

# ECONOMIC AND REGIONAL STUDIES

STUDIA EKONOMICZNE I REGIONALNE

ISSN 2083-3725

Volume 13, No. 2, 2020

Authors' contribution/ Wkład autorów:

- A. Study design/ Zaplanowanie badań
- B. Data collection/ Zebranie danych
- C. Statistical analysis/ Analiza statystyczna
- D. Data interpretation/ Interpretacja danych/
- E. Manuscript preparation/ Przygotowanie tekstu
- F. Literature search/ Opracowanie piśmiennictwa
- G. Funds collection/ Pozyskanie funduszy

# EMPOWERMENT OF SPICE FARMERS COMMUNITY IN MALUKU UTARA FOR SUSTAINABLE AGRICULTURAL DEVELOPMENT

Nurdewi Nurdewi<sup>1(A,B,C,D,E,F,G)</sup>, Ghozali Maskie<sup>1(A,B,C,D,E,F,G)</sup>, Multifiah Multifiah<sup>1(A,B,C,D,E,F,G)</sup>, Asfi Manzilati<sup>1(A,B,C,D,E,F,G)</sup>

<sup>1</sup>Brawijaya University, Faculty of Economic and Bussines, Indonesia

Nurdewi, N., Maskie, G., Multifiah, M., Manzilati, A. (2020). Empowerment of spice farmers community in Maluku Utara for sustainable agricultural development. *Economic and Regional Studies, 13*(2), p. 245-249. https://doi.org/10.2478/ers-2020-0017

## ORIGINAL ARTICLE

JEL code: R11

Submitted: February 2020

Accepted: June 2020

Tables: 0 Figures: 0 References: 11

#### Summary

**Subject and purpose of work:** Community Empowerment in Sustainable Agricultural Development and CSR (Study of spice farmers in Maluku Utara). One of the duties of the nation is to facilitate prosperity for its citizens through development. Such development is pursued by the government to reach economic growth by utilizing all agriculture potentials and by organizing community development.

**Materials and methods:** In this study, the goals are to identify, describe and analyze the empowerment of the spice farmers' community in Maluku Utara in sustainable agricultural development and CSR. This study is descriptive in nature and uses the qualitative approach, while data analysis relies on the Creswell's model. Maluku Utara has a resource potential that is needed for sustainable agriculture development and CSR for community welfare.

**Results:** Through empowerment, which involves several stages, such as enlightenment, capacity building, and enforcement, it is possible to improve awareness, capacity, skill and strength of the community to exploit all potentials. The support given to the spice farmers' community in sustainable agriculture development and CSR is not at the maximum. Despite this support, there are factors constraining community empowerment in sustainable agriculture development and CSR.

**Conclusions:** These constraints may come from community, a very low number of agriculture counselors, natural resource inadequacy, and also weather factors at Maluku Utara, all of which hamper the empowerment process.

 $\textbf{Keywords:} \ spice \ farmers, \ development, \ sustainable \ agriculture$ 

#### Introduction

In international history, North Maluku is a best spices producer in the world. That's why European nations compete to travel from across the globe just to establish trade relations with the spice-rich archipelago, and especially with North Maluku.

The spice trade is still fairly pretty good. With a market share reaching 75 percent, Indonesia is still considered as a leading global manufacturer and exporter of nutmeg. The taste and aroma of spices typical of Indonesia is still the main attraction itself for overseas markets, and particularly Europe. Indonesia now ranks third among largest spice producing

countries in the world, and is one of the best gardens are in North Maluku.

However, we should not be complacent jumawa themselves and with the existing conditions. Because in fact, there are a lot of things that threaten the spice farmers North Maluku. One of them is reduced planting nutmeg acreage due to the conversion of productive land to oil palm plantations, as frequently reported in some parts of the island of Halmahera. Mining has also contributed to reducing the acreage of nutmeg crops due to land conversion, especially soils in indigenous territories.

Based on data from BPS North Maluku (Maluku Utara in Figures, 2014), nutmeg plantation area across

Address for correspondence/ Adres korespondencyjny: Dr. Nurdewi Nurdewi (dewi8368@gmail.com), Prof. Ghozali Maskie, Dr. Multifiah Multifiah, Dr. Asfi Manzilati, Department Faculty of Economics and Business, Brawijaya University, Jl. MT. Haryono No.165, Ketawanggede, Kec. Lowokwaru, Kota Malang, Jawa Timur 65300, Indonesia.

Journal indexed in/ Czasopismo indeksowane w: AgEcon Search; AGRO; Arianta; Baidu Scholar; BazEkon; Cabell's Whitelist; CNKI Scholar; CNPIEC – cnpLINKer; EBSCO-CEEAS; EBSCO Discovery Service; EuroPub; Google Scholar; Index Copernicus ICV 2017-2018: 100,00; J-Gate; KESLI-NDSL; MyScienceWork; Naver Academic; Naviga (Softweco); POL-index; Polish Ministry of Science and Higher Education 2015-2018: 9 points; Primo Central; QOAM; ReadCube; Semantic Scholar; Summon (ProQuest); TDNet; WanFang Data; WorldCat. Copyright: © Pope John Paul II State School of Higher Education in Biała Podlaska, Nurdewi Nurdewi, Ghozali Maskie, Multifiah Multifiah, Asfi Manzilati. All articles are distributed under the terms of the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International (CC BY-NC-SA 4.0) License (http://creativecommons.org/licenses/by-nc-sa/4.0/), allowing third parties to copy and redistribute the material in any medium or format and to remix, transform, and build upon the material, provided the original work is properly cited and states its license.

districts/ cities that are in the North Maluku area in 2013 amounted to 38 509 hectares, reduced by about 3 percent from a year which reached 39 691 hectares. Nutmeg crop production was reduced from 7215 tons in 2012 to 6495 tons in 2013.

In terms of quality, nutmeg quality also seems inadequate. Since the year 2009, nutmeg exports from northern Maluku face problems related to quality standards. Several times Indonesian nutmeg exports to the EU have been declined because of alleged contamination with aflatoxin in an amount that exceeds the maximum limit.

Traditional processing of spice and lack of funds are the root problems related to the diversification of raw nutmeg products. Currently, Indonesia exports nutmeg in the form of seeds and fully. There are also some producers who distill fresh nutmeg to produce nutmeg oil. But in our country, nutmeg is generally treated as industrial raw material for drugs, perfumes, and cosmetics. And Indonesia is a major market for industrial products.

The upstream and downstream gap apparently also becomes a problem that must be solved together. The length of the nutmeg supply chain, ranging from farmers to middlemen, traders or SME exporters, all the way up to consumers is causing farmers as a determinant in continuity of supply is less enjoy the sweetness Business nutmeg. The lack of capacity of farmers (in both cultivation and business management) puts nutmeg in a very weak position in the chain of commerce and contributes to the low income received by them. Institutional nutmeg farmers through farmers and associations gapoktan as the umbrella organization of farmers is also considered still weak so do not have a strong bargaining power in determining prices on the market.

For that we need to empower spice farmers in a sustainable manner. Empowerment can be done through useful development for the improvement of the welfare of the people as the main task of countries.

Good development does not only pursue growth, but also covers various environmental aspects to avoid exploitation of the natural resources owned to reach prosperity.

Development is only pursuing growth and does not pay attention to the various environmental aspects which adversely impact the environment and for the sustainability life, for it is the development both should positively impact community.

It is written in the Regulation of Republic of Indonesia Number 32 Year 2009 on the Protection and Environmental Management. According to Sugandhy & Hakim (2007, p. 4) the development of environmentally a conscious and planned effort that pay attention to environment, including source power in the development process and ensure the ability of welfare and quality of life at this time and generations will come, so development environmental needs attention environment and resources so the development not only pay attention the impact on the sector but also pay attention to other sectors.

Community empowerment, in terms this aims to spice farmer independence of the community and

be able to get out of problems faced by farmers. The government protects farmers who based on the Law of the Republic Indonesia Number 19 Year 2013 about Protection and Empowerment of Farmers.

Based on the problems and conditions faced by spice farmers in Maluku North it is necessary to empower Spice farmers in the development of sustainable agriculture.

The formulation of the problem in the journal This is; (1) How Spices in farmer empowerment sustainable agricultural development and CSR studies on plantation development in North Maluku (2) What are the supporting factors and inhibitors for the empowerment of spice farmers in sustainable development and CSR study sustainable development and CSR on plantation development in Maluku North.

The research objective is to identify, describe and analyze empowerment by the government in sustainable agricultural development and CSR study and to identify, describe and analyze the supporting factors and obstacles in spice farmer empowerment.

The benefits of research as a donation inputs and ideas related to the development of the concept of empowerment, sustainable development and CSR, provide feedback information to the Government of North Maluku.

#### Literature review

#### **Community empowerment**

For Anwas (2013, p. 3) empowerment means a community effort to make people empowered and independent, and able to stand on their own feet.

Community empowerment is basically about changing people's behavior to gradually improve the quality of their life and to increase their welfare. According to Mardikanto & Soebiato (2013, p. 16) empowerment is a series of activities to strengthen and/or optimize (in the sense of ability or competitive advantage) vulnerable groups in society, including individuals who experience poverty.

Wrihatnolo and Dwidjowijoto (2007, p. 2-5) trichotomize the empowerment process

First, the awareness stage, the target are the poor who should be "enlightened" by raising their awareness that they have the right to be able to face problems. They should be given motivation that they have the ability to get out of the poverty cycle.

Second, the capability stage, this stage consists of three types, namely capability building, organization, and value system. Capability is built by providing education, training, and other activities to improve skills of individuals or groups. Organization is done by restructuring the organization so that new innovations can be made. And the value system is created by developing the "rules of play" within the organization in the form of regulations to be followed by all members.

Third, the application stage, at this stage the target group are given the power or authority or opportunities aligned with their capabilities so that the target group can manage power and are able to bring about more good changes.

#### **Community Empowerment of Farmers**

The Law of the Republic Indonesia Number 19 Year 2013 concerning Protection and Empowerment of Farmers Article 1 Paragraph 2, a written understanding to empower farmers, reads "farmer empowerment means all efforts to improve the ability of farmers to implement better farming through education and training, counseling and mentoring, development of systems and means of marketing of agricultural products, consolidation and assurance of agricultural land area, ease access to science, technology and information, as well as institutional strengthening of farmers". Farmers should be given the protection and empowerment of older farmers have the capacity to continue to grow and develop into a more prosperous.

## **Definition of Development**

Mardikanto & Soebiato (2013, p. 6) said construction means efforts made consciously and planned, carried out continuously by the Government together with all citizens, or implemented by a community, led by the Government, using specific technology, to meet all needs or solve problems that are or will be faced, in order to improve the quality of life or well-being of all citizens of a nation planning and implementing such development. Development cannot be done by the government alone, and needs community participation for it to be run in accordance with the needs and desires of the community.

According to Sugandhy & Hakim (2007, p. 4) such construction is a conscious effort in managing and utilizing natural resources to increase the prosperity of the people, either to achieve prosperity or to achieve inner satisfaction, so the use of natural resources must be harmonious and balanced with environmental functions.

# **Sustainable Development**

Asdak (2012, p. 39) argues that development should meet our needs today without compromising the ability of future generations to meet their needs. achievement of sustainable development, three conditions, namely ecological, economic and social sustainability. Development can fail when one of the conditions is not fulfilled. Thus, continuous development can be interpreted as a sustainable improvement in the quality of life. Martopo & Mitchell Sumarwoto in Sugandhy & Hakim (2007, h.22) said sustainable development is a change towards the positive or better in society, economic implementation is not ignoring ecological or environmental aspects and society where all levels of society depending on the environmental aspects. The successful implementation of development requires a sustainable policy, planning and social learning process that is carried out in an integrated manner.

#### Sustainable Agriculture

Salikin (2003, p. 15) argues that agricultural development in question is agricultural development in the broadest sense, encompassing fields of food crops, horticulture, agriculture, forestry, animal husbandry, fisheries, and marine. Agricultural development should take place in a balanced way and be aligned with the carrying capacity of ecosystems so continuity of production can be maintained in the long term, while reducing the level of environmental damage as much as possible.

The definition of sustainable agriculture by Nasution in Salikin (2003, p. 12) says that agricultural activities carried out to maximize the social impact of the utilization biological of resources to maintain productivity and efficiency of the production of commodities. It is also crucial to pay attention to the importance of maintaining environmental quality, and the productivity of resources available to meet the needs of the present and the future.

There are five dimensions of agricultural systems identified by Zamora in Salikin (2003, p. 16), namely (1) ecology; (2) the feasibility economics; (3) culturally appropriate; (4) social awareness; (5) a holistic approach.

The goal of sustainable agriculture, as identified by Manguiat in Salikin (2003, p. 13-14) are seven kinds of activities to achieve improved quality of life, namely: (1) promoting economic development; (2) prioritizing food sufficiency; (3) increasing resource development by people; (4) increasing self-esteem; (5) empowering and liberating farmers; (6) maintaining environmental stability (safe, clean, balanced, updated); and (7) focusing productivity objectives on the long term. So it can improve the well-being by focusing on economy, environmental and social issues.

## **Corporate Social Responsibility (CSR)**

Corporate Social Responsibility, is derived from the literature on business ethics in the United States of America, known as Corporate Social Responsibility or Social Responsibility Of Corporations. Corporate is understood as large companies. Companies are legal entities established to serve the public interest in addition to profits (Achmad Daniri in the journal Nancy S. Haliwela).

According to Darwin (2004), Corporate Responsibility is a mechanism for organizations to voluntarily integrate attention to the social environment into its operations and its interactions with stakeholders, which exceeds the organizational responsibilities in the field of law.

Article 1, paragraph 3 of Law No. 40 Year 2007 regarding Limited Liability Company, Social and environmental responsibility is the company's commitment to participate in sustainable economic development to improve the quality of life and environmentally beneficial, both for the company itself, the local community, and society in general.

The World Business Council for Sustainable Development (WBCSD) defines corporate social

responsibility (CSR) as a business commitment to contribute to economic development, in collaboration with the employees and their representatives, their families, local communities and the general public to improve the quality of life in a beneficial way, both in terms of business and for development (Nancy S. Haliwela, 2011).

#### Research methods

This study takes the qualitative descriptive approach. According to Sugiyono (2011, p. 4), research can be classified on the basis of its subject, purpose, and the degree of naturalness (natural setting) of the researched object.

The focus of this study was (1) spice farmer empowerment in sustainable development and CSR on plantations in North Maluku, include:

- a) The process of empowerment;
- b) Actor empowerment;
- c) Empowerment programs and activities;
- d) Support budget and human resources, and means of production;
- e) The achievement of empowerment results in sustainable agriculture,
- (2) The factors supporting and inhibiting spice farmer empowerment in sustainable development and CSR on plantations in North Maluku, include:
  - a) Supporting factors;
  - b) Inhibiting factors.

The research location is in the Moluccas North. Our data come from primary and secondary sources. The data was collected through interviews and observations. Secondary data were obtained from documents and books. The research instruments consisted of the researchers themselves, guidelines for interviews and field notes. We analyzed the data using the data analysis process described by Creswell (2012, p. 277). Creswell models consist of six steps, namely (1) The raw data obtained prepared to be analyzed; (2) Reading through the data; (3) Mencoding of data; (4) implementing process coding to describe categories, some predefined themes to be analyzed; (5) showing descriptions and themes that will be presented in narrative or qualitative reports; (6) Interpreting the themes / descriptions.

#### **Discussion**

# 1. Empowerment of spice farmers in sustainable development and assessment CSR in plantation development in North Maluku

a) The process of empowerment for spice farmers in North Maluku. Empowerment is done to increase the independence of the community, improve welfare and protect the environment. The process of community empowerment has three stages.

First, the awareness stage. This stage is to raise the awareness of farmers in North Maluku through the dissemination of oral information and plots committed by extension agriculture and public figures. Awareness is raised with the aim of improve the welfare of farmers maximizing agricultural land.

Second, the capability stage. During this stage the communities are given capacity or ability and skills. Training given to farmers on the importance of protecting the environment and reducing the environmental damage caused.

Third, the shuck stage. This stage is about giving power to the people to implement sustainable agriculture. Community entrusted to manage its resources and abilities and skills that have been granted. Social participation will also support sustainable agriculture.

#### b) Actor Empowerment

The actor who plays empowerment in sustainable agricultural development North Maluku's Office employee Farms of North Maluku, represented by Mantri Tani in charge coordination of programs provided from service with farmer groups linked to implementation of the program will be given. Implementation of programs provided to farmer groups will be accompanied by an agricultural extension field served as technical assistance. Actor empowerment also comes from figures community and administrators as well as members Gapoktan.

c) Empowerment Programs and Activities

Programs and activities formulated by the Department of Agriculture of North Maluku written in the Strategic Plan (Plan) which has a term of five years

d) Budget Support, Human Resources, and Production Facility

Budgetary resources in the implemented programs and empowerment activities originated in North Maluku from the state budget, and come from other sources. As for financing farmers' efforts in support with their Microfinance Institutions (MFIs) sourced from Enterprise Development Fund Agribusiness Rural (PUAP). Human resources to support empowerment are still lacking because among farmer group union members there are only 70 people or 24% with high school education and only 8 people, or 2.8%, with a university degree. Support production facilities owned by Gapoktan community and come from aid government and there are organized by groups farmer himself from the farm.

e) Achievement Results Empowerment in Sustainable Agriculture

Community development during this can be done in North Maluku improve the welfare of the business community farmers have been implemented. Empowerment people who have achieved are a change mindset of farmers about the importance sustainable development to increase the welfare of farmers. Outcomes empowerment also has an impact on aspects of sustainable agriculture which consists of economic, environmental and social. Aspect economic impacts that farmers can reduce the cost of production annually.

On the other hand the farmers need to improve economy and capital, either through Microfinance Institutions (MFIs), institutions this is expected farmers can manage results farm better by staying pay attention to environmental factors.

Farmers' understanding of the environment, CSR

in this case, of course, will give significant impact on fertility, through the utilization of agricultural waste so not wasted and pollute the environment.

The social aspect of participating emerged from This condition is the birth of a sense of social awareness people are realized through the establishment rural non-agricultural training center which aims to provide training fatherly farming community about agriculture, Gapoktan also pay attention to the social environment by setting aside some of the benefits of business 5% is used to fund social and education funds.

#### f) The achievement of CSR in North Maluku

CSR is an obligation undertaken by companies as a form of responsibility towards social and environment where the company is located. These obligations do the company through appropriate activities with the company itself, for example, Spices Growers economic empowerment, the provision of services, as well as facilities and infrastructure will help people improve welfare. Sustainable cooperation between farmers and the government can be exciting development in North Maluku. With the potential of available resources, Spices are expected to empower farmers can continue to be improved, both through initiatives Local Government and Companies in the form of CSR. This success is certainly not separated from political conditions relatively stable national and conditions Maluku is more conducive. so that provide opportunities presence of investors in Maluku to conduct investment activities. Supporting and Inhibiting

# 2. Farmer Empowerment Spices in sustainable development and assessment CSR on Sustainable Development in northern Maluku

# a. Supporting factors

Supporting factors derived from support the central government and the government area for North Maluku spice farmers. PUAP funds granted to Gapoktan can be used as provides loan capital and has the obligation to return after harvest as applicable, in addition to the government provide facilities for the

spice growers make loans to banks can be facilitated by Gapoktan.

Human resources technicians are also a contributing factor in the process empowerment because the resource good man can convince people in the process of empowerment. Support organization established farmers can increase knowledge and the community's ability to process i.e. agricultural land Training Center Agriculture, but it also have the support of Agricultural Cooperatives (Koperta), Multipurpose Cooperative Enterprises (KSU), Micro Finance Institutions (MFIs).

#### b. Obstacle factor

Resistor in empowering spice farmers in sustainable development is the problem of availability of labor and wages are expensive to cultivate land plantations, and the problem of capital because farmers often do not have the income so often the farmers have to borrow capital.

Another problem faced spice farmers are there farmer groups underactive resulting function of farmer groups less benefit to its members, but it also contained newly established farmer groups so that they much to learn in managing farmer groups.

Other resources become obstacle to sustainable development is the limitation of agricultural extension and plantations. The lack of extension workers making the process of empowerment of farmers spices less running smoothly.

#### **Conclusions**

Empowerment has been done for Farmers in North Maluku spice enough Good, but needs to be improved is the availability of companion actor for farmers in the empowerment process, the results of empowerment in agricultural development sustainability and CSR assessment is not maximized there are still obstacles. Obstacle factor faced by the community can be resolved to maximize the support resources and the factors supporting more Spice is owned by Farmers in North Maluku.

# **References:**

- 1. Anwas, O.M. (2013). Pemberdayaan masyarakat di era global. Bandung: Penerbit Alfa Beta.
- 2. Asdak, Ch. (2012). Kajian Lingkungan Hidup Strategis: Jalan Menuju Pembangunan Berkelanjutan. Yogyakarta: Gadjah Mada University Press.
- 3. Creswell, J.W. (2012). Research Design pemdekatan kualitatif, kuantitatif, dan Mixed. Yogyakarta: Pustaka Pelajar.
- 4. Haliwela, N.S. (2011). Tinjauan Hukum Tanggung Jawab Sosial Perusahaan (Corporate Social Responsibility/Csr). *Jurnal Sasi* 17(4), 52-57.
- 5. Mardikanto, T., Soebiato, P. (2013). Pemberdayaan Masyarakat Dalam Presektif Kebijakan Publik. Bandung, Alfabeta.
- 6. Salikin, K.A. (2003). Sistem Pertanian Berkelanjutan. Yogyakarta: Penerbit Kanisius.
- 7. Sugandhy, A., Hakim, R. (2007). Prinsip Dasar Kebijakan Pembangunan berkelanjutan Berwawasan Lingkungan. Jakarta: Bumi Aksara.
- 8. Sugiyono, P. (2011). Metode penelitian kuantitatif dan kualitatif. Bandung, Indonesia: CV. Alfabeta.
- 9. Undang-Undang Republik Indonesia Nomor 19 Tahun 2013. Tentang Perlindungan dan Pemberdayaan Petani. Jakarta, Menteri Hukum dan Hak Asasi Manusia Republik Indonesia.
- Undang-Undang Republik Indonesia Nomor 32 Tahun 2009. Tentang Perlindungan dan Pengelolaan Lingkungan Hidup. Jakarta, Menteri Hukum dan Hak Asasi Manusia Republik Indonesia.
- 11. Wrihatnolo, R.R., Dwidjowijoto, R.N. (2007). Manajemen Pemberdayaan: Sebuah Pengantar dan Panduan untuk Pemberdayaan Masyarakat. Jakarta: Media Komputindo.