

Cooperation among Farming Stakeholders in Farmers Poverty Reduction in Aceh

Saifuddin Yunus^{a*}, Suadi Zainal^b, Fadli Jalil^c, ^{a,b}Sociology Department, Malikussaleh University, Indonesia, ^cAgribusiness Department, Malikussaleh University, Indonesia, Email: ^{a*}saifuddinyunus@unimal.ac.id

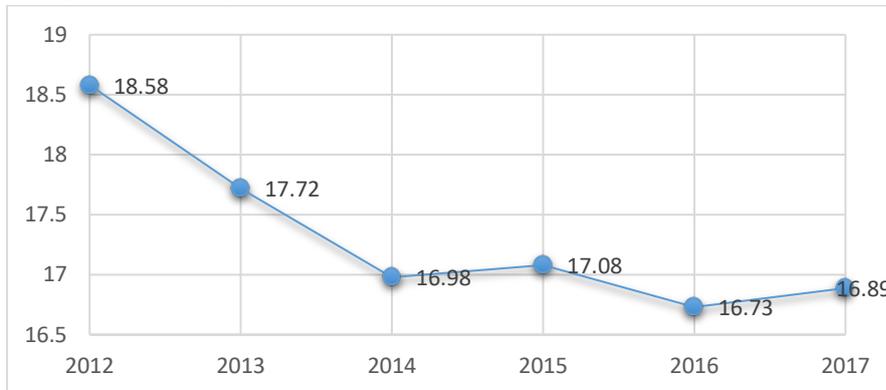
This research aims to explain the cooperation among farming stakeholders in poverty reduction of farmers in Aceh, Indonesia. It used a triangulation method, where the data were collected through survey, in-depth interviews and documents study. The data from the survey was analysed by combining an interactive model and the SPSS. Accordingly, the study found the presence of irregularities of cooperation among stakeholders. When the cooperation among farmers was high, there was low cooperation between the farmer and the facilities provider. In addition to that, that there was no cooperation between the government and private sectors in poverty reduction. As the result of these irregularities, the farmers economies have not been improved and the poverty rate in Aceh remains high. The study finally concluded that good cooperation among farmers could not elevate their economic condition without solid support and cooperation from other stakeholders.

Key words: *Poverty Reduction, Farmers, Oil Palm, and Cattl.*

Introduction

The poverty rate of some districts/cities in Aceh exceeds the national poverty rate at 14.44% (Majid, 2014). The trend of poverty in Aceh has decreased, although it does not meet the Aceh government's target, to reduce poverty a percent per year (Humas Aceh, 2018). The poverty rate is as shown in the following graph.

Graph 1. Poverty Rate in Aceh 2012-2017



Source: Processed from Aceh in Figures 2012-2018

Aceh Government has conducted many programs to handle poverty. One is providing oil palm aids to famers. Oil palm is one of the important and strategic commodities to increase the economy in Indonesia. For the foreseeable future, the area of oil palm will continue to grow, due to the high public interest in oil palm farming. In addition, the government assists farmers by providing oil palm planting assistance through the government agencies. The result, deforestation and its implications such as floods and droughts, pose a real threat to people's lives around the oil palm area. A way to curb the rate of deforestation is to integrate livestock with plantations, such as the integration of cattle into the palm oil area. Thus, it is possible for the economy to increase without further destruction of nature and bio diversities.

The research of (Saifuddin *et al.*, 2015) in East Aceh district revealed that the policy of economic empowerment to former GAM combatants and conflict victims through the oil palm commodity had a positive impact on the economic and social improvement of the community. Economic empowerment through oil palm commodities has increased the income and social life of the community. This program might transform the attitude of separatism in society so that it will maintain the integrity of the Unitary State of the Republic of Indonesia. If farmers, according to some studies, implement the integration of oil palm and cattle it may trigger a boost in farmers' income growth and sustainable regional economic growth (Saifuddin *et al.*, 2017). The integration of palm cattle may also increase the prosperity of oil palm farmers (Sulistiawati *et al.*, 2018).

Until now the economic empowerment to reduce community poverty through plantation and animal husbandry commodities has been undertaken separately. Some researches revealed that the integration of plantations and livestock could increase the farmers' economic income (Bangun, 2010), and the Government of Indonesia has encouraged the integration of plantations and livestock so that the target of self-sufficiency of meat is quickly achieved, especially for beef. According to the Director General of Foreign Trade, (Chairi, 2014) beef



self-sufficiency could be accelerated with the concept of integrated farming, including with oil palm plantations and rubber plantations.

As matter of fact, the Government of East Aceh since 2014 has supported the community to integrate cocoa plantation and fattening cattle for economic empowerment of rural people. The government has built good cooperation with a private organisation surrounding the farming community. The integration of palm oil plantation and cattle breeding has been occurring since 2015. The people who have received palm oil assistance in the previous year also will be provided with cattle for breeding. It has been expected that it would improve the economy rapidly; and at the same time maintain positive peace in Aceh. Therefore, this study aims to explain the cooperation between the government and the private sector in community empowerment through the integration model of palm oil plantation and cattle breeding.

Method of Research

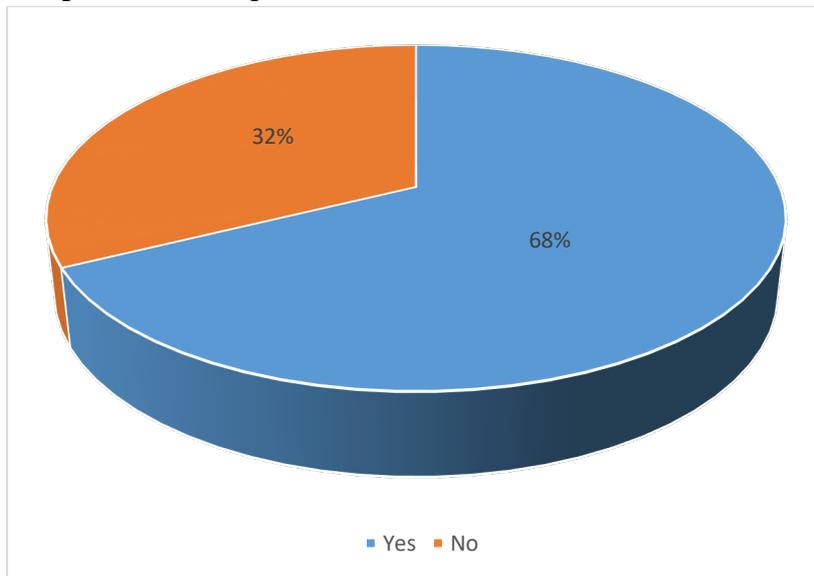
This study used mixed method approach, the data were collected through, surveys, indepth interviews and documents studies. Then, the data was analysed with the interactive model and SPSS. The survey involved 300 respondents in three regions of Aceh Province. The informants interviewed were farmers, the regional governments and the private sector. The qualitative data was analyzed by data reduction, data display, and conclusion and verification, while questionnaires data was analysed by descriptive analysis using SPSS.

Results and Discussion

The Cooperation of Farmers, between farmers and providers of facilities

Cooperation is a social capital that enables farming community to improve their welfare and poverty reduction. Cooperation is expected not only among themselves, but also with the facility providers. The farmers in Aceh have good cooperation among themselves to carry out their farming activities. See the following graph:

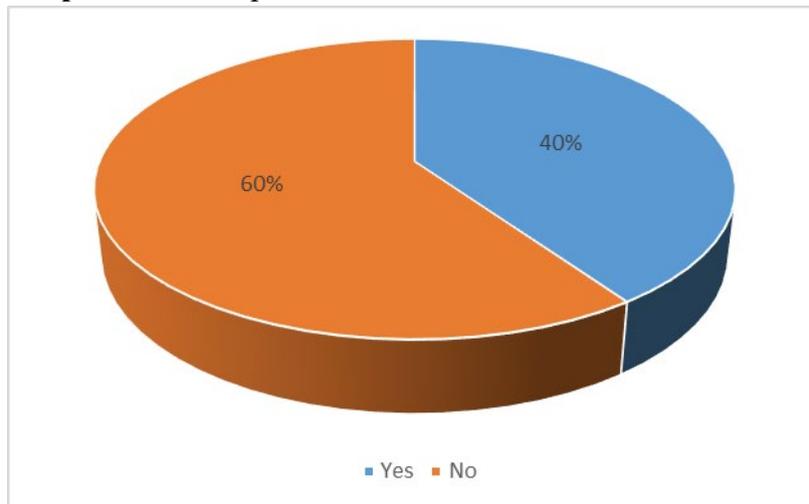
Graph 2. The Cooperation of Farmers



Source: Processed from questioners

The graph above reveals that 203 respondents (68%) do cooperate with each other in carrying out farming, meanwhile, only 97 respondents (32%) who do the farming individually. It can be stated that the social capital, cooperation among farmers is high. Conversely, there is low cooperation between farmers and providers of production facilities. As it is shown in graph bellow.

Graph 3. The Cooperation between Farmers and Providers of Facilities



Source: Processed from questionnaires

Regarding cooperation between farmers and production providers, there are 121 respondents (40%) cooperating with production facilities and 179 respondents (60%) do not collaborate with production facilities.

The Cooperation of Government and Private Organization in Farmers' Poverty Reduction

In analysing this cooperation, this study only focus on the case oil palm farmers in East Aceh. The government gave some farmers the aids for growing oil palm and cattle, and some others only got the cattle so that they released the cattle to the others' oil palm with a permit of owners. The program has involved the Department of Plantation and the Livestock Office, and it has increased the economy of oil palm communities (Saifuddin at al, 2017). However, the community empowerment conducted by the government is not separated from the role of private sectors to support the empowerment of farming communities, including the integration of palm and cattle. The public and private partnerships are established on their autonomy of normative procedure, in which the private sector in assisting the community needs to refer to the legal documents of farmer group and the legality of land ownership of farmers. By this procedure, some beneficiaries have integrated the palms and cattle to increase their finances (Interview with farmers, July 5, 2017).

The government cooperation with private parties such as businessmen, oil palm producers, and collectors of oil palms is not synergistic with the community economic empowerment because entrepreneurs or traders are free to determine the price of oil palm and the price of fertiliser, except subsidised fertiliser. Beyond the subsidised material, entrepreneurs are free to cooperate with the community without being interfered by the government. Even if the government has decided the price of the palm and cattle commodity, the traders may violate the provisions of the government, especially the district/city government. Further, the officers cannot intervene (Interview with Basaruddin, field officer at the Plantation and Husbandry Office of East Aceh, July 6, 2017).

This problem occurs because of our economic system practices a free market economy system. It is a market that intervenes the price and the local authority of the district government's role is only in providing stability. One strategy to strengthen the farmers' position in determining prices is the provision of better road infrastructure, so that the people have the option to sell their commodities to entrepreneurs who can afford to buy at a better price. This way there would be no monopoly in purchasing commodities by one company or collecting palm oil commodities in the palm oil area (Interview with Basaruddin, field officer at the Plantation and Livestock Service Office of East Aceh, July 6, 2017).

To increase the farmers' income, the government must issue a regulation in favor of the farmer to help them to sell the commodities with good price. The current price of oil palm has

been dictated by the private sector and the government cannot do anything.. In such conditions, the farmers of palm oil would not be empowered and the aim for economic prosperity would never be actualised . The conditions of farmers in the villages in the hinterlands of East Aceh are disheartening as they have no access to market prices. Therefore it is very easy for buyers to set the price as they please. Sometimes it is cheaper than the prices in markets. This condition is not only experienced by farmers in East Aceh, but also by others in various districts in Aceh. For example, oil palm farmers in West Aceh, South Aceh, and South-West Aceh have experienced the lowest price of fresh fruit bunches (FFB). They were forced to sell it at a low price of IDR. 600 - IDR. 700 per kg at the collector level. They are disadvantaged if the price of oil palm is under IDR. 1000 per kg, because the farmers have to pay the production and the maintenance cost of farms (Suprijal, 2017).

Due to this circumstances, Oil Palm Plantation Entrepreneurs Syahrul Miswar called on the Government of Aceh to immediately implement the Regulation of the Minister of Agriculture (Permentan) No. 14 / Permentan / OT.140 / 2/2013 regulating Guidelines on Fixed Pricing of Fresh Palm Fruit Bunches (TBS) Plantation Production. The guidelines prohibit any price exploitation at the oil refinery. Aceh Government has the authority to determine the price of FFB according to the *Permentan.*, (Suprijal, 2017).

There are various obstacles to be managed in empowerment of the community, especially for the integration of oil palm and cattle. It needs a good synergy among all stakeholders. The government, society, private and academics have to agree in improving the welfare of farmers in their respective capacities. More than cooperation, their collaboration is must because the collaboration between them could be an innovative strategy in the poverty alleviation (Larantika, et., al. 2017). Antjok (1995) stated that effective institutional roles such as government agencies, NGOs, and consultants who provide services to improve productivity and quality of life is needed. In addition to government institutions, educational institutions also need to contribute the ideas for poverty alleviation.

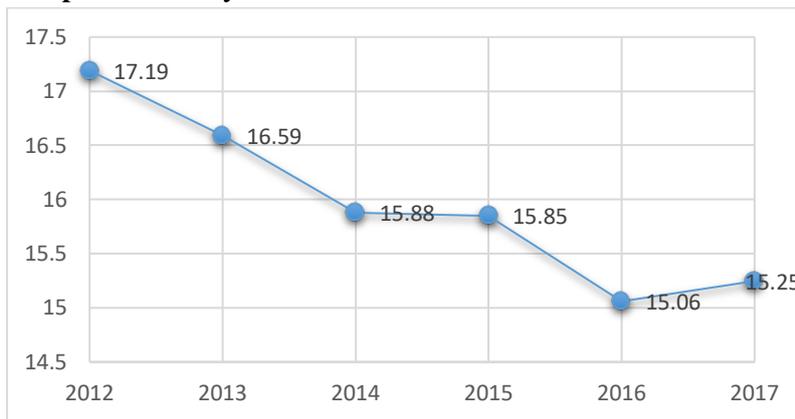
In addition, particularly for the government, Antjok (1995) suggests the policy should benefit the poor, especially in the price of adequate agricultural products the government should invest in physical and social infrastructure. The policy should also address the problem that farmers in the hinterland do not have access to market prices, so that the price of palm is always in set by the collectors, and the farmers are forced to sell their products even if the price is low.

The Impact of Cooperation on Poverty Reduction

The study revealed that cooperation among famers is high, but the cooperation between farmers and providers of facilities is low, and the cooperation between government and

private sector is not synergic. This fact does not make poverty reduction for farmers any more likely. Majority of the farmers (76%) perceive that the aids provided by the government's program have no positive effect on their welfare. Only 24% of farmers perceive the aid programs has increased their welfare (Saifuddin, at al. 2019). Thus, it is not a surprise that the data showed that Aceh, and particularly East Aceh has a high poverty rate region. The following is the poverty rate in East Aceh for the past six years:

Graph 4. Poverty rates in East Aceh 2012 – 2017



Source: Processed from East Aceh in Figures 2012-2018

The poverty reduction does not coincide with the spirit of the East Aceh government that is committed to reduce poverty one percent each year. The concept of accelerating development in East Aceh has also changed, from sectoral patterns to regional patterns since 2015 (Bakri, 2018). The concept requires synergic cooperation among all development stakeholders to reach the goals. Thus, by synergic cooperation, hopefully, the economic welfare of farmers will increase continuously. Stephen (1999) states that cooperation will often have multiple effects, and the welfare of people generally will be enhanced. It is in line with Rustiadi and Nasution (2017) who suggested that in delivering poverty reduction aids, policymakers, the private sector, non-governmental organisations, and social agencies need to pay attention to strengthening social capital including cooperation.

Conclusion

Based on the above discussion, it is concluded that good cooperation among the farmers can improve their economic condition, if they are supported by good cooperation with providers of facilities and the synergies collaboration between the government and private sector, mainly entrepreneurs such as oil producers, and collectors of farmers' productions. Irregularities of cooperation among these stakeholders has not empowered farmers economically; and therefore, the poverty rate in Aceh has remained high. Withstanding that, this study suggests that firstly, the government should provide training for farmers to improve their capability to build networks, and understand the trade policy and finally, the



government and public and private agencies should work together synergistically in increasing the farmers' economy reduce poverty in Aceh.

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