

SOCIO-ECONOMIC STRATEGY IN OIL PALM PLANTATIONS IN SOUTH KALIMANTAN, INDONESIA

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Abstract: The development of palm oil business in Indonesia to meet the challenges that must be faced. The existence of negative charges from several international environmental institutions stating that the palm oil industry as a destroyer of the environment must be very detrimental. This study aims to conduct a study on policy strategy in oil palm cultivation of socio-economic aspects.

Based on analysis of the performance of AHP priority policy strategies that can be implemented by monitoring and assisting in the formation of community groups concerned fires and evaluation of the management of social and environmental impacts and increase the community's active participation in the community empowerment program.

Key Words: Strategy policy, the issue of forest fires, oil palm.

INTRODUCTION:

Palm oil as a commodity of plantation sector has advantages compared to other vegetable oils when viewed in terms of production. The share of palm oil production reached 34% worldwide, besides oil palm has a land area of production is more efficient than the source of other vegetable oils such as soybean, rapeseed oil (rapeseed oil), sunflower oil (sunflower oil), corn oil, cotton oil, and coconut oil. This is because oil palm is an annual plant whose fruit throughout the year.

Another advantage is that the palm of the productivity that is able to produce Crude Palm Oil (CPO) of 4 to 5 million tonnes per hectare production costs are relatively cheaper than other competing crops. This became the basis of the reasons why the price of CPO has a more affordable price for consumers the world compared with the price of other vegetable oils.

The development of palm oil business in Indonesia to meet the challenges that must be faced. The existence of negative charges from several international environmental institutions stating that the palm oil industry as a destroyer of the environment is certainly very harmful and will affect the development of this industry.

The government and employers of Indonesian palm indicates that a negative campaign on palm oil industry are not environmentally friendly as one part of the competitive business world vegetable oil. This is not apart from the fact that shows that Indonesia is the largest CPO producer in the world with production quantities continue to increase every year and it is estimated could produce 40 million tonnes in 2020.

In this regard this study aims to conduct a study on policy strategy in oil palm cultivation of social and economic aspects, especially related to the acquisition of community land for plantations, responsibility to workers, social responsibility and local communities around the plantations.

METHOD:

This research was conducted palm oil plantations in South Kalimantan province. The data collected by the performance of the management of oil palm plantations by using an external factor evaluation (FFE), internal factor evaluation (IFE), IE matrix, SWOT matrix. respondents consisted of the company's management, informal community leaders, government officials, the Agriculture Agency, the Environment Agency, and the Department of Social Labor. Primary data obtained from the questionnaire, direct observation and interviews, while secondary data derived from company documents and data statistic. In the process of making SWOT analysis include:

1. This data acquisition phase is evaluation of external and internal factors. This data was obtained from the analysis of the results of the questionnaire, observation, interview and consideration of key figures.
2. Namely the manufacture of matrix analysis phase internal, external and SWOT
3. Decision-making stage

Preparation of the result of the policy priority scale SWOT analysis is done by using *Analytical Hierarchy Process* (AHP)

RESULT AND DISCUSSION:

Internal and External Factors Evaluation Management of Oil Palm in South Kalimantan

SWOT analysis using a strategy taking into account the results of the analysis of existing conditions of plantation management performance aspects of socio-economic environment. Rangkuti in Marimin (2008) strategic planner must analyze the company's strategic factors (strengths, weaknesses, opportunities and threats) in the conditions that exist today. Based Reihanian *et al.* (2012) prioritization will be weighted and score on the internal and external factors. No weight number will then determine (level) strategic priorities. The assessment will be done by making strategic assessment tables factors internal and external strategic factors which consists of four columns. Based on observations in the estate later interviews and questionnaires, the internal strategic factor data obtained consisting of factors strengths and weakness factors respectively in Table 1 and Opportunity and threat in Table 2.

Table 1. Factors internal strategic and scores

No.	Internal Strategic Factors	Weight	rating	Score
	Strength			
1	coordination between employees and companies	0:17	4	0.68
2	A good relationship between the company and community	0:18	3	0:54
3	Strategic plant locations	0:21	3	0.63
	amount	0:56		1.85
	Weakness			
1	Weak community empowerment program	0:21	2	0:42
2	Lack of communication between employers and the public in dealing with fires.	0:23	1	0:23
	amount	0:44		0.65
	Total	1		2.5

STRENGTH:

1. Coordination between the employee and the employer

Factors affecting employee motivation in oil palm plantations which are superior and subordinate relationships and relationships among co-workers, regulations and company policies, working conditions, compensation and recognition / awards. The Company has internal relations in a harmonious management. The management system of human resources has been implemented by growers in the form of recruitment by procedure recruitment procedure for the assessment of employee work agreement, the company's program always disseminated to employees, there is the identification of training needs, union workers are involved in decision-making related to employment by meeting routine thirds month with the company

3. The relationship between the companies and communities

The relationship between the company and the community around the plantation has a good relationship. Activities that have been carried out include the construction of places of worship Roads in plantations, suggestions education and health facilities.

WEAKNESS:**1. Lack of community empowerment programs**

The results of the environmental management performance analysis shows that socio-economic aspects of social responsibility held by companies are generally based on the decision of the company without any communication with the public and direct assistance. To increase the participation of the recipient communities to increase awareness about the programs and activities of corporate social responsibility needs to be intensified since the beginning. Effective community empowerment makes people become empowered, the society becomes more dynamic, more adaptive to changes in the environment, better able to access appropriate technologies, extensive knowledge, cosmopolitan, and empathy for outsiders.

2. The lack of coordination with the public in the face of forest fires

Disaster fires and smog have raised negative allegations against the farmer / palm oil companies, which tend to accuse the news media and raises the issue of the causes of forest fires is done by small farmers and industrial scale in the clearing process palm oil.

Table 2. Factors external strategic and scores

No.	Strategic External Factors	Weight	rating	Score
	Opportunity			
1	Sustainable palm oil policy	0:37	4	1:48
2	oil palm plantations local revenue sources	0:13	3	0:39
	amount	0.5		1.87
	Threat			
1	Campaign against palm oil	0:29	2	0:58
2	public unrest	0:21	1	0:21
	amount	0.5		0.79
	Total	1		2.66

OPPORTUNITY:**1. Policy sustainable palm oil**

The government has a policy of environmental management of the plantation including environmental impact assessment and the EIA System Indonesian Sustainable Palm Oil (ISPO). Principles and criteria contained ISPO sustainability requirements including socio-economic aspects of land ownership, responsibility towards employees, social responsibility towards the community and economic empowerment.

2. Oil Palm Plantation Local revenue sources

Palm oil plantations are plantation species are not only managed by private enterprise but also by the people and the government-owned plantation companies. The amount of revenue derived from oil palm plantations is an opportunity for the sustainability of the plantation.

THREAT:**1. The anti-palm oil campaign**

The main threat the sustainability of oil palm plantations is the environmental issue. The existence of negative accusations market that the management of oil palm in Indonesia led to the burning of land, forest degradation, and land use disputes. The existence of these issues can affect palm oil products in the international market.

2. Public Concern

Public unrest around oil palm plantations caused by the direct social responsibility programs of companies are uneven and non-scheduled and does not reach all the communities around oil palm plantations. Keresahaan this community become a threat to the sustainability factor of the estate if no attempt is made to manage the social impact.

Analysis Matrix Internal External Oil Palm Plantation Management Policy Socio-economic based criteria ISPO

IE matrix analysis is used to search for a common strategy in getting the oil palm plantation management strategy aspects of the socio-economic environment. Results IFE and EFE matrix if plotted on the coordinate axes of the obtained positions with the plantation is in quadrant I, which means that the estate should implement an aggressive strategy. The position in quadrant 1, the company should use the strategy with the SO is to use force to take advantage of existing opportunities. The company's strengths include good coordination between the employee and the company, good relations between employees and the public while such opportunities environment management policy, palm plantations are a source of local revenue.

SWOT matrix and policy strategies of sustainable management of oil palm plantations

Internal	Power: 1. coordination between employees and companies 2. A good relationship between the companies with community 3. Strategic plant locations	Weakness: 1. the lack of community empowerment program 2. lack of communication between employers and the public in dealing with fires.
External		
opportunities: 1. Sustainable palm oil policy 2. Oil palm plantations local revenue sources	1. Maintaining coordination between employees and companies. 2. increase the active public participation in community development programs by utilizing resources natural resources	1. Optimizing the company's social assistance program to the community
Threat: 1. Campaign against palm oil 2. public unrest	1. facilitating the independence of the community to create business opportunities and use of natural resources	1. Monitoring and assisting in the formation of a fire concern groups and evaluation of the management of social and environmental impacts

To formulate a strategic priority order management policy of sustainable oil palm plantations in South Kalimantan use AHP (Analytical Hierarchy Process), AHP analysis results using Expert software choice is presented as follows:

The sequence strategy based on criteria of interest are:

1. Monitoring and assisting in the formation of community groups concerned by fire and an evaluation of the social and environmental impact management (0259)
2. increase the active public participation in community development programs by utilizing resources natural resources (0227)
3. Optimizing the company's social assistance program to the community (0215)
4. facilitating the independence of the community to create business opportunities and use of natural resources (0193)
5. Maintaining coordination between the employee and the company (0107)

The existence of negative issues that cause fires are of oil palm plantations is one of the issues that led to the decline in export demand for oil products is therefore program fire prevention and management of social impacts

need to be in the dissemination to the public especially those trying around the plantations, socialization program not only to educate them but with the assistance and the establishment of community care fire.

Besides the issue of the burning of land, the negative issues of the development of oil palm plantations is reduced livelihoods of the people who do business around the plantations, this can be overcome by increasing the community's active participation in development programs and facilitate self-reliance for creating business opportunities and resource utilization nature by optimizing the social assistance program.

Maintain coordination between the community and the company is the next policy in the framework of the implementation of environmental management to carry out the socialization of workers against each company's environmental management policy and evaluating the implementation of environmental management policies that have been implemented. In general, environmental management policies and responsibilities of workers in accordance with the regulations, but implementation in the field need to be monitored for compliance.

Some of these policies may be followed by:

1. Improving the effectiveness of inter-institutional communication for the prevention of forest fires is an effort to improve the effectiveness of the communication process that occurs in the community resulting in understanding and perceptions about the prevention and control of forest and land fires.
2. Optimizing the institutional role of the community care group fires at *the grass root* level as an effort to prevent fires an effort to optimize the roles and functions of these institutions in the context of prevention and control of forest and land fires.
3. Improving the ability of knowledge and skills of the community in the prevention of forest fires is an effort to provide the knowledge and skills of the public about the causes, dangers and how to prevent and combat forest fires and land.
4. Improving the ability of community knowledge and skills in the management of land resources that are around them are efforts to increase knowledge and skills of the community in managing agricultural land for which they earned so as to minimize the danger of fires.
5. Community empowerment in efforts to use natural resources into a source of new economy is an attempt to mobilize the community to take advantage of the natural resources which have been considered as waste and useless so that they can be *output* which has high economic value and is able to become a new source of revenue or reduce *costs* farming they earn

CONCLUSION:

1. The existence of negative issues that cause fires are of oil palm plantations and that the development of oil palm plantations leads to reduced economic activities in the vicinity of the estate. Based on the analysis of the performance of AHP strategic priority policies that can be implemented with monitoring and assisting in the formation of community groups care fire and the evaluation of the social and environmental impact management and to increase people's participation in community development programs.
2. Some policies that can be done is:
 - a. Improving the effectiveness of inter-institutional communication for the prevention of forest fires
 - b. Optimizing the institutional role of the community care group fires at *the grass root* level
 - c. Improving the ability of knowledge and skills of the community in the prevention of forest fires
 - d. Improving the ability of community knowledge and skills in the management of land resources
 - e. Community empowerment in efforts to use natural resources into a source of new economy

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