

**THE DEVELOPMENT OF LOCAL ORGANIZATION FUNCTION
FOR AGRICULTURAL DEVELOPMENT
IN INDONESIA**

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Abstract

Rural economic development as a largest part of agricultural development which could be developed as an autonomous unit of government in rural area. Rural development could be done by self-supporting through the strengthening of local organization function with a set of norms and supported by available resources.

Data used in this paper was the result of the research related to the strengthening of local institutions that was carried out in the Martaya Village, West Sulawesi Province, Indonesia.

Research results shown that development of irrigation infrastructure, farmer group, and rice mill business could be done based on farmer needs. Farmer group members were dominated by from Bali as self-support transmigration. The development of farmer group encouraged village roads and village regulations that support the government of autonomous village. The community development activities could be done by local organization and supporting the village development planning and sustainable agricultural development.

Local organizations could be functioned in the activities of joint discussion meeting (*Musrenbang*) in the village level which was one of the stages in the system of national development planning.

Key words: local community organization, farmer group strengthening, agricultural and rural infrastructure development.

1. Background

Agricultural development is a major part of economic development in Indonesia, even most of the agricultural sector development is the development in the village. Development activities should be focused on the village as an administrative unit that organizes the function of public administration and development activities. Given these issues, community development is very popular among the development planners with the terms of the participatory approach. This approach is one of the most suitable method developed for sustainable agricultural development in the countryside that aims to improve the community's capacity through institutional strengthening in the form of organization and norms, so the local community can carry out various activities of the village community through the development of organization functions.

The problem faced in the implementation of rural development is mostly not carried out based on the needs of rural communities, or the community is not involved in the planning processes as well as the implementation. It tend even to involve only certain parties who carry out various programs from different sources. These figures tend to create the negative impact that makes people apathetic to any development activities undertaken in the village.

This paper aims to identify the potential, functions and roles of local community organizations in agricultural development activities in the village, where village-based self-help development will encourage the institutional capacity of local communities and improving the social capital.

2. Research Methodology

Research was conducted on 2006 with the site selected was the village of Martajaya, North Mamuju District, West Sulawesi Province where many people do self-support for the agricultural development activities. Primary data was collected using depth interview to the village head, farmers, farmer group boards. Data collected were the history of the arrival of the Balinese in the village, farmer group activities, the construction of agricultural infrastructure, rural infrastructure, social infrastructure, and business development of farmer group.

The method used is descriptive analysis that explains the form of institutional strengthening of development planning at the local level. The scope of analysis is the organization's functions, both to members and to the surrounding environment, planning processes, and development activities.

3. Agriculture Development Based Local Community Organizations

3.1. Institutional Strengthening

Planning and development activities in the village can be realized through the development of local organization function as well as the development of society democracy and autonomous village administration systems. The democratic system generate participatory members (Ife, 2002; Lauer, 1993) as well as encouraging the development of organizations. Thus, the local organization can be developed with the participatory method is presently widely used in the empowerment approach in development activities through the organizational functions, roles of members regulated by a set of norms, and supported by acquisitioned resources. Following this framework, the activities of development planning, the execution of democratic principles, and village autonomy are being realized by the functions of community organization.

Participatory approach is an alternative method to help community members who have potential means but are not utilized to be positioned as one of the principal or main actors of development (Ohama, 1999). The focus of participatory approaches is how to facilitate the society to be able to solve the problems faced in the activities of development planning and implementation undertaken by the community through his organization. One of the factors that drive the functioning of this approach is the developing of community organization with very large role for the members in terms of planning and financing, as well as in implementation, monitoring, and evaluation of the development. In addition, if the local organizations regularly participate in the village development process, the process became a learning by doing or by practicing or experience based learning process (Israel, 1990; Salman, 2005;). The course of action will create a strong institutional capacity that ultimately manifest social capital planning and sustainable development in the rural area.

3.2. Local Community Organizations as Development Actors

Social organization is the interaction and networking among members of the public cohesion forming a social unit called the local communities (Ife, 2002). This community facilitates the members to interact institutionally and supported each other in a social organization as well as a media which embodies the interests of each member to be a common goal in the community level. Social organization is equipped with a set of norms that regulate the structure and roles. According to Uphoff (1992) and Fowler (1992) that an institution is a complex norms and behaviors that persists over time by serving some socially valued purpose, while an organization is a structure of recognized and accepted roles.

Organizational functions is to encourage the development of collective action on various social and economic activities, while the norms established framework of social interaction between members, manage the distribution role of members of the group, and the pattern of resource utilization. The existence of these norms will function and govern the behavior of community members to interact, both in social and economic activities for rural development. The functions of organization is to encourage the formation of social capital which is a feature of social life consists of networks, norms, and trust that can move the participation of members of the group to achieve common goals (Putnam, 1995)

In order to achieve common goals, the function of social organization is to mobilize and manage the utilization of individuals or communal resources. Local community organizations is a media to employ the norms to the members, such as resource mobilization, organizational pattern, the pattern of distribution of benefits, and characteristics of reinvestment of surplus in internal organization (Ohama, 1999). In detail, Ohama dividing the typology of local social organization based on the form of interactions and cohesion among members so-called functional categories of collective action. Collective action is to help each other (mutual support), gathering resources (resources pool), asset and other resource management for the revenue creation, and the community autonomy.

Local community organization is one of the development elements. Another elements are resources and norms. The elements of resources and norms could come from the government and or community, whereas the organization of community is formed by members. The success of a development activity in the context of local development must be supported by these three elements.

The development of community organizations function in the planning process include: (1) the programs formulated is more in line with community needs and local circumstances, (2) the community feel to the program/development activities that they had planned together to carry out more serious and responsible in construction and maintenance as the results of its local community development, and (3) to foster and encourage community participation in village development management.

4. Results and Discussion

4.1. Brief Profile of Martajaya Village

Martajaya village is one of the self-supporting village status in the sub-district of Pasangkayu, Mamuju District, Province of West Sulawesi with the area of 86.22 km² and inhabitants of 4,057 or population density was low with 152 inhabitants/km².

Economic activity of the villager is dominated by ricefarm and it is a village in North Mamuju district with many of its population specifically were selftransmigration form Bali province during 1981-1982. This community characterize and encourage the development of economic activities in agriculture .

The village head, who was elected in 1993 through the village head election, has served for 13 years or is presently the second term period. The village was developed well in the form of social capital through self-supporting of planning and development activities.

Forms of development activities implemented through the institutional farmer groups are irrigation canals and reservoir, infrastructure construction of Islamic and Hinduism relegions, construction of village road, and development of rice mill for the business of farmer group.

4.2. Farmers Group Development

Bambarabba Farmers Group located in the Village Martajaya, Pasangkayu Sub-district, West Sulawesi Province is one example of a case of successful local organizations to strengthen their institutional capacity and social capital formation. Local organizations also successfully developed a variety of programs that are self-supporting rural development planning in a participatory way.

Bambarabba farmers group is one of the farmers' groups based on rainfed farming. At the beginning of the group formation, the number of members of farmer groups were 47 people with an average field of 0.5 ha for each member of the group. The majority of the members of this farmer group is a self-supporting transmigrant of Balinese ethnic. Currently Bambarabba farmer group members developed into 173 people, where 95 is the Baliness ethnic and the rest are Buginess and Kailiness ethnics.

Given to the self-construction of irrigation facilities along the 2.44 km by members of the farmer group, the occupational level of rice field increased with rice cropping intensity as much as two times per year.

Bambarabba Farmers Group has 1 ha of crooked land, a business unit of rice mills, and some agricultural machinenaries and equipments like tractors which could be rented by the members of the farmer group. A part of crooked land used for the milling business unit, and the rest in the form of rice which is rotstely cultivated by the members with the share tenance system.

4.3. The Development of Ricemill Unit

The initiation of the rice mill unit development for Bambarabba farmers group was not really coming from the members of the group, but comes from one of community leaders who called Mr. Sinar which is indeed quite close to some members of the group. Mr. Sinar offers services to provide the capital development of farmer group rice mill. This proposal was welcomed by all members of the group, including the village head who also always accompany the members in every group discussion. The village head was promised to arrange for a crooked land in the village that can be used by farmers' groups as the asset of group, as well as the location of rice mill business unit.

Rice milling business development began in 1995 with Rp 50 Milion capital of non-interest loans from Mr. Sinar which was not accompanied by written agreements, but only an informal agreement, that the group will return the loan capital by 20 per cent of the ricemill

revenue. This agreement is only on the underlying trust between Mr. Sinar and farmer group. Well harmony and cooperation by the members of the group is a factor underlying the emergence of a sense of trust from Mr. Sinar.

After going about five years from the beginning to operate the rice mill, capital loans from Mr. Sinar has completely returned. The results of this rice mill business, not just loans from Mr. Sinar that have been paid, but this unit also has provided additional income to the members.

The additional income of the members of the group who work in this business unit is earning as much as 20% of net income of the ricemill business unit. The net profit of operations are divided equally to each member based on calculations agreed within the group.

The ricemill of farmer group is not only used to process the rice production of members but also increased the efficiency and the quality of production because the member of the farmer group could be facilitated to sell their rice production in competitive prices and getting lower the mill lease payments. Some profit-making from ricemill business is used to build infrastructure such as reservoir and roads, and partly distributed to each member with the division of members used to build religious facilities, namely the mosque for the Muslim and temple for the Hindu.

The income of rice milling business unit was derived from mill services by the amount for 10% of the rice milled. Gross income from the rice mill is about 14 tons of rice per each planting season or the ricemill business unit can generate gross revenue of Rp 42 million per harvest with the local rice price is approximately Rp. 3000 per kg. However, the gross income still must be paid for various operational costs estimated at 30%, such as fuel, maintenance machinery, and others, and labor costs by 20% of gross income

In the period of installment payments to Mr. Sinar, 20% of the income after deducting all the rice mill operational costs for mortgage payments. Thus the period of repayment installments, the net gain around Rp. 16.8 million per season. While the post-installment repayment of capital, the group can get the net profit of approximately Rp. 21 million per season. The amount of loan capital repayment installments are paid by the group to Mr. Sinar range from Rp. 4.0 to 5.0 million per season. With two times of harvest in a year, loans from Mr. Sinar can be completed over five years.

Rice milling management of group business developed in the collaboration with Mr. Sinar and farmer group members was a form of collective action in assets management and simultaneously provide income generation. The result of this milling business which encourages the development of road infrastructure and worship facilities in the village of Martajaya.

Mr. Sinar as a rice marketing businessman makes profits in the form of certainty of supply and marketing margins of rice. Mr. Sinar is the main supplier of rice for both companies as well as some communities in Sub-district of Pasangkayu.

4.4. The Development of Village Infrastructure

The net profit of ricemill business unit is given to members as an entitled members. But after distributing the net profit, the members of the group reuse for the building religious facilities, while the construction of roads and irrigation infrastructure were directly performed by the group without returned to the members. Thus, the results rice mill unit widely used to build a means of supporting community activities or programs of other development. Even in creating a variety of programs that have been agreed, the members are still required to give tuition to fulfill the infrastructure development budget.

Various infrastructure development programs have realized with funds coming from the net profit of the operating farmer business unit and the fund of self-help group members. Some programs are (1) construction of irrigation facilities along the 2,440 meters, (2) making the dam, (3) hardening village road along 4.4 km, (4) construction of community hall, and (5) construction of religious facilities.

Any programs formulated by farmer groups are always based on common problems faced by members of the group. In addition, the scope of defined programs is always tailored to the capacity of groups or group members, so any program that can be realized by the group members and assisted by other villagers.

Construction of irrigation canals along the 2,444 m was completed in 1998, driven with the problems of land occupation rate only once a year and often failed harvests, the group dominated by members of 47 Balinese ethnic as self-support transmigrants known as self-civilized societies of rice farming have agreed to develop rice farm on the location of land given by the local government (sub-district head).

This irrigation may not work well at the beginning of its use as little water flow, so it proceed with the construction plan of little reservoir. The results of irrigation channels and little reservoir development can regularly supply water and rice farming can be cultivated twice a year.

All financing for development of irrigation channels and little reservoir was a pure self-help support of the communities in the form of voluntary contributions. The amount of reservoir construction cost was Rp. 80 million, while the irrigation channel was built in the form of mutual assistance. Successful development of irrigation channel and little reservoir was simple because the development planning process was carried out through community consultation mechanisms among villagers led by members of the farmer group.

The positive impact of irrigation networks and little reservoir are not only benefitted by members of the farmer group, but also by other villagers, especially in some areas of paddy fields outside the village where the way through of irrigation channel is also irrigated and cultivated twice a year.

After the irrigation networks and little reservoir have been operated properly, the other main problem faced by members of Bambarabba farmer group with other villagers are poor road infrastructure in the village, especially the main village road which is the main route to access the site of ricemill of farmer group. Based on these issues, then the village head invites Bambarabba farmer groups to initiate hardening of the village road.

The members of farmer group agreed through group discussion to construct the village road. Some of board members communicated the village road development planning to the community of village neighborhood as well as to collect the donation. The number of fund collected reached Rp 103 million sourced from the benefit of of the milling unit and the contribution of community. The funds are earmarked only for the purchase of materials such as sand and gravel and other construction materials. All road work done by the villagers so that there is no cost for labor.

Keeping the continuity of village road construction, especially the maintenance of the road, the villagers agreed with village head to make a Village Regulation (*Peraturan Desa*) that the car came from outside the village who pass the village roads will be subject to tariff of Rp

2500 per car. The results of these levies will be used to finance the maintenance of village roads. However the implementation of regulation was not supported by the local/district government.

Some of the infrastructure development programs have been built by farmers' groups, including the community hall. All funding was derived from the profit of milling business units and member contribution of of farmer group. Membership fee is always paid by all members with the rate of of contribution is Rp 25,000 per month. Farmer groups are also often contribute to the development of worship infrastructure facilities in the form of mosques and public temples construction.

The above description shows that Bambarabba Farmers Group has a success in improving its institutional capacity, both local social organizations and strengthening of institutional rural governance and development planning. This capacity is described from the aspect of ability to manage profitably the assets of farmer group. In addition, this group also initiated the implementation of various rural infrastructure development programs generates positive impact not only benefitted to members of the group, but also to other villagers. Forms of contribution provided or positive impact (positive externality) generated are village roads, construction of mosques and temples of worship facilities, and irrigation. The net benefit from the rice mill is part of income for members donated for the construction of mosques and temples both in Martajaya village and in the village neighbour. Equally, irrigation facilities are also utilized some residents in other villages.

Bambarabba farmer group was successively in managing the group assets and implementing various self-supported rural infrastructure development due to by several key factors, such as (1) constructing the network with outsiders, especially to the investors (Mr. Sinar) and the government (village head) who always facilitated in obtaining the additional resources from the outside, (2) the cooperation among group members in carrying out together various activities of the group and bearing the financing of the activities of development and plan formulation, (3) sharing of roles is seen from the clear roles of each member and the role of mutual support to each other, so that cooperation and solidarity within the group is always maintained, and (3) transparence in the management of business units and development funds, generate mutual trust (trust) between members of the group, accountability reports done periodically. Even there differences among group members in terms of dividend income from business unit because of different roles, but it was never disputed, (4) the rules (norms) are agreed and adhered to by members or citizens, and. (5) development programs are formulated based on the actual problems faced jointly by members of the group or people, and involvement of every member of the group ranging from formulation to implementation of program activities is the key to success in completing the various activities formulated.

4.5. The Reflection of Strengthening of Local Institution in Development Planning

Based on the best practice described above, the success story of farmer group lies in its ability to foster social capital, both at the group level and village level. According to Coleman, (1999), that social capital is generally defined as a set of norms, networks, and organizations with which everyone gain access power and resources as a tool that enables to make the decision and policy formulation. Basically the formation of social capital through the strengthening of social organizations is to encourage the creation of mutual support (complement), foster the trust (mutual trust), and create compliance with the norms. Those factors encourage every member to

understand the roles, responsibilities, and mutual control of each member, so as to create a sustainable development process.

The success of local organization in the village of Martajaya (Bambarabba farmers' groups) has the capability to improve its institutional capacity and fostering social capital, so that this organization has been realized a self-support and sustainable the variety of rural infrastructure development programs. Increased social cohesion is an important factor that can bring about sustainable development (Putnam, 1995). Sustainable development can be done by local communities because of cooperation among community members who encourage the principle of trust. "Trust" is defined as an informal norm that encourages cooperation among members of the community and it is also a form of social capital (Fukuyama, 1999; Lin, 2002). With a variety of opinions that are complementary to the various differences, capacity and social capital created as a based-trust that is formed through the principles of transparency, community consultation, democracy, network, mutual support, and norms (rules). The potencies of local organization as a forum where social capital formation can be functioned at the same time and developed in the process of planning and development in the village.

5. Conclusion and Recommendation

5.1. Conclusion

- 1) Local organizations are encouraged to grow by the principles of same goals, the same needs, the norms created according to the conditions and objectives of the organization, assets management based on the principles of transparency, development plan activities organized by the principles of community consensus and needs, and all decisions made democratically and deliberately.
- 2) The development and management assets of local organizations and the creating of financing source can be done well if earmarked for rural infrastructure development and at the same time encouraging economic activities of group and local community.

5.2. Recommendation

- 1) The task of the village government in carrying out the development function in the villages should develop and use the local organizations in formulating the plan, budgeting, implementation, and evaluation of development activities.
- 2) The development extension worker should be a concern as a functional planners which can facilitate the process of planning in villages and at the same time bridging the formulation of a plan of activities in the village and decision-making process at the district level.

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