



The Impact of Oil Palm Plantations on The Achievement of Sustainability Development Goals From An Islamic Economic Perspective

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ABSTRACT

As a significant export commodity, palm oil and its derivatives, CPO, are essential for Indonesia. It opened considerable oil palm plantations in Indonesia, so in the end, Indonesia became the largest palm oil producer in the world. This research determines the impact of the oil palm plantations on achieving the Sustainability Development Goal of the community around the oil palm plantations of PT. DDP Ipuh District, Mukomuko Regency. Observation methods and interviews with 20 people were used to conduct the qualitative research. This study found that communities close to oil palm plantations earn better incomes after farming oil palm and educating their children to a higher level. The community employed local workers as plantation employees. In addition, the enthusiasm of the surrounding community to worship has increased. The impact of oil palm plantations has provided a change in circumstances for the community and a change in the community's mindset. People with limited living costs, limited children's education, and limited health change for the better. This way, the sustainable development goals (SDGs), especially the goals of no poverty, zero hunger, good health and wellbeing, and better quality education, can be accomplished

INTRODUCTION

Islam is a universal religion and has been applied throughout the ages. The strength of Islam has been proven throughout history, where the development of human civilization is answered entirely by the teachings of Islam through the Qur'an. The concept of Islam is an answer to human limitations in thinking (Hadi, 2003). Islam is also a complete and perfect religion that lays down basic rules and regulations on all sides of human life, both in worship and muamalah. Humans are created in a state of mutual need and complementarity, helping each other (Suggestion, 2019);(Santoso, 2017). No one can fulfill all their needs on their own without help from others (Badri, 2012).

The purpose of Islamic Economics is to achieve *maslahah* (benefit) for humanity and to avoid everything that brings *mafsadah* (damage) to humankind (Panji Adam, 2018) ; (Syuhud, 2022) ; (aka, 2021). In achieving economic goals, humans must not forget their God. Achieving the goal must be in line with Islamic teachings. Piety to God does not have implications for a reduction in economic productivity;It leads a person to be more productive. Wealth can be closer to God as long as it is got in ways that are under Islamic values (Firdaus, 2019) ; (Ilyas & Hermanto, 2021) ; (Hamzah, 2022) .

Palm oil is the cheapest vegetable oil. Over the past 30 years, palm oil has been essential for Indonesia as an export commodity, with a contribution of 10% to 15% of total Indonesian exports (IPOA, 2020). In 2020, Indonesia was the largest palm oil exporter in the world, contributing 46.8% of the global CPO market (Katadata, 2022). Palm oil is vegetable oil used for various purposes such as food ingredients, pharmaceutical and health purposes, cosmetics, and fuels. The oil palm industry significantly contributes to education access for workers and their families by providing health and education facilities as part of Corporate Social Responsibility (M Mardiharini, 2021).

In Bengkulu Province, the agricultural sector and the plantation sub-sector have a role in the regional economy. The agricultural sector's contribution in Bengkulu Province is 30.69%, and the plantation sub-sector is 5.95%. Large state plantations, large private plantations, and people's plantations manage plantations in Bengkulu Province (Plantation Statistics, nd). According to data owned by the Genesis Bengkulu Foundation, there are around 219,693 hectares of oil palm plantations surrounding the Bengkulu Province. Twenty-four large-scale plantations ride Bengkulu Province. The area varies, Starting from only hundreds of hectares to tens of thousands of hectares. 13 CPO factories have been produced in Bengkulu Province (Plantation Statistics, nd). From time to time, the area of oil palm plantations in Ipuh District, Mukomuko Regency, is getting wider; most of the area's population lives from oil palm plantations. The existence of plantations, aside from the controversy over forest destruction and nature conservation, is there any benefit to the local community from an Islamic economic point of view?

THEORETICAL REVIEW

Oil Palm Plantation

A sector that supports the Indonesian economy is the agricultural sector. Agriculture has a vital role in economic development in Indonesia as an increasing agricultural production to meet domestic industrial needs, increasing *exports*, increasing farmers' income, expanding job opportunities, and encouraging the equal distribution of business opportunities (Machmud, 2016).

The development of oil palm plantations is related to deforestation, the negative impact of clearing forest land, which causes changes in the area's landscape that has the highest carbon stock in plantation land (Cisneros et al., 2021) ; (Austin et al., 2019). Issues related to land cover changes and land clearing of forest vegetated areas are considered at risk of loss of biodiversity, which has high social, economic, and ecological value.

Sustainable Development Goals (SDGs)

The World Commission first popularized sustainable development On Environment and Development in its report, and the foremost vital issue is that many developments activities have resulted in poverty and degradation, as well as environmental damage (Suryo Sakti Hadiwijoyo, 2019). On September 25-27, 2015, at the headquarters of the United Nations, New York, United States, the SDGs (Sustainable Development Goals) document was ratified, which was attended by representatives from 193 countries. To continue and strengthen the previous MDGs achievements so that they are lasting and sustainable. (Ishartono and Santoso Tri Raharjo, nd). The SDGs needed a new development framework that accommodated all the changes after the 2015-MDGs. Especially concerning the changing world situation since 2000 regarding natural resource deflation, environmental damage, increasingly crucial climate change, social protection, food, and energy security, and more pro-poor development. Three pillars serve as indicators in developing the SDGs indicators linked to human development, including education and health. The second indicator is the small environment (Social Economic Development). Such as the availability of environmental facilities and infrastructure and economic growth. Meanwhile, the third indicator is attached to the larger environment, in the availability of natural resources and good environmental quality (Wahyuningsih, 2017).

The SDGs are global and national commitments to improve the society welfare, including 17 goals, namely (1) No Poverty; (2) No Hunger; (3) Healthy and Prosperous Life; (4) Quality Education; (5) Gender Equality; (6) Clean Water and Proper Sanitation; (7) Clean and Affordable Energy; (8) Decent Work and Economic Growth; (9) Industry, Innovation, and Infrastructure; (10) Reducing Gaps; (11) Sustainable Cities and Settlements; (12) Responsible Consumption and Production; (13) Climate Change Management; (14) Ocean Ecosystems; (15) Land Ecosystems; (16) Peace, Justice and Strong Institutions; (17) Partnership to Achieve Goals (UN, 2022). The SDGs are an integral part of the comprehensive and interrelated dimensions of social, economic, and

environmental development and emphasize the importance of fulfilling human rights in efforts to reduce poverty.

To implement the SDGs, Indonesia applies four participation platforms: the Government and Parliament, Academics and Experts, Philanthropy and Business Actors, Civil Society Organizations, and the Media, focusing on vulnerable groups and people with disabilities. By considering all the principles of implementing the SDGs above, Indonesia is determined to make the SDGs a "joint movement" in achieving a more prosperous society (Khairuddin, 2018).

Improving Community's Economics in Islamic Economic Perspective

Improving the community's economy is an effort made by the community to regulate the household economy to live better. Islam views economic activity positively. The more people are involved in economic activity, the better, as long as the goals and processes are under Islamic law. Economic activity in Islam is an essential aspect of acquiring *Falah*; therefore, economic activity needs to be guided and controlled so that it runs according to Islamic teachings. Islamic economics is an economic science that regulates the activities of a Muslim in carrying out economic activities or *muamalah* based on the Qur'an, Hadith, *Ijma'* and *Qiyas* (Veithzal Rivai , 2017) ; (Zainuddin Ali, 2019). So the aims not only focused on the world but also on the hereafter. The purpose of Islamic economics is *maslahah* for humankind and avoiding everything that brings *mafsadah* (damage) to humans (Panji Adam, 2018).

Islamic economics prohibits wasting material and human resources and encourages using facilities and tools that can provide more benefits. The welfare to be realized in the Islamic economic system is material welfare and spiritual welfare (Nurindrasari et al., 2018) ; (Keshavarzi & Ali, 2019) . The prosperity of life is the dream of a human being; a prosperous society will not be realized if people live in poverty(Bashir, 2018) ; (Shabbir et al., 2018).

Material welfare includes the property we have and the income we get, while non-material welfare is not material form but another form likes healthy, a calm mental state, and happiness (Jaafar & Ilyas, 2020) ; (Afandi, 2021). Allah SWT has spread and provided sustenance for humans on earth. To get this sustenance, humans must work and strive. When working, humans must do it with the best ability that he has, sincerely and honestly, so that the sustenance he gets becomes a blessing. That blessing will eventually lead to a safe and peaceful life. Humans should not only focus on seeking sustenance but away on Allah SWT. Thus, improving the community's economy from an Islamic economics perspective is a change in people's living standards for the better in managing resources to achieve glory based on the principles and values of the Qur'an and Sunnah.

METHODOLOGY

This field research used a descriptive qualitative approach(Berg, 2001). The population of this research is resident of the Ipuh Subdistrict, which has oil palm plantations. The sampling method is purposive; 20 informants comprise 16 oil palm farmers and three employees of PT. DDP and one leader of PT.

DDP. The collecting data method used structured interviews and observation. Data were analyzed using the Huberman and Mill analysis method, which included data reduction, data display, and conclusion drawing/verification (Miles et al., 2018).

FINDINGS AND DISCUSSION

The impact of the existence of oil palm plantations on the achievement of the SDGs

Agriculture was an essential aspect in supporting the Indonesia economy and lasted for more than a century. The economic crisis in 1997 caused many export products to be stopped or postponed. However, the prices of Indonesian export products have increased. The product that rose is palm oil. The agricultural sector is still the mainstay sector in Ipuh District. Total production of palm oil in 2017 was recorded at 40,807 tons, rubber 1,300 tons, and coconut 34 tons (Central Bureau of Statistics of Mukomuko Regency, Ipuh District in Figures , 2018).

The contribution of oil palm plantations in the district Ipuh in improving the economy is felt by residents in the district Ipuh; this was revealed by Mrs. Fatmawati, an oil palm farmer in Pulau Payung Village, Kecamatan Ipuh.

Saya sangat merasa terbantu karena perkebunan kelapa sawit ini, dulu saya untuk makan saja susah tapi sekarang alhamdulillah sudah cukup bahkan bisa untuk saya tabung sebagian dari penghasilan saya. Apalagi setelah suami saya meninggal, saya hanya sendiri berjuang untuk menghidupi anak-anak. Syukurlah dulu saya dan suami menanam sawit sehingga sekarang kehidupan saya dan anak-anak terpenuhi. Pendapatan saya dari kebun sawit sekitar Rp. 2.800.000- Rp 3.000.000 sebulan (Interview of Oil Palm Farmers in Pulau Payung Village, 2021).

It was also revealed by Mrs. Samila, an oil palm farmer in Tanjung Medan Village, Kecamatan Ipuh.

Terasa sekali perbedaan pendapatan, kalau dulu tidak ke kebun tidak akan mendapat penghasilan untuk memenuhi kebutuhan. berbeda dengan sekarang sudah ada pendapatan dari sawit untuk tambahan, walaupun tidak banyak tapi tidak terlalu menyibukkan hari tua kami. Hasil kebun sawit kami sekitar Rp 1.200.000 sekali panen. kalau dulu pendapatan kami sekitar Rp. 300.000 - Rp. 600.000 sebulan (Samila, 2021).

Similar opinions were expressed by other informants, they feel an increase in income since the existence of PT. DDP.

Communities around plantations get permanent jobs, so the unemployment rate is decreasing. The evidence was the decline in the unemployment rate in the Mukomuko district. The unemployment rate in 2018 was 4.73%; in 2019, it fell to 3.84%, and in 2020 it fell to 3.59%. Oil palm farmers and communities around plantations can educate their children to pursue higher education. Communities around oil palm plantations in Ipuh district, Mukomuko Regency used to be only able to educate her children up to elementary school but is now able to educate her children to a higher level. Previously, the community worked as fishermen, farming rubber, and farming annual plants, requiring them to work daily with an irregular income. Before they started farming oil palm, it was difficult to pray on time because they had to keep working, but

now they can pray in congregation at the mosque. As evident from observations at the local mosque, when the Maghrib and Isha prayers, numerous worshipers arrive; although not full, at least there is an increase in worship. From the data of the local mosque, during the Idhul adha, which used to be few who could sacrifice, now many people could sacrifice a goat or share a cow. Despite its controversy, it cannot be denied that oil palm plantations have brought prosperity and growth to the rural economy. Data from Biro Pusat Statistik Mukomuko regency, indicated an increase in the GRDP of the agricultural sector in 2018, which was 2,095,635.81 million; in 2019, it was 2,227,729, 14 million, and in 2020 it was 2,297, 848.39 million. Based on the findings above, it can be said that oil palm plantations are the instruments that have a strategic role and contribute to achieving the SDGs goals, especially the goals SDG1: No poverty, SDG2: No hunger, SDG3: Healthy and prosperous life, SDG4: Quality education. This finding was in line with research by Sukiyono et al., (2022) ; (Mardiharini et al., 2021); and (Chiriaco et al., 2022) that oil palm industry contributed in achieving Sustainability development goals.

Islamic Economics Overview towards oil palm plantations in achieving the SDGs.

The primary goal of Islamic economics is to achieve *maslahah*(Renie et al., 2019);(Samad & Shafii, 2021);(Bhinekawati, 2021). Community efforts to earn income and work, classified *maslahah dharuriyyah*, are critical and needed for humankind to live(Nugroho, 2018);(Saputra, 2021). By obtaining income, humankind will have their food needs fulfilled so that the principle of maintaining the soul can be carried out, as long as the work carried out does not endanger life and does not violate the Shari'a. Since they work in oil palm plantations or become oil palm farmers, their opportunities to worship regularly grow, so the principle of maintaining religion is achieved. It must be remembered that the principle of maintaining religion must take precedence before carrying out a deed, because humans were created only to worship.

The community's effort to educate children to a higher level is *a maslahah hajjiyah*, which is not meeting emergency needs but will help people to live better(Abdullah et al., 2020);(Ishak & Nasir, 2021). With better education, the opportunity to get a job or earn an income will be more significant. Efforts to take education are the practice of the principle of maintaining intellectual. With the maintaining intellectuals, education will help humans to achieve the goal of *maslahah dharuriyyah*.

Achieving *maslahah* is in line with the goals of the SDGs, namely SDG1 Without poverty, SDG2: Without hunger, SDG3: Healthy and prosperous life, and SDG4: Quality education. Oil palm plantations as the primary commodity in Ipuh sub-district, Mukomuko regency can contribute to the achievement of the SDGs..

CONCLUSION AND RECOMMENDATION

Oil palm plantations in the district Ipuh Mukomuko Regency impacts improving community welfare. Oil palm plantations significantly absorb labor, increase the income of oil palm farmers, and improve education. In this way,

the goals of sustainable development (SDGs), especially the goals of no poverty, zero hunger, good health and wellbeing, and quality education, can be achieved more or less. The existence of oil palm plantations is included in masalah mursalah because it has provided a change in mindset and welfare, which enables people to carry out religious worship better.

ADVANCED RESEARCH

This research still has limitations so that further research is still needed on this topic.

FURTHER RESEARCH

This research was conducted with a minimal number of informants and the area around the PT. DDP Ipuh District, Mukomuko Regency. The results do not generally apply for population; they only apply to a specific area. In addition, this study does not include control variables, such as community occupations, such as employees or farmers, so that future research will be carried out with a more significant number of informants and control variables.

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