

Expansion of Oil Palm and Changes in the Local Economic Structure in Kubu Raya Regency

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Abstract

The expansion of oil palm in Kubu Raya Regency has become a major driver of local economic transformation, significantly impacting the social and economic structure of the community. This study aims to examine how the development of the oil palm industry has changed patterns of income, employment, and economic activities at the village level. The research employs a qualitative method with a socio-economic approach. Data collection was conducted through observation, interviews, and documentation. Data analysis was carried out using data condensation, data display, and drawing conclusions. The results indicate that the growth of the oil palm industry in Kubu Raya Regency has brought substantial changes to the local economy, marked by increased community income, the opening of new employment opportunities, and enhanced economic activities at the village level. However, these advancements have also raised several serious issues, such as agrarian conflicts, shifts in employment structure, social inequality, and environmental damage caused by the conversion of forests and peatlands. Therefore, inclusive, fair, and sustainable management is required so that economic benefits can be enjoyed without sacrificing social welfare or environmental sustainability in the future.

Keywords: *Expansion, Oil Palm, Economic Structure, Local, Kubu Raya*

Abstrak

Ekspansi kelapa sawit di Kabupaten Kubu Raya telah menjadi pendorong utama transformasi ekonomi lokal dengan dampak signifikan terhadap struktur sosial dan ekonomi masyarakat. Penelitian ini bertujuan untuk mengkaji bagaimana perkembangan industri kelapa sawit mengubah pola pendapatan, lapangan kerja, dan aktivitas ekonomi di tingkat desa. Metode penelitian kualitatif dengan pendekatan ekonomi-politik. Pengumpulan data dilakukan dengan observasi, wawancara dan dokumentasi. Analisis data dilakukan dengan kondensasi data, display data dan menarik Kesimpulan. Hasil penelitian menunjukkan bahwa Perkembangan industri kelapa sawit di Kabupaten Kubu Raya telah membawa perubahan besar pada perekonomian lokal, yang ditandai dengan meningkatnya pendapatan masyarakat, terbukanya lapangan pekerjaan baru, serta meningkatnya aktivitas ekonomi di tingkat desa. Meski demikian, kemajuan ini juga menimbulkan berbagai persoalan serius, seperti sengketa agraria, pergeseran struktur pekerjaan, ketidakmerataan sosial, serta kerusakan lingkungan yang disebabkan oleh alih fungsi hutan dan lahan gambut. Dengan demikian, diperlukan pengelolaan yang bersifat inklusif, adil, dan berkelanjutan agar manfaat ekonomi dapat dirasakan tanpa mengorbankan kesejahteraan sosial maupun kelestarian lingkungan di masa depan.

Kata Kunci: Ekspansi, Kelapa Sawit, Struktur Ekonomi, lokal, Kubu Raya

Introduction

Regional economic development in Indonesia, particularly in rural and peripheral areas, is often supported by the agricultural and plantation sectors (Muaidin, 2024). One

commodity that has experienced rapid growth in recent decades is oil palm (*Elaeis guineensis*) (Jiuhardi et al., 2023). As a leading plantation commodity, oil palm plays a strategic role in increasing community income, absorbing labor, and driving regional economic growth (Ismail Nare et al., 2018). Indonesia, as the world's largest producer of palm oil, has positioned this sector as one of the key pillars in both national and regional development strategies. Kubu Raya Regency, located in West Kalimantan Province, is one of the areas that has experienced significant oil palm expansion (Wijayanto, 2023). The continuous increase in oil palm plantation area has had direct implications for the social, cultural, and especially economic structures of local communities (Riyono, 2022). The shift in livelihoods from subsistence farming and traditional fishing to commercial plantation sectors has created a complex transformation, offering opportunities for increased income while also posing risks of economic vulnerability (Prajawahyudo et al., 2022).

This phenomenon raises fundamental questions: To what extent has oil palm expansion transformed the local economic structure in Kubu Raya? Has this change promoted equitable prosperity or instead created new inequalities? Moreover, the changes are not only economic in nature but also affect social relations, land-use patterns, and the sustainability of natural resources. Therefore, an in-depth study is needed to understand the causal relationship between oil palm expansion and local economic transformation, while providing a scientific basis for formulating fair and sustainable regional policies. The expansion of oil palm in Indonesia cannot be separated from national policies that promote this commodity as a driver of economic growth, particularly in underdeveloped and border regions (Utami Rany et al., 2017). The Perkebunan Inti Rakyat (PIR, or Nucleus Estate Smallholders) program in the 1980s–1990s, followed by investment liberalization in the early 2000s, accelerated the conversion of land into large-scale and plasma oil palm plantations (Ngadi & Noveria, 2017).

Such expansion has brought fundamental changes to the local economic structure. Previously, the economy of Kubu Raya's communities relied on food crop farming, horticulture, fisheries, and small-scale trade. The entry of oil palm investment has shifted the labor force to the plantation sector, increased the circulation of money in rural areas, and fostered the growth of supporting sectors such as transportation, services, and agricultural product trade (Jiuhardi et al., 2023). On the other hand, oil palm expansion has also presented challenges, including economic dependency on a single commodity, environmental degradation, land conflicts, and the potential marginalization of indigenous peoples or smallholder farmers. Changes in local economic structure due to oil palm expansion can be analyzed through the framework of structural transformation, in which the economy shifts from traditional primary sectors to modern primary and secondary sectors. However, the success of this transformation greatly depends on the distribution of economic benefits, the integration of local actors into value chains, and the sustainability of resource management.

Research on oil palm plantations in Kubu Raya Regency has been conducted by Henny Sulistyowati, Sarbino, and N. Arifin, who examined the performance of independent oil palm smallholdings in the region (2021). Their study revealed that many independent smallholders in Kubu Raya manage their plantations as a side business, leading to suboptimal maintenance and management. Cultivation practices have yet to meet good agricultural

practice standards, resulting in low crop productivity. In addition, limited market access and transportation constraints remain major obstacles in marketing harvests (Sulistiyowati et al., 2021). The above study touches on several aspects that will also be addressed in this research, such as: a) Oil palm plantations within Kubu Raya communities, and b) The shift in community economic activities from agriculture to oil palm plantations. However, it does not discuss the expansion of oil palm plantations and its influence on the community's economic structure, the impact of power relations within Kubu Raya society, or the environmental and ecosystem impacts in West Kalimantan, particularly in Kubu Raya. Therefore, this study will focus on Oil Palm Expansion and Changes in the Local Economic Structure in Kubu Raya Regency.

Research Methodology

This study falls under the qualitative research cluster with a socio-economic approach. Qualitative research is a type of study that focuses on in-depth understanding of phenomena, events, or social symptoms from the perspective of the subjects being studied (Hardani, 2020). This method emphasizes meaning, context, and the experiences of the subjects rather than merely measuring or quantifying variables. Its main purpose is to obtain a comprehensive, in-depth, and holistic picture of complex realities (Syafriada, 2022). The socio-economic approach is an analytical method that integrates social and economic aspects to understand a phenomenon, policy, or program more comprehensively (Mustopa, 2011). In this approach, factors such as community economic conditions (income, employment, access to resources) are analyzed alongside social dimensions (education, culture, social relationships, values, and norms) (Mustopa, 2011). The main aim is to observe the interconnections between social changes and economic dynamics, as well as their impact on community welfare. For example, in rural development, this approach not only measures income growth but also examines how development affects social interaction patterns, resource distribution, inequality, and quality of life.

The data sources in this research consist of primary and secondary data. Data collection techniques include observation, interviews, and documentation. Observation is the method of collecting data by directly observing an object, event, behavior, or specific phenomenon in a systematic manner to obtain accurate and relevant information (S. Aminah Roikan, 2019). In this study, observation is conducted to understand the actual conditions in the field, whether through open observation (where the subject knows they are being observed) or closed observation (where the subject is unaware) (Nazar, 2022). Observation may be participatory, where the researcher engages in the activity being observed, or non-participatory, where the researcher remains a passive observer. Interviews involve direct question-and-answer sessions between the interviewer and the respondent to obtain detailed information on a particular topic, event, or experience (Fiantika et al., 2022). This process may take place face-to-face, over the phone, or through other communication media, with the goal of gathering accurate, complete, and relevant data.

Documentation refers to the process of collecting, recording, managing, and storing various forms of information or data in the form of text, images, audio, or video, so that the information can be reused in the future (Harahap, 2020). Documentation serves as evidence, a

reference, and a reliable information source, making it easier to conduct evaluation, learning, and decision-making. Data analysis is carried out through data condensation, data display, and conclusion drawing. Data condensation is the process of selecting, focusing, simplifying, abstracting, and transforming raw data from field notes, interview transcripts, or research documents into a more organized and meaningful form (Miles, M. B., Huberman, A. M., & Saldana, 2014). The goal is to compress the information so the researcher can more easily identify patterns, themes, and significant relationships relevant to the research focus.

Data display is the process of presenting processed data in a format that is easy to read, understand, and analyze (Fadli, 2021). In qualitative research, data display is often done using visual presentations such as tables, charts, diagrams, matrices, or structured narratives to help identify patterns, relationships, and meanings in the collected data. Conclusion drawing is the cognitive process of producing a final understanding or concise and logical statement based on previously analyzed data, facts, or information (Almasdi Syahza, 2021). This process aims to link various findings or arguments into a coherent picture that answers the research problem or objectives. In scientific contexts, conclusions are drawn systematically, objectively, and supported by evidence, ensuring that the results are accountable.

Results And Discussion

The transformation of the local economic structure driven by oil palm expansion in Kubu Raya Regency cannot be separated from the dynamics of economic globalization, the push for commodity-based development, and pro-investment national policies. In this context, oil palm is not merely viewed as an agricultural commodity, but as a symbol of massive transformation in the relationship between the state, the market, and local communities. The expansion of oil palm plantations in Kubu Raya Regency over the past two decades has become one of the most significant phenomena shaping the face of the regional economy. The expansion of plantations both by large corporations and smallholder farmers has not only impacted the agricultural sector but has also gradually altered the local economic structure. This is reinforced by Sodik, an environmental activist in Kubu Raya, who stated:

“The economic map of Kubu Raya has indeed begun to shift. Oil palm entered, large investors came, and people who previously planted rice or rubber began switching to oil palm. At first, many felt the benefits because new jobs were created and more money circulated in the villages” (*Interview/Sodik/Environmental Activist of Kubu Raya Regency/12/07/13:00 WIB/At a Coffee Shop, 2025*).

Initially, Kubu Raya’s economy relied heavily on food crops, fisheries, and traditional plantations such as rubber, coconut, and food agriculture. However, the entry of large-scale investments into the palm oil sector brought significant changes. Communities that previously depended on rice fields or mixed gardens began converting their land to oil palm cultivation. This process encouraged a shift in livelihoods from subsistence farmers to export-oriented commodity producers.

A. Positive Impacts of Oil Palm Expansion

The expansion of oil palm in Kubu Raya Regency has brought several significant positive impacts on local economic development. One of the most visible is the increase in employment opportunities (Nurhayati et al., 2018). The presence of oil palm plantations,

whether owned by large companies or under plasma partnership schemes, has absorbed a substantial amount of local labor ranging from fieldwork to processing and transporting the harvest. In addition, this expansion has stimulated economic circulation at the village level. With steady income from wages or palm oil harvests, people's purchasing power has increased. As a result, local shops, markets, and small businesses have flourished. This activity has shifted the local economic structure from one that relied primarily on subsistence farming or fishing to one more oriented toward trade and services. This aligns with the statement of Sodik, an environmental activist in Kubu Raya:

“We cannot completely reject oil palm because it has already become part of the regional economy. But we can manage it so that it does not harm small communities and the environment. The key lies in transparency, protecting indigenous community rights, and implementing sustainable agricultural principles”.
(Interview/Sodik/Environmental Activist of Kubu Raya Regency/12/07/13:00 WIB/At a Coffee Shop, 2025).

Moreover, oil palm has opened opportunities for local farmers to participate as partners in plasma programs or community plantations. These schemes enable communities to gain a long-term and relatively stable source of income, influencing household consumption patterns, children's education, and family asset ownership. Equally important, oil palm expansion has played a role in improving village infrastructure. Roads that were previously difficult to access have been upgraded to support harvest distribution, ultimately improving residents' access to health centers, education, and markets. The positive impacts of oil palm expansion include:

1. Increased household income for farmers with productive land

One of the most notable positive impacts of oil palm expansion in rural areas is the increase in household income for farmers who own productive land. When land is cultivated with oil palm and managed optimally, farmers have the opportunity to earn more stable and sustainable income compared to relying solely on seasonal commodities such as rice or secondary crops. This is consistent with the statement of Sudi:

“Before planting oil palm, this land was only used for rice and secondary crops. The yield was enough for daily consumption, but the income was uncertain, especially during prolonged rainy seasons or pest attacks. After planting oil palm and starting to harvest about three years ago, my family's income has become more stable”
(Interview/Sudi/Oil Palm Farmer/20/08/09:00 WIB/On His Plantation, 2025).

Oil palm has a relatively long production cycle, with harvesting possible every 20 days once the plants reach maturity. This means that farmers have a continuous income stream throughout the year, enabling them to manage household needs, finance children's education, and renovate their homes. Moreover, competitive fresh fruit bunch (FFB) prices strengthen farmers' economic position, especially if they have direct access to palm oil mills or cooperatives that shorten the distribution chain. Farmers with sufficiently large productive land also have the flexibility to scale up their operations expanding planting areas, using superior seedlings, or applying modern cultivation techniques to increase

yields. Consequently, income and purchasing power rise, fueling the local economy and strengthening household financial resilience.

2. Increased employment opportunities in plantation and CPO (Crude Palm Oil) processing sectors

The expansion of oil palm plantations in Kubu Raya has significantly increased employment opportunities in both the plantation sector and CPO processing factories. As plantation areas expand, the demand for labor rises—starting from land clearing, planting, maintenance, to harvesting. Each stage requires substantial manpower, creating job opportunities for local residents, especially for those who previously did not have steady employment. This is supported by Kholik’s statement:

“In recent years, after many oil palm companies entered and opened plantations in this area, job opportunities have indeed increased. In the past, many residents here worked only as odd laborers or seasonal farmworkers, but now many can work in plantations or CPO factories” (*Interview/Kholik/Oil Palm Farmer/15/08/10:00 WIB/On His Plantation, 2025*).

In addition to plantations, the presence of CPO processing factories has created new jobs in industry. These factories require both skilled and unskilled workers, such as machine operators, technicians, administrative staff, and security personnel. Factories also stimulate the growth of supporting sectors such as harvest transportation services, repair workshops, and food stalls near plantation and factory areas. With more job opportunities, community income levels rise, contributing to improved living standards. Besides reducing unemployment, oil palm expansion helps drive the local economy by circulating workers’ wages across multiple sectors, making oil palm not only an export commodity but also a driver of regional economic growth.

3. Increased village economic circulation, especially through shops, transport services, and local trade

One of the most tangible positive impacts of oil palm expansion in Kubu Raya is the increased economic circulation within villages. Oil palm plantations bring new cash flows into rural communities through wages, payments for farmers’ harvests, and company operational spending. This is confirmed by Kamal, an employee at CTB Company in Kubu Raya:

“In the past, if people wanted to buy household goods of higher value, they usually had to wait for the rice harvest season or sell other crops. Now, almost every month there is income, either from plantation workers’ salaries or from selling fresh fruit bunches (FFB)” (*Interview/Kamal/Oil Palm Plantation Worker/12/04/20:00 WIB/At His Home, 2025*).

Village shops, for instance, have seen more customers as workers and farmers have greater purchasing power, spending their income on daily necessities such as groceries, ready-to-eat meals, and household equipment. Likewise, local transport services—such as motorcycle taxis or cargo vehicles have become busier due to the need to transport workers, deliver harvests, and send goods to markets. Local trade has also grown. Residents are opening small businesses such as hardware stores, repair shops, or agricultural supply

outlets to meet the needs of plantations and communities. This creates a multiplier effect that accelerates rural economic activity, circulates money more quickly, and ultimately improves overall community welfare. However, these changes also bring challenges. Communities in Kubu Raya who do not own sufficient land or work only as laborers often do not enjoy equal benefits. Dependence on a single commodity also makes the local economy vulnerable to global palm oil price fluctuations. Moreover, oil palm expansion sometimes leads to forest and peatland conversion, with environmental and long-term sustainability implications. The expansion in Kubu Raya has shifted the economic structure from a subsistence agriculture base to an industrial commodity-based economy. The challenge ahead is to ensure that this transformation is inclusive, equitable, and sustainable so that its benefits are enjoyed not only by a few, but by all layers of society.

B. Social Impacts: Conflict, Tenure, and Welfare

The expansion of oil palm in Kubu Raya Regency can accelerate changes in the local economic structure, bringing opportunities (income, employment, infrastructure) but also creating serious risks such as land conflicts, tenure insecurity, inequality in welfare, declining food security, and socio-ecological degradation (Endang Periady & Fatmawati, 2020). The key to effective intervention lies in clear recognition of tenure rights, the inclusion of smallholders in value chains, environmental protection, and the establishment of participatory and transparent conflict-resolution mechanisms.

1. Agrarian Conflict

Agrarian conflict refers to disputes arising from competition, overlap, or differences in claims over control, ownership, use, or management of land and the natural resources contained within it. In Kubu Raya, such conflicts often occur due to differing interests between local communities, companies, and the government particularly in areas experiencing large-scale plantation expansion, such as oil palm. As stated by Sodik, an environmental activist from Kubu Raya:

“Agrarian conflict in Kubu Raya Regency is nothing new, especially since the arrival of large-scale oil palm plantations. The problem usually arises because of overlapping land claims. Communities see the land as ancestral heritage, while companies have official documents from the government. In the end, both sides feel they have the right to it” (Interview/Sodik/Environmental Activist, Kubu Raya Regency/12/07, 13:00 WIB/At a Coffee Shop, 2025).

Agrarian conflicts rooted in tenure issues not only trigger social tensions but also directly reduce community welfare (P/12/04/2024). Resolving these conflicts requires a holistic approach that integrates recognition of community rights, fair legal settlements, and sustainable land redistribution policies. Without these measures, conflicts will continue to recur, leaving deep socio-economic scars.

2. Changes in Work Structure

Shifts in work structure from self-employment to wage labor affect family and community dynamics by reducing household food-farming activities, increasing labor migration to plantations or urban areas, and altering consumption patterns. Changes in work structure refer to the transformation of patterns, types, and organization of work within a

society or community, often influenced by external and internal factors such as economic development, technological change, policy shifts, and social conflicts. In the context of social impacts, tenure (land ownership and control), and welfare, work-structure changes play a crucial role in determining how communities adapt and secure a decent livelihood. As explained by Kamal:

“In the past, my family and I relied on rice fields for food. We planted rice once or twice a year, and the rest of the time we grew vegetables and secondary crops. But since part of our land was sold to a company and the rest planted with oil palm, work in the rice fields has decreased a lot. Now, I mostly work as a daily laborer on the company’s oil palm plantation. The income is more regular, but we rarely have our own rice anymore almost all our food needs are bought from the market” (Interview/Kamal/Oil Palm Plantation Worker/12/04, 20:00 WIB/At His Home, 2025).

Changes in work structure caused by social conflict and tenure dynamics are not merely shifts in employment type; they reflect fundamental transformations in the social, economic, and cultural relations of Kubu Raya’s communities (P/12/12/2024). Conflicts that undermine social stability and land-ownership security deprive communities of their foundation for traditional economic activities. This triggers job fragmentation, forcing many individuals to shift to informal work or migrate to less promising sectors. The impacts of these changes are felt not only economically but also in overall social welfare (P/12/04/2025). When employment becomes uncertain and incomes unstable, families face greater economic pressure, threatening the fulfillment of basic needs and limiting access to education and healthcare. Furthermore, these work-structure changes create new inequalities, widening the gap between those who can adapt and obtain decent jobs and those who are marginalized and trapped in poverty. As noted again by Sodik, the Kubu Raya activist:

“That’s true. Changes in work structure are widening the social gap. Those with skills and connections can adapt and find decent jobs, but those without resources are becoming increasingly marginalized, even trapped in poverty” (Interview/Sodik/Environmental Activist, Kubu Raya Regency/12/07, 13:00 WIB/At a Coffee Shop, 2025).

Therefore, changes in work structure in the context of conflict and tenure insecurity require a multidimensional approach not only resolving land and social disputes but also strengthening community economic capacity through job diversification, skills training, and inclusive job creation. Such measures would enable communities not only to survive but also to grow sustainably, enhancing welfare and social stability in the long term.

C. Access to Public Facilities

Access to public facilities such as education, healthcare, roads, markets, and other social services is a critical factor affecting the quality of life of communities. However, in situations of social conflict and unclear tenure status, access is often disrupted or significantly unequal, which directly impacts community welfare. In some plantation centers, access to health, education, and infrastructure can improve due to investment; however, surrounding

villages near converted land may instead experience a decline in quality of life if the environment deteriorates (e.g., flooding, declining water quality). As explained by Sudi:

“Near large plantation centers, the conditions are usually quite good. The company or government often repairs roads, improves healthcare facilities, and supports schools. For example, the main road to the plantation is paved, health centers are expanded, and there’s assistance for books or school equipment” (Interview/Sudi/Oil Palm Farmer/20/08, 09:00 WIB/At His Plantation, 2025).

Access to public facilities is an important reflection of a community’s social and economic condition. When social conflicts and tenure uncertainties emerge, this access is disrupted not only physically but also by complex social dynamics (P/12/04/2024). This demonstrates that facility-access issues are not merely matters of infrastructure, but are closely tied to social stability and fairness in resource management. The impacts of disrupted access are directly felt through the decline in the quality of basic services, which significantly affects community welfare. Thus, resolving conflicts and clarifying land ownership are strategic steps that cannot be postponed. These actions would not only create space for the improvement of public facilities but also restore social trust and foster conditions conducive to sustainable development. Communities with adequate access to public facilities are better able to develop their potential and improve their overall standard of living. The synergy between conflict resolution, tenure legal certainty, and public-facility management is the key to achieving inclusive and sustainable social welfare.

D. Environmental and Climate Impacts

The expansion of oil palm plantations in Kubu Raya Regency has brought significant changes to the local economic structure; however, it has also generated environmental and climate impacts that require serious attention. The enlargement of oil palm plantation areas often involves the conversion of forests and peatlands into productive plantation zones (P/12/04/2024). This process can cause degradation of natural ecosystems, affecting biodiversity, soil quality, and the water cycle in the region.

1. Forest and Peatland Conversion

The expansion of oil palm in Kubu Raya is closely linked to forest and peatland conversion. Peatland conversion poses high risks such as carbon loss, land fires, greenhouse gas (GHG) emissions, and hydrological disturbances (flooding/drying). Reports of large-scale deforestation in Kubu Raya during certain periods indicate significant environmental costs. The conversion of forests and peatlands into agricultural land, plantations, settlements, or industrial areas is one of the most environmentally and climatically impactful activities at the global level (Ramadhan, 2025). This process generally involves logging, peatland drainage, and land burning, which directly and indirectly result in multiple negative impacts. Forest degradation and peatland drainage release carbon that has been stored for thousands of years, thereby increasing the concentration of greenhouse gases in the atmosphere and accelerating global warming. Furthermore, land conversion alters the physical properties of the Earth’s surface, contributing to microclimate changes, worsening drought conditions, and increasing the risk of uncontrollable fires. As stated by Sodik, an environmental activist from Kubu Raya:

“Forest destruction, particularly in the peatland areas of Kubu Raya, has far more serious consequences than merely the loss of vegetation cover. Peatlands are ecosystems that have stored carbon for thousands of years, much like a giant savings account that safeguards the Earth’s climate stability. Once peat layers are drained or burned, that stored carbon is released into the atmosphere in the form of greenhouse gases, primarily carbon dioxide, directly adding to the concentration of gases that drive global warming” (Interview/Sodik/Environmental Activist, Kubu Raya Regency/12 July, 13:00 WIB/at a Coffee Shop, 2025).

Environmental impacts such as land degradation, water pollution, and habitat loss also disrupt ecosystem balance and affect local community welfare. Such damage threatens the sustainability of natural resources that form the foundation of livelihoods and the local economy, thereby generating complex socio-economic consequences (P/12/12/2024). Therefore, the protection and sustainable management of forests and peatlands must be prioritized. Conservation strategies, ecosystem restoration, and strict policy enforcement on land conversion are essential to minimize negative impacts while maintaining the vital functions of forests and peatlands in climate change mitigation and environmental preservation.

2. Ecosystem Degradation

Ecosystem degradation including biodiversity loss and the destruction of mangrove and peatland habitats also affects alternative livelihoods such as fisheries and non-timber forest products (Saidah et al., 2024). The loss of biodiversity and the degradation of mangrove and peatland habitats are not merely local issues but constitute a global threat with significant impacts on environmental balance and climate stability. The ecological functions provided by these ecosystems are fundamental to the survival of humans and other living organisms. When such ecosystems are damaged, natural systems lose their capacity to absorb carbon, regulate the water cycle, and provide habitats that sustain biodiversity. According to Sodik, an environmental activist from Kubu Raya:

“Ecosystem degradation in Kubu Raya, particularly in mangroves and peatlands, is a serious problem with not only local consequences but also global implications. Mangroves along our coasts serve as natural barriers protecting shorelines from erosion, while peatlands are the largest terrestrial carbon stores” (Interview/Sodik/Environmental Activist, Kubu Raya Regency/12 July, 13:00 WIB/at a Coffee Shop, 2025).

The impacts of this degradation extend across multiple sectors, from declining natural resource productivity and reduced community resilience to ecological disasters, to the acceleration of climate change leading to severe consequences such as rising global temperatures, altered rainfall patterns, and sea-level rise, particularly in Kubu Raya. Peatland and mangrove ecosystem degradation clearly illustrates how unsustainable human activities can release vast amounts of carbon, thereby exacerbating the climate crisis. Given these conditions, it is imperative to prioritize conservation and restoration efforts as an integral part of climate change mitigation strategies. Sustainable ecosystem management not only safeguards biodiversity and its habitats but also reinforces the ecological functions

that maintain climate balance. Consequently, protecting and restoring mangrove, peatland, and biodiversity is a long-term investment vital to the future of the planet and generations to come.

The expansion of oil palm in Kubu Raya Regency has thus produced a dual and complex impact balancing economic growth with environmental challenges. On one hand, the development of the oil palm sector has strengthened the local economic structure by increasing community income and creating employment opportunities, directly supporting regional economic welfare. On the other hand, these changes have placed immense pressure on the environment, potentially threatening the sustainability of ecosystems and the regional climate balance (P/12/12/2024).

Mass deforestation and peatland conversion not only result in the loss of the region's rich biodiversity but also release large quantities of carbon into the atmosphere, accelerating global warming. Indirectly, these impacts alter local microclimate patterns, leading to rainfall and planting season uncertainties, and creating long-term risks to food security and community livelihoods. Soil quality degradation and water resource pollution further complicate environmental issues that must be addressed urgently to prevent a more severe ecological crisis. While oil palm expansion brings tangible economic benefits, these should not come at the cost of environmental sustainability the very foundation of human and ecological survival. Therefore, an integrated and sustainable resource management approach is needed, engaging all stakeholders government, businesses, and local communities in implementing environmentally friendly agricultural practices and natural resource conservation. Looking ahead, development policies that integrate economic, social, and environmental aspects in a balanced manner will be key to ensuring that Kubu Raya Regency not only advances economically but also preserves its ecosystems. Adaptive approaches to climate change and prudent land management must be top priorities so that the benefits of oil palm expansion can be realized without compromising the future of the environment and the quality of life for future generations.

Conclusion

The expansion of oil palm plantations in Kubu Raya Regency has brought significant changes to the local economic structure. The presence of oil palm plantations has significantly contributed to increasing community incomes, creating new jobs, and stimulating the growth of rural economic activity. These changes have made oil palm a key driver of regional development, particularly in improving the standard of living of some communities. However, behind this development, a number of serious challenges have emerged that cannot be ignored. Agrarian conflicts between companies, indigenous communities, and smallholder farmers are increasingly occurring due to land disputes and unclear land ownership status. Changes in the employment structure are also evident, with many workers shifting from traditional agriculture to the plantation sector, which often gives rise to new social inequalities. Furthermore, oil palm expansion contributes to increasing economic disparities in rural areas due to the unequal distribution of profits between large companies and local communities. Environmental impacts are also a major concern, particularly due to the conversion of forests

and peatlands, which contributes to ecosystem degradation, soil degradation, water pollution, and the risk of land fires. This situation raises concerns about the long-term ecological sustainability of the local community's livelihoods. Therefore, inclusive, equitable, and sustainable management is needed to ensure that the economic benefits of palm oil do not harm social welfare and environmental sustainability. This approach must involve all stakeholders—governments, companies, indigenous communities, and farmers—with an emphasis on transparency, equitable distribution of benefits, and environmental protection. In this way, palm oil plantations can truly become drivers of development that balances economic, social, and ecological interests.

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