

IS FARMERS GROUPING A STRATEGY TO ACHIEVE WELFARE THROUGH AN INSTITUTIONAL PERSPECTIVE?

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Abstract

One of the biggest problems of social welfare in Indonesia is poverty. The percentage of poverty in Indonesia is centered in rural areas with farmers as the poorest group. Ironically, farming is one of the biggest sector which absorbs labors in this country. To solve the problems of poverty among the farmers, the Indonesian government initiates a policy to build an institution for famers named Gapoktan-Gabungan Kelompok Tani (Farmers group). Through Gapoktan, farmers are expected to increase the scale of economic and business efficiency. The aim of this study is to analyze Gapoktan as an institution to implement social development approach with an institutional perspective. This study used a descriptive qualitative research approach with a purposive sampling technique. The informants consisted of the government agent, administrator and members of Gapoktan Mandiri Jaya, Cikarawang, Bogor. Data collection was conducted through documentary and literature search, observation, and in-depth interview. Data was analyzed with data sorting, data classifications, axial coding, selective coding and interpretation. Meanwhile, the validity test was performed by data triangulation. The results of this study shows that Gapoktan is an institution that can become a channel for social development with an institutional perspective because this institution is able to synergize social and economic policies and at the same time it brings a direct impact to the welfare of the community with a great access to the venture capital, the technology as tools, seeds, and fertilizer, also an access to the broader market.

Keywords: Joint farmers group (Gapoktan), institutional perspective, social development, social welfare.

Introduction

Poverty is one of the welfare problems in Indonesia. Sastra (2017) argues that poverty has a close link to the issues of justice, openness, information, equal opportunity and access for the society. The poverty alleviation strategy is based on an argument that high economic growth can reduce poverty through trickle-down effects mechanism, but it does not work as expected. Well-being is not distributed equally and eventually creating a wider economic, social and spatial Gap (Astuti and Musyiman, 2009).

The percentage of poverty in Indonesia has reached the lowest level since 1999 at 9.82 percent (25.95 million people) in March 2018, published by the Central Bureau of Statistics (2018). The mapping of poverty in Indonesia centered in rural areas at 13.20 percent in March 2018, this percentage is nearly double from the percentage of urban poverty at 7.02 percent (2018). Suhariyanto, head of the Central Bureau of Statistics in a discussion on 30/7/2018 states that the poorest group in the rural areas are farmers. The problem is as an agrarian-countries, percentage of famers from all of the populations is 31.81 percent (CBS, 2018). Poverty among Indonesian farmers due to low ownership of land, limited capital and the traditional use of technology (Adina, 2012).

According to Midgley (1995), one of the strategies to end poverty is through social development approach. Social Development is a response for social issues that occurs with a planned social change process and harmonize the social and economic intervention focusing on community or broader society with 3 intervention strategies: individual, community and government. There are a lot of debates among the scholars which strategies are more effective for promoting welfare. Every strategy has its own strength and weakness; the scholars developing an institutions perspective show that the three strategies of social development can be harmonized and be useful for more dynamic social development through institutions (market, community and state).

The implementation of social development in Indonesia has been done in a variety of ways, one of which is the government that creates programs to end poverty among farmers by forming a farmer group (Poktan)¹, while the results of the evaluation of the farmer group are generally not yet able to addressing the interests of the farmers to improve their agricultural performance, the fulfillment of production and marketing of agricultural product. Therefore, the Ministry of Agriculture undertook the formation of a joint farmers group (Gapoktan)² (Putra, 2018).

Joint farmers group (Gapoktan) is a merger of farmer group (Poktan) that have a homogeneous commodity or business fields. Joint farmers group (Gapoktan) is expected to be able to control price fluctuations and increase the bargaining value for farmers due to the homogeneous commodity collection. Joint farmers group (Gapoktan) is a means to accommodate the needs of farmers from each farmer group (Poktan), and also as a channel of communication to exchange information between farmer groups (Poktan), and joint farmers group (Gapoktan) is seen as a potential social capital to build strength at the agricultural level. Joint farmers group (Gapoktan) formation in the long run is expected to has its own business unit, the establishment of an open and fair market mechanism for farmers (Putra, 2018).

The formation of joint farmers group (Gapoktan) is seen as one of the means to achieve social welfare. In this paper, it will be analyzed how Mandiri Jaya joint farmers group (Gapoktan) is an instrument to achieve social development that can be viewed from an institutional perspective through the joint farmers group (Gapoktan) dynamics.

Research Method

This study uses qualitative descriptive research methods that describe the dynamics of joint farmers group (Gapoktan) based on facts in the field to describe social development through the means of joint farmers group (Gapoktan) with an institutional perspective. The location of the study was conducted at Mandiri Jaya joint farmers group (Gapoktan) Cikarawang, Bogor. The research was conducted between December 2018 - July 2019.

Data collection techniques are carried out through primary and secondary data sources that are dependent with each other, primary data obtained through observation and in-depth interviews. Observation conducted by observing activities or meetings by joint farmers group (Gapoktan). The technique of selecting informants in-depth interview was carried out by using purposive sampling technique to 10 informants who were divided into government extension officers, management and members of Mandiri Jaya joint farmers group (Gapoktan), Cikarawang, Bogor. Secondary data is collected through literature and documents to support the field research data.

The process of data analysis is done by sorting data, classifying data, Axial coding, selective coding and then proceed with interpretation and elaboration. Improving the quality of research carried out using data triangulation techniques.

Result and Discussion

The formation of joint farmers group (Gapoktan) is seen as one of the means for the achievement of social welfare through social development from an institutional perspective. In institutional perspective, social development in dynamic process of economic development requires the government to play a leading role in harmonizing existing strategies by directing the process of social development that can maximize the participation from community, markets and individuals by contributing directly to social development through policies and programs in the public sector. The creation of formal organization is required to have the responsibility for managing social development and harmonizing the implementation of different policies/programs/strategic approaches (Midgley, 1995).

On 7 September 2007, Mandiri Jaya joint farmers group (Gapoktan) was formed due to the large number of farmer group (Poktan) in Cikarawang area. Moreover, the formation of joint farmers group (Gapoktan) could facilitate the communication process and assist the aid channel through programs, such as,

¹ Poktan: Kelompok Tani (farmer group)

² Gapoktan: Gabungan Kelompok Tani (Joint farmers group)

farmers economic institutions (KEP)³ and rural agricultural business development (PUAP)⁴ for the joint farmers group (Gapoktan) members. Mandiri Jaya joint farmers group (Gapoktan) was established as a formal organization responsible for managing social development efforts and harmonizing it with some different approach by the discussion from the government and Mandiri Jaya joint farmers group (Gapoktan) members. There are 6 Farmers groups (Poktan) and 3 Women's farmers groups (KWT)⁵ incorporated in Mandiri Jaya joint farmers group (Gapoktan). Joint farmers group (Gapoktan) is coordinated at the national level from the Department of Agriculture with professional trainers in local level with specific scope areas called Field Agricultural Trainers.

Mandiri Jaya joint farmers group (Gapoktan) plays important roles to become the channel for others institutions to give the farmers member assistance through various forms, one of the member said that "... If there's no joint farmers group (Gapoktan), how could the other institutions would give assistance to the farmers? It cannot be done without joint farmers group (Gapoktan)." The assistance is provided with the forms of venture capital, technology, training and broader market. Easier access to venture capital provided by rural agricultural business development (PUAP) funds provided by the Ministry of Agriculture in 2009 amounting to IDR 100 millions which was used as capital by joint farmers group (Gapoktan) as initial capital for a loan to joint farmers group (Gapoktan) members.

Easier access to technology covers the supply of heavy equipment for agriculture, for example tractors, or another tool to be able to carry out the activities of Women's farmers groups (KWT) such as blenders, ovens, scales, and grinding tools. Other technology that can be accessed is the provision of free seeds that can be requested specifically from the Department of Agriculture. The seed that has been given, such as, chili seeds, eggplant seeds, spinach seeds, water spinach seeds, and others. Fertilizer is also one of the technologies that can be accessed by the members of joint farmers group (Gapoktan), the cheaper fertilizer can be accessed to the Ministry of Agriculture by buying it using a farmer card. However, in this area cheap fertilizer is considered by Mandiri Jaya joint farmers group (Gapoktan) members not very helpful for small farmers who need a small quantities of fertilizer; moreover, the location of the purchase of fertilizer is quite far, so farmers have to spending more for transportation, as a result, with the same price they can buy it in the surrounding area. Under the circumstances, Mandiri Jaya joint farmers group (Gapoktan) chooses to buy the fertilizer in surrounding areas or using manure. One of the members explains with a comprehensive story, "...cheaper fertilizer programs is not really useful for the Mandiri Jaya joint farmers group (Gapoktan), because most of the farmers in Mandiri Jaya joint farmers group (Gapoktan) do not have big land, so we only need only a small amount of fertilizer and if we want to buy the fertilizer, we need to travel quite far so we need to put more cost on transportation, at the end we choose to buy fertilizer in surrounding areas or using manure..."

Mandiri Jaya joint farmers group (Gapoktan) members get a wider access to the market by selling agricultural products and Women's farmers groups (KWT) products through joint farmers group (Gapoktan). Mandiri Jaya joint farmers group (Gapoktan) helps sell harvests and products in two ways, first through a small shop located at the house of Mandiri Jaya joint farmers group (Gapoktan) chairman which is usually used as a meeting place for members and the first place to greet guests outside of joint farmers group (Gapoktan) who come for visits or research. Second, by selling it through online media, namely kiosgapoktan.com that is operated by Mandiri Jaya joint farmers group (Gapoktan).

The results of data collection shows that the advancement of joint farmers group (Gapoktan) members occurs through institutional perspective. The government have a role as the stimulus of social development, individuals have a role to motivate themselves to achieve advancement and collaborate it with the role of joint farmers group as the channel for development. The Chairperson of Mandiri Jaya joint farmers group (Gapoktan) also reveals that cooperation between government, individuals and joint farmers group (Gapoktan) was needed, where the government sets the policy, joint farmers group (Gapoktan) became a channel for the policy to be implemented and farmers who were the members of joint farmers group (Gapoktan) became the actors to be able to develop agriculture together.

³ KEP: Kelembagaan Ekonomi Petani (Farmers Economic Institutions)

⁴ PUAP: Pengembangan Usaha Agribisnis Perdesaan (Rural Agricultural Business Development)

⁵ KWT: Kelompok Wanita Tani (Women's farmers groups)

In social development strategy, joint farmers group (Gapoktan) can become an institution that supports harmonization between economic and social policies by providing a balance between policies providing espionage on farmers that can improve the skills and economics of the joint farmers group (Gapoktan) members. Joint farmers group (Gapoktan) also provides opportunities for economic development that has a direct impact on people's welfare, supported by capital and technology that can be accessed more easily, and access to a wider market. These three things can ultimately increase people's income and welfare.

Another strategy is forming policies and programs that make a positive contribution to economic development, one of which is by providing rural agricultural business development (PUAP) policies and providing espionage from field agricultural trainers, and the making farmer cards. Rural agricultural business development (PUAP) helps to provide capital, field agricultural trainers helps to increase the farmer's capability, and farmer cards are currently used for joint farmer group (Gapoktan) members to access fertilizer at lower prices, eventhough the farmer card policy has not had a direct impact to the members of Mandiri Jaya joint farmers group (Gapoktan).

Conclusion

This study shows that farmers grouping especially joint farmers group (Gapoktan) can be a strategy to achieve welfare through an institutional perspective because joint farmers group (Gapoktan) is a formal organization which is responsible for managing social development efforts and harmonizing it with some different approach based on the needs of Mandiri Jaya joint farmers group (Gapoktan), coordinated at national level by the Ministry of Agriculture with professional trainers in local level with specific scope areas called Field Agricultural Trainers.

Joint farmers group can become an institution that supports harmonization between economic and social policies by providing a balance between policies providing espionage on farmers that can improve the skills and economics of joint farmers group (Gapoktan) members. The forming of joint farmers group has facilitate a better welfare for Mandiri Jaya joint farmers group by giving an easier access to venture capital, technology as tools, seeds, and fertilizer, also an access to the broader market. Eventhough programs like farmer card policy to get the cheaper fertilizer is is not really helpful for farmers with limited land because of the distance of distribution causing the farmers to spend more cost on transportation to get the fertilizer. This causes the farmers to choose to buy the higher price of fertilizer in surrounding areas or using manure. The farmers count that although the price at the Ministry is lower, but because of costly transportation, in the end the prices are the same as those purchased in the surrounding area.

The harmonization of government, individuals, and community are meets on farmers group leading by the state institutions. In the future the government has to review the implications of policies and programs in order to maximize the expected result to improve the farmers welfare throughout the countries. The government needs to put more details in the need of every locations and give the opportunity for tailoring more assistance based on the needs in each and every area of joint farmers group (Gapoktan).

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