

Agribusiness Model Based on Creating Shared Value in Optimizing Nonproductive Land in Plantation Areas

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ABSTRACT

This research examines the economic and social impacts of the Plantation Community Empowerment Program (PMDK) and develops a Creating Shared Value (CSV)-based agribusiness model through the optimization of non-productive land in plantation areas. Although the application of CSV in agribusiness has increased, studies that explain the integrated mechanisms linking land optimization, community empowerment, and agribusiness systems remain limited. This research employed a qualitative case study approach at PTPN I Regional 2, Indonesia, involving 16 key informants from company management, field officers, local communities, and village government representatives. Data were collected through in-depth interviews, field observations, and documentation involving key stakeholders and analyzed using triangulation techniques. The findings reveal that the PMDK program increased land utilization by 60–70% and community income by 60–150%, with some cases reaching up to threefold growth. The program also improved access to agribusiness activities, reduced land conflicts, and strengthened social relations. However, constraints persist in capital access, human resource capacity, and market integration. This study proposes an integrative CSV-based agribusiness empowerment model that positions non-productive land as a strategic entry point for generating shared economic and social value. The findings contribute by offering a more comprehensive framework that links resource optimization, stakeholder collaboration, and agribusiness system integration in plantation-based rural development.

INTRODUCTION

Land is the main production factor in the agribusiness system that has a direct effect on productivity, efficiency, and farmers' income (Amrahov et al., 2022; Cornia, 1985; Czubak & Pawłowski, 2024; Martins & Lucato, 2018; Shmatkovska et al., 2020; Zhang & Chen, 2022; Герасименко, 2023). In the context of plantation agribusiness, land not only functions as a physical input, but also as a strategic asset in creating added value along the supply chain. However, there are still many plantation lands that have not been optimally utilized, causing economic inefficiency and loss of production potential (Korneeva, 2022; Wenzel et al., 2024).

On the other hand, communities around plantation areas generally face limited access to productive land. This condition has an impact on low community participation in agribusiness activities and contributes to poverty and inequality in rural areas. In addition, limited access to land also often triggers agrarian conflicts due to informal land tenure practices. This shows a structural imbalance between the availability of land and community access to use it.

In response to these problems, plantation companies developed community empowerment programs that provide limited access to non-productive land without changing asset ownership. One of these programs is the Plantation Village Community Empowerment Program (PMDK) which aims to optimize unproductive land through community-based agribusiness activities. This program reflects the application of the concept of Creating Shared Value (CSV), which is an approach that integrates the simultaneous creation of economic and social value in the company's strategy (Porter & Kramer, 2011).

Several studies have examined various aspects related to agribusiness, land optimization, and community empowerment. Soekartawi (2002) emphasized that the optimization of production factors will increase efficiency and productivity in the agribusiness system. Ellis (2000) reinforced the view that access to productive resources is a major determinant of increasing rural household income. Research by Nugroho & Kurniawan (2022) examined the role of institutions in agribusiness development, while Rahman & Putri (2024) analyzed strategies for increasing farmers' income through land access. Sari & Hidayat (2023) studied community empowerment through agricultural land optimization, and Wijaya & Santoso (2023) analyzed community-based agribusiness systems.

A number of studies have shown that the implementation of CSV in the agribusiness sector is able to increase productivity, expand market access, and strengthen the economic participation of local communities. However, most of the research still focuses on outcomes without explaining in depth the mechanisms by which economic and social value can be created simultaneously in the agribusiness system. In addition, studies that integrate land optimization, community empowerment, and agribusiness systems into a single comprehensive analytical framework are still limited, especially in the context of plantations.

These limitations show that there is a research gap in explaining how non-productive land can be optimized as a source of shared value through integration between companies and communities in the agribusiness system. Without a comprehensive model, empowerment programs have the potential to run partially and less sustainably. This research has a novelty by integrating non-productive land optimization, community empowerment, and agribusiness systems in one comprehensive Creating Shared Value model. In contrast to previous research that tended to be partial, this study places land as a strategic element in the simultaneous creation of economic and social value in the plantation agribusiness system.

Therefore, this study aims to: (1) analyze the economic and social impact of the PMDK program; (2) identify obstacles in program implementation; and (3) formulate an agribusiness empowerment model based on Creating Shared Value. This research is expected to make a theoretical contribution to the development of the CSV concept in the agribusiness sector, as well as a practical contribution in the formulation of land-based community empowerment strategies.

METHOD

Qualitative approach with study methods the case was chosen because this study aims to understand in depth the socio-economic dynamics and interaction between actors in the implementation of the PMDK program, which cannot be adequately explained through a quantitative approach. This study uses a qualitative approach with a case study method to analyze the implementation of the Plantation Village Community Empowerment Program

(PMDK) and formulate an agribusiness empowerment model based on Creating Shared Value (CSV). This approach was chosen because it was able to provide a deep understanding of socio-economic dynamics, especially the interaction between companies and communities in the management of non-productive land.

The location of the research was determined purposively in the plantation area of PTPN I Regional 2 (formerly PTPN VIII), West Bandung Regency, West Java, which is one of the locations for the implementation of the PMDK program with a high level of land use and social dynamics. The research is expected to be carried out in 2026.

The types of data used include primary data and secondary data. Primary data was obtained through in-depth interviews with key informants directly involved in the PMDK program, while secondary data was obtained from company documents, program reports, and relevant scientific literature.

Research informants are determined purposively based on the level of involvement and knowledge of the PMDK program. The number of informants was 16 people consisting of company management, program implementers, field staff, communities/farmers cultivators, and village governments. To maintain the confidentiality and consistency of the analysis, each informant is assigned an identity code (e.g. INF-P, INF-PM, INF-S, INF-M, and INF-D).

The data collection technique is carried out through three main methods, namely: (1) semi-structured in-depth interviews to explore information related to program implementation, economic impacts, and obstacles faced; (2) field observation to observe land conditions, agribusiness activities, and inter-sector interactions; and (3) documentation in the form of program reports, production data, and activity archives.

Data analysis was carried out using the Miles and Huberman interactive model which included three stages, namely data reduction, data display, and conclusion drawing and verification. The analysis process is carried out iteratively to ensure consistency between data and interpretation.

The percentage increase in land use and community income in this study was obtained through a data triangulation process between in-depth interviews, company program documentation, and field observations. The estimated change in income was calculated based on a comparison of conditions before and after participating in the PMDK program submitted by the informant and strengthened by program documentation data. Meanwhile, the increase in land use was analyzed based on changes in land area actively cultivated by the community during the implementation of the program. This approach is used to improve the consistency and credibility of findings in qualitative research.

To improve the validity and reliability of the findings, this study applied source triangulation techniques and method triangulation. Source triangulation was carried out by comparing information from various groups of informants, while the triangulation method was carried out by combining the results of interviews, observations, and documentation. In addition, limited member checking was also carried out on several key informants to ensure the suitability of the researcher's interpretation with field conditions.

The operational definitions in this study include: (1) community empowerment as an effort to increase community capacity and access in managing agribusiness businesses; (2) land optimization as the use of non-productive land into productive farming land; and (3) Creating

Shared Value (CSV) as an approach that integrates the simultaneous creation of economic and social value between companies and society.

The entire research process is carried out by paying attention to the ethical aspects of research, namely maintaining the confidentiality of the identity of the informant, obtaining participation consent, and ensuring that the data is used only for scientific purposes.



Figure 1. Research Methodology Flow

Source: Primary data processed (2026)

The limitation of this study lies in the use of a contextual case study approach, so the generalization of research results needs to be done carefully.

RESULT AND DISCUSSION

Table 1. Agribusiness Empowerment Model Based on Creating Shared Value (CSV)

Components	Mechanism	Output
Resources	Non-productive land use	More optimal land use
Institutional	Corporate-community partnerships	Business certainty
Mentoring	Training and counseling	Increased capacity
Production	Agribusiness cultivation activities	Production increased
Business Management	Business management by the community	Pendapatan meningkat
Agribusiness Integration	Linkage of agribusiness subsystems	Efisiensi meningkat
Creating Shared Value	Integration of economic and social values	Shared Value
Economic Value	Improvement in business outcomes	Enhanced welfare
Social Value	Conflict reduction	Improved social relations
Sustainability	Monitoring and evaluation	Sustainable program

Source: Primary data processed (2026)

Optimization of Non-Productive Land and Production System Efficiency

The results of the study show that the implementation of the PMDK program is able to increase the level of non-productive land use by 60–70%. Land that was previously unused turned into active farming land with various agricultural commodities. These findings indicate a correction to the inefficiency of the allocation of production factors, especially land.

From the perspective of the agribusiness system, the condition of idle land reflects the misallocation of resources that reduces potential output and added value. Providing legal access to the community through the PMDK program acts as an institutional mechanism that reduces the uncertainty of land tenure, thereby increasing economic incentives for communities to produce. This is in line with the agribusiness theory which states that the optimization of production factors will increase efficiency and productivity (Soekartawi, 2002).

These findings also reinforce the recent literature that emphasizes that resource optimization in agribusiness systems is key in improving the efficiency and sustainability of production systems, especially in the context of modern agricultural value chains (Gómez & Ricketts, 2023).

Thus, land optimization not only has an impact on increasing the planting area, but also serves as a strategy to increase the efficiency of the production system within the framework of agribusiness.

Impact of the Program on Income and Community Welfare

The PMDK program has a significant impact on increasing people's income. The results of the study show an increase in income of 60-150%, even in some cases reaching two to three times compared to before the program.

This increase is not only influenced by increased access to land, but also by the intensification of production activities and increased community participation in agribusiness activities. Access to previously limited production factors has become more open, allowing the community to develop farming businesses more productively and sustainably.

Theoretically, these findings reinforce the view of Ellis (2000) that access to productive resources is a major determinant of increasing rural household income. In addition, recent research shows that the involvement of smallholders in an integrated agribusiness system is capable of significantly increasing household income and economic stability (Meemken & Bellemare, 2023).

Thus, the PMDK program not only increases income, but also strengthens the economic capacity of the community in the medium term.

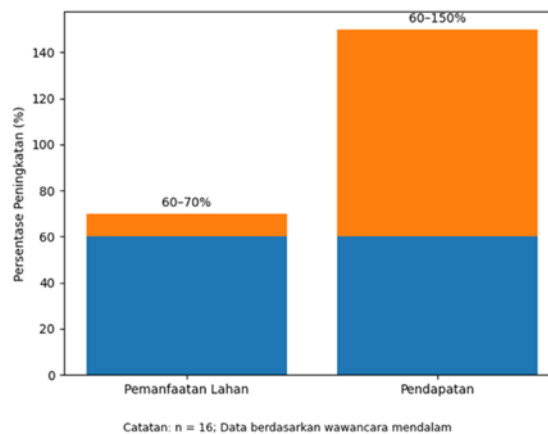


Figure 1. Impact Range of PMDK Program

Source: Primary data processed (2026)

Business Access and Local Economic Inclusion

The results of the study show that around 70–80% of people who previously did not have access to land can now be involved in agribusiness activities. This shows that the PMDK program plays a role in expanding economic access and encouraging economic inclusion at the local level.

Structurally, this program changes the position of the community from a marginalized group to an active economic actor. This transformation reflects a shift in the structure of access to resources, which was previously exclusive to more inclusive.

These findings are in line with FAO (2018) which emphasizes that access to land is a key factor in increasing the economic participation of rural communities. Furthermore, the concept of inclusive value chains shows that the integration of actors in the agribusiness system is able to expand economic opportunities and improve people's welfare (Maertens & Vande Velde, 2022).

These findings also reinforce recent studies showing that the integration of smallholders in modern agribusiness systems contributes to a more inclusive and sustainable transformation of rural economies (Kilelu & Klerkx, 2023; Vorley & Lançon, 2023).

Thus, land access through the PMDK program is not only economical, but also acts as an instrument of economic inclusion.

Social Impact: Conflict Reduction and Strengthening Social Relations

In addition to economic impacts, the PMDK program also has a significant social impact, especially in reducing land conflicts and improving relations between companies and communities.

The decrease in conflict occurred due to the legality of land access which was previously a source of tension between the community and companies. The clarity of access rights reduces the potential for agrarian conflicts and creates social stability in the research area.

From the perspective of Creating Shared Value (CSV), these findings show that value creation is not only limited to economic aspects, but also includes the social dimension. This is in line with Porter and Kramer (2011), and is reinforced by recent literature that emphasizes the importance of integrating economic and social values in modern business strategies (Kramer & Pfitzer, 2022).

Thus, the PMDK program can be understood as a form of CSV implementation that produces shared value in the context of land-based agribusiness.

Implementation Constraints: Imbalances Between Agribusiness Subsystems

Despite showing positive results, the PMDK program still faces several main obstacles, especially in terms of capital, human resource capacity, and market access.

These findings show that program success is more dominant in the production subsystem (upstream), while the downstream subsystem such as marketing and distribution is still not optimal. This imbalance has the potential to hinder the increase in the added value of agribusiness as a whole.

Within the framework of an agribusiness system, success is determined not only by production, but also by the integration between subsystems. This disintegration has the potential to create poverty traps, where limited access to markets and capital hinder the improvement of people's welfare (Barrett & Swallow, 2022).

Thus, the obstacles found show that empowerment programs need to be developed more comprehensively in order to be able to produce sustainable impacts.

Agribusiness Empowerment Model Based on Creating Shared Value

Based on the results of the analysis, this study produced a Creating Shared Value (CSV)-based agribusiness empowerment model that integrates the roles of companies and communities in one interconnected system.

Companies play the role of land access providers, regulators, and facilitators, while the community plays the role of producers and managers of farming businesses. The interaction between these two actors produces economic value in the form of increased income and social value in the form of reducing conflicts and strengthening social relationships.

This model shows that the optimization of non-productive land can be an entry point in creating an inclusive and sustainable agribusiness system. In addition, this model expands on the concept of CSV by placing land as a strategic element in the creation of shared value.

Compared to previous studies that tended to look at CSV partially, the model produced in this study offers a more integrative approach by connecting aspects of resources, actors, and the agribusiness system as a whole.

Thus, this model not only makes an empirical contribution, but also a conceptual contribution in the development of CSV literature on the agribusiness sector.

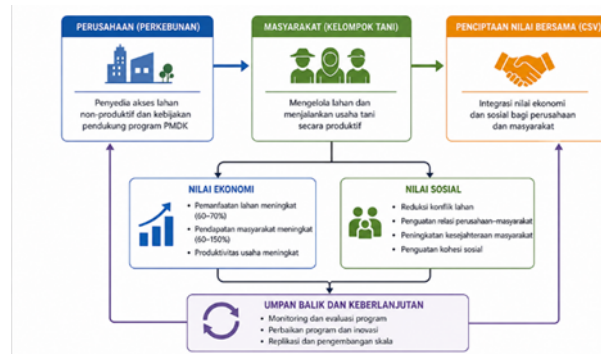


Figure 2. Agribusiness Empowerment Model Based on Creating Shared Value (CSV) (Through Optimization of Non-Productive Land in Plantation Areas)

Source: Primary data processed (2026)

Compared to previous studies, the model produced in this study not only emphasizes the relationship between companies and communities, but also integrates land optimization as a key element in agribusiness systems. This approach provides a new perspective that land not only functions as a factor of production, but also as a strategic instrument in creating shared value. However, the success of programs that are more dominant in the production subsystem shows that upstream-downstream integration is still a major challenge in the development of CSV-based agribusiness.

In the context of sustainable development, the Creating Shared Value approach is no longer understood only as a corporate social responsibility strategy, but as a mechanism for integrating the business ecosystem and society in creating shared value in a sustainable manner (Porter et al., 2023).

The resulting model shows an integrative framework that connects resource optimization, stakeholder collaboration, and agribusiness systems in an interrelated whole.

Implications of the CSV Model Implementation

The Creating Shared Value (CSV)-based agribusiness empowerment model produced in this study can be implemented through several main stages. The first stage is the identification and mapping of non-productive land that has the potential to be optimized as community agribusiness business land. The second stage is the provision of legal access and institutional arrangements between companies and the community to create certainty of land use.

The third stage includes strengthening community capacity through technical assistance, cultivation training, and the development of farm business management. Furthermore, the fourth stage is the integration of the agribusiness subsystem, especially in the aspects of capital, marketing, and distribution networks so that business activities do not stop at the production stage only. The last stage is monitoring and evaluating the creation of economic and social value produced, both for the company and the community.

Through these stages, the CSV model not only functions as a conceptual framework, but also as an implemented approach in agribusiness development based on non-productive land optimization.

CONCLUSION

This study shows that the Plantation Village Community Empowerment Program (PMDK) plays a significant role in increasing the efficiency of non-productive land use, which is reflected in the increase in the land use rate by 60–70%. This program also has a substantial economic impact, namely an increase in community income by 60-150%, as well as expanding business access for people who previously did not own land. In addition to the economic impact, the PMDK program also produces social value in the form of reducing land conflicts and strengthening relationships between companies and communities. These findings confirm that the optimization of non-productive land can be an effective mechanism in creating economic and social value simultaneously within the framework of Creating Shared Value (CSV). However, the sustainability of the program still faces obstacles in terms of capital, human resource capacity, and market access, which shows that the integration between agribusiness subsystems is not optimal. Therefore, the success of empowerment does not only depend on land access, but also on strengthening the agribusiness system as a whole. Conceptually, this research produces a CSV-based agribusiness empowerment model that integrates land optimization, the role of actors (companies and communities), and agribusiness systems in one comprehensive framework. This model contributes to the development of CSV literature by placing land as a strategic element in the creation of shared value in the agribusiness sector. More broadly, these findings show that the Creating Shared Value approach based on land optimization can be an alternative strategy in inclusive and sustainable agribusiness development, especially in plantation areas.

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