

# Implementation of the Farmer's Empowerment Program by Rural Agribusiness Development (A Case Study in Mulyodadi Village Wonoayu Subdistrict Sidoarjo Regency)

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## Abstract

The fundamental farmer's problem is accessing capital resources. Rural Agribusiness Development (called PUAP) is a form of facilitation of venture capital assistance for members of farmer groups are coordinated by Gapoktan. The aim of this research was to: (1) describe and review the implementation of the farmer's empowerment program by rural agribusiness development; (2) identify and explore factors that influence the effectiveness the implementation of rural agribusiness development; (3) review and formulate the reconstruction of farmer's empowerment design model by rural agribusiness development. The research is a qualitative case study type in Mulyodadi Village, Wonoayu Subdistrict, Sidoarjo Regency. Data were collected and searched by using data collection methods by observation, interviews and documentation. Data is processed using by interactive model of analysis from the field research results. Researcher adopts the framework of ACTORS by Sarah Cook dan Steve Macaulay. The conclusion of this research is needed to evaluation and improve the implementation of rural agribusiness development which has not been implemented properly and less effective. Phenomenons behind "has not been implemented properly and less effective" are the difference between the goals and outcomes of the program irrelevant. There are several things that cause the implementation of rural agribusiness development in Mulyodadi is less effective, among other: Gapoktan in Sidoarjo regency has not been appointed by the regent and non-comprehension of regulatory substance by implementing agency. Results of this research need to redesign model of the farmer's empowerment program to interpreting the goals and outcomes of the program to be on target by adding new empowerment activities to complete the problems of PUAP program.

**Keywords:** empowerment, farmer, rural agribusiness development

## INTRODUCTION\*

Development in developing countries is inseparable from rural areas. Most people in developing countries live in rural areas and the majority are in poor condition. In the fact, development in developing countries sees the rural areas as the focus and development targets. Rural development is important because the welfare of rural population is far behind the urban population [1].

The population of poor people in Indonesia is 28.28 million people or 11.25% of the total population in Indonesia. Based on data, 63.1% of the poor are in rural areas. Moreover, 72% of the number of poor people in rural areas depend on agriculture [2]. The phenomenon of poverty in rural areas is a serious problem because poverty as one of the development problems that have

been, is, and will continue to be faced so the handling must be a main priority in the implementation of rural development. However, a relatively comprehensive and long-term approach in rural development has not advancing the village and prospering the population, especially for farmers.

Chambers [3] in the trap of poverty, explains that poor households and their environment contain elements that closely linked in a chain. This chain is referred to as a vicious circle that makes poor households always trapped in poverty. In detail, the deprivation trap consists of five elements, namely: (1) poverty itself, (2) physical weakness, (3) isolation, (4) vulnerability, and (5) helplessness. These five elements often interconnected with each other so it's truly dangerous poverty trap and deadly opportunities for the lives of poor people or families.

Various agricultural development programs using empowerment approach have been implemented by the government specifically designed to reduce poverty, among others:

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1. Project of Smallholder Income Improvement Development;
2. Program of Farmers Income Improvement by Innovation;
3. Participatory Integrated Development of Rainfed Agriculture;
4. Pilot Program and Acceleration of Agricultural Technology Innovation;
5. Independent Food Village;
6. Rural Agribusiness Development.

Unfortunately, the goals and outcomes of the program irrelevant with the effectiveness of the farmer's empowerment program. The concept of empowerment appears 2 (two) major premises, failure and hope. Failure is a failure of economic development models to reduce poverty and sustainable environment. Hope is the existence of development alternatives that incorporate the values of democracy, gender equality, inter-generational equity, and economic growth sufficiently [4].

So many partial sectoral programs that have been carried out by the government to encourage economic development of rural communities but none of them achieve sustainable.

This research is aimed to describe, review, identify, and explore the implementation of the farmer's empowerment program by rural agribusiness development and the researcher find the design model of the farmer's empowerment program by rural agribusiness development in Mulyodadi Village, Wonoayu Subdistrict, Sidoarjo Regency.

This research is using the empowerment concept as evaluation about the implementation of the farmer's empowerment program can be more effective. Evaluation as a form of identifying success and/or failure the program. The most fundamental thing in evaluating is know what activities and objects that can be a target evaluation. Because in evaluating the program, the planning will determine whether the stated goals can be achieved and whether the program can be implemented effectively and efficiently.

#### **MATERIAL AND METHOD**

This research is a qualitative research with case study approach in Mulyodadi Village, Wonoayu Subdistrict, Sidoarjo Regency. The informants were selected using purposive sampling technique with a certain consideration

in accordance with the theme of this research. The data collection methods by observation, depth interview to the key informant and documents obtained from the report and the data in the Wonoayu Subdistrict Government and Mulyodadi Village Government Data and also other supporting relevant sources.

Data analysis using interactive model analysis [5]. The process of data analysis is an attempt to find answers to problems encountered. In qualitative research, data is obtained from various sources, using various data collection techniques and is done continuously so that the variation of data is very diverse.

#### **RESULT AND DISCUSSION**

##### **Poverty Overview of Mulyodadi Village Community**

Low income and asset ownership adversely affects the ability of poor households to meet basic needs such as food, clothing, shelter, education, and health. Poor households in Mulyodadi Village developed a simple consumption pattern, far from a balanced nutrition paradigm.

Poor households in this village also rarely or never buy clothes in a year. Although every poor household already owns a house, but the condition of their home is far from ideal. The quality of human resources, especially farmers in rural areas still low, most of them are graduates of elementary school.

##### **Cultural Poverty of Mulyodadi Village Farmers**

People who understand the social problem by using magical consciousness will see that the poverty and powerlessness of society is destiny or decree of God and there is wisdom behind this provision. For them, the problem of poverty and marginalization has nothing to do with globalization and modernization, and is often considered a test of faith.

##### **Structural Poverty of Mulyodadi Village Farmers**

The condition of structural poverty in this region can be seen from the pattern of social stratification of farmers. Social stratification is a distinction or grouping of community members vertically (stratified), describes the social groups in a hierarchical arrangement and tiered. So in this structure dimension, we can see the existence of upper class, middle class, and lower class [6]. One example of social stratification based on economic factors are spacious and

ownership of agricultural land in Mulyodadi village.

### **Rural Agribusiness Development as an Implementation of the Farmer's Empowerment Program Viewed from Context Empowerment**

Researcher classify three phases of rural agribusiness development in Mulyodadi Village, Wonoayu Subdistrict, Sidoarjo Regency consists of preparation phase, implementation phase and evaluation phase. This research focused on the implementation of rural agribusiness development as form of the farmer's empowerment program using the empowerment concept because empowerment refers to ability of people, especially vulnerable and weak groups such as farmers.

The farmer's empowerment provide motivation and encouragement to them to be able explore the potential for themselves and act to improve their quality of life. Efforts to improve farmer's empowerment is an effort to improve of mental attitude by independent attitude.

Rural agribusiness development is the farmer's empowerment program that implemented by government specifically designed to reduce poverty because the farmers generally have a weak position in obtaining production facilities, farming finance, and market access. In addition, farmers are exposed to climate change trends, vulnerability to natural disasters and business risks, globalization and global economic turmoil, and market system that does not favor them. Therefore, efforts are needed to protect and empower the farmers. Efforts to empower the farmers have not been supported by comprehensive, systemic, and holistic legislation, thus providing less legal certainty and justice for farmers and business actors in agriculture. Empowerment also has an important role to achieve the welfare of farmers be better. Empowerment is done to promote and develop the mindset of farmers, increase farming, and grow and strengthen the institution of farmers to be independent and highly competitive in farming.

The program that intended for poor farmers, including sharecroppers and farm laborers is only for members of farmers groups who have agricultural land as well as able to repay the loans. When referring to the regulation guidelines of rural agribusiness development, the goals of rural agribusiness development are poor farmers households, small-scale farmers (owners and/or sharecroppers), and farm laborers. Based

on this regulation goals, strategy of farmer's empowerment who applied politically to reach poor farmers. But recipient of rural agribusiness development actually comes from farmers land owners so that the rural agribusiness development has only been enjoyed by some groups only, especially the farmers who own agricultural land. This further aggravates the condition of farmers and farm laborers in Mulyodadi Village.

In addition, the provision of financing and capital facilities by community Direct Aid Fund of Rural Agribusiness Development (DAF-RAD) in Mulyodadi Village is used to buy fertilizers and seeds. The direction of empowering farmers is agribusiness activities, developing agriculture and agroindustry, and the services that support them. The farmer's empowerment of rural agribusiness development is an effort made to improve the ability of the agribusiness community so that independently able to develop themselves.

The concept of empowerment contains a partial context to some groups, especially the farmers who own agricultural land so that the researcher review the rural agribusiness development in Mulyodadi Village, Wonoayu Subdistrict, Sidoarjo Regency using the framework of ACTORS by Sarah Cook dan Steve Macaulay [7].

By using the concept of empowerment that are offered within the framework of the theory of ACTORS then the changes that will result is a change has been planned, because the input to be used in the change was anticipated early on so that the output will be produced capable of optimally efficient. The study of farmer's empowerment program using the framework of ACTORS will be able to raise awareness, authority, confidence and competence, trust, oppurtunities, responsibilities, support, initiative, and creativity to change the situation towards the power in which communities have self-respect, self confident, and self reliance, so they have the knowledge and understanding for self-empowerment on an on going basis.

Empowerment strategies planned and implemented by farmers' groups and farmers' companion have several aspects in empowerment program inputs. The farmer's empowerment program inputs by rural agribusiness development should be reviewed as an evaluation of the implementation of empowerment program. Sarah Cook and Steve Macaulay offer the ACTORS theory in the implementation of the empowerment process. A good empowerment process should have diverse

inputs summarized in ACTORS theory to produce an empowerment output as expected.

#### **Empowerment Program Input**

The concept of empowerment strategies offered by Sarah Cook and Steve Macaulay, the changes that will be generated is a change that is planned because the inputs to be used in the changes have been well prepared so that the output will be produced optimally efficient. The concept of a community empowerment strategy using the ACTORS framework as an empowerment input is as follows:

##### **a. Authority**

Authority means that farmers' groups authorized to change stance or spirit (work ethic) into something of their own. Thus, they feel that the changes made are the product of their desire to get change for be better. The description of sharecroppers and farm laborers not authorized to use community Direct Aid Fund of Rural Agribusiness Development (DAF-RAD), these funds can be used outside the agricultural activity such as for keeping livestock.

##### **b. Confidence and Competence**

Confidence and competence can cause self-esteem farmers groups with their ability to be able to change the situation. Education and training, dynamics of farmer's group used as a strategy to increase awareness, knowledge, skills and attitudes of farmers to have the ability to solve the problems by using farmers' companion as media intervention. The group's approach in counseling is intended to improve the effectiveness and efficiency of the provision of extension and encourage the growth of farmer institutions.

##### **c. Trust**

Trusts means that poor farmers have the potential to change the future and they must be sure to change it. Farmer's group coaching to establish a Micro Finance Institutions Agribusiness (MFI-A) as an autonomous business unit of capital in order to provide a form of microfinance services in accordance with the needs of farmers. MIA should be able to convince the farmers to develop farming so that they are entitled to a venture capital by Direct Aid Fund of Rural Agribusiness Development (DAF-RAD). The funds are delivered directly to the farmers in order to continue to expand its use among farmers and can have a better life than the current state. The reality, Tani Mulyo farmer's

groups doesn't have a Micro Finance Institutions Agribusiness (MFI-A) yet, so farmer's groups only positioned as a tool to implement of Rural Agribusiness Development program's, has not become a partner financial institutions.

##### **d. Opportunities**

Opportunities means that providing opportunities for farmers to develop their limitations so that they can develop themselves according to existing potential in the society itself. Micro Finance Institutions Agribusiness (MFI-A) should provide the widest opportunity to sharecroppers and farm laborers to use Direct Aid Fund of Rural Agribusiness Development (DAF-RAD).

##### **e. Responsibility**

Responsibility means that making changes by management with full responsibility to be better. The empowerment process is conducted by Tani Mulyo farmer's groups give a sense of responsibility to give them spirit and encouragement to develop the agribusiness. Tani Mulyo farmer's groups try to give a sense of responsibility to the farmers to fulfill the agreed commitments. Responsibility for this commitment is accompanied by punishment, example the farmer misuses Direct Aid Fund of Rural Agribusiness Development (DAF-RAD) to pay their children's school or home renovation it can be dismissed.

##### **f. Support**

In this case, need support expected from the economic, social and cultural as well as support from various stakeholders (government, civil society and business) is done simultaneously without being dominated by either party/factor. So far, the government has provided Direct Aid Fund of Rural Agribusiness Development (DAF-RAD) but hasn't contributed to formulation of program regulation, agricultural program planning, and community organizing as a strategy of empowerment approach for social change targets on wider environmental systems.

#### **Empowerment Program Output**

The concept of community empowerment strategies by ACTORS framework, using empowerment program input will be empowerment program output such as self respect, self confident, and self reliance. The aimed outputs of the ACTORS framework are as follows:

### **1. Self Respect**

Self Respect or self-acknowledgment can be interpreted there is an increase in self-esteem of empowerment goal so the farmers don't feel low self-esteem. Farmer's esteem increase if they use Direct Aid Fund of Rural Agribusiness Development (DAF-RAD).

### **2. Self Confident**

Self Confident means that an empowerment process can feel the confidence from empowerment goal. Farmer's empowerment basically aimed to increasing peasants confidence so they have confidence and strength or ability to meet their basic needs, freedom to reach productive resources to increase their income, get the goods and services who they need, and participate in agricultural development process and decisions that affect them.

### **3. Self Reliance**

Self Reliance means that an empowerment program can be empowerment goal able to be independent and effort. The goal of empowerment programs should be transform the farmers who were formerly victims of development into development actors because the main goal of empowerment is to strengthen the power of farmers, especially weak groups who have powerlessness, either because of internal conditions (their own perceptions), or external conditions (suppressed by unjust social structures). Output that expected from the farmer's empowerment program is the farmers can improve their ability by doing agribusiness effort so that they can independently develop themselves and their business continuously.

### **Effectiveness the Implementation of Rural Agribusiness Development**

Effectiveness of program's implementation reflects relevance and relationship between the achievement of indicator program and the goals. To see the implementation of rural agribusiness development which has been implemented properly and effective or not, the researcher need to describe the aim of rural agribusiness development, indicator program and the goals. Based on objectives program, success indicators program and achievements program, it can be considered that the implementation of Rural Agribusiness Development is less effective. The phenomenons behind this less effective performance is so many various agricultural development programs using empowerment

approach have been implemented by the government unsustainable. This is important to be understood for stakeholders, as the poverty reduction program has not prioritized the sustainability of program. The program is only seen on the outlayer, so the potential of the poor to slip into the poverty trap is very large [8]. The level of depth and severity of farmer poverty still high and the poor are particularly vulnerable to socio-economic and environmental changes, vulnerable to rising food prices, reductions in factor subsidy subsidies, social turmoil and natural disasters. There are several things causing the implementation of Rural Agribusiness Development is less effective, among other :

#### **1. Institutional of Farmers Uninsured**

The farmers groups who receive Rural Agribusiness Development program's don't have power of law so they have low bargaining position in the implementation of farming partnership. This indicates that the farmers' institution in Mulyodadi Village, Tani Mulyo farmers groups, is an important instrument but not protected by the laws and regulations legally. Until now, there is no farmers groups that the establishment of the organization has been declared by technical team of the district. Reality, none of farmers groups in Wonoayu Subdistrict has been inducted by the Regent Mayor.

#### **2. The Lack of Implementing Agency Understanding about the Substance of Regulation**

The farmers' companion has an important role as an implementing agency, understanding about the substance of regulations have been communicated to target group of empowerment [9]. If farmers groups as the target group of empowerment receive an output of regulation well, so their knowledge and understanding of the regulation be better. It refers to that the lack of implementing agency understanding caused by the implementation of socialization process and coordination is less optimal. The indicates that the farmers' companion does not know and understand the provisions the regulations.

#### **Model Design of Farmer's Empowerment Program**

Model design of farmer's empowerment program takes from farmer's empowerment process that implemented by Rural Agribusiness Development which has been implemented in Mulyodadi Village, Wonoayu Subdistrict, Sidoarjo Regency. Implementation of Rural Agribusiness

Development is less effective because there are several factors may affect the effectiveness of program implementation. These factors are the problems that arise during so that the problems that occur should be immediately addressed by the approach to perfecting the farmers empowerment program. Reconstruction of model design of farmer's empowerment program is important to be implemented, since the program is still run until now and the budget used a lot. Reconstruction of farmer empowerment program model design is designed to solve the problem, to refine and complement the existing model [10]. This is considering that the farmer's empowerment model has a rule that has been legalized in the form of guidelines.

### **CONCLUSION**

This research examines the implementation of the farmer's empowerment program by Rural Agribusiness Development in Mulyodadi Village, Wonoayu Subdistrict, Sidoarjo Regency using the concept of empowerment strategy of ACTORS theory by Sarah Cook dan Steve Macaulay. The results show that some findings in the implementation of Rural Agribusiness Development, among others Direct Aid Fund of Rural Agribusiness Development (DAF-RAD) have not been for farmers households, small-scale farmers (owners and/or sharecroppers), and farm laborers who are weak or powerless groups that are structurally feasible to be empowered. In addition, the process of institutional formation of farmers has not reached the final stage, meaning that Tani Mulyo farmer's group does not have an Micro Finance Institutions Agribusiness (MFI-A). The implementation of Rural Agribusiness Development as a form of farmer's empowerment not as expected. Therefore, it is necessary to review by using SWOT analysis and bottom up farmer's empowerment.

There is no graph and table analysis as supporting data in this research because this research carried out to evaluate PUAP. The primary data used words or sentences. Data in the form of numbers is not intended to be analyzed, but only to support qualitative data in the form of words or sentences. The data in the form of words or sentences to describe poverty overview of Mulyodadi village community, to review the implementation of the farmer's empowerment program, to explore factors that influence the effectiveness the implementation of Rural Agribusiness Development and

formulate the reconstruction of farmer's empowerment design model by Rural Agribusiness Development.

The implementation of Rural Agribusiness Development is less effective. The Phenomenons behind this less effective performance because the implementation is not in accordance with the provisions in the guidelines. There are several things causing the implementation of Rural Agribusiness Development less effective, are institutional of farmers uninsured and the lack of implementing agency understanding about the substance of regulation.

That is necessary to reconstruct farmer empowerment program model design by adding some activities to minimize the problems that occur during the implementation of the program. Researchers assess that farmers empowerment model implemented so far has not run well and is considered less effective in its implementation. The addition of activities to the model of farmers empowerment post-reconstruction can be seen by the difference in the addition of some activities in the preparation stage of the program, strengthening the focus of the empowerment target, especially the weak or helpless groups structurally at the implementation stage of the activity and the addition of program evaluation stage.

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