

The Contribution of Empowerment of the Palm Oil Industry on Employment and Palm Oil Exports in Bangka Belitung Island Province

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Abstract. Palm oil has not best emerge as the maximum critical contributor to the usa's foreign exchange from the increasing export price, but has additionally come to be a driving force for the regional economy, absorbing labor and alleviating poverty in rural areas. The Province of the Bangka Belitung Islands turned out to be not only a tin ore producing area, there are other potentials possessed by this province in the east of Sumatra Island. This potential is the palm oil commodity which has a big contribution to the economy of Bangka Belitung. The palm oil industry is also a labor-intensive industry that absorbs a lot of labor and exports of palm oil dominate the derivative merchandise of the palm oil enterprise. Research method used is data panel regression with a research period from 2016 to 2022. The results show that empowerment of palm oil enterprise has a enormous and tremendous impact on employment and palm oil exports in the Bangka Belitung Island province.

Keywords: empowerment; palm oil industry; employment; export

1 Introduction

Oil palm as a producer of palm oil and palm kernel is one of the prima donna of plantation flora that could be a supply of non-oil and fuel forex for Indonesia brilliant prospect of palm oil in the international vegetable oil alternate has brought about the Indonesian government to spur the improvement of oil palm plantation regions. nowadays, Indonesian palm oil has grown to emerge as the most essential a part of the world. In terms of palm oil manufacturing, Indonesia is currently primary and has beaten Malaysia. Of the sixty four million heaps of world palm oil production, Indonesia money owed for more than half of, particularly 35 million tons. Indonesia money owed for 54 percent of the arena's palm oil manufacturing. that is because Indonesian palm oil and its derivative products compete due to the fact we manage the supply chain from raw substances to very last merchandise, which contain 87 percent of domestic additives. This benefit is not shared by means of different agricultural commodities [1].

Palm oil has no longer simplest turn out to be the most essential contributor to the u . s .'s forex from the increasing export cost, however has also emerge as a using force for the local economic system, absorbing exertions and assuaging poverty in rural regions. Oil palm has grown from a place of 300 thousand ha in 1980 to trendy sixteen.1 million ha (according to GAPKI facts), with CPO production of forty million heaps. the proportion of smallholder plantations keeps to boom, and now it has turn out to be fifty two percentage of the overall

plantation area. the total region of smallholder plantations is thought to have reached nine million ha, now not the 6 million ha as is regularly stated. in the meantime, the region of BUMN oil palm plantations is extraordinarily small, handiest 515 ha [2].

The entire oil palm plantation has been capable of take in 4.2 million employees for smallholder palm oil, but in total it's far 8.2 million humans. Palm oil is also a source of livelihood for 1.5 million small farming households. Economically, oil palm has performed a primary role in the nearby economy, in as a minimum 31 districts and cities in Indonesia. Many areas and cities are developing because of oil palm, especially in Riau Province, further to elements of the islands of Kalimantan and Sulawesi [3].

One of the provinces that still contributes to the countrywide economy in the palm oil enterprise is the province of the Bangka Belitung Islands. The Province of the Bangka Belitung Islands turned out to be no longer handiest a tin ore producing vicinity, there are different potentials possessed with the aid of this province within the east of Sumatra Island. This capacity is the palm oil commodity which has a huge contribution to the economic system of Bangka Belitung. In 2020 the rural area of Bangka Belitung contributed 20.47% to the local economy and became a pillar of monetary growth for the duration of the pandemic. Of this figure, the plantation sub-region contributed 36.09% to agriculture. The improved overall performance of the plantation subsector has additionally boosted the performance of the processing enterprise, mainly the food and beverage enterprise via crude palm oil (CPO) [4].

Any other effect of empowering the palm oil enterprise is the export of palm oil which dominates the by-product products of the palm oil enterprise. primarily based mostly on the discharge of BPS Babel on November five, 2021, it is regarded that in September 2021, Babylonian exports extended by using ninety nine.15% compared to the equal month the previous year (September 2020). The non-tin exports of the Bangka Belitung Islands Province from January to September 2021 were ruled through palm oil (HS 1511). The gathered price of palm oil exports until September 2021 will be USD. 207.96 million or 74.26% of the whole non-tin exports of the Bangka Belitung Islands Province. This cost is up 70.01% whilst compared to the equal period the previous year [5].

The rate of palm oil (CPO) in the worldwide marketplace has an impact on growing overseas exports within the Province of the Bangka Belitung Islands. to be able to boom the fee of palm oil, the Babel provincial government has intensively carried out stimulus and assistance in order that the first-rate of clean fruit bunches (FFB) for farmers is up to standard not handiest that, the provincial government additionally encourages investors to construct CPO factories so that FFB prices may be aggressive [6].

Palm oil is one of the commodities that contributes the largest foreign exchange for the us of a further, the palm oil industry is also a exertions-intensive enterprise that absorbs plenty of workers. The growth in production together with the boom in land also encourages the boom inside the variety of people inside the oil palm plantation sector. primarily based on facts from the Ministry of Agriculture, the range of employees in large oil palm plantations, each non-private and kingdom, reached 4.40 two million people (brief figures) in 2018. This variety consists of 4.0 million (ninety.68%) employees in huge non-private oil palm plantations. nationally, then 321 thousand (7.26%) people of big u . s . a . oil palm plantations, and ninety one thousand (2.07%) people of huge foreign 255fb4167996c4956836e74441cbd507 oil palm plantations. the amount of employees does not include employees who artwork in palm oil corporations [7].

2 Literature Review

Palm Oil Industry Empowerment

Empowerment is an attempt to build community potential, by using encouraging, motivating, raising cognizance in their ability and looking to increase that potential into actual action [8].

Empowerment is an effort to build that power, by encouraging, motivating, and raising awareness of its potential and trying to develop it [9].

Empowerment is an effort to build that strength, with the aid of encouraging, motivating, and raising consciousness of its potential and looking to broaden it [10].

Empowerment essentially acquires the energy, energy, and capacity to make choices and movements that clients have to take, which include lowering private and social limitations to their movement [11].

Empowerment is a private and social process. Liberation of character capabilities, competencies, creativity, freedom of action [11].

Palm oil (*Elaeis guinensis* Jacq.) is a type of plant from the Arecaceae family that produces edible oil. The benefits and advantages of the oil palm plant are that in the fruit section it produces crude palm oil that's processed into uncooked cloth for cooking oil, palm oil can also be processed into raw material for soap, candles, and the cosmetic industry, then the rest of the processing can be used as a mixture of animal feed and fertilizer compost [12].

Export

Export interest is a trading machine by way of liberating goods from within the country to abroad by satisfying the applicable provisions. Exports are the whole items and offerings offered by using a country to different countries, consisting of goods, coverage, and services in a given year [13].

Export activity is a buying and selling gadget by means of releasing items from in the country to abroad via gratifying the relevant provisions. Exports are the full goods and services bought by means of one country to some other, including goods, coverage, and services in a given yr [14].

Export is one area of the economy that plays an important position through market expansion between several international locations, that may increase in an industry, thereby encouraging different industries, similarly encouraging other sectors of the economic system [15].

Export is the process of exchanging items from one united states to another this is legally approved to export. Exports are an critical a part of offering a rustic's balance of payments [16].

Employment

Employment is the recognition of employees to carry out duties (jobs) or a scenario that describes the availability of task opportunities to be geared up to be crammed through task seekers. In wellknown, the absorption of exertions suggests how much a organisation absorbs labor to provide a product. The potential to soak up labor differs from one sector to every other [17].

Employment is the range of those who may be accommodated to work for a company. This process possibility will accommodate all people if the available employment opportunities are enough or balanced with the variety of present people [18].

The employment subject is the sector of enterprise activity, agency, wherein a person works or has worked Absorption of hard work is the variety of humans who've labored in a area of

work. Employment absorption is created in order that the numerous sectors of employment that exist can be sufficient for the wide variety of employees [19].

3 Research Method

The statistics evaluation strategies used on this examine had been inferential information and panel statistics regression evaluation. The research approach consistent with the extent of explanation of this research is associative studies. Associative studies is research that objectives to decide the connection among two or greater variables. according to the type of records and evaluation the use of quantitative facts types [20].

4 Analysis and Dialogue

Hypothesis Check Outcomes

a. The Contribution of Empowerment Of The Palm Oil enterprise On Employment within the Bangka Belitung Island

Table 1. Fixed Effect Model 1 Results

Dependent Variable: Ln_Employment?				
Method: Pooled Least Squares				
Date: 10/18/22 Time: 16:41				
Sample: 2016 2022				
Included observations: 6				
Cross-sections included: 7				
Total pool (balanced) observations: 42				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6,890570	0,991484	6,949753	0,0000
Ln_Palm Oil?	0,270371	0,033761	8,008488	0,0000
Fixed Effects (Cross)				
_BANGKA--C	-0,108912			
_BELITUNG--C	-0,106141			
_BANGKABRT--C	0,157696			
_BANGKATENGAH--C	0,016713			
_BANGKASLTN--C	0,217300			
_BELITUNGTMR--C	0,020999			
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0,706183	Mean dependent var	4,888451	
Adjusted R-squared	0,645691	S.D, dependent var	0,092131	
S.E. of regression	0,054840	Akaike info criterion	-2,799157	
Sum squared resid	0,102252	Schwarz criterion	-2,468173	
Log likelihood	66,78231	Hannan-Quinn criter,	-2,677838	
F-statistic	11,67403	Durbin-Watson stat	1,777577	
Prob(F-statistic)	0,000000			

Source: Data Processed Eviews 10

Based on table 1, the statistical t value of empowerment of the palm oil enterprise is 8,008488 with a probability fee (P-cost) of 0,0000. This cost is smaller than the specified importance level, it truly is 0,05, so H_0 (no longer substantial impact) is rejected, and H_1 (giant impact) is commonplace. A superb statistical t price indicates a unidirectional relationship. thus, it's miles demonstrated that the sustainability of empowerment of the palm oil enterprise has a considerable and first-rate effect on employment in Bangka Belitung Islands Province.

The price of the impact of empowerment of the palm oil enterprise on employment within the Bangka Belitung Island is tested by the price of R-Squared = 0,706183, which means that the importance of the empowerment of the palm oil industry on employment within the Bangka Belitung Island is 70,61 percent, the last 29,39 percent is stimulated via specific elements outside the version underneath check.

b. The Contribution of Empowerment Of The Palm Oil enterprise On exports of palm oil commodity in Bangka Belitung Island

Table 2. Fixed Effect Model 2 Results

Dependent Variable: **Ln_Export?**
Method: Pooled Least Squares
Date: 10/19/22 Time: 11:58
Sample: 2016 2022
Included observations: 6
Cross-sections included: 7
Total pool (balanced) observations: 42

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7,216236	0,807879	8,932319	0,0000
Ln_PalmOil?	0,636001	0,044081	14,42802	0,0000
Fixed Effects (Cross)				
_BANGKA--C	-0,319641			
_BELITUNG--C	-0,394211			
_BANGKABRT--C	0,551141			
_BANGKATENGAH--C	-0,016291			
_BANGKASLTN--C	0,585436			
_BELITUNGTMR--C	0,140133			
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0,853006	Mean dependent var	4,438773	
Adjusted R-squared	0,847155	S.D. dependent var	0,234994	
S.E. of regression	0,071604	Akaike info criterion	-2,265688	
Sum squared resid	0,174323	Schwarz criterion	-1,934703	
Log likelihood	55,57945	Hannan-Quinn criter,	-2,144369	
F-statistic	58,22783	Durbin-Watson stat	1,829637	
Prob(F-statistic)	0,000000			

Source: Data processed Eviews 10

Based totally on desk 2, the statistical t cost of the empowerment of the palm oil enterprise is 14,42802 with a probability cost (P-fee) of 0,0000. This fee is smaller than the desired significance level, that's 0,05, so H_0 (not massive impact) is rejected, and H_1 (big effect) is regularly occurring. A advantageous statistical t fee shows a unidirectional courting. as a consequence, it's miles verified that the empowerment of the palm oil industry has a big and top notch effect on exports of palm oil commodity in Bangka Belitung Islands Province.

The significance of the impact of empowerment of the palm oil enterprise on exports of palm oil commodity in the Bangka Belitung Island is shown via the fee of R- Squared = 0,853006 meaning that the importance of the empowerment of the palm oil enterprise on exports of palm oil commodity in the Bangka Belitung Island is 85,30 percentage, the final 14,70 percentage is motivated with the aid of different factors outside the model below study

5 Conclusion

The effects showed that the contribution of the empowerment of the palm oil enterprise was vast and wonderful to employment and exports of oil palm commodities inside the province of the Bangka Belitung Islands. This shows that the palm oil industry is still very potential to be developed and empowered to continue to have a positive impact on job creation and continue to make a significant contribution to increasing the export value of this commodity every year.

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