the official website of the National Waste Management Information System (SIPSN). As a result, 17.4 million tons of waste will be generated annually by 2023. A total of 11.6 million tons, or 66.47%, of the waste in this data has been managed. A total of 5.8 million tons or 33.53% of additional waste is currently uncontrolled.⁹

The end-of-pipe approach, which involves collecting, moving, and disposing of waste at the final waste processing plant, is still used by individuals to manage waste. Large garbage piles at waste processing facilities produce methane gas (CH₄), it raise gas emissions and increase higher risk of global warming. It is costly and time-consuming to allow garbage mounds to naturally decompose.¹⁰

The need for technological improvement to process waste management requires knowledge and funding, both from the government and the private sector.

⁸ CNN Indonesia, 'Indonesia Penyumbang Sampah Plastik Terbesar Kedua Dunia.', 2016 <<https://www.cnnindonesia.com/gaya-hidup/20160222182308-277-112>> [accessed 13 May 2024].

⁹ Nur Aini Rasyid, '10 Kota Indonesia Penghasil Timbunan Sampah Terbanyak Sepanjang 2023', *GoodStats*, 21 April 2024 <<https://data.goodstats.id/statistic/10-kota-indonesia-penghasil-timbunan-sampah-terbanyak-sepanjang-2023-JzP80#:~:text=Sistem%20Informasi%20Pengelolaan%20Sampah%20Nasional,timbunan%20sampah%20tahunan%20yang%20dihasilkan.>> [accessed 22 April 2024].

¹⁰ Salim, *Ratusan Bangsa Merusak Satu Bumi* (Kompas Penerbit Buku, 2010).

Therefore, Indonesia has chosen to open up to Foreign Direct Investment (FDI) as one of the supports in improving waste management. This is because the benefits of Foreign Direct Investment (FDI) do not only focus on capital financing but also include the transfer of knowledge and technology, which has a broader scope that can be absorbed by the local community and implemented sustainably.

Foreign Direct Investment (FDI) according to the Organization for European Economic Cooperation (OECD) provides the formula that "Purchasing a significant enough stake in an enterprise to guarantee investor control is known as direct investment" it is a form of foreign investment where the investor is given the freedom to control and management of leadership in companies where capital is invested, in the sense that investors have control over their capital.¹¹ Foreign direct investment which is good for the take of economy can actually be emulated by developed countries, Singapore, for example like even now has the status of being the second financial center after London with a foreign investment value of 22.5 USD.¹²

Indonesia is one of Singapore's invest partner and which then to be highest investor in Indonesia for now. The private company Circulate Capital is proof of Singapore's investment, especially in the field of waste management. This company specializes in providing funding to businesses, associations and startups that handle and prevent plastic waste. To overcome the plastic waste crisis, Circulate Capital partners with multinational companies such as Danone, PepsiCo,

¹¹ Hulaman Panjaitai and Aimer Sianipar, *Hukum Penanaman Modal Asing* (CV. Indhill Co, 2008).

¹² Triwulan, 'Singapura Penanaman Modal Asing', 2021 <<https://www.ceicdata.com/id/indicator/singapore/foreign-direct-investment>> [accessed 18 February 2024].

The Coca-Cola Company, Procter & Gamble, Unilever, Dow, and Chevron Phillips Chemical through venture capital funding. ¹³Reciki Solusi Indonesia is one of Circulate Capital's choices in investing its capital.

This investment plays an important role to realizing a better environmental in Indonesia. As also been clearly commanded by Allah, as Islam always cares about the preservation of earth. Because both the positive and negative impacts given by nature will eventually be felt by us or future generations. As Muslims, must always take care of the earth, one of which is to be responsible for the environment preservation.

Islam has historically encouraged moslems to continue to protect the environment. Where Islamic teachings about gratitude include preserving nature. Because Allah created the universe to fulfill human needs, it is our obligation to protect nature by not destroying, polluting, and harm the earth for any purpose. In accordance with the word of Allah in Qs. Al-A'raf verse 56, waste management is highly recommended in the Islamic religion itself, which means ¹⁴: "And when Allah has fixed the earth, don't do anything to it. Instead, pray to Allah with hope that it will be granted and fear that it won't be accepted. Indeed, those who do good are very near to Allah's mercy."

UNIVERSITAS DARUSSALAM GONTOR

¹³ Heriyanto, 'Dua Pelaku Usaha Daur Ulang Bakal Dibiayai Circulate Capital', *Berita Satu*, 20 March 2020, Ekonomi edition <<https://www.beritasatu.com/ekonomi/610861/dua-pelaku-usaha-daur-ulang-bakal-dibiayai-circulate-capital>> [accessed 22 April 2024].

¹⁴ UNAIR News, 'Pemberdayaan Bank Sampah Untuk Mendukung Perekonomian Masyarakat Dalam Perspektif Islam', 22 July 2020 <[https://news.unair.ac.id/2020/07/22/pemberdayaan-bank-sampah-untuk-mendukung-perekonomian-masyarakat-dalam-perspektif-islam/?lang=id#:~:text=Pengolahan%20limbah%20sampah%20dalam%20Islam,dan%20harapan%20\(akan%20dikabulkan\).>](https://news.unair.ac.id/2020/07/22/pemberdayaan-bank-sampah-untuk-mendukung-perekonomian-masyarakat-dalam-perspektif-islam/?lang=id#:~:text=Pengolahan%20limbah%20sampah%20dalam%20Islam,dan%20harapan%20(akan%20dikabulkan).>)> [accessed 22 April 2024].

Seeing the increasingly rapid development of Foreign Direct Investment (FDI) in the environmental sector and its significant impact on Indonesia's economic growth, there is a need for further research regarding the role of Foreign Direct Investment (FDI) in providing a positive impact to environment, such as investment in the waste management. Therefore, in this research the researcher attempted to study and analyze the impact of Singapore's investment in improving waste management through Circulate Capital at PT Reciki Solusi Indonesia.

1.2. Research Question

Based on the background above, the research problem formulation for this thesis is: What is the impact of Singapore's investment in improving waste management through Circulate Capital at Reciki Solusi Indonesia?

1.3. Research Purposes

The research aims to analyze the impact of Singapore's investment in improving waste management through Circulate Capital at Reciki Solusi Indonesia.

1.4. Research Uses

1.4.1. Academic Uses

The benefits of the results of this research for academics include:

- 1) Providing additional information regarding the impact of Foreign Direct Investment (FDI) through Circulate Capital in improving waste management at Reciki Solusi Indonesia
- 2) Provides additional knowledge for international relations reviewers, especially those interested in Foreign Direct Investment (FDI).

1.4.2. Practical Uses

Practically, this research is expected to be useful and beneficial for application to all parties involved with the issues studied by the author as well as the objects discussed.

1.5. Literature Review

1.5.1. Previous Research

Research on Foreign Direct Investment (FDI) has been carried out with a variety of approaches and discussions such as discussions about the importance of Foreign Direct Investment (FDI) and its impact on a country (Saswata Chaudhury, Nitya Nanda, and Bhawna Tyagi, 2020), (Zhenghui Li, 2019) and (Sri Wartini, 2016)., Discussion of the impact of Singapore's FDI on Indonesia (Mica Siar M., Vingky Dwi, Mentari Rezeki, Vivi Safira, Zulfa 'Afifah, and Tasya Manurung 2024) and (Fadhilah Nur Amalina and Afni Regita Cahyani Muis, 2022), and finally a discussion of the benefits of investors investing in Indonesia (Manuel Fernandez, Mariam Mohamed Almaazmi, and Robinson Joseph, 2020).

The first discussion concerns the importance of Foreign Direct Investment (FDI) and its impact on a country. In the article by Saswata Chaudhury, et al., entitled *"Impact of FDI on Economic Growth in South Asia: Does the Nature of FDI matter? "* get results where both domestic investment and foreign investment have a consistent influence. This study demonstrates that while FDI typically has a sizable positive impact on economic growth, it has a notably detrimental effect on the secondary sector. This study suggests that foreign direct investment (FDI) has the potential to stimulate economic growth, but its exact

structure will determine its impact. Therefore, it is the duty of policymakers to direct investment in the right direction and maximize its positive impact on economic growth.

In an article entitled *"Impact of Foreign Direct Investment on Environmental Performance"* by Zhenghui Li, et al; explained that regarding how Foreign Direct Investment (FDI) affects Environmental Performance in various Environmental Performance quantiles in developed countries, there are variations. Foreign Direct Investment (FDI) can affect Environmental Performance in two different ways. From one perspective, Foreign Direct Investment (FDI) has a positive impact on Environmental Performance . By increasing capital accumulation and productivity, Foreign Direct Investment (FDI) can increase the level of technology, managerial skills, and environmental construction in host countries , all of which will reduce local environmental pollution and improve their Environmental Performance .

Sri Wartini's article entitled *"The Impacts of Foreign Direct Investment to the Environment in Developing Countries: Indonesian Perspective"* explained that TNCs, or foreign national companies, have the ability to have a positive impact on a country's environmental protection efforts by refusing to deal with or invest in violation of environmental standards. Utilizing economic tools to provide incentives to businesses to preserve the environment in order to achieve sustainable development in Indonesia, the Indonesian government has implemented various policies related to environmental conservation.

Based on the explanation, the author concurs that foreign direct investment (FDI) is important for a nation since it impact on the country's laws and policies, particularly those related to the environment. However, this article does not explain the impact and contribution of Foreign Direct Investment (FDI) to improve waste management in a country, this paper will provide a view regarding the implementation of Foreign Direct Investment (FDI) and its impact on waste management in a developing country.

The second discussion concerned on the impact of cooperation between Singapore and Indonesia, especially in the investment sector. The article entitled *“Analisis Pengaruh Investasi Singapura terhadap Pertumbuhan Ekonomi Indonesia”* written by Mica, et al; explained that according to the UNCTAD report in the World Investment Report 2023, Singapore and Indonesia are the two countries with the highest levels of Foreign Direct Investment (FDI) in the Southeast Asia region in 2022. BKPM (Investment Coordinating Board) reports that investment from Singapore to Indonesia reached US \$10.54 billion in 2022. After the Covid-19 pandemic, the investment trend from Singapore to Indonesia has also shown a significant increase. Foreign Direct Investment to Indonesia in 2022, Singapore persisted on the first rank. After Singapore, other countries investing in Indonesia include China, Hong Kong, Japan and Malaysia. Indonesia's economic growth is significantly influenced by capital supply, technology transfer, increased competitiveness, job creation and increased bilateral trade.

“Efforts of Indonesia and Singapore in Increasing Foreign Direct Investment (FDI) Cooperation Through Bilateral Investment Treaty (BIT)”

during the Covid-19 Pandemic" based on the realization of Singapore's foreign direct investment in Indonesia, a paper by Fadhilah Nur Amalina and Afni Regita Cahyani Muis illustrated how investment activities have boosted the economy and improved bilateral cooperation between the two nations. BIT was evidence of collaboration between Singapore and Indonesia in the investment sector, despite its termination. Nevertheless, in 2020, just prior to the Covid-19 outbreak, Indonesia and Singapore signed the agreement. Only US\$6.5 billion was invested by Singapore in Indonesia in 2019, but once the Bilateral Investment Agreement (BIT) between Indonesia and Singapore was ratified, the total amount of investment realized in 2020 rose to US\$9.8 billion.

In this article the author will both explain the cooperation between Indonesia and Singapore in Foreign Direct Investment (FDI), but what is different is that it will provide more insight into the impact of Foreign Direct Investment (FDI) and its contribution to waste management in Indonesia as previously written. There is still no discussion regarding waste management.

The final discussion regarding the advantages of investors in carrying out Foreign Direct Investment (FDI) in Indonesia.. Through the writings of Manuel Fernandez, et al; entitled *"Foreign Direct Investment in Indonesia: An Analysis from Investors Perspective"* explained that in the ten years from 2000 to 2019, Indonesia's population grew by more than 26%, a larger population increased the size of the domestic market for investors' goods and services. Export-import policies, well-developed infrastructure, broad markets, minimal political risks, declining levels of corruption, a young, varied workforce, competitive labor costs, a well-organized financial system, technological innovation and preparedness, and

Indonesia is a well-liked travel destination because of its welcoming environment, comparatively low corporate taxation, and reform-friendly administration.

In general, this research explained the benefits of investors investing their capital in Indonesia, but has not been specific in case studies. So in this research the author will illustrate the contribution paradigm of Foreign Direct Investment (FDI) through a case study in Indonesia, namely Singapore Investment in improving waste management in Indonesia.

This research is novel in exploring the impact of Singapore's investment in improving waste management through Circulate Capital at Reciki Solusi Indonesia. In the Indonesian context, where a complex population has an impact on waste production, this research aims to reveal in detail that Singapore Investment can contribute effectively to improving waste management in Indonesia.

Through an interdisciplinary approach, this research will analyze the impact of Singapore's investment to improve waste management through one of its investment companies, namely Circulate Capital at PT Reciki Solusi Indonesia. On the other hand, this research will also identify challenges, opportunities and relevant strategies in waste management in Indonesia through foreign investment from other countries.

1.6. Conceptual Framework

1.6.1. Foreign Direct Investment (FDI)

Most research discussed about the motivations driving FDI were developed by J. Dunning, S. Hymer, or R. Vernon. Foreign direct investment

(FDI) is a topic related to in many theoretical frameworks. Economists believe that FDI is essential to economic progress in all countries, but especially in developing countries.¹⁵

Foreign direct investment (FDI) is generally defined as the process by which people or companies from one country (the "source country" or "home country") purchase property to exert control over the production, distribution, and operations of a business in another country (the "host country" or "foreign country"). Economically speaking, foreign direct investment (FDI) is a way to move resources across national borders while keeping ownership of the original company. These resources include financial capital, technology, and human capital. Depending on who is looking at it—the foreign investor or the host country—the definition of foreign direct investment (FDI) might change.¹⁶

Since FDI inflows provide jobs, capital, technology, and expertise that are likely to benefit the host economy, they are frequently seen as a key factor in economic advancement. International Direct Investment (FDI) flows might compel companies to relocate to produce overseas in order to take advantage from lower production costs, rather than obtaining access to local international market consumers.¹⁷

Foreign Direct Investment (FDI) can be classified into four categories based on the type of establishment: joint venture, acquisition, merger, and

¹⁵ Vintila Denisia, 'Foreign Dirsct Investment Theories: An Overview of the Main Theories', 2.2 (2010), pp. 104–10.

¹⁶ Nazmi Zeqiri and Hykmete Bajrami, 'Foreign Direct Investment (FDI) Types and Theories: The Significance of Human Capital', International Conference on Management, Business and Economics, 2016, pp. 43–59.

¹⁷ Jiao Shi, 'Vertical FDI and Exchange Rates over the Business Cycle: The Welfare Implications of Openness to FDI', *Journal of Development Economics*, 138 (2019), pp. 274–93, doi:10.1016/j.jdeveco.2019.01.004.

greenfield.¹⁸ In this research, the Greenfield type of Foreign Direct Investment (FDI) is the author's choice in identifying investments made by Circulate Capital in Reciki Solusi Indonesia.

The Greenfield All financial transfers from the home country to the host nation, whether in the form of loans or equity finance, are referred to as foreign direct investment, or FDI. This indicates that foreign companies or investors in the country receiving the investment fully own the foreign funds used to construct new industrial units.

Foreign Direct Investment (FDI) in this case is used as a development tool to improve waste management in Indonesia, which depends on the decisions made by policymakers regarding the investment. One of them is Circulate Capital, a Singapore-based company engaged in the circular economy, whose investments in Indonesia can benefit the Indonesian natural ecosystem. Reciki Solusi Indonesia, as the recipient of the investment, has many advantages, especially in waste management, such as the transfer of knowledge and technology, the addition of integrated waste disposal sites in areas urgently facing waste issues, and so on, which essentially enhance the company's activities and effectiveness in managing waste in Indonesia.

1.6.2. Green Economy

A green economy, as defined by science, is the creation of new technologies and clean industries. In practice, it includes many activities that

¹⁸ Andre Prabowo, *FAKTOR-FAKTOR PENENTU INVESTASI ASING LANGSUNG DI INDONESIA TAHUN 1988-2012* (Universitas Atma Jaya Yogyakarta, 2015).

boost natural capital and lower environmental risks and hazards.¹⁹ The idea of using public and private funds to fund ecologically beneficial projects rather than the typical brown economy operations is what gave rise to the green economy's momentum during the 2008 financial crisis.²⁰

A green economy is an economy where public and private investments in energy and resource efficiency, pollution and carbon emission reduction, biodiversity preservation, and ecosystem services become the main drivers of economic growth and job creation. This will require significant increases in funding for industries that can minimize environmental hazards and deficiencies or enhance the Earth's natural capital. Supported by national policy reforms, international policies, and market infrastructure development, these sectors include renewable energy, low-carbon transportation, energy-efficient buildings, clean technology, better waste management, improved freshwater supply, sustainable agriculture, forestry, and sustainable fisheries²¹. Circular economy is viewed by the United Nations Environment Programme (UNEP) as the foundation of the green economy perspective.²² In line with Kirchherr et al., significant features of the circular economy are recycling, improving the effectiveness of raw

¹⁹ S. Eleftherios Thalassinou Grima, *In Contemporary Issues in Business and Financial Management in Eastern Europe* (Emerald Publishing House, 2018).

²⁰ Jacqueline Madeleine Borel-Saladin and Ivan Nicholas Turok, 'The Green Economy: Incremental Change or Transformation?', *Environmental Policy and Governance*, 23.4 (2013), pp. 209–20, doi:10.1002/eet.1614.

²¹ E H M Ahmed, *In The Economy of Green Cities* (Springer, 2013).

²² The United Nations Environment Programme (UNEP), *The World Is in a Climate Emergency. Unless Greenhouse Gas Emissions Fall Dramatically, Warming Could Pass 2.9°C This Century* <https://www.unep.org/topics/climate-action?gad_source=1&gclid=CjwKCAiAl4a6BhBqEiwAqvrqur-i_wy0ZnR6xTnU99D2a2xzGRgwl6NnMhd-mg4ppEoSulQ3G629kxoC4ocQAvD_BwE> [accessed 23 November 2024].

materials in the manufacturing, distribution and consumption processes.²³ Aside from that, the Ellen MacArthur Foundation states that it is founded on three principles: regenerating natural systems, minimizing waste and pollution, and preserving materials and goods. The three R's stand for the main pillars of action: Minimize, reuse, and recycle.²⁴

Circulate Capital, as an investment management company based in Singapore, specializes in advancing a carbon-neutral circular economy, with their main partners being innovators, companies, and SMEs to combat plastic pollution and climate change. Reciki Solusi Indonesia, which specializes in waste management through the operation of material recovery facilities, has become one of Circulate Capital's partners. This is because the company's goals are the same, in order to achieve a zero waste.

The impact of the implementation of circular economy in Circulate Capital and Reciki Solusi Indonesia can have an impact on the environment and the creation of sustainable growth; cleaner and greener living; and the achievement of justice for society, the environment, and natural resources, so that it is in accordance with the realization of the green economy.

Green Economy also does not only focus on profit-oriented goals but also aims to reduce environmental risks, resource scarcity, and pollution, while

²³ Julian Kirchherr, Denise Reike, and Marko Hekkert, 'Conceptualizing the Circular Economy: An Analysis of 114 Definitions', *Resources, Conservation and Recycling*, 127 (2017), pp. 221–32, doi:10.1016/j.resconrec.2017.09.005.

²⁴ ICAO, 'Circular Economy' <[16](https://www-icao-int.translate.goog/environmental-protection/Pages/CircularEconomy.aspx?_x_tr_sl=en&_x_tr_tl=id&_x_tr_hl=id&_x_tr_pto=sge#:~:text=Ekonomi%20sirkular%20bertujuan%20untuk%20meminimalkan,yang%20ditetapkan%20pada%20tahun%202015.> [accessed 2 August 2025].</p></div><div data-bbox=)

simultaneously improving human well-being.²⁵ Seeing the funding made by Singapore through Circulate Capital in Reciki Solusi Indonesia in the field of waste management, the author insist that waste management investment activities is not only affect the economy but can also be related to the environmental sustainability of a country and region. Therefore, the concept of green economy needs to be associated with Singapore's investment through Reciki Solusi Indonesia as a realization of sustainable economic to beneficial for to society and the country.

1.7.Hypothesis

Singapore's Foreign Direct Investment (FDI) through Circulate Capital in the context of realizing a circular economy in Reciki Solusi Indonesia has a positive impact on waste management in Indonesia. This is in accordance with the concept of green economy which not only focuses on economic growth but also on social and ecosystem. Because Circulate Capital's investment indirectly reduces Indonesia's waste problem which is quite alarming for the sustainability of the ecosystem on earth. The government will also open up greater opportunities for foreign investors who are concerned about the environment and improve regulations that are appropriately applied in Indonesia, especially in the field of waste management.

²⁵ Djihadul Mubarak, 'PENERAPAN GREEN ECONOMY DALAM MENCAPAI PEMBANGUNAN EKONOMI BERKELANJUTAN', 6.2 (2023), pp. 31–52, doi:<https://doi.org/10.38214/jurnalbinaummatstidnatsir.v6i2.195>.

1.8. Research Methodology

1.8.1. Research Design

Qualitative approach in this research methodology. According to Moloeng, qualitative research aims to comprehend phenomena about what research subjects experience, such as behavior, perceptions, motivations, actions, and so forth, holistically and through verbal and linguistic descriptions in a particular context that naturally employs a variety of natural methods.²⁶The choice of qualitative methods in this research aims to describe and explore the phenomenon under study, and to confirm the results of this research whether Singapore investment through Circulate Capital can really improve waste management at Reciki Solusi Indonesia. The qualitative research method in this research is carried out by describing phenomena related to the topic, then analyzing them using the research concept that has been determined by the author.

1.8.2. Research Object

The object of research focuses on the impact of Singapore's investment with the concept of Foreign Direct Investment (FDI) and green economy on improving waste management through Circulate Capital at Reciki Solusi Indonesia.

1.8.3. Data Type

This research uses types of data related to investment in Singapore and Indonesia, especially references such as books, journals, reports, or other

²⁶ L J Moleong, *Metode Penelitian Kualitatif* (PT. Remaja Rosdakarya, 2017).

information repositories related to the green economy and sustainable development, namely waste management.

1.8.4. Data Collection Technique

In this research, the author collected data, namely literature studies. Library research is a process of collecting library information about the object of research from various sources, such as indexes, reviews, journals, and reference books, as well as abstracts of research results.²⁷ The classification of these literature sources is secondary literature/data. The author uses secondary literature sources to collect data in this research.

1.8.5. Data Analysis Technique

The data analysis technique uses descriptive research techniques which carry out research in a structured and systematic manner by connecting all existing variables, then drawing conclusions based on the questions that have been prepared in the research question and summarizing them into one conclusion in CHAPTER 4.

1.9. Writing Systematic

The systematics of writing this research consists of four chapters, including:

CHAPTER I: INTRODUCTION

As the opening chapter, this chapter contains the research background, problem formulation, research objectives, research benefits, hypotheses, research

²⁷ P D Sugiyono, *Metode Penelitian Kualitatif Untuk Penelitian Yang Bersifat: Eksploitatif, Enterpretif Dan Konstruktif*. Edited By Y. Suryandari (ALFABETA, 2020).

methods, and concepts and theories used. This chapter briefly describes the development of Foreign Direct Investment (FDI) to improve waste management through Circulate Capital at Reciki Solusi Indonesia. This chapter also contains previous research as a basis and reinforcement for the author's research.

CHAPTER II: THE URGENCY OF SUSTAINABLE DEVELOPMENT INVESTMENT AND THE EXISTENCE OF WASTE MANAGEMENT

In this chapter, the author explains the urgency of sustainable development investment, starting from its development and how Singapore realized it. The existence of sustainable development investment is influenced by globalization, which is increasingly degrading the quality of the earth's ecosystem. The author also explains the existence of waste management, which includes the growth of the waste management market and waste management problems in Indonesia. Lack of funding is one of the major causes of Indonesia's waste management development.

CHAPTER III: THE IMPACT OF SINGAPORE'S INVESTMENT THROUGH CIRCULATE CAPITAL IN RECIKI SOLUSI INDONESIA TO IMPROVE WASTE MANAGEMENT

This chapter describes the impact of Singapore through Circulate Capital in improving waste management in Reciki Solusi Indonesia. In this analysis, the author describes the direct relationship between Singapore's investment through Circulate Capital in Reciki Solusi Indonesia using the concept of Foreign Direct Investment (FDI), then the investment provided by Circulate Capital in Reciki Solusi Indonesia in the field of waste management is analyzed using the concept

of Green Economy on how and what contributions Circulate Capital makes in improving Indonesia's waste management. Thus, the impact of Singapore's investment through Circulate Capital in Reciki Solusi Indonesia can be seen in improving environmental quality along with Indonesia's social welfare. All of this will be discussed in the analysis in this chapter.

CHAPTER IV: CONCLUSION

This chapter contains conclusions from the findings that the author has examined regarding Singapore's role in improving waste management in Reciki Solusi Indonesia and provides suggestions for further research.

