

Evaluating Income-Based Performance Indicators in Oil Palm Smallholder Empowerment and Their Impact on Living Standards in Janja Village, Tolitoli Regency

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Abstract

This study aims to analyze the extent to which the empowerment of oil palm smallholders contributes to improving the standard of living of the community through increasing income in Janja Village, Lampasio District, Tolitoli Regency. Income is used as a key indicator of success because it reflects a household's economic ability to meet basic needs and improve quality of life. This study uses a qualitative approach with survey methods and interviews with 10 oil palm smallholder respondents with different land ownership specifications. The results of the study show that there is a need for empowerment programs for farmers both in terms of cultivation, crop management and the formation of farmer groups/cooperatives. Meanwhile, in terms of farmers' income, it was found that in a total of 30 hectares of land area from farmers produced 30.5 tons of oil palm production with an income value of Rp 50,650,000. This shows that there is an increase in income followed by farmers' land area. The larger the farmer's land is eating, the tendency of the farmer's income also increases. With the increase in income, the community has experienced improvements in the aspects of education, health, and housing. This study recommends the need for sustainability and capacity building of human resources in managing agricultural land, especially oil palm farming, sustainably.

Keywords: *Income; Standard of living; Empowerment; Household Economics; Oil Palm Farmers*

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INTRODUCTION

The growth of the oil palm plantation sector in Indonesia has become a significant economic phenomenon in the past decade (Bonaraja Purba et al., 2025). Oil palm is one of the plantation commodities that has an impact on economic growth in Indonesia (Ramahdani et al., 2024). This makes the palm oil management industry a target for economic actors, especially capital owners or investors (Pusvita & Asriyani, 2023). In Tolitoli Regency, especially in Janja Village, oil palm is the main commodity that supports the livelihoods of most people. However, behind this growth, there are structural gaps that hinder the improvement of the living standards of smallholders. Limited access to agricultural technology, capital, narrow land, dominance of middlemen in the distribution chain, and weak bargaining positions of farmers, make them vulnerable to price fluctuations and market exploitation (Muzaki, 2024).

Another problem that emerges is the low financial literacy and management of farming businesses among farmers (Nur et al., 2024; Yanto, E., Morad, A. M., Ismail, I., & Mallu, 2024; Yanto & Syahputra, 2023; Yanto & Syaputra, 2022). This causes most of the income earned not to be used productively for long-term investments, children's education, or improving family health. On the other hand, dependence on large companies (core-plasma) without a fair partnership mechanism also creates socio-economic inequalities that widen the welfare gap between rural community groups (Nugroho et al., 2023).

In response to this challenge, various farmer empowerment programs have been initiated by local governments, and private institutions (Nofita et al., 2022). These programs can include technical training, strengthening farming institutions, access to microcapital, and facilitating the marketing of crops. However, the effectiveness of these programs is still a big question mark if it is not measured through concrete indicators, one of which is income. Income is not only a reflection of economic success, but also a foundation for the social development of society, such as improving education, family nutrition, and social participation (Gustina et al., 2025).

The importance of this study lies in the effort to assess the impact of empowerment empirically and contextually in the field, taking into account the local characteristics, land, resource potential, and socio-cultural dynamics of the Janja Village community. By raising income as the main variable, this study aims to identify the extent to which human resource empowerment interventions are able to improve the welfare of oil palm smallholders in a sustainable manner through income levels as an indicator of human resource performance, as well as become a policy model for other villages with similar characteristics. The formulation of the problem raised is how the income level of oil palm farming with empowerment through income as a performance indicator.

METHODOLOGY

This research uses a qualitative approach with the aim of understanding in depth how the process of empowering oil palm smallholders is carried out, as well as how it impacts on increasing people's income and living standards. The qualitative approach was chosen because it is able to describe social reality from the perspective of the perpetrator, as well as provide space to reveal the meaning, experience, and interpretation of farmers directly.

The location of the research is Janja Village, Lampasio District, Tolitoli Regency. The subjects of the study are oil palm smallholders who have participated in empowerment programs facilitated by the government or non-governmental organizations. The determination of the subject was carried out by purposive sampling technique, which is to select informants who are considered to have relevant and in-depth information related to the research topic. The main subjects consisted of 10 oil palm farmers, 2 community leaders, 1 village official and 1 facilitator of the empowerment program.

The data collection technique was carried out through: 1) In-Depth Interview, which is conducted in a semi-structured manner to explore farmers' experiences, perceptions, and expectations of empowerment programs and their impact on their income; 2) Participatory Observation, namely researchers directly observe agricultural activities, harvesting processes, land management, and social interactions at the level of farmer groups and; 3) Documentation Study, which is to examine supporting documents such as program reports, farmer income data from cooperatives or farmer groups, and training minutes.

Data analysis is carried out in a qualitative descriptive manner through the following stages: 1) Data Reduction, which is filtering important information from the results of interviews and observations to focus on the themes of empowerment, income, and living standards; 2) Data Presentation, namely compiling narratives based on patterns and themes that emerge from the field and; 3) Conclusion Drawing is to infer the meaning of the findings inductively, while maintaining the socio-cultural context of the Janja Village community. To increase the validity of the data (validity), source triangulation is carried out, namely comparing data from farmers, community leaders, and program facilitators/facilitators.

RESULTS AND DISCUSSION

Implementation of Empowerment Programs

Farmers state that training in cultivation techniques, crop management, and the formation of farmer cooperatives have greatly helped them improve production and efficiency. However, challenges are still felt in the marketing aspect and price fluctuations.

Impact on Revenue

Most farmers stated that their income increased significantly after mentoring and training. This income allows them to send their children to school outside the village, repair houses, and buy self-produced equipment.

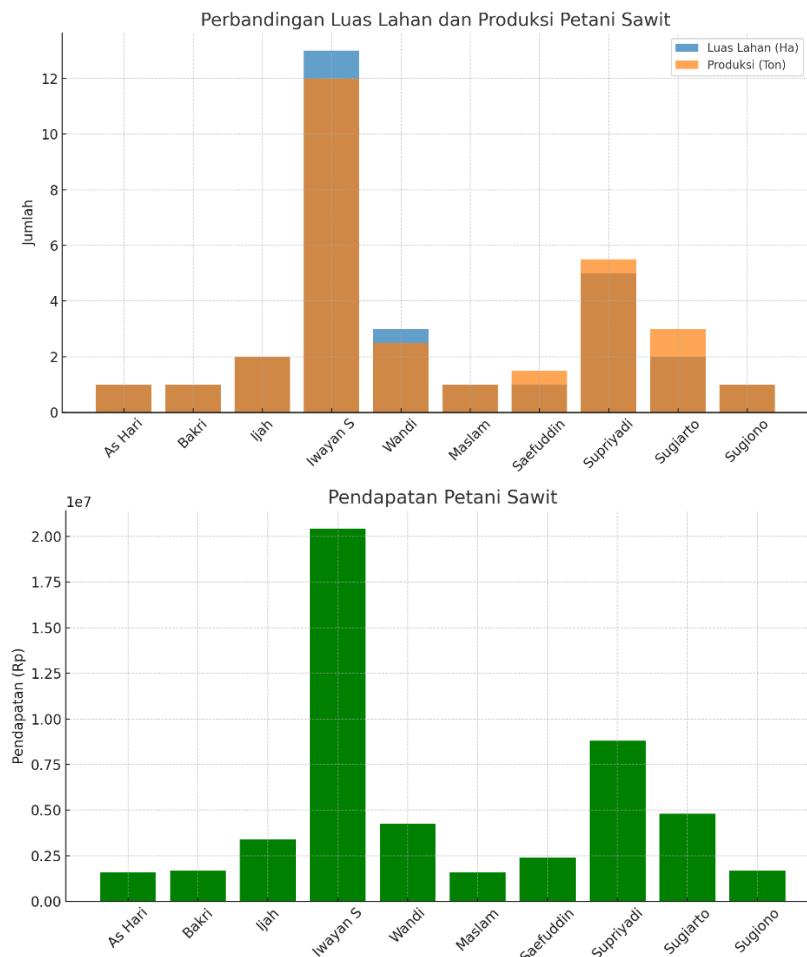
Changes in Standards of Living

Increased income has a direct impact on quality of life, especially in: 1) Family health (ability to buy medicines and access to health services); 2) Education (continuing to a higher level) and 3) Confidence of farmers in participating in village forums and farmer groups. This change in standard of living is marked quantitatively by the level of income obtained by farmers according to the characteristics of the land area owned. The following is a table of income acquisition of oil palm farmers in Janja Village.

Table 1. Farmer Income Analysis

No	Informant (Oil palm farmer)	Land Area (Ha)	Production (Ton)	Income (Rp)
1	As Hari	1	1	1.600.000
2	Bakri	1	1	1.700.000
3	Ijah	2	2	3.400.000
4	Iwayan S	13	12	20.400.000
5	Wandi	3	2,5	4.250.000
6	Maslam	1	1	1.600.000
7	Saefuddin	1	1,5	2.400.000
8	Supriyadi	5	5,5	8.800.000
9	Sugiarto	2	3	4.800.000
10	Sugiono	1	1	1.700.000
Total		30	30,5	50.650.000

Source: Data processed. 2025



Based on the table and graph above, it can be seen that oil palm farmers in Janja Village have an average income of Rp. 1,600,000 – Rp. 1,700,000 per ton from each land owned by oil palm farmers in Janja Village. The total revenue in 1 ton is IDR 1,700,000. The income of oil palm farmers in Janja Village in 1 year where it is known that in 1 year the oil palm harvesting process is 24 times, and the maintenance process or variable costs incurred in 1 year can be up to 4 times. The total oil palm production from farmers is 30.5 tons in 30 hectares of oil palm plantation land with an overall income value of Rp 50,650,000

CONCLUSION

The results of the study show that there is a need for empowerment programs for farmers both in terms of cultivation, crop management and the formation of farmer groups/cooperatives. Meanwhile, in terms of farmers' income, it was found that in a total of 30 hectares of land area from farmers produced 30.5 tons of oil palm production with an income value of Rp 50,650,000. This shows that there is an increase in income followed by farmers' land area. The larger the farmer's land is eating, the tendency of the farmer's income also increases. With the increase in income, the community has experienced improvements in the aspects of education, health, and housing.

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