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The Impact of PT Huady Nickel-Alloy on the Local Economy of the Papan Loe Village Community, Bantaeng Regency

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ABSTRACT

This study aims to comprehensively analyze the multifaceted impact of PT Huady Nickel-Alloy's operations on the socio-economic conditions of the local community in Papan Loe Village, Bantaeng Regency. As industrialization increasingly penetrates rural territories, understanding its localized effects becomes crucial. Utilizing a descriptive qualitative research method, primary data were meticulously collected through direct field observations and in-depth interviews with stakeholders, including affected community members, traditional workers, and village government officials. The rigorous data analysis techniques employed throughout this research encompassed concurrent data collection, systematic data reduction, detailed data presentation, and final conclusion drawing. The empirical findings indicate that the company's presence has generated complex, dual-sided economic consequences. The primary positive impact is the creation of formal employment opportunities for a segment of the local workforce, which has demonstrably increased their household incomes and purchasing power. However, the study also identified several significant negative externalities: (1) drastically declining agricultural crop production and traditional brick-making activities due to pervasive dust pollution and declining air quality; (2) severe disruptions to coastal seaweed cultivation directly caused by marine pollution from industrial ship fuel waste; and (3) highly limited spatial and economic access for local residents attempting to establish micro-enterprises within the company's designated industrial zone. Overall, the presence of this heavy industry has not generated evenly distributed prosperity. Instead, it has profoundly threatened the long-term sustainability of traditional land-based and coastal livelihoods among the community in Papan Loe Village, highlighting an urgent need for robust environmental mitigation and inclusive corporate social responsibility programs.

1. Introduction

Local and foreign investment are among the instruments that contribute to increasing Regional Original Revenue (Pendapatan Asli Daerah or PAD). Investment plays a significant role in promoting prosperity and supporting regional development. According to Sudono (2000), investment involves expenditures on capital goods and production equipment intended to replace and increase the stock of capital goods, which are subsequently used to produce goods and services in the future. The role of investment in generating Regional Original Revenue (PAD) is reflected in the relationship whereby higher levels of investment entering a region can lead to increased regional income (Rahman, D. N., 2021).

Kuncoro (1989), using the model developed by Rana and Dowling (1988) for the period beginning in 1969, concluded that foreign aid had a negative impact on economic growth. This was attributed to the ineffective utilization of foreign aid and the inappropriate selection of debt sources. Furthermore, foreign aid directly affected domestic savings. Overall, foreign aid had a positive impact on domestic savings, indicating an increase in the proportion of savings among population groups experiencing rising incomes. However, the role of foreign investment in influencing economic growth and domestic savings in Indonesia remained uncertain, as its effects were statistically insignificant.

Griffin and Enos (1970) examined the relationship between foreign aid, domestic savings,

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and economic growth. They conducted separate analyses to compare their findings with data available from the United Nations. During the 1962–1964 period, they found a weak relationship between foreign aid and the rate of Gross National Product (GNP) growth.

In 2013, Bantaeng Regency was preoccupied with plans to develop the Bantaeng Industrial Estate (Kawasan Industri Bantaeng or KIBA). As will be discussed, these plans had opened up significant opportunities for investors to invest their capital. Agreements with various parties to facilitate the realization of the project continued to be signed. So far, the development process appeared to have encountered no significant obstacles.

The regulation serving as the legal basis for the establishment of the Bantaeng Industrial Estate (KIBA) in Bantaeng Regency was Regional Regulation No. 02 of 2012 concerning the Regional Spatial Plan (Rencana Tata Ruang Wilayah or RTRW) of Bantaeng Regency. Article 38, paragraph 2, of the regulation states that "the large-scale industrial area is designated within the Bantaeng Industrial Estate in Pa'jukukang District." This provision became the basis for the local government to provide opportunities for investors to invest their capital in industrial development in Bantaeng.

Information concerning the history and planning of the proposed industrial estate in Bantaeng Regency was collected systematically, with the media serving as one of the primary sources. The researcher began gathering news reports from various websites. By entering the keyword "Bantaeng Industrial Estate (KIBA)," hundreds of news articles related to KIBA could be found. These articles were then screened and summarized to serve as reference materials for the research.

The researcher found that news coverage of KIBA was biased and failed to adhere consistently to the principle of "covering both sides," or balanced reporting. All the sources interviewed came from the elite and government officials who had direct interests in KIBA. According to the researcher, the perspectives of ordinary citizens and community leaders were absent from the coverage. "Yet, those who will be directly affected by the KIBA development plan are the people whose land will be acquired and those living around the Bantaeng Industrial Estate. The community was never asked for its opinion regarding an industrial development project requiring up to 5,000 hectares of land."

Another issue that was not covered was the environmental impact. Industrial development is difficult to separate from environmental concerns. Therefore, the only way to understand how the development plan was communicated to the communities living in the Bantaeng Industrial Estate (KIBA) area was to investigate the process directly. However, the local community was asked to sign documents concerning the approval of the site designated for the establishment of the Bantaeng Industrial Estate (KIBA).

Tracing the developments surrounding KIBA through various news reports was an appropriate initial step. This approach helped reveal how government elites in Bantaeng Regency sought to realize the establishment of KIBA. Taufik explained that there were two forms of cooperation: one in the field of education through President University, which is owned by Jababeka, and another involving cooperation in the development of the Bantaeng Industrial Estate (KIBA).

The development of KIBA was presented as an initiative intended to facilitate public access to essential goods and services across various sectors. According to Taufik, the establishment of KIBA would enable residents to obtain essential goods at lower prices without having to travel to Makassar, while also increasing economic circulation within Bantaeng. "The Bantaeng Industrial Estate (KIBA) is long overdue in Bantaeng, particularly because the regency's strategic geographical location will make it easily accessible to neighboring regencies, such as the Selayar Islands, Bulukumba, Jeneponto, and Sinjai," he stated.

The following are companies that have invested in the Bantaeng Industrial Estate (KIBA), including:

1. Macrolink International Mineral Co. Ltd,
2. PT. Bakti Bumi Sulawesi (Huady Nickel Alloy Indonesia),
3. PT. China Habour Indonesia,
4. PT. Titan Mineral Utama,
5. PT. Cina Jaya,
6. PT. Cheng Feng Industri,
7. Ning Xia Anhydrous Port Logistics Co. Ltd PT. ZHONGNING,
8. PT. Yinyi Indonesia Mining Investmen Group,
9. PT. Mex International

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Based on the companies listed above, only one company, PT Huady Nickel Alloy, has commenced operations, while the others remain in the industrial development planning stage. Considering the operation of the existing nickel plant, it would be expected to have transformed the socioeconomic conditions of communities surrounding the Bantaeng Industrial Estate (KIBA), particularly in terms of employment opportunities and business activities undertaken by residents of Papan Loe Village.

The economy of Papan Loe Village remains relatively underdeveloped. This condition can be illustrated by the economic growth rate of Bantaeng Regency, which stood at 9.00% in 2013 and declined to 7.32% in 2017, indicating a downward trend over the period. One of the underlying factors is the suboptimal management of natural resources, both marine and terrestrial. In addition, Papan Loe Village continues to face various challenges related to infrastructure, education, governance systems, regional potential mapping, and marine product processing.

Educational development in Papan Loe Village also lags behind that in Java. Therefore, human resource development is essential to enable the community to manage and utilize the natural resources available in the village more effectively. Infrastructure development remains inadequate, hindering economic activities. Furthermore, the processing of marine products, particularly seaweed and fisheries, which constitute some of the village's key commodities, remains limited.

The social conditions of the community in Pa'jukukang District, Bantaeng Regency, during the 2013–2017 period can be examined in terms of health and education. Regarding healthcare, the number of patients seeking treatment at community health centers (Puskesmas) increased between 2013 and 2017. In the Kassi-Kassi area, the number of patients rose from 2,789 to 9,531, while in the Baruga area, it increased from 1,241 to 2,745.

These data indicate that, following the establishment of the Bantaeng Industrial Estate (KIBA), more people sought treatment at community health centers in Pa'jukukang District, Bantaeng Regency, compared with the period before the industrial estate was established. However, the increase in patient visits alone does not necessarily indicate a deterioration in public health, as it may also reflect changes in healthcare access, service utilization, or population size.

In terms of education, data from 2017 indicate that the proportion of children and young people who were not attending school varied by age group: 1.51% among those aged 7–12 years, 6.27% among those aged 13–15 years, 31.64% among those aged 16–18 years, and 77.79% among those aged 19–24 years. These figures suggest that school non-attendance increased substantially with age. The data also indicate that educational attainment in Bantaeng Regency remained a concern, particularly at the upper-secondary and tertiary education levels.

The researcher recommends that the government take concrete measures to address the socioeconomic conditions of the community in Papan Loe Village, Pa'jukukang District, Bantaeng Regency, particularly among residents living near the industrial estate. The government should ensure that the establishment and operation of the Bantaeng Industrial Estate (KIBA) contribute to measurable improvements in local economic conditions and community welfare compared with the situation before the industrial estate was developed.

2. Literature Review

2.1 Nickel Industry

According to Sandy (1985), industry is an activity involving the production of goods from raw materials or unprocessed materials through large-scale processing, with the aim of producing goods at the lowest possible unit cost while maintaining the highest possible quality. Based on this definition, industry can be understood as a process of transforming raw materials, basic materials, and semi-finished products into finished goods that are ready for use and have higher added value.

Industry is an economic activity or business involving the processing of raw materials or semi-finished products into finished goods with added value to generate profits. Assembly and repair activities are also considered part of the industrial sector. Industrial output is not limited to physical goods but also includes services (Widyantara, M. G. D. F., & Hadining, A. F., 2022).

The Law of the Republic of Indonesia Number 3 of 2014 concerning Industry, Article 1, states that industry encompasses all forms of economic activity that process raw materials and/or

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utilize industrial resources to produce goods with higher added value or greater benefits, including industrial services.

In economic terms, industry has two definitions: a broad definition and a narrow definition. In the broad sense, industry encompasses all businesses and economic activities that are productive in nature. In the narrow sense, industry refers to activities that transform basic materials into semi-finished goods through mechanical, chemical, or manual processes. According to the Ministry of Industry of the Republic of Indonesia, industry is an economic activity that processes raw materials and utilizes industrial resources to produce goods with added value or greater benefits (Butarbutar, G. R., Widayatsari, A., & Aqualdo, N., 2017).

An industrial company is a business entity that conducts industrial activities within the territory of Indonesia, as stipulated in the Government Regulation of the Republic of Indonesia concerning industrial estates. An industrial company produces goods with distinctive characteristics that support its development and growth. Legal protection for the products it manufactures may be obtained through the relevant intellectual property rights. The establishment and operation of such companies are also subject to government supervision (Herdhayanti, E. K., 2018).

Nickel is a metallic chemical element in the periodic table, represented by the symbol Ni and having atomic number 28. It possesses corrosion-resistant properties. In its pure form, nickel is relatively soft; however, when alloyed with iron, chromium, and other metals, it can be used to produce hard, corrosion-resistant stainless steel.

The nickel industry comprises companies engaged in the extraction, processing, and production of nickel and nickel-based materials. Nickel is widely used in the manufacture of stainless steel and various other industrial products because of its corrosion resistance and its ability to form strong alloys with other metals (Ramadhani, D. G., Sarjono, A. W., Setyoko, H., Fatimah, N. F., & Nurhayati, N. D., 2017).

2.2 Economic Growth

Economic growth refers to the process of increasing per capita output in a country over the long term, or changes in a country's level of economic activity from year to year. The indicators commonly used to measure economic growth are Gross National Product (GNP) and Gross Domestic Product (GDP). Both indicators help calculate a country's total economic output.

GNP measures the output produced by a country's nationals, both domestically and abroad, whereas GDP measures the output produced within a country's domestic territory, regardless of whether the production is carried out by domestic citizens or foreign nationals. In other words, GDP focuses on the geographical location of production. According to Suryana (2000), four main factors influence economic growth: (1) population size, (2) the stock of capital goods, (3) land area and natural resources, and (4) the level of technology employed.

Economic growth is an effort to increase production capacity to generate additional output, measured using Gross Domestic Product (GDP) or Gross Regional Domestic Product (GRDP) within a particular region. Economic growth is one of the most important factors in development. The success of a country's or region's development is often assessed based on the level of economic growth achieved. Conventionally, economic growth is measured by calculating the percentage increase in GDP at the national level and GRDP at the provincial, regency, or municipal level. GRDP represents the total value added generated by all business units within a particular region or the total value of final goods and services produced by all economic units during a specific period (Putri et al., 2024).

Economic growth is one of the key indicators of successful economic development. The prosperity and progress of an economy are determined, in part, by the magnitude of economic growth, as reflected in changes in national output. Changes in economic output are also central to the analysis of short-term economic conditions.

In general, economic growth theories can be classified into two main categories: classical economic growth theory and modern economic growth theory. Classical economic growth theory is based on the belief in the effectiveness of free-market mechanisms. It was developed by economists who lived from the eighteenth century to the early twentieth century, including Adam Smith, David Ricardo, and W. A. Lewis.

Another approach is modern economic growth theory. A common characteristic of this

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approach is its recognition of the importance of government intervention in the economy to address market failures. Proponents of this perspective tend to question the effectiveness of a free-market system operating without government intervention.

The Harrod–Domar growth theory is one of the prominent modern economic growth theories. It represents a direct extension of Keynesian short-run macroeconomic theory into a long-run macroeconomic framework. According to Harrod and Domar, investment expenditure (I) affects not only aggregate demand (AD) but also aggregate supply (AS) through its influence on production capacity. Over the longer term, investment increases the capital stock (K). Harrod–Domar argue that every increase in society's capital stock enhances its capacity to produce output. The output referred to here is potential output, which can be generated by the existing capital stock. However, actual output does not necessarily equal potential output, as the realization of output depends on the level of aggregate demand (Ma'ruf & Wihastuti, 2008).

2.3 Regional Economics

Regional economic development can be viewed as both a product and a process. The product refers to the outcomes of economic development, such as the creation of employment opportunities, prosperity, investment, living standards, working environment standards, infrastructure, and other aspects related to life, employment, and investment within a particular region. Meanwhile, the process refers to a series of policies, planning activities, analyses, strategies, and resource allocations designed to support industries, develop infrastructure, improve the workforce, and expand markets. Therefore, the main challenge is to ensure that the development process produces the expected outcomes.

From the perspective of neoclassical economic theory, regional economic development can be understood as an effort to facilitate the creation of output (\(Q\)), modeled as a production function involving capital (\(K\)), labor (\(L\)), and technology (\(T\)). These efforts are undertaken by local governments, organizations, or communities by stimulating business activities and/or creating employment opportunities. For a more comprehensive understanding, this perspective must also incorporate other dimensions, including sociocultural factors that can be assessed both qualitatively and quantitatively.

Regional economics is a branch of economics that examines the geographical distribution of economic activities and how interactions between regions influence economic growth and development. This perspective emphasizes the importance of differences in resources, strategic location, and regional connectivity in determining local economic performance. According to McCann (2022), regional economics focuses not only on spatial efficiency but also on inequalities and disparities in development between regions, which frequently constitute major challenges in national development.

One of the principal approaches in regional economics is regional endogenous growth theory, which emphasizes the roles of human capital, local innovation, and infrastructure investment as drivers of regional growth. In addition, the economic cluster approach is important for understanding the geographical concentration of industries and its effects on local productivity (Rodríguez-Pose & Ketterer, 2020). Regions with comparative advantages and good market access tend to attract more investment and accelerate structural economic transformation.

In the context of Indonesia's development, regional economics is used to formulate development policies based on local potential, including the development of industrial estates, village economies, and supporting infrastructure. Central and regional governments have increasingly adopted a bottom-up approach that empowers local areas through participatory planning and the strengthening of local economies. As explained by Kuncoro and Putri (2021), the success of regional development is largely determined by a region's ability to manage its resources and attract investment that aligns with its specific characteristics.

2.4 Economic Impact

Economic impact refers to changes in the economic structure and activities of a region resulting from specific policies, projects, or economic activities. These impacts can be either positive or negative and may occur in the short or long term. In the context of development or investment, economic impact analysis is used to measure the extent to which an activity affects key

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economic variables, such as household income, employment opportunities, and income distribution (Tambunan, 2021).

In general, economic impacts can be divided into three types: direct, indirect, and induced impacts. Direct impacts are effects that arise directly from an economic activity, such as the creation of employment opportunities in the relevant sector. Indirect impacts occur when increased demand for goods or services stimulates other sectors that support the primary activity. Meanwhile, induced impacts arise from changes in household income, which subsequently stimulate further economic activities. These three types of impacts are interconnected and must be analyzed comprehensively.

In the context of industrial investment or large-scale projects, economic impacts are not limited to macroeconomic aspects, such as regional economic growth, but also extend to microeconomic aspects, including changes in consumption patterns, labor mobility, and shifts in local livelihoods. Large-scale industries can generate a multiplier effect, creating opportunities for small business owners, service providers, and informal sector enterprises in surrounding areas through increased intersectoral linkages and regional investment activities (Firmansyah et al., 2023). Nevertheless, it is important to consider the social inequalities that may arise from the uneven distribution of economic benefits.

The trickle-down effect theory is also frequently used to explain how economic growth originating in particular sectors or groups can gradually benefit broader segments of society. However, several contemporary studies have criticized this approach because, in practice, economic benefits often remain concentrated among certain groups without being distributed equitably to lower-income communities (Hadi et al. (2024)). Consequently, economic impact analysis increasingly emphasizes the principles of inclusivity and sustainability in regional development and investment.

To comprehensively assess economic impacts, researchers and policymakers commonly employ quantitative approaches such as input-output analysis, multiplier analysis, and community socioeconomic surveys. Input-output analysis is used to identify intersectoral linkages and measure the impact of investment activities on the regional economy (Firmansyah et al., 2023). Meanwhile, multiplier analysis and socioeconomic surveys provide insights into the direct, indirect, and induced effects of an economic activity on the welfare of local communities (Wulansari & Yulistiyono, 2022; Rahmasari et al., 2022).

2.5 Corporate Social Responsibility (CSR)

a. Definition and Concept of CSR

According to Aslaksen, Hildebrand, and Johnsen (2021), Corporate Social Responsibility (CSR) is a concept that requires companies to focus not only on profits but also on their social and environmental responsibilities. CSR involves integrating economic profitability, social contributions, and environmental protection, commonly known as the Triple Bottom Line: People, Planet, and Profit. Globally, the CSR concept has evolved into a guideline for businesses to contribute to sustainable development, particularly in relation to their responsibilities toward the communities and environments in which they operate.

b. Implementation of CSR in the Mining Sector

The implementation of Corporate Social Responsibility (CSR) in the mining sector plays an important role in maintaining a balance between economic growth and social and environmental responsibilities. In general, CSR initiatives in this sector encompass the social and economic development of communities surrounding mining operations, environmental protection, and transparency in reporting social and environmental impacts.

In developing countries such as Ghana, research has shown that CSR initiatives in the mining sector often focus on philanthropic activities and environmental programs, including infrastructure development, healthcare access, education, and environmental improvement. These programs aim to improve the quality of life of local communities and mitigate the negative impacts of mining activities.

Nevertheless, implementing CSR in the mining sector presents significant challenges, including high expectations from local communities and the need to maintain consistent engagement with various stakeholders. A study conducted in Ghana emphasizes the importance of adopting a socially sensitive approach to better address the expectations of communities surrounding mining operations (Amos, 2018).

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Meanwhile, research on CSR implementation in Brazil's mining sector has identified operational challenges, such as the excessive amount of time spent on office-based activities compared with fieldwork and direct interaction with local communities. Considerable time is also devoted to addressing community grievances, thereby reducing the efficiency of CSR implementation. These challenges highlight the need for stronger collaboration between internal and external stakeholders to maximize the benefits of CSR for both companies and the communities surrounding their operations (Molinari & Annan-Diab, 2024).

3. Research Methods

3.1 Research Design

The research employed a qualitative approach. Qualitative research is a research approach that aims to gain an in-depth understanding of the meanings, experiences, and perspectives of individuals or groups regarding a particular social or cultural phenomenon. This approach emphasizes the natural context and the subjective experiences of participants, with data collected through methods such as in-depth interviews, observation, and document analysis.

The primary focus of qualitative research is to explore and interpret the meanings underlying human behavior, actions, and social interactions rather than to measure phenomena statistically. Therefore, the findings of qualitative research are descriptive and interpretive in nature and are developed based on an in-depth understanding of the reality being investigated.

Characteristics of Qualitative Research:

1) Descriptive and Analytical: Qualitative research is characterized by the collection, organization, and analysis of data, with an emphasis on providing clear, detailed, and in-depth explanations rather than relying primarily on numerical measurements.
2) Inductive: The research begins with data or phenomena observed in the field, from which patterns, concepts, and theories are subsequently developed.
3) Uses Existing Theories as Guidelines and Supporting Frameworks: Although qualitative research is grounded in empirical data, existing theories are still used to guide the investigation and establish the boundaries of the research object.
4) Focuses on Meaning: Qualitative research emphasizes understanding the meanings underlying the phenomenon being studied, which can be explored through the perceptions and experiences of research participants.
5) Emphasizes the Research Process: Qualitative research prioritizes understanding the process through which a phenomenon occurs rather than focusing exclusively on the outcomes to be achieved.

The rationale for employing a qualitative research approach is that this study involves interviews supported by documentation. The researcher also considers qualitative methods more appropriate for obtaining the information required to address the research objectives. This approach is particularly relevant because many residents living around the research site have relatively low levels of formal education and limited language proficiency. Therefore, qualitative methods are expected to facilitate more effective communication with participants, enable the researcher to understand their experiences and perspectives, and generate more comprehensive insights into the socioeconomic conditions of the local community.

3.2 Research Focus

The focus of this study is intended to delimit the scope of the qualitative research and help the researcher determine which data are relevant and which are not relevant to the research objectives (Moleong, 2014).

The focus of this study, as formulated in the research problem, is the impact of PT Huady Nickel-Alloy on the local economy in Papan Loe Village, Pa'jukukang District, Bantaeng Regency. Specifically, the study examines the economic implications of the company's operations for the local community, including employment opportunities, household income, local business activities, and the sustainability of traditional livelihoods.

3.3 Data Sources

Moleong, 2014 states that the primary data sources in qualitative research consist of words, while other sources serve as supplementary data, such as documentation and other relevant materials. The data sources used in this study are as follows:

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a. Primary Data

Primary data are data collected through direct observation of the research object. To complement the data obtained, the researcher conducts direct, in-depth interviews guided by a list of questions prepared in advance as a data collection instrument.

b. Secondary Data

Secondary data are obtained from relevant previous research and sources that are not collected directly from respondents but are obtained through documents closely related to the research topic.

Therefore, secondary data are expected to help reveal the required information, provide supplementary explanations, and serve as comparative materials. This study uses both primary and secondary data. Primary data are obtained through interviews and observations, while secondary data are collected through a review of reference books and documentation. The sources of information consist of key informants, expert informants, and general informants.

c. Informant Data

An informant is a person who provides important data required by the researcher. The purpose of involving informants is not to generalize the research findings to the entire population, but rather to enable the researcher to obtain in-depth information from them. In this study, the researcher selects informants based on the research problem and considers whether the individuals concerned can provide the information and data required. The informants in this study include:

1) The village head of Papan Loe Village, Pa'jukukang District, Bantaeng Regency.
2) Nine community members from Papan Loe Village, Pa'jukukang District, Bantaeng Regency.

3.4 Data Collection Techniques

In research, data collection techniques are a fundamental step because the primary objective of a study is to obtain the required data. The data collection techniques used in this study are described below.

a. Field Observation

Field observation involves collecting data relevant to the research problem through direct observation in the field. Spradley, as cited in (Sugiyono, 2016) states that "the objects of observation in qualitative research consist of three components: place, actor, and activity."

In this study, direct observations are conducted throughout the public service delivery process, from the beginning to the end of the service. This enables the researcher to assess the quality of public services based on five service quality dimensions. The observation activities include directly examining the licensing service location, as well as the facilities and infrastructure available at the foreign investment licensing service location.

b. Interviews

According to (Moleong, 2014), an interview is a conversation conducted for a specific purpose between two parties: the interviewer and the interviewee.

In this study, interviews are conducted face-to-face between the researcher and respondents using an in-depth interview technique guided by a previously prepared interview guide, supplemented by discussions with relevant stakeholders. The interviews use open-ended questions while maintaining certain boundaries and a structured line of inquiry. An interview guide is used to control the discussion and prevent the questions from becoming too broad or deviating from the research focus.

During the interview process, the researcher also uses a voice recorder, with its use arranged to avoid disrupting the interviews. The purpose of these interviews is to obtain data from stakeholders regarding the impact of the nickel industry on improvements in the socioeconomic conditions of the community in Papan Loe Village, Pa'jukukang District, Bantaeng Regency.

c. Documentation

Documentation refers to records of events that have occurred in the past. According to (Sugiyono, 2016), documentation may take the form of written records, images, or an individual's significant works.

The documentation method in this study includes all forms of records and secondary data

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related to the research problem, such as photographs, books, literature, archives, and other relevant documents. The researcher uses documentation materials containing information about the community and relating to the research topic, namely The Impact of the Nickel Industry on Improvements in the Socioeconomic Conditions of the Community in Papan Loe Village, Pa'jukukang District, Bantaeng Regency.

These materials include reports and written information, which are selected according to the research focus. This method is used to obtain written data relevant to the study.

3.5 Research Instruments

Research requires instruments to obtain valid data (Moleong, 2014). The instruments used to collect data in this study consist of an observation sheet, an interview guide, and documentation notes to support the research process.

a. Observation Sheet

The observation sheet contains notes and records compiled by the researcher during direct field observations.

b. Interview Guide

The interview guide consists of a set of questions prepared by the researcher based on the research problem formulation and research questions to be addressed through the interview process.

c. Documentation Notes

Documentation notes consist of supporting data collected to strengthen the findings obtained through observations and interviews. These data may include photographs, graphs, numerical data, and other materials relevant to the researcher's needs.

3.6 Data Analysis Method

After all the data required by the researcher have been collected, the next step is data analysis. This study employs a qualitative deductive analysis method. The researcher compiles all the data obtained through observation, documentation, and interviews and organizes them into a systematic research report, moving from broad statements to more specific conclusions.

a. Data Collection

Data collection involves gathering information at the research site through observation, interviews, and documentation. This process includes determining appropriate data collection strategies, establishing the research focus, and identifying areas requiring further investigation during subsequent data collection.

b. Data Reduction

According to (Sugiyono, 2016), field data are often extensive and therefore need to be recorded carefully and in detail. Data reduction refers to the process of summarizing data, selecting essential information, focusing on important aspects, identifying relevant patterns, and eliminating unnecessary information.

Through this process, the collected data are organized to provide a clearer picture of the research findings, making it easier for the researcher to collect additional data and retrieve information when necessary. Data reduction can be supported by electronic tools, such as computers, to facilitate the identification and organization of specific aspects of the data.

Data reduction is also a process of selecting, focusing, abstracting, and transforming raw data collected directly in the field. This process continues throughout data collection. Accordingly, data reduction begins when the researcher starts defining and narrowing the scope of the research. The reduced data provide a clearer overview of the findings and facilitate subsequent data collection and retrieval when needed.

c. Data Presentation (Data Display)

After data reduction, the next step is data presentation, which involves organizing information in a structured format that supports the research analysis. Data can be presented in various forms, including networks, activity relationships, and tables.

Through data presentation, information becomes organized and arranged according to patterns of relationships, making it easier to understand. Miles and Huberman, as cited in (Sugiyono, 2016), explain that qualitative research data can be presented in the form of brief descriptions, diagrams, relationships

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between categories, flowcharts, and other similar formats.

The most commonly used method of presenting qualitative data is narrative text. Data displays facilitate understanding of what is happening and help researchers plan subsequent research activities based on the information already understood. In addition to narrative text, data displays may also include images, graphs, and charts.

4. Results and Discussion

Based on the researcher's analysis of data collected from 10 informants, the majority expressed similar views regarding the impacts of the nickel industry, particularly that the negative impacts were more dominant than the positive ones experienced by the local community. From the initial statements to the final interviews, the informants explained that, before the establishment of the nickel industry, conditions were generally stable in terms of employment, agriculture, brick production, seaweed cultivation, dust exposure, noise, and seawater pollution. These activities operated normally, with few significant obstacles. However, the expectation that unemployment could be addressed through the establishment of the industrial zone has not been adequately realized. The community had hoped that the nickel industry would improve their welfare, but, in reality, the negative impacts have been more pronounced than the positive benefits received by the local population.

Agriculture, which serves as the primary source of livelihood for the people of Papanloe Village to meet their household needs, has been affected by the presence of the nickel industry. Some residents have chosen to change occupations, while others have continued working in agriculture and taken on additional jobs as a supplementary source of income because their existing earnings remain insufficient to meet household needs.

Of the approximately 3,365 residents of Papanloe Village, only around 20 local residents are employed in the nickel industry, and only one of them holds a supervisory position, while the others work as regular staff members. Following the establishment of the nickel industry, the government stated that the socioeconomic conditions of communities living near the factory would improve, both in terms of business opportunities and employment absorption. The government also established a Vocational Training Center (Balai Latihan Kerja or BLK) to provide training for employees who had been recruited but lacked sufficient knowledge and skills to work in the industrial zone. However, these government expectations have not been realized as intended. The socioeconomic conditions of the surrounding communities have not improved significantly, either in terms of business development or employment opportunities. Residents are not permitted to establish businesses in the vicinity of the factory, while the industrial zone employs approximately 2,000 workers, of whom only around 20 are residents of Papanloe Village who have been recruited to work in the industrial area. Based on the research findings, it can be concluded that the primary objective of establishing the industrial zone in Papanloe was to improve the welfare of the local community. Nevertheless, the findings and the researcher's direct observations at the industrial site indicate that the actual conditions contradict the initial expectations and objectives.

According to research conducted by Kustiana Ayu, entitled "The Socioeconomic Conditions of Communities Surrounding Nickel Mining Activities in Bahodopi District, Morowali Regency," nickel mining has had a positive impact on the socioeconomic conditions of communities living around the industrial site. However, one of the main issues identified in the study was the greater number of foreign workers employed at the site compared with local workers.

Furthermore, a study conducted by Ike Ulan Ria, entitled "The Influence of Industrial Presence on the Socioeconomic Conditions of Communities in Talaga Village, Cikupa District, Tangerang Regency (A Case Study of PT Rinnai)," found that PT Rinnai in Talaga Village had a positive impact on the local community, particularly in terms of employment opportunities. Approximately 82% of respondents reported that the impacts of the industry were positive, although not all community members were able to obtain employment at PT Rinnai.

The findings of these previous studies indicate that the presence of industrial activities tends to generate more dominant positive impacts than negative ones. However, the findings of the present study differ from those of the previous research, as the researcher found that the negative impacts of the

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nickel industry on the community of Papanloe Village were more dominant than its positive impacts.

The findings of the research based on several indicators are presented as follows:

4.1 The Impact of the Presence of PT Huady Nickel-Alloy on Income Growth

The presence of PT Huady Nickel-Alloy has had an impact on increasing the income of some residents of Papanloe Village. This is reflected in the creation of employment opportunities and the growth of local economic activities, such as small food stalls, transportation services, and boarding house rentals. However, the increase in income has not been evenly distributed across the community, as some residents have experienced a decline in earnings due to disruptions in the agricultural and fisheries sectors.

4.2 Changes in Livelihoods

Before the establishment of the nickel industry, the majority of the population in Papanloe Village worked as farmers, fishermen, and seaweed cultivators. Following the commencement of the company's operations, changes in livelihoods occurred, shifting from the agricultural and marine sectors toward the industrial and service sectors. Some residents began working as laborers, drivers, contract workers, and company support personnel. However, this transition has also resulted in the loss of traditional livelihoods for some members of the community.

4.3 New Business Opportunities

The presence of the company has created new business opportunities for the surrounding community. The increasing number of workers and the expansion of industrial activities have encouraged local residents to establish businesses such as food stalls, grocery stores, rental housing, repair shops, and transportation services. The presence of the industry has generated new economic activity that helps community members earn additional income beyond the agricultural and fisheries sectors.

4.4 Environmental Impacts

Nickel industrial activities have caused environmental impacts that are experienced by the community of Papanloe Village, including dust pollution, marine pollution, and disruptions to agricultural activities and seaweed cultivation. These impacts have resulted in declining agricultural yields, disruptions to fisheries, and a deterioration in the environmental quality of life for communities living around the industrial zone.

4.5 Employment Absorption

The company has created employment opportunities for the local community; however, local labor absorption is considered suboptimal. Many residents have expressed concerns that educational qualifications and skill requirements constitute barriers to obtaining employment in the company. Furthermore, the workforce is perceived to consist predominantly of workers from outside the region, resulting in an uneven distribution of employment opportunities for the local community.

4.6 Corporate Social Responsibility (CSR)

The company's Corporate Social Responsibility (CSR) programs include social assistance, the distribution of basic food packages, and various forms of compensation for the surrounding community. However, some community members consider these CSR programs insufficient and believe that their benefits have not been distributed equitably. The community expects the company to implement more sustainable programs, such as educational assistance, skills training, and economic empowerment initiatives for the local population.

5. Conclusion

Based on the research findings, it can be concluded that the presence of PT Huady Nickel-Alloy in Papanloe Village, Bantaeng Regency, has had more dominant negative impacts on the local community than positive ones. This is reflected in the substantial decline in income from traditional economic sectors, such as agriculture and brick production, due to dust pollution that inhibits plant growth and disrupts production processes.

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Furthermore, local labor absorption remains very low because of educational qualification requirements and a difficult recruitment process, meaning that the initial objective of reducing unemployment has not been fully achieved. These conditions are further exacerbated by the deterioration of environmental quality, including noise pollution, vibrations that damage buildings, and potential health risks associated with industrial smoke. In addition, limited economic access for local micro, small, and medium-sized enterprises (MSMEs) due to the company's internal facilities has restricted business opportunities for the surrounding community.

5.1 Practical and Policy Implications

Based on the conclusions presented above, the researcher proposes the following recommendations:

1. For the Bantaeng Regency Government

The government should take a firmer approach to monitoring the implementation of the Environmental Impact Assessment (AMDAL) to ensure that dust, smoke, and oil waste pollution do not continue to adversely affect the primary livelihoods of local residents, particularly farmers and seaweed cultivators. The government should also re-evaluate local economic policies to ensure that communities retain opportunities to establish businesses around the industrial zone, thereby stimulating economic activity and improving the village economy.

2. For PT Huady Nickel-Alloy

The company should improve transparency in its recruitment process and give greater priority to residents of Papanloe Village by implementing specialized training programs through its Corporate Social Responsibility (CSR) initiatives. The company should also implement more effective technical measures to reduce noise levels and the spread of industrial dust to prevent disturbances to nearby residential areas.

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