Social and Economic Impact of Palm Oil Plantation For Local Communities in Kapuas Hulu District

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Abstract

Oil palm agribusiness opportunities have stimulated a number of investors to plunge into the oil palm plantation sector in Kapuas Hulu. The Kapuas Hulu Regency Government certainly hopes that the existence of an oil palm plantation company can contribute optimally to regional development and the welfare of the local community. This is inseparable from the assumption and expectations that oil palm plantations are strategic sectors that can have a economic impact on a chain basis. Therefore, these companies are expected to have a community development program (Community Development) as part of corporate social responsibility (CSR). Companies in this case must strive to actualize the potential that is already owned by the community through a community empowerment approach that emphasizes the importance of independent local communities as a system capable of organizing themselves. The establishment of oil palm plantation companies in Kapuas Hulu which are generally in rural areas, certainly has an influence on the social and economic life of the community around the location. The social impacts that occur can be in the form of changes in people's lifestyles such as patterns of production and consumption, value systems, norms and beliefs. This is understandable given the intensity of interaction, interaction and communication between the local community and the plantation and with other migrant communities sooner or later will affect the way of life, mindset and patterns of social relations of the local community.

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INTRODUCTION

The palm oil industry itself has a business chain that is quite long and interrelated, starting from the process of providing land, planting, supporting industries, and processing from upstream to downstream. Therefore, the development policy of this sector really must be coordinated strongly between the relevant agencies and the existence of supervision. This research is important to obtain an overview of the social and economic impacts of oil palm plantations for the community and regional development. Data from the results of this study can also be considered by the upstream Kapuas District Government in developing regional development policies, programs and strategies.

An investment business in the activities of oil palm plantations has the potential to have the potential to have an impact, namely the expected and unexpected consequences. The concept of impact is defined as a driver for the emergence of activities in the development of oil palm plantations on the environment including humans. There are two aspects that will be examined in terms of social welfare as the impact of the establishment of oil palm companies. First, about the economic life of the community which includes work, land area, housing conditions and economic facilities. Second, about the social life of the community which includes patterns of production and consumption, a system of values, norms and beliefs. In looking at the impact a comparison is needed so that the researcher will compare people's lives before and after the company, in order to illustrate the impact on social welfare.

MATERIAL AND METHOD

Data and information collected in this study consist of: (a) the general conditions of the research location include history, location and area, management status and physical condition; (b) the social, economic and cultural conditions of the communities surrounding the research location (village communities) include the population and distribution, livelihoods, education level, religion, customs and culture of the community, accessibility, accommodation,
social and economic impact of palm oil plantation for local communities (sobian, et al.)

supporting facilities and availability of clean water and lian-others.

Work Procedures taken in the process of collecting data are as follows:
a. Doing research literature;
b. Verify in the field; andc. Processing and analyzing data.

Data collection techniques taken in the process of collecting data are as follows: In-depth interviews: in-depth interviews in general are the process of obtaining information for research purposes by way of questioning face-to-face between interviewers and informants or people interviewed, with or without using guidelines interviews, interviewers and informants involved in a relatively long social life. Thus, the peculiarity of in-depth interviews is their involvement in the life of the informant. Through this interview, the speakers were given topics of structured problems related to the potential of local resources.

1. Focus Group Discussion (FGD): is a discussion consisting of a small group of people (8-12 people) who are guided by trained facilitators to discuss a specific topic based on the framework of the questions that have been prepared in advance. Through this FGD, speakers were given topics of structured problems related to the research theme.

2. Field Observation: conducted to see first hand the socio-economic conditions of the community in the study area. This field observation is intended as verification based on information from the surrounding community.

The research is explorative and the data is processed using an interactive qualitative approach.

Data Collection

Based on the Joint Decree of the West Borneo Kingdoms on October 22, 1946 Number 20L, the West Kalimantan region was divided into 12 Self-Governments and 3 Neo Swapraja. The Kapuas Hulu area is one of the Neo Swapraja regions. With the support of Besluit Luitenent Gouverneur General Number 8 dated March 2, 1948 which contained the Dutch recognition of the status of West Kalimantan as a special region with its own government and a council of West Kalimantan, then in 1948, through Decree Number 161 dated May 10, 1948 the President of West Kalimantan formed a federation bond with the name of the Special District of West Kalimantan (DIKB)

With the demands of the people, the DKIB, which was seen as a relic of the Dutch government, was abolished. During the period of the Republic of Indonesia (RIS), the West Kalimantan area was a part of the area consisting of Daya Besar, Central Kalimantan, East Kalimantan, and Banjar. After joining became part of the Unitary State of the Republic of Indonesia (NKRI), with the issuance of Emergency Law number 3 of 1953 the Government of Kapuas Hulu District was formed with the capital city of Putussibau. The first regent in office was J. C. Oevang Oeray (1951-1955). Based on Emergency Law number 3 of 1953 concerning the Formation of Level II Regions in Kalimantan, on 13 January 1953 the Kapuas Hulu District District was formed with the capital Putussibau. The first regent in office was J. C. Oevang Oeray (1951-1955), followed by Anang Adrak (1955-1956).

The location of Kapuas Hulu Regency is astronomically located at 0.5o North Latitude to 1.4o South Latitude and 111.40o to 114.10o East Longitude with the capital Putussibau. The north is bordered by Sarawak (East Malaysia), the west and south bordering Sintang and Melawi regencies, while the east borders the provinces of East Kalimantan and Central Kalimantan.

Kapuas Hulu Regency extends from West to East, with a distance of approximately 240 Km and extends from North to South with a distance of approximately 126.70 Km. Kapuas Hulu Regency is located at the easternmost tip of West Kalimantan Province, with a distance of approximately 657 Km by road, and 842 Km through the Kapuas River. Travel time to Pontianak is approximately forty-five minutes using an ATR 42 Series 300 / F27 type aircraft or approximately 16 hours by land vehicle.

Kapuas Hulu Regency is the second largest district (after Ketapang District) in West Kalimantan. The total area of Kapuas Hulu Regency is 29,842 km2, equivalent to 20.33 percent of the total area of West Kalimantan which reached 146,807 km2. Of the 23 sub-districts, South Putussibau, North Putussibau and Embaloh Hulu are the three sub-districts which have the largest area with an area of 5,352.30 km2, 5,204.80 km2 and 3,457.60 km2, equivalent to 17.94 percent, 17.44 percent and 11.59 percent of the total area of Kapuas Hulu Regency. Whereas the Puring Kencana District is a sub-district with the smallest area where the sub-district area is less than 300 km2 or less than 1 percent of the area of Kapuas Hulu Regency.
Kapuas Hulu Regency consists of 23 sub-districts, each of which is divided into several kelurahan / villages with a total of 282 consisting of 4 sub-districts and 278 villages. Of the 282 villages / villages, it is divided into 703 hamlets.

RESULT AND DISCUSSION
Identifying the social and economic impacts of oil palm plantations for local communities in the Kapuas Hulu Regency area, especially in the Silat and Badau areas can be described as follows:

a. Social Impact
First; The entry of oil palm plantations provides understanding and new types of work because before oil palm plantations entered this area, this type of plant was not well known by the community. The entry of oil palm plantations into the blood is also a new way of doing business, where the community must partner with the company so that the community needs to establish good relations with the company as the main working partner. In this context, the community has a high dependence on the company. For people who have business partnerships with companies, the profit sharing of 20% versus 80% is an 'agreement' between the company and the community where the community really does not fully understand the agreement.

The incomplete public understanding of the 20% versus 80% profit sharing is due to several factors, namely; factor in the low level of public knowledge about oil palm, and the lack of socialization to the community.

Second; The emergence of a 'movement' handed over land or land to the company. Before the entry of oil palm companies, the movement to hand over the haul of land to other parties was rare. The surrender of land by residents of the community raises internal conflicts, both conflicts between villages or villages and conflicts between fellow citizens in one village or one village. The community began to claim boundaries or land boundaries that had not been too clear or boundary boundaries. 'Materialistic' and 'egocentric' attitudes emerge which are not really the attitudes of rural communities so far.

Third; The emergence of disharmonious relations between certain groups of people and oil palm companies is evidenced by the claim of several certain groups of communities that have been planted by oil palm companies and are considered by the community as disputed land. This disharmonic relationship is prolonged and difficult to resolve because the dispute mediator
as mentioned above does not have a win-win solution.

Fourth; The anxiety of the local community about the distribution of profits from palm oil products is their right, due to lack of socialization and education.

Fifth; The dependence of local people on oil palm companies is very high, this is due to financial superiority and market access.

Sixth; The company does not carry out its responsibilities in carrying out education in order to educate the public to improve the ability of the community to understand the management, care and development of oil palm plantations.

Seventh; The company is negligent in carrying out its social responsibility to the community in channeling CSR (Corporate Social Responsibility), whereas literally and morally the company has a moral and social responsibility towards the surrounding environment. The form of CSR of oil palm companies has never been seen, even if oil palm companies dodged by claiming to always give CSR to the community as part of their social responsibility, the local community claimed to never get it. If so, then if there ever is CSR it is not on target.

b. Economic Impact

The community’s expectations of the presence of oil palm plantation companies in their locations include decreasing the dependence of local communities that are too large in traditional sectors such as rubber and fields because of the availability of new sources of income, namely oil palm plantations through partnerships between citizens who are members of cooperatives and companies. The partnership relationship is termed with proportional profit sharing with a ratio of 7: 3 or 70%: 30%, where the larger portion belongs to the company.

However, in reality the economic value obtained from one hectare of land managed through cooperatives has not been significant, only being able to provide income to the owners of the plots of Rp. 200,000 (two hundred thousand rupiahs), an amount far below the expectations of the public. The lack of income is due to the large number of deductions that have been caused which make the farmer feel banned. If it doesn’t work, there are no results, 20% of which are tens of billions of people’s debts. In this case the initial agreement with the community has never been raised. So the people owe billions of rupiah cut from 20% which belongs to the community plus the purchase of fertilizer, maintenance and others taken from the

20%. The community is also unable to understand technically the meaning of the distribution of results with the terms 7: 3 or 70%: 30% (specifically Silat Hilir) and 8: 2 or 80%: 20 (Especially Badau). As a result, the landowners take it for granted when the financing is charged to members of the Cooperative which results in a minimum economic contribution from each hectare of land that belongs to the community.

The presentation presented by the speakers was the lack of understanding of the community regarding the concept of HGU and plasma and the vagueness of agreements between the Company and community members due to the absence of the MoU. The community wants that there is a limit on the use of community land used by companies to plant oil palm. There is only a plasma MoU.

As stated by several informants, the community gave up the land in hopes of sharing the land that had been planted with oil palm through the conversion process in a certain period of time in accordance with the company's promise. The desire of the community (Members of the Cooperative) is that by 2020, all promised land will be converted to cooperative members must be returned on time as a private right without debt no-frills.

In addition to the residents' hopes that they will become farmers who own oil palm plots, the entry of the company is also expected to open up new jobs, including casual daily workers and other positions where these jobs can bring regular monthly income. The existence of plantation companies is recognized by the community as providing alternative jobs, especially in the early years of plantation operations. As expressed by several speakers, in the early years of the operation of the oil palm plantation companies, local communities could work for 25 working days.

Although in theory the existence of oil palm plantations will create significant employment opportunities, in practice not many residents of the local community are absorbed because the company prioritizes workers from outside with which shelter facilities are provided for workers from outside the plantation complex. This follows the oil palm cycle, where at the beginning of the planting period there were more jobs available and in subsequent cycles there were not many jobs available for local residents who were generally uneducated workers.

Differences in treatment from the side of the number of hours worked and facilities by the
company on local labor and outside workers created social jealousy from the local side. Some local residents complained about the lack of wages received because they were too often housed rather than employed on oil palm plantations. Residents also complained that the company did not provide vehicles to transport them from settlements to the plantation area so that pick-up activities were their own initiative and became a burden for the workers who came from local residents. Likewise with health and safety guarantees, which are almost non-existent.

CSR exists, but for this village, the church and school are not very visible, to get information about CSR is public relations, but public relations itself is a company and the KUD people are also internal KUD companies. Never submitted a proposal for church construction but was only given 1 million. humiliation, even though this area gave up the most land, there were regions that did not give up too much land but got more assistance. road assistance is also not, scholarships also never get CSR. the community is just an audience.

CONCLUSION
Palm Oil Plantation Companies are expected to reduce negative social impacts on local communities by doing a number of things, as follows:

(a) CSR programs (corporate social responsibility) or corporate social responsibility must be more touching to the long-term interests of the community and related to improving the quality of life of local communities. This can be achieved through the following efforts:

1) Increasing the capacity of local people, especially the workforce by equipping the younger generation with knowledge and skills related to oil palm plantation business so that the workforce originating from the local community can be absorbed by the oil industry especially as an educated and skilled workforce so that local workers not only being casual daily laborers. Related to efforts to increase the workforce capacity as intended above, there are several alternatives that can be done by plantation companies, including providing wider and more intensive scholarships to junior high school (SMP) graduates to continue to vocational schools or vocational education at more levels high according to the scheme of the company’s needs for educated and trained workforce.

2) CSR programs can also be directed to productive efforts of local communities in accordance with the potential that exists in the region, for example fostering smallholders; making animal feed or organic fertilizer from empty bunches or palm waste; procurement of livestock seedlings accompanied by guidance; rice field printing programs in places that have wetlands; Palm Oil Plantation Companies are expected to reduce negative social impacts on local communities by doing a number of things, as follows:

(b) Local governments are expected to play a more supervisory role in the field towards oil palm plantation companies in order to ensure that the existence of oil palm plantations is not merely to pursue economic benefits but to balance them by paying attention to the basic rights of local communities. For this purpose, the regional government is expected to do the following:

1) Inventory, monitor and find solutions to various conflicts between the company and local communities, especially those concerning land conflicts and the failure to fulfill company promises that have an impact on the decreasing quality of life / welfare of the local community after the entry of oil palm plantation companies.

2) Tightening environmental permits and continuously monitoring plantation businesses to operate according to procedures and not violating applicable laws and regulations.

3) Ensure that each company disseminates a comprehensive and transparent company activity plan before conducting business activities.

4) Ensure that the company really allocates plasma land and treats plasma land as best as possible without distinguishing it from the core land.

5) The Regional Government needs to be more courageous in taking the initiative to prioritize and encourage the independence of oil palm farmers, which is offset by the stipulation of regional taxes from independent oil palm plantation businesses to increase local revenue (PAD).
(c) Local communities are expected to take legal channels and peaceful means in efforts to resolve plantation disputes. In addition, the community is expected to not easily sell land to other parties.

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**REFERENCES**


