

# UNDERSTANDING THE SOCIAL CAPITAL OF COFFEE SMALLHOLDERS ON THE COFFEE-GROWING ACTIVITIES IN PAGAR ALAM, INDONESIA

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**Abstract:** *The demand for coffee has gradually increased in the last two decades. The farmer empowerment is implemented by the government to the coffee smallholders through the grafting technique in order to supply its commodity. Nevertheless, its program has not reached the expected goal. An understanding of social capital of coffee smallholders in the coffee-growing activities will help the government to design an effective empowerment program. The study identifies the social capital of coffee smallholders in the coffee-growing activities. The qualitative method using ethnography approach was employed. Participative field observation and interview methods were used to obtain the primary data. Taxonomic and social network analyses were employed to obtain information about the social capital of coffee smallholders. The findings suggested that the trust among the coffee smallholders was strongly bonded in each process of coffee production. Furthermore, teamwork was found as another variable that made the bond stronger in all steps of coffee-growing activities but the maintenance process. The value or norm was the last variable found in the study which could tighten among coffee smallholders to make trust and teamwork.*

**Keywords:** *Social Capital, Coffee-Growing Activities, Coffee Smallholders, Ethnography Approach*

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## **Introduction**

In Indonesia, agriculture becomes one of the main sources of income. In 2015, there are 60,852,517 households that depend on the agriculture sector. In the same year, coffee, as one of agriculture commodities, has 1,241,712 ha. It is broken into three actors which are smallholders, national large estates, and private large estates counted 1,194,081 ha or 96%, 22,556 ha or 2% and 25,076 ha or 2% respectively (Directorate General of Estate, 2015).

The number of coffee smallholders is considered as high which makes coffee as the main commodity for source of income. In Sumatera alone, the land area and production of coffee are higher than the other islands in Indonesia. As shown in table 1, Sumatera has the largest land area of coffee (63.7%). Sumatera is also the biggest producer among the six regions with 532,413 tons. Furthermore, Sumatera has the highest productivity with 0.7 t/ha compared to the second highest productivity, Jawa with 0.5 t/ha.

In 2015, South Sumatera is the largest area of coffee (249,510 ha) and the biggest producer (135,279 tons) after Lampung and Aceh which have 161,228 ha of coffee with 108,964 tons and 120,619 ha of coffee with 49,540 tons respectively (Directorate General of Estate, 2015).

**Table.1: Area (Ha), Production (Tons), and Productivity (T/Ha) Of Coffee by Region, Indonesia, 2015**

Region	Area ('000 ha)	% of area	Production ('000 tons)	% of Production	Productivity (t/ha)
Sumatera	799.5	63.7	532.4	72.1	0.7
Jawa	187.9	15.0	102.4	13.9	0.5
Nusa Tenggara dan Bali	114.2	9.1	43,334	5.9	0.4
Kalimatan	25.1	2.0	7.7	1.0	0.3
Sulawesi	115.9	9.2	50.3	6.8	0.4
Maluku dan Papua	11.8	0.9	2.5	0.3	0.2
Total	1,254.4	100	738,735	100	0.4 <sup>a</sup>

Note: <sup>a</sup>/is Indonesia average

Source: Directorate General of Estate (2015)

Agriculture sector is the main source of income for people in Pagar Alam City, South Sumatera Province. The economic activities in Pagar Alam comprises of 53.43 % of agriculture sector, 27.20 % of trade sector, 6.36 % of service sector, 4.90 % of infrastructure sector and 8.17 % of other sectors. Coffee has dominated Pagar Alam to be the largest agriculture sector with 8,323 ha of coffee plantation owned by 7,514 households (Statistics Indonesia, 2015).

In Pagar Alam, the coffee smallholders maintain the traditional identity with high values and norms. Scott (2003) argues that Indonesian people have strong communitarian tradition. This becomes the social capital of coffee smallholders in Pagar Alam. It includes the trust, solidarity, values and norms which can turn into the basis for determining the development and the sustainability of empowerment program.

### Objective of Study

The general objective of the study is to examine the prospect of smallholders' activities on the coffee production in North Dempo District, Pagar Alam City, South Sumatera Province, Indonesia. It specifically endeavours to identify the utilization of social capital in the program of smallholders' empowerment.

## Literature Review

### *Empowerment Concept*

Empowerment is a vital tool in solving the societal problem such as adoption of new technology (Bartlett, 2008), inequality of income and poverty (Arifudin, Nasrul, & Maswadi, 2013). Empowerment is required to allow the positive transition of the society (Lord and Hutchison, 2009; Bahtera *et al.*, 2016); it is a mean to change the situation of poverty and marginalized people (Page and Czuba, 1999; Tucker and Ludi, 2012) and develop the knowledge of the society to address daily problems (Barlett, 2008; Arifudin *et al.*, 2013).

Empowerment program is an effort in building capacity of people. Goulet (1989) argues that the empowerment paradigm is the paradigm of community development in which the beginning of development begins from the grassroots community. It indicates that the empowerment can lead to the society as both the actor and the target in the process community development (Alfitri, 2011).

Parvin *et al.*, (2004) examines the performance of income generating activities supported by the project in empowering poor women in Bangladesh. This study shows that the empowerment program has positive impact on women. The access of basic needs such as personal needs has improved which also help them to meet the household ends need. Hence, the women beneficiaries on the empowerment program are able to improve to have positive transition in their society.

The condition of poor and marginalized people can be altered through empowerment. Friis-Hansen and Duveskog (2012) interviews 2000 households in East Africa that studies the relationship between empowerment and outcome of the extension approach in terms of well-being of the respondents. They find that extension together with group-based learning facilitates empowerment and acts as a pathway toward increased well-being. It is clear that empowerment may alter the poverty level.

The empowerment processes can be broken into 6 steps (Azis, 2005), they are: i) identifying the issue; ii) analyzing the issue; iii) prioritizing the issue; iv) finding the solution of the issue; v) implementing the solution of the issue; and vi) evaluating all processes. These processes should be supported by raising the awareness to the society and establishing the organisation to facilitate the society on the effort of improving their quality's life (Ohama, 2001).

### *Community Empowerment*

In the last three decades, the community empowerment has been discussed by many scholars. The community empowerment was identified by Ottawa Charter in 1986 as the central theme in the context of health promotion (Glenn & Nina, 2001). The community empowerment can also be related to care farms (Jan *et al.*, 2010), oil palm industry (Bahtera, 2016), tourism development (Gusti, 2013; David and Stuart, 2016; Zhiyong, Lejing, & Tianyi, 2016), technology (Corinthias *et al.*, 2013; Wisam, Norsida, and Nolila, 2016), Entrepreneurship (Norsida, 2010; Iskandarini, 2014), agriculture index (Sabina *et al.*, 2013), and global value chain (Muhaimina & Anne, 2015).

The community empowerment is difficult to measure (Glenn and Nina, 2001). Glenn and Nina find that the measurement of empowerment requires a strong understanding of the concept in which it is both as a process and as an outcome. Jan *et al.*, (2010) attempted to answer whether

care farms can be considered as the innovative example of community-based services through the empowerment-oriented practices. It is found that the community empowerment can be measured by identifying the combination of different types of characteristic qualities such as a secure community, varied activities, and a green environment.

Community empowerment can utilize the technology to reach the goal. Corinthias *et al.*, (2013) study about the community empowerment through appropriate technology. The study concludes that sustainable development can be reached through empowerment. Furthermore, the use of the appropriate technology can be applied to reach the empowerment of rural communities. It is used to fulfil the gap between the low level of empowerment and the lack of supervision provided by the community development program.

Muhaimina & Anne (2015) study the dynamics of women's participation in global value chain. They find that the empowerment provides the more nuanced perspectives on employment for women, by taking into account the constraints as well as the potential for positive outcomes. The study offers three different pathways of change which has the ability to alter the empowerment of women workers. They are different ways of being, doing and sharing experiences. They state that empowerment can create 'a positive power spiral' as it is a chronological process in which ownership of one form of power can enhance women's capacity to apply the other forms of power.

### ***Social Capital***

Social capital is defined as the informal values embedded on society which can lead to the teamwork. The trust can lead to the honesty on the community. This is a value which can be an effective way to create an efficient community (Fukuyama, 1997).

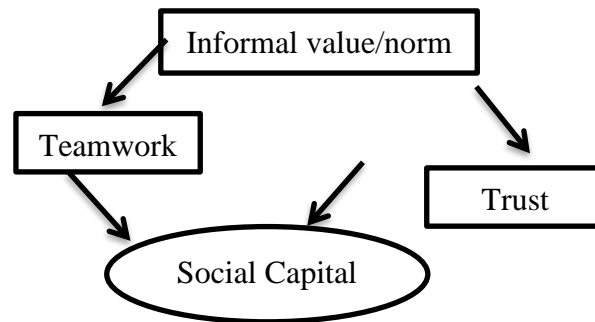
Basically, the social capital is the social relationship that is tied up in the society. The social relationship is the result of long-term social interaction which produces social networking, collaboration patterns, social exchange, trust, and value that is used as the foundation of the social relationship (Ibrahim, 2006). Social capital can also be defined as relationship structure among the society (Coleman, 2012). Fukuyama (2000) argues that social capital is the existed value on the society established through human interaction resulting the trust and collaboration in the community. Moreover, it can unite society due to the sense of social responsibility, social solidarity and social community (Ife & Tesoriero, 2008). It is transmitted through culture mechanism such as religion, tradition and historical habit (Fukuyama, 2000). The social capital theory suggests that generally the more interaction among people in the society is, the higher level of trust among people in the society will be.

Social capital can affect the behavior of people to support certain program (Snider, 2017) . The beneficiaries of the empowerment program will fully participate on the empowerment when they have trust on it. It can help smallholders in South Africa to have collective management of irrigation water use (Phakathi & Wale, 2018). This can be as one of the best tools in helping rural farming households to be better off as it is cheaper and more accessible coping strategy for most rural parts in sub-Saharan Africa (Tibesigwa, Visser, Collinson, & Twine, 2016).

### **Theoretical Framework**

The theory of social capital states that is an informal value or norm owned by a particular society which can make the collaboration (Fukuyama, 2000). Furthermore, the existence of trust

derived from an informal value or norm in a particular society is a tool to smoothen the activities in the society. Figure 1 shows the theoretical framework of social capital.



**Figure 1: Theory of Social Capital**

Source: Fukuyama (2000)

An informal value/norm is one of the elements on the social capital. It makes the teamwork and trust among the members of the group. Trust is the result of regularity, honesty and collaboration of the society based on the believed norms. The high level of trust in society can establish the strong solidarity and obedience.

Soekanto (2006) argues that teamwork can be existed when people are aware of the similar interest equipped with adequate knowledge and ability to do self-control. It plays an important role in the social capital. It is expected to improve the efficient empowerment program. Thus, the involvement and participation of the society become the main element on the success of the empowerment program.

### **Research Design**

The study employed ethnography research using qualitative data gained from both primary and secondary data. Participant observation and in-depth interview were conducted in collecting information from coffee farmers and Department of Food and Horticulture. Taxonomic and social network analyses were used to recognize the social capital of coffee farmers associated with the empowerment program in the coffee production activities. Participation observation was applied on varies places such as in the coffee plantation during the harvest time, in farm settlement as well as in the Department of Food and Horticulture.

### **Result and Discussion**

This part provides the social capital of coffee smallholders in the coffee-growing activities and the utilization of social capital of coffee smallholders associated with the empowerment program.

**Table 2: Social Capital of Coffee Smallholders on Coffee-Growing Activities Using Grafting Technique**

No	Activities	Social Capital			Notes
		Collaboration	Trust	Value	
1	Main Nursery	√	√	√	conducted together with all coffee farmers
2	Land Clearing	√	√	√	helping each other without hoping any compensation
3	Digging Holes	√	-	√	to plant the coffee
4	Planting	√	-	√	part of the previous step
5	Maintenance	-	-	√	generally taken care individually as it considers as simple activity
6	Harvesting	√	√	√	part of local people's characteristics
7	Drying	√	√	√	established trust among coffee farmers shown by not having many theft cases
8	Milling	√	√	√	carrying away the coffee bags for milling process
9	Selling	√	-	√	sharing information about buying and selling coffee

Table 2 shows the coffee smallholders provide with the social capital in every single activity of the coffee-growing activities. The social capital includes teamwork, trust and value. Among three, value is the most element that contribute significantly among the coffee farmers. It can lead to the teamwork among them.

**Table 3: The Social Capital Dimension on Empowerment Program of Coffee Farmers**

Social Capital Dimension	Empowerment Program
Teamwork	<ul style="list-style-type: none"> <li>• Creating farmer group</li> <li>• Training farmer group</li> <li>• Introducing the cutting-edge technology</li> </ul>
Trust	<ul style="list-style-type: none"> <li>• Extension</li> <li>• Subsidy</li> <li>• Creating farmer group</li> </ul>
Value	<ul style="list-style-type: none"> <li>• Extension</li> <li>• Subsidy</li> <li>• Creating farmer group</li> </ul>

Table 3 shows that three social dimensions can play an important role in an empowerment program. Teamwork, trust and value among smallholders are able to utilize the empowerment program activities. Only dimension of trust and value have the same empowerment program.

## Conclusion

The study analyses the utilization of social capital in the program of smallholders' empowerment in Pagar Alam City, Indonesia. The study concludes:

1. The social capital among coffee smallholders in Pagar Alam City has been established for long period of time in which the teamwork, trust and value are applied in every activity of the coffee production.
2. It shows that the established social capital is a tool to be used for achieving the sustainable empowerment.

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