Institutional Development of Rubber Farmers in the Implementation of Social Capital

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Abstract: This study aims to determine the Institutional Development of Rubber Farmers in Implementing of Social Capital. The method used in this study is the mixed method, where a quantitative approach into the opening of data and functions to support/strengthen data and information obtained by the qualitative approach. Data were collected by interview, observation, focus group discussions and questionnaires. The validity of the data is done by triangulation data/source. The results showed that the institutional development of rubber plantation farmer self-help system has been built with voluntary embodied in the form of cultural capital, human capital and economic capital. Social networks and norms that already exist yet powerful addition to the majority of rubber plantation workers in terms of functioning organizations not running optimally.

Keywords: Development; Institutional; Social Capital; Farmer Rubber.

1. Introduction

Rubber production in Riau Province is the largest one of the main island of Sumatra. But in 2008 to 2012, rubber production in Riau Province stagnant at around 325,000 tons to 396,000 tons by the amount of land used reached 500,949 hectares. If seen from the area of land used, the potential for the development of commodity largest rubber is in Kuantan Singingi the land area used by 146,215 hectares. The second largest is the Kampar district with an area of 101 597 hectares of land and the third is Indragiri Hulu with total area of 61,372 hectares used.

In quantitative terms, the problems related to the development and management of rubber in Kuantan Singingi appear in the form of instability of fluctuating -and-production quantities of rubber from 2008 to 2012. Figure 1.1 shows that the production of rubber in Kuantan Singingi decreased drastically, especially in the period from 2009 to 2010. in the next period is increasing the number of production, but not in significant amounts. This condition eventually continued up to the year 2012 until now. Rubber commodity productivity in Kuantan Singingi stagnant, both quantitatively and qualitatively. Furthermore, the productivity of rubber plantations which are counterproductive to the stagnant macro development scenarios have been prepared both national and regional levels. In the policy Master plan for the Acceleration of Indonesian Economic Development (MP3EI) explicitly stated that the need for accelerated economic development in Sumatra through the development of the rubber industry. The output is awakened rubber downstream industries for commodities that will eventually bring multiplier effects in other areas, particularly the local economy.
Rubber commodity revitalize in Kuantan Singingi increased when it was realized that the people who have been concerned with managing a rubber plantation, eventually moving to the management of oil palm which is considered more profitable in the short / medium. This indicates a decrease in the level of the pull and push factors of commodity development in Kuantan Singingi rubber so it is necessary to urgently look for solutions to solve them.

In the study, made many aspects of human resources as an entry point. Because there are about 62,975 people a rubber farmer who “survived” the rubber commodity. The amount is divided according to the pattern of management of existing rubber in Kuantan Singingi, they are:

1. Governmental pattern, consisting of 32,320 farmers.
2. Non-Assisted Pattern / PKTR, as many as 14,701 people.
3. The pattern UPP / PEK / SRDP, as many as 15,192 people.
4. PIR / creditor, as many as 762 people.
5. The pattern PD (no / no farmer has to manage)

As an authorized capital, aspects of human resources in the management of commodity rubber in Kuantan Singingi concentrated on the pattern of self-management. The pattern of non-inclined position of farmers as a subordinate, for example in the case of the sale price of rubber. While these four patterns that others have more power in the bargain as well bargaining rubber commodity management context, as they move their business in a manner that is more managerial and systematically compared with the pattern of self-reliance. For example is the presence of consciousness to establish an institutional. The latest data show that of the 62,975 farmers there, the newly formed 35 institutional effort rubber plantation with a membership total of about 1,012 people, so there are still very many farmers managing rubber estates up to now has not been developed and / or empowered in accordance with the power they.

Development groups of socio-economic small and medium scale rubber plantations needs to be a central goal of community-based development activities. The development of such communities in turn will provide development opportunities of local economic activities and other productive ventures (Nasdian, 2014). Further Nasdian suggests that institutional development becomes very important in the development of productive economic ventures because so far the development transaction requires high cost. In addition, through institutional development, in particular customs agency, was able to solve various social problems, such as child neglect and poverty (Wisdom, 2006).

Institutional development of rubber plantations reflect the extent to which social networks have awakened in the community. Both of these aspects (institutional and social networks) if synergized with the functions of the various stakeholders rubber plantations, will manifest into the development of social capital (social capital). Sujianto results of the study (2008) showed that social capital can provide development and empowerment in the economic and social side through social networks that already exist. It cannot be denied that the development of community-based social capital is able to give birth to a society prosperous and powerful (Nurhadi, 2008). Which then becomes the challenge is how to develop and utilize the social capital. Identifying which social capital is still potential for development and social capital which is experiencing a crisis are important because they not only social capital can support the ongoing development process, but also can weaken the development process itself (Adi, 2008).
Departing from the synthesis of quantitative data and the results of previous studies, it is urgent to do a comprehensive study related to the development and management of rubber plantations in Kuantan Singingi by making social capital as its main focus. The aim is for supporting the acceleration of economic development programs in Sumatra Island in general and Riau Province in particular.

2. Literature Review

Institutional development of the rubber farmers’ efforts reflect the extent to which social networks have awakened in the community. Both of these aspects (institutional and social networks) if synergized with the functions of the various stakeholders rubber plantations, will manifest into the development of social capital (social capital). Sujianto results of the study (2008) showed that social capital can provide development and empowerment in the economic and social side through social networks that already exist. According Nasdian (2014), Network development groups to synergize socio-economic functions of the various stakeholders as a form of social capital development (social capital). In addition, institutional development becomes very important in the development of economic enterprises productive because so far requires transaction costs are high.

While the theory of social capital was originally developed by a French sociologist Bourdieu called states there are three kinds of capital, the financial capital, social capital and cultural capital, and will be more effectively used if there is an interaction among the three social or social relationships. Social capital can be used for all interests, but without any physical resources and cultural knowledge possessed, it will be difficult for individuals to build a social relationship. Social relations will only be strong if the above three elements exist (Hasbullah, 2004: 9).

James Coleman defines social capital (social capital) as the structure of relationships between individuals that enable them to create new values. According to Coleman, social capital is weak by destructive processes of kinship, such as divorce and separation, or migration. When the family left the kinship networks of their existing friends and contacts the other, then the value of the social capital they will fall (Field, 2005: 140).

Social Capital Social capital is a resource that is seen as an investment to acquire new resources. The resources used for investments, called the capital. Social capital is quite broad and complex. Social capital here is not interpreted by the material, but it is a social capital present in person. For example in the group of family institution, organization, and all the things that can lead to cooperation. Social capital is more emphasis on the potential of the group and the relationship patterns among individuals within a group and between groups, with the room's attention on trust, networks, norms and values born of the group members and the norm group.

From the definition provided by experts on social capital in broad outline shows that social capital is an element of lubricant is crucial for the establishment of cooperation between individuals, groups, or the establishment of a collective cooperation behavior. In social capital is always inseparable on three basic elements that exist in the social capital that serve as elements in the assessment of each type of social capital include (a) Belief / Trust (honesty, fairness, egalitarian attitude, tolerance, and generosity); (B) Social Networking / Social Networks (participation, reciprocity, solidarity, cooperation); (C) Norms (shared values, norms and sanctions, rules). The third element of social capital on the following aspects of it are essentially elements that exist or should exist in the life of a social group, whether the group was named communities, societies, nations, or other categories or in other words the elements of social capital the lubricant lubricate an engine turning social structure.

3. Methodology

This study is methodologically using a mixed method approach, where a quantitative approach into the opening and functioning of data to support / strengthen data and information obtained by the qualitative approach (Brannen, 2005). By having two (2) to focus the analysis, which is about the capital/social capital community rubber plantations, and institutional models into solutions contextual issues rubber plantation community. While setting the research is at a rubber plantation in Kuantan Singingi. Justification enactment Regency of Kuantan Singingi as the research setting because
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Singingi Kuantan district had the largest rubber plantation in Riau province with the highest productivity in Riau Province. This makes the study of human resources (both individual and group / community) as an entry point. Therefore, applied purposive sampling in order to study subjects taking the appropriate and relevant to the purpose of this study. The subject of the research is that people around the rubber plantations in Kuantan Singingi, the local government and local social institutions (traditional leaders, kepenghuluan, religious leaders, NGOs, and so on).

4. Results and Discussion

4.1. Result

Rubber Farmers Institutional Development in the implementation of social capital, there are several grooves forming collective action so as to understand the elements of social capital formed in the collective action. The elements are visible in the form of collective action are: (1) the relationship of trust, which includes their honesty and tolerance by the committee as well as by a rubber farmers were the result of rubber will be auctioned, (2) institutions, covering values that are shared by rubber farmers, norms and sanctions and rules that are owned institutional "auction", and (3) social networks, includes the participation, exchange reciprocal by rubber farmers and toke, solidarity and cooperation among rubber farmers who want a better life. The existence of social capital network elements that have been outlined, provide benefits in the context of the formation of collective cooperation in the management of commodity sales rubber. But in early 2016 appeared several institutions auctions that resulted in the formation toke KUB members who resigned in the group because toke bid in the auction system is flexible.

4.2. Discussion

Bargaining of rubber made the position of farmers to traders in setting price. Farmers can only be resigned to a price set unilaterally by the rubber trade. This issue has opened the horizons of rubber farming community in Kuantan Singingi to organize themselves in the form of collective cooperation in selling the commodity rubber they produced by a system of "auction". The sales system has been followed by 35 Business Group (KUB) consisting of a combination of farmer groups in the district of Kuantan Siisingi, and in 2016 there has been a competition of institutional venture formed by a system that mimics toke sales made by KUB. So the ability of communities to organize themselves in collective activities such as the case of collective selling rubber showed that the community has woken pillars of social capital elements which will strengthen the bargaining position of communities against external forces that try to exploit them.

Before the establishment of collective sales cooperation system, there is a system of collective cooperation in the management of the resources that the communities located in five districts on average followed by 10 people in the district who do the auction system. This collective partnership known as the "business groups". Then in 2013 the rubber farmers had the idea of trying to gather villagers who had rubber plantations that want to sell it together with the auction to some rubber traders. There are problems in the activities of selling rubber collectively, namely: (1) the belief that some people are concerned that the board cannot perform their duties well and honestly, (2) the relationship mostly rubber farmers with rubber traders (toke) due to their relationship accounts payable between rubber farmers with toke, (3) the relative of the token, good for regional relations and marital relationships make it difficult for the rubber farmers to sell goods produced in another toke. Head of plantations conduct deliberations with farmers' groups combined with rubber plantations, in the meetings discussed the issues, and the committee agreed to manage the system while the auction. Then do the re-election committee after performing several times the auction system, the votes actually belong to the elements of social capital. Formation of collective cooperation requires a long process to be realized.

Rubber sales auction system resulting rubber farmers bargaining position, stronger on prices. Farmers will be more likely to get the highest price, because the toke will also attempt to bid the maximum price according to its calculations. In the results of the study respondents stated that 100% of respondents consider selling rubber with the auction system is able to increase their income when compared with rubber sales individually.
5. Conclusion

From the research institutions in the development of social capital implementation rubber sales conducted by the farmers' efforts with the auction system resulting rubber farmers bargaining power position, stronger on prices. Farmers will be more likely to get the highest price, because the toke will also attempt to bid the maximum price according to its calculations. In the results of the study respondents stated that 100% of respondents consider selling rubber with the auction system is able to increase their income when compared with rubber sales individually. On one side there is competition between the seller, on the other hand a reduction in the power of business institutions rubber farmers who initiated by the public because of the emergence of a business group formed by the seller conducting more flexible.

References