



The Impact of Industrial Activities of PT. Jhonlin Batu Mandiri on Socio-Economic Changes in the Community of Watu Watu Village, Lantari Jaya District, Bombana Regency

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ABSTRACT

This study aims to describe and determine the social impact and economic impact of industrial activities of PT. Jhonlin Batu Mandiri to the community in Watu Watu Village, Lantari Jaya District, Bombana Regency. This study uses a qualitative approach, the informants in the study amounted to 8 people who were selected by the purposive sampling technique, the data in the study was obtained through observation, interviews and documentation studies, the data obtained was then analyzed qualitatively with an interactive model consisting of data reduction, data presentation and conclusion drawn. The results in this study show that 1) Social Impact The presence of industrial companies has increased the level of public education due to the minimum work requirement of a high school diploma. However, the negative impact is environmental pollution that affects public health. Nevertheless, housing conditions have met welfare indicators. Conflicts between local communities and immigrants occur due to misunderstandings in communication. Social relations have also undergone changes, where people tend to focus more on personal efforts and only contribute financially to social activities; and 2) The economic impact of industry in Watu Watu Village is very significant. The presence of PT. Jhonlin Batu Mandiri opens new business opportunities such as boarding houses, food stalls, and restaurants. Many residents are switching from agriculture to the service sector to meet the needs of companies and their employees. Public awareness of the importance of saving is also increasing, especially for the future and children's education. The increase in consumption is evident compared to before the existence of PT. Jhonlin Batu Mandiri, with more food options tailored to income. Overall, the existence of industry has changed the economic pattern and lifestyle of the people of Watu Watu Village.

Keyword: Industry, Impact, Social Economy

INTRODUCTION

Industrial development is mankind's greatest effort to improve living standards. One of the goals of industrial development is to increase labor productivity, improve working conditions, and strengthen community cohesion (Muntasib, *et al.* 2017). The economy of the community around the company can be added to the driving force due to the existence of the industrial sector in the community. According to Article 3 of Law Number 3 of 2014 concerning Industry, Industry is an effort to produce goods using raw materials on a large

scale through the production process so that the finished goods can be sold at a price somewhat higher than the original price. Industries throughout the country to strengthen national defense, as well as increase the level of welfare and productivity of the community in general (Ayuningtias and Murdianto (2017).

All industries, whether large or small, in an area will have an impact and contribute to changes in the social and economic conditions of the surrounding population. According to Singgih, the creation of large jobs in an industry can open new jobs, both directly from the industry, for example by creating new jobs for employees in newly formed business units, or indirectly by creating new jobs. in a business that focuses primarily on the economy, even though the business does not always grow rapidly.

Pabrik PT. Jhonlin Batu Mandiri is located in Watu-watu Village, Lantari Jaya District, Bombana Regency. It is expected to be able to create jobs for local residents and increase regional economic activities so that local residents' income and community welfare increase. Before the establishment of PT. Jhonlin Batu Mandiri Industry, the majority of people in Watu-watu sub-district work as farmers and some garden; However, the results of agriculture are not able to solve the problem of meeting the daily needs of the community. However, after the establishment of PT. Jhonlin Batu Mandiri Factory, a resident of this village, ended up working as an employee at the factory with a larger monthly salary.

In addition, trade practices, which cause many industrial workers to look for a place to work, are a great opportunity to increase the average household income and launch new ventures. PT. Jhonlin Batu Mandiri, which was established in 2017 with an estimated investment of five trillion, is supported by a plasma core source covering an area of 22,797 hectares with a total land area of around 30,000 hectares. The company may employ up to 15,000 people and produce up to 1,200 tons of white crystal sugar per day. Therefore, PT. Jhonlin Batu Mandiri will be able to improve the social and economic welfare of the local population through utilization (<https://Kemenperin.go.id>). New hope in the future of South Sulawesi with the operation of sugar factories, both Southeast Sulawesi and Sulawesi in general will be helped by the existence of production in the form of sugar factories with the name of the production level printed on the sack written on the sugar, meaning that our good sugar in the future will provide added value to sugar production in Southeast Sulawesi and the Sulawesi region in general.

METHODS

This research was carried out around PT. Jhonlin Batu Mandiri, Watu Watu Village, Lantari Jaya District, Bombana Regency. The selection of Watu Watu Village, Lantari Jaya District, Bombana Regency as the research location was based on several important considerations. First, the existence of PT Jhonlin Batu Mandiri operating in the area makes it the main focus in analyzing the impact of industrial activities on socio-economic changes in the community. Second, this location represents an area that has undergone a transition from an agrarian society to an industrial society, so it can provide a real picture of the changes that have occurred. Third, adequate location accessibility allows researchers to conduct effective observation and data collection. Lastly, support from the local government and the community in the implementation of the research was also an important factor in the selection of this location, facilitating the process of gathering the necessary information for an in-depth study of the impact of industrial activities on the socio-economic life of the local community. This study uses a qualitative approach with informants totaling 8 people who are selected by purposive sampling technique. The data in this study was obtained through interviews, observations and documentation studies, the data obtained was then analyzed qualitatively with an interactive model consisting of data reduction, data presentation and conclusion drawn.

RESULTS AND DISCUSSION

The Social Impact of PT. Jhonlin Batu Mandiri

The presence of PT. Jhonlin Batu Mandiri in Watu Watu Village, Lantari Jaya District, Bombana Regency has brought significant changes to the social life of the local community. These mining companies are not only changing the natural landscape, but also the social and economic structure of the village. On the one hand, the company provides new jobs and increases the income of some citizens. However, on the other hand, its presence also poses challenges such as changes in traditional lifestyles, potential environmental damage, and economic disparities. The interaction between companies and local communities has created new dynamics in social life, giving rise to both opportunities and conflicts. This social impact covers various aspects, ranging from changes in livelihoods, patterns of social interaction, to shifts in local cultural values.

1. Education

The social impact of PT. Jhonlin Batu Mandiri in Watu Watu Village shows positive changes in the education aspect of the local community. Awareness of the importance of education, especially to meet the minimum requirements for working in a company, has increased. This is in line with Sumarni's (2020) research which states that industrialization can encourage people to improve the quality of their education to meet the demands of the job market. This phenomenon reflects the concept of "human capital" put forward by Goldin (2016), where investment in education is seen as a way to increase individual productivity and economic opportunities. Furthermore, Hanushek (2017) emphasized that the quality of education has a significant impact on the long-term economic growth of a region. In the context of Watu Watu Village, increasing minimum education standards to work in local industries can be a catalyst for the improvement of the education system as a whole. However, it is important to ensure that this increase in access to education is equitable and inclusive, as argued by Tikly (2017) in his research on quality education in developing countries. Thus, synergy between the industrial and education sectors can be the key in encouraging sustainable socio-economic development in Watu Watu Village.

2. Health

The health problems faced by communities around industrial areas, especially in the village of Watu Watu, reflect the complexity of the relationship between industrial activities and public health. Cough complaints caused by dust from PT. Jhonlin Batu Mandiri shows that there is a direct impact of air pollution on the respiratory health of the population (Mannucci & Franchini, 2017). This is in line with the definition of health according to the 18th amendment to the Constitution, which emphasizes the importance of the individual's ability to recognize and overcome their health problems. In this context, people have identified dust as a source of their health problems. The company's response by providing health services in the form of clinics in collaboration with BPJS is a positive step in overcoming health impacts, but it may not be comprehensive enough. According to Venkatesan et al. (2021), a holistic approach involving mitigation of pollution sources, air quality monitoring, and sustainable public health programs is needed to address health problems related to industrial pollution. Furthermore, Ramos et al. (2019) emphasized the importance of collaboration between industry, government, and society in developing long-term solutions to environmental health

problems. Thus, a more integrated and participatory strategy is needed to solve health problems in Watu Watu village.

3. Condition of Residence (Housing)

The industrial activities of PT. Jhonlin Batu Mandiri in Watu Watu Village, Lantari Jaya District, Bombana Regency has had a positive impact on the living conditions of the community. Based on observational and qualitative data, the state of housing in the area has exceeded the indicators of welfare, security, freedom, and identity. This is in line with the concept of the house as a place that not only functions structurally, but also as a forum for the formation of life values (Rahmawati & Astuti, 2020). This improvement in housing quality reflects the improvement of people's living standards, as stated by Putra *et al.* (2019) that the condition of houses is one of the important indicators of welfare. Furthermore, Nugraha *et al.* (2018) emphasized that a good housing environment contributes to improving the overall quality of life. These positive changes help family members create a sense of security, tranquility, and comfort, which is essential for recovery after activities. In line with Law No. 4 of 1992, the house not only functions as a resting place, but also as a center for family and social interaction. This improvement in housing conditions shows that industrial activities, if managed properly, can make a positive contribution to the social development of the surrounding community.

4. Conflict

The social impact of PT. Jhonlin Batu Mandiri in Watu Watu Village, Lantari Jaya District, Bombana Regency, is mainly related to social conflicts. Conflict, according to Rahim (2017), does not necessarily mean an inability to communicate, but rather potential differences that can trigger tensions. The case in Watu Watu Village shows that the initial conflict occurred between the local community and the company over land issues. However, good handling by the company has minimized these conflicts. This is in line with Putnam's (2020) opinion that effective conflict management can transform potential conflicts into constructive cooperation. Perceptions and misunderstandings are often at the root of social conflicts, as revealed by Fisher *et al.* (2018). In this context, effective communication and mutual understanding are key in managing conflicts. It is important to understand that social conflicts, such as the one that occurred in Watu Watu Village, are part of complex societal dynamics. As argued by Kriesberg

and Dayton (2019), sustainable conflict resolution requires a holistic approach that considers the social, economic, and cultural aspects of local communities.

5. Social Relations

The social impact of PT. Jhonlin Batu Mandiri in Watu Watu Village, Lantari Jaya District, Bombana Regency, shows an interesting phenomenon in the context of community social relations. According to Yunus (2017), social relationships are an important foundation in sustainable community development. In Watu Watu Village, it can be seen that the community has good interpersonal skills and strong work bonds. This is in line with the concept of social capital proposed by Putnam *et al.* (2018), where the quality of social relations can be a valuable asset for village development. The phenomenon of mutual cooperation that is still well implemented, even though it is dominated by the elderly, reflects the persistence of traditional values in the face of modernization (Widodo, 2019). The active participation of local communities and migrants in village activities shows positive social integration, as argued by Prasetyo (2020) that community involvement is the key to maintaining social cohesion in the era of industrialization. These findings indicate that despite facing changes due to industrial activities, the people of Watu Watu Village are able to maintain and even strengthen their social ties, which has the potential to be an important capital in facing future development challenges.

The Economic Impact of PT. Jhonlin Batu Mandiri

The presence of PT. Jhonlin Batu Mandiri in Watu Watu Village, Lantari Jaya District, Bombana Regency has brought significant changes to the local economy. This mining company not only absorbs labor from the local community, but also creates a multiplier effect for other economic sectors. The increase in community income can be seen from the emergence of small and medium enterprises that support mining activities. Village infrastructure has also improved thanks to corporate social responsibility programs. However, behind this economic progress, there are challenges such as economic dependence on the mining sector and potential environmental impacts that need to be anticipated. Based on the results of the research carried out, it shows that the economic impact of the activities of PT. Jhonlin Batu Mandiri namely;

1. Venture Opportunities

The industrial activities of PT. Jhonlin Batu Mandiri in Watu Watu Village has created a positive economic impact through business opportunities for the local community. This phenomenon is in line with the concept of local entrepreneurship put forward by Morales-Alonso et al. (2016), where the presence of industry can stimulate the growth of small and micro businesses in the vicinity. Local communities have shown the ability to identify and take advantage of business opportunities, which according to Shepherd and Patzelt (2017) is the core of the entrepreneurial mindset. The emergence of various types of small businesses such as grocery stalls, food stalls, and repair services illustrates the diversification of the local economy that has the potential to increase the economic resilience of the community (Sutter *et al.*, 2019). In addition, the symbiosis between small businesses and company employees creates a mutually beneficial economic ecosystem, in accordance with the concept of cluster economy discussed by Porter and Ketels (2022). Increasing people's income through micro enterprises also contributes to economic independence, which according to Banerjee and Duflo (2019) is the key to sustainable poverty alleviation. This phenomenon shows that the presence of industry can be a catalyst for local economic empowerment if it is managed properly and involves active community participation.

2. Increased Revenue

The industrial activities of PT. Jhonlin Batu Mandiri in Watu Watu Village, Lantari Jaya District, Bombana Regency has had a significant impact on the local economy. Increasing people's income is one of the main indicators of economic changes that occur. Before the existence of industry, the majority of the population relied on agricultural and plantation products to meet their daily needs. However, with the presence of the company, there is a transformation of livelihood where many local residents are absorbed as industrial employees. This is in line with the findings of Sumarni (2020) who stated that the presence of industry in an area can increase job opportunities and income of the surrounding community.

In addition, the multiplier effect of industrial activities can also be seen from the emergence of various small businesses around industrial estates. This phenomenon contributes to the decline in the unemployment rate and the diversification of people's sources of income. This increase in income will further have an impact on increasing people's purchasing power and consumption of goods and services. As revealed by Rahmat et al.

(2019), industrial growth can stimulate the growth of other economic sectors through a multiplier effect.

However, it is important to pay attention to this aspect of sustainability and equitable distribution of economic benefits. Safitri (2018) emphasized the importance of collaboration between industry, government, and society to ensure inclusive and sustainable economic development.

3. Livelihood Changes

The economic impact of PT. Jhonlin Batu Mandiri in Watu Watu Village, Lantari Jaya District, Bombana Regency has resulted in significant changes in the livelihood of the local community. This phenomenon is in line with the concept of livelihood transformation proposed by Hussain *et al.* (2019), where there is a shift from the traditional agricultural sector to the industrial and service sector. People who previously depended on agriculture and plantations are now turning into industrial employees or opening businesses in the informal sector such as food stalls, services, and boarding houses. This change reflects the adaptation of the community to local economic developments, as discussed by Steward *et al.* (2021) in his study on the resilience of rural communities facing economic transformation. The factors that influence this change in behavior can be categorized into internal, external, or a combination of both, according to the theory put forward by Zhang and Li (2018). The role of government institutions and policies in supervising and directing these changes is very important to ensure the sustainable improvement of people's living standards. Ramirez-Villegas *et al.* (2020) emphasized the importance of a holistic approach in managing livelihood transitions to minimize negative impacts and maximize benefits for local communities.

4. Savings

The economic impact of PT. Jhonlin Batu Mandiri in Watu Watu Village, Lantari Jaya District, Bombana Regency, especially in terms of savings, shows the important role of industry in encouraging people's saving behavior. The presence of this industry has increased people's income, which then allows them to set aside some of their income for savings. Savings are the difference between income and consumption, which is in line with the behavior of the people of Watu Watu Village in managing their excess income.

The increase in public awareness of the importance of saving for the future, especially for children's education, reflects the concept of "forward-looking behavior" discussed by

Lusardi and Mitchell (2017). They emphasized that financial literacy and long-term planning are very important in improving household welfare. This is also supported by research by Jiang et al. (2020) which found that the existence of industries in rural areas can increase people's access to formal financial services, including savings.

Furthermore, Ouma et al. (2017) revealed that increased access to financial services, including savings, can contribute to poverty alleviation and local economic development. This is in accordance with the conditions in Watu Watu Village, where people are starting to use savings for various long-term goals, including education. This phenomenon shows that industrial activities not only have an impact on increasing income, but also on changing people's financial behavior for the better.

5. Increased Consumption

The industrial activities of PT. Jhonlin Batu Mandiri in Watu Watu Village, Lantari Jaya District, Bombana Regency has had a significant impact on increasing the consumption of the local community. This phenomenon is in line with Keynes's theory of consumption which states that consumption depends on income. The consistent increase in monthly income has changed the consumption pattern of the population, especially in meeting daily needs. This is supported by the research of Pratama *et al.* (2020) which shows a positive correlation between income and the level of public consumption in industrial areas. Meanwhile, the high cost of living in Watu Watu Village is a driving factor in the allocation of income for consumption, as stated by Sukirno (2017) that the cost of living affects the proportion of income used for consumption. Furthermore, the contribution of people from outside the Bombana area also increased the demand for goods and services, creating an economic multiplier effect as explained by Todaro and Smith (2021). This phenomenon illustrates how industrial activities can be a catalyst for local economic growth through increased consumption, but also pose challenges related to inflation and economic dependence on certain industrial sectors (Arsyad, 2018).

CONCLUSION

Based on the results and discussion of the research, the conclusion that can be drawn is that the Social Impact The presence of industrial companies has increased the level of community education due to the minimum work requirement of a high school diploma. However, the negative impact is environmental pollution that affects public health.

Nevertheless, housing conditions have met welfare indicators. Conflicts between local communities and immigrants occur due to misunderstandings in communication. Social relations have also undergone changes, where people tend to focus more on personal efforts and only contribute financially to social activities; and The economic impact of industry in Watu Watu Village is very significant. The presence of PT. Jhonlin Batu Mandiri opens new business opportunities such as boarding houses, food stalls, and restaurants. Many residents are switching from agriculture to the service sector to meet the needs of companies and their employees. Public awareness of the importance of saving is also increasing, especially for the future and children's education. The increase in consumption is evident compared to before the existence of PT. Jhonlin Batu Mandiri, with more food options tailored to income. Overall, the existence of industry has changed the economic pattern and lifestyle of the people of Watu Watu Village.

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