

ABSTRACT

ECONOMIC MULTIPLIER EFFECT ANALYSIS OF OIL PALM PLANTATION IN MESUJI REGENCY

By

Ayu Lestari

Oil palm plantations is a commodity crop potential because besides being able to provide a higher income, the production process is able to create employment opportunities and improve the welfare of the community. This study aims to explain the multiplier effect, economic and social impacts caused, and the obstacles encountered in the development of oil palm plantations in Mesuji regency. This study uses primary data obtained through interviews to the respondent. The analysis model used is the base multiplier model with the size of the income and descriptive analysis method.

Results of this study showed that the activities of oil palm plantations in Mesuji regency create a multiplier effect of 2.48. In the economics sector oil palm plantation is able to increase the income and consumption, provide new business opportunities and the growth of the field is able to absorb labor. Socially contribute to raising awareness of the public in obtaining quality health and better education, and to improve the quality of facilities and infrastructure around. While the obstacles faced by farmers is the acquisition of capital for development, lack of counseling programs, and constraints on expansion.

Keywords : Multiplier Effect, base multiplier, social and economic impacts, barriers, oil palm plantations.