

## **ABSTRACT**

The increasingly rapid development causes the need for sand to increase. However, sand mining in rivers is contrary to the interests of sand miners and communities who have lost the benefits of the river. Sand mining has the potential to damage the environment, especially rivers. One of the most visible is erosion on the banks of rivers and turbid river water due to suctioning of sand.

The main problem of this research is knowing the perception of negative externalities felt by the community due to sand mining in the Kuantan River. Then, calculate and estimate the value of community willingness to pay in Sawah village using the Contingent Valuation Method (CVM) Method. Knowing what determinants influence the willingness to pay uses Logit analysis and find out the determinants of what affects the value of Willingness To Pay chosen by households using multiple regression analysis.

The results of a study of 100 respondents in Sawah village, showed that in general the respondents felt negative externalities due to illegal sand mining activities. The WTP value that most respondents want to pay is Rp. 90,000.00 for 58 households. With an average WTP value of Rp. 84,197.00. Based on the logistic regression test where the dependent variable is the willingness to pay WTP (yes / no) to produce independent variables namely distance, income, and age significantly and significantly affect the willingness to pay for river conservation. Then the result of multiple regression show the variables of distances, education level, income level, and community status have a significant effect on the amount of the willingness to pay the respondents.

**Keywords:** Sand Mining, Externalities, Willingness To Pay, Contingent Valuation Method, Logit, Multiple Regression