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## Empowerment Salt Farmers to Alleviate Poverty

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#### ABSTRACT

Government policy in empowering salt farmers faces its own dilemma. On the one hand the government in this case the Ministry of Marine Affairs and Fisheries of the Republic of Indonesia to create a program directed at the empowerment of salt farmers to improve welfare and alleviate the poverty of salt farmers and families, ranging from the Salt People Empowerment Program (PUGAR) given to salt farmers groups, diversification of salt farming methods, with geomembrane technology.

But the policy is facing its own problems, when the government in this case the Ministry of Trade of the Republic of Indonesia to open import faucet quite freely to salt entrepreneurs. In addition, another policy that becomes a problem for the empowerment of salt farmers is, the purchase price of salt at the farm level is still not in accordance with the provisions set by the government. Good for first quality salt, second quality, and third quality, remain under government regulation. This makes the salt farmers' income not increase, so the desire to prosper the salt farmers becomes difficult to realize.

This research was conducted to find out what kind of policy is implemented by the government in empowering salt farmers, especially in Pinggir Papas village, Kalianget, Sumenep, Madura, East Java. To get the research describing reality, this research method is a single case study with descriptive qualitative approach. Thus, this research is done through direct observation of the object at the time of research conducted by using observations and interviews to various informants directly related to salt farmers in Pinggi Papas, Sumenep, East Java.

There is a need for a concerted step taken by the government government horizontally between departments/ ministries, and vertically, namely the government at all levels, both central, provincial, district, village, to synchronize the salt farmers empowerment program. That way, the ideals and desires to improve the welfare and eliminate the poverty of salt farmers and families, will be realized.

**Keywords:** public policy, empowerment, poverty, government, salt farmer, over lapping.

### **1. INTRODUCTION**

History of salt policy has been ongoing since 1813 when Raffles<sup>1</sup> hold the salt monopoly in the entire area under his jurisdiction. Because of the salt workers on the coast (Banten, Karawang, Cirebon, Semarang) easily managed to deceive regulations, in the year 1870 finally the exploitation of salt is arbitrarily limited on the island of Madura alone that looks more easily supervised. The early government bought only salt from its makers at a fixed price, then opened the company in 1918 and eventually in 1936 took over all its production. The salt pond at that time was an area of approximately 6,000 hectare, located in various places of the south coast, especially the east, in the Sumenep area. 600 hectare is located on the coast of Java, around Gresik. Annual production which from time to time may vary considerably, on average estimated at 50 tones/ hectare, meaning a total of approximately 300,000 tones. Regi<sup>2</sup> employs 5,000 permanent workers and 15,000 seasonal workers. The development of salt ponds in Madura has indirectly stimulated fishing throughout East Java Province, due to possible salting and export of fish (Lombard, 1996: 98).

Since the nineteenth century, especially after 1870, Madura has an important role in economic matters primarily as a major production of salt to Dutch-controlled areas throughout the archipelago, where salt is a favorable monopoly for the Dutch Colonial Government (Ricklefs, 2008: 291).

In the course of salt management is then nationalized. At the beginning of the nationalization of the policy of salt monopoly as a colonial legacy still run by the Indonesian government. But the government also made some necessary adjustments to monopolize. The nationalization of the salt enterprise started by placing the Indonesian employees into the salt company, realized by the letter of the Lord to the Registrar of Salt in Jakarta on March 30, 1950 (Cahyono, 2014:vxi).

Until now, salt and salt farmers have been a problem that remains unresolved. On the one hand, the price of salt at the farm level is still very low. Although the price of salt in every region in Indonesia varies, but the price is still far from the expectations of farmers, as well as those established by the government, in this case the Ministry of Commerce of the Republic of Indonesia.

In Madura, by 2016, the price of salt is relatively high compared to the price of salt in other regions, including Indramayu, West Java. For quality salt (KW) 1 costs about Rp 450,000,- per kilogram and for quality (KW) 2 cost about Rp.350,000,- per kilogram (www.mediamadura.com, October 4th, 2016).

<sup>&</sup>lt;sup>1</sup> Raffles has the full name Thomas Stanford Raffles by England given the rank of lieutenant-governor of Java, 1811-1816 (*Nasruddin Anshoriy, Bangsa Gagal Mencari Identitas Kebangsaan. LKiS, Yogyakarta, 2008, p, 66*).

<sup>&</sup>lt;sup>2</sup> Regi is Regie Tjandu and Salt Bureau established the Dutch East Indies.

Even so, the price is still far from the standard set by the Ministry of Commerce (Kemdag). The benchmark price of salt at the farm level should be at least Rp.750,- per kg for quality (KP) 1, and Rp.550,- per kg for quality (KP) 2. That condition makes salt farmers in Madura halt the sale of some of their salt production. They will only release salt in the range of Rp.500,- to Rp.600.- per kg. Madura is the largest salt production center in Indonesia. (www.kemenperin.go.id).

Data from the Ministry of Marine Affairs and Fisheries of the Republic of Indonesia, which states that national salt production in the range of 2.2 million tons. While the national salt demand in 2014, both for salt consumption and industrial salt, reached 3.9 million tons. This means there is a deficit of salt needs in Indonesia of 1.7 million tons per year (kompas.com, Thursday, September 29, 2016).

To overcome the deficit / lack of salt, the steps taken by the government of the Republic of Indonesia, by importing salt from several countries and the second increase the amount of salt production in the country with efforts to carry out the salt farmers empowerment program through the community salt empowerment program or PUGAR.

Madura Island is the largest salt producer in the archipelago. Salt production in Madura is scattered in several areas of Madura, one of them is in Sumenep which is the largest salt producing region in Madura. There are six sub-districts of the largest salt producers in Sumenep area, Kalianget district which has the largest salt area owned by PT Garam, Gapura subdistrict, Pragaan subdistrict, Saronggi subdistrict, Gili Genting subdistrict and Dungkek subdistrict.

Salt is a superior commodity, in addition to tobacco for the people of Madura, it is not wrong if Madura is known as a salt island. Salt production is a vital source of livelihood for some people, especially those living in coastal areas of Sumenep regency.

Sumenep regency is one of salt production center in Madura which has high salt agriculture potential. This can be seen from the salt productivity in some existing districts, approximately 80 to 120 tons per hectare per year. From 27 existing subdistricts, salt farming is spread in 11 subdistricts, namely Gapura subdistrict, Kalianget subdistrict, Giligenting subdistrict and Pragaan subdistrict, Saronggi subdistrict and Raas subdistrict, Talango subdistrict, Sapeken subdistrict, Arjasa subdistrict, Sumenep subdistrict and Dungkek subdistrict (BPS, 2013).

Sumenep Regency is one of the largest salt farming centers in Madura after Sampang district. Salon area in all areas of Sumenep regency around 2012.52 ha. While the number of farmers involved become salt farmers is estimated as 3219 people. Sumenep itself has a sea area of 50,000 km2 and a tropical climate with an average annual rainfall of 1200 mm/ year and an annual average temperature of 30°C (www.ugm.ac.id).

Until the end of September 2016, the production of salt in the eastern regency of Madura Island is only 16,686.4 tons. In fact, in 2015 total salt production in Sumenep regency of about 227 thousand tons. This amounts to 8.7 percent of the total national salt production of 2.7 million tons. This amount also decreased from the amount of salt production in the planting season in 2014 as much as 292 thousand tons, with salt land area of the people in the eastern region of Madura salt is about 2,060 hectares spread in 11 districts (koranmadura.com, October 12, 2016).

Given the vastness of the salt problem spread throughout the country, this research is focused on the form of empowerment of salt farmers in Pinggir Papas Village, Sumenep Regency, East Java Province, as the main buffer area in Sumenep regency, covering 690 hectares of salt land .

The topic of the empowerment of salt farmers is interesting to put forward for various reasons and considerations, one of which is the economic formula mentions that if the demand is high then the price will be more expensive, if the commodity is expensive the merchant income increases. But what happens to the industry and salt farmers does not apply. When salt is scarce and stock shortages, the price actually plummets. Given this issue, salt management policies and salt farmers appear paradoxical, between the activities of empowering salt farmers with price fixing and the imposition of imported salt from abroad that keeps the domestic salt commodity prices constantly plummeted which causes the lives of salt farmers never to be prosperous.

### 2. METHODS

This study uses case study method, because this research aims to observe the real events that occurred on the empowerment of salt farmers in the village Pinggi Papar, district of Kalianget, Sumenep regency, East Java. Observed in this study is related to data and facts found in the empowerment of salt farmers in Sumenep regency, East Java, among the efforts made by the government with the real conditions that occur and experienced by salt farmers. Thus, this study provides a relatively complete picture of what happened at the time of the study.

Meanwhile, the research design (*research design*) were selected in this study is a single-case study with descriptive qualitative approach. Thus, this research is done through direct observation of the object at the time of research conducted by using observation and interviews to the salt farmers in the village of Pinggir Papas, Sumenep regency, East Java.

The focus of this research is on the implementation of government policy towards the empowerment of salt farmers in Pinggir Papas village, Sumenep Regency, East Java, especially in the form of empowerment of salt farmers, the role of the program in improving the welfare of salt farmers and family, formulation, process, and policy implementation, inhibiting factors and potential that could be a driver of salt farming empowerment in Sumenep regency, East Java Province.

Data collection is done by observation conducted directly by researchers, to see the activity and life of salt farmers. In addition to observation, researchers also conducted direct interviews with key informants consisting of senior salt farmers, salt farmers group leader. In addition to key informants, interviews were also conducted with the government, both the government of Pinggir Papas village, the maritime and fishery agencies, and the industry and trade offices of Sumenep regency, East Java.

The data collected in the field is re-checked, verifying other informants who are also directly related to salt farmers, both salt farmers in general, and the head of the salt farmers group. The data obtained is then compiled using data processing techniques, reducing data, presenting the data already obtained, and drawing conclusions.

### **3. RESULT AND DISCUSSION**

Program of empowerment of salt farmers conducted by the government in this case the Ministry of Marine Affairs and Fisheries of the Republic of Indonesia is the *pemberdayaan usaha garam rakyat* or abbreviated PUGAR. PUGAR program is made by the issuance of Minister of Marine Affairs and Fisheries Regulation No. 41 of 2011 on Guidelines for Implementation of National Program for Empowerment of Mandiri Marine and Fisheries Community. The candy is then enhanced by the issuance of Minister of Maritime Affairs and Fisheries Regulation No. PER.07/MEN/2012 on Technical Guidelines for Salt Business People Empowerment (PUGAR) 2012.

The government-run PUGAR program, given in the form of direct community assistance (*Bantuan Langsung Masyarakat*/ BLM) received by all groups of salt farmers incorporated in the Salt Business People's Group (*Kelompok Usaha Garam Rakyat*/ KUGAR). The remainder is used as a budget for technical support activities of PUGAR programs such as socialization activities, coaching workshops to salt farmers, review (evaluation) of PUGAR implementation, management consultant fees, and administration of activities.

PUGAR program through several stages process, starting from stage of formulation of PUGAR aid fund including distribution and allocation of aid fund per group, formation of group of salt farmer (KUGAR), verification of proposal of salt farmer, survey of land whether land owned by salt farmer or if rent Proof of lease of land owned by PT. SALT by the salt farmers.

In the next stage is the distribution of PUGAR salt farmers who are represented by the group leader, PUGAR technical team and PUGAR assistant team of the Marine and Fisheries Office of Sumenep Regency and assisted by village officials such as village and subdistrict heads who get direct guidance and socialization from PUGAR technical team and team a PUGAR companion formed by the Office of Marine and Fisheries of Sumenep Regency. At this stage PUGAR technical team and PUGAR assistant team of Marine and Fisheries Office of Sumenep Regency collected group leader to explain the desire and details of the salt farmers in utilizing the grant and the proposed joint business plan (RUB) needs of salt farmers to propose the nominal amount of relief funds PUGAR.

The next stage is the disbursement of aid to salt farmers. The fund of the Salt People's Business Empowerment Program (PUGAR) comes from the Ministry of Marine Affairs and Fisheries of the Republic of Indonesia which is disbursed by the Department of Marine and Fisheries of Sumenep Regency. The disbursement of funds is done in stages covering the first stage of 50 percent, second stage 40 percent, stage 3 by 10 percent. The amount of aid received is also diverse. For Salt Business Group (KUGAR) long maximum assistance received Rp. 12,500,000,- while for the new KUGAR maximum Rp. 40,000,000. PUGAR Fund in 2013 is smaller than the previous year, because in 2012 there are two categories of recipients. First about 17 new groups with assistance of Rp 40 million per group. Both categories of old groups as many as 153 groups with group aid value Rp 12.5 million. While in 2013 all the same groups whose value of aid is equal to Rp 12.4 million.

Interestingly, there is no significant change from the salt farmer's empowerment program, so there is no improvement in improving the welfare of salt farmers and poverty alleviation of salt farmers. As a result, the salt farmers empowerment program initiated by the government can not improve the welfare of salt farmers and families. Instead of improving welfare, many salt farmers are turning professions. They choose other jobs, apart from being salt farmers, the reason is salt farming can not improve their welfare. Similarly, many children from salt farm families who choose not to be salt farmers, but wander outside the area. Finally, in plain view a lot of salt fields are left neglected unkempt.

Data from Pinggir Papas village, Sumenep, East Java shows that there is a significant decrease of salt farmers with other people. In 2013, from the total population of 4799 people who farmed salt is still half salt farmed, both men and women. Three years later, precisely in 2016, the number of salt farmers only reached 617 people, who worked on 696 hectares of salt in the village of Pinggir Papas, district of Kalianget, Sumenep regency, East Java.

On average each farmer works on less than one hectare of salt land, with a harvest of approximately 60 tons per year. While the price of salt at the salt farmer level is in the range of 300 to 450 rupiah per kilogram. Revenue earned by salt farmers from salt sales every year an average of Rp 25 million. The amount is reduced production costs, operations and others, to reach half. So the net income of salt farmers every year is not more than Rp. 12 million, or equal to Rp. 1 million per month.

The amount will be reduced if the salt farmer is not the direct owner of the cultivated land, but by leasing another people's salt or land owned by PT Garam, at a rental price of Rp. 5 million per year. Means income of Rp. 12 million reduced the rent of land to only Rp. 7 million.

Revenue of Rp. 7 million per year or equal to Rp. 584 thousand per month still can not be called as a prosperous life if it refers to the concept of existing prosperity. According to Law No. 11 Year 2009, on the Welfare of the Community, the welfare of society is the condition of the fulfillment of the material, spiritual, and social needs of the citizens in order to live properly and able to develop themselves, so as to carry out their social functions.

While the Central Bureau of Statistics (*Badan Pusat* Statistik/ BPS) formulated poverty as the inability of a person or household from the economic side to meet the basic needs of food and not food as measured by the expenditure side. Per capita expenditure per month is used as a variable to be compared with the poverty line value (*Garis Kemiskinan*/ GK) to determine whether a person is categorized as poor or not poor. A person who has an average monthly per capita expenditure under the GK, is categorized as poor (Ravallion, 1998: 133).

The World Bank uses two poverty line sizes, ie revenues of US \$ 1 and US \$ 2 per capita per day (LPPM IPB, 2009:10). If calculated in the form of rupiah, the income per day equals approximately Rp. 25 thousand, or equal to Rp. 750 thousand per month. In other words, the average income of Rp 584 thousand per month can be categorized as below the poverty line.

The ineffectiveness of government policies in empowering salt farmers is further exacerbated by the presence of other government policies, namely the importation of salt. The government has set the policy of importing salt, as contained in the Regulation of the Minister of Trade No. 58 of 2012 and then revised to *Permendag* 125 of 2015 on the provisions on the Import of Salt.

The government's policy to import salt is controversial. Government policy to import salt, in contrast to its potential. Salt as an agricultural commodity that can improve welfare must be managed through a synergistic policy both in terms of empowerment of farmers. However, imported salt even makes the price of salt come down, especially when imported salt has entered the country.

# 4. CONCLUSION AND PROPOSITION

### 4.1. Conclusion

From the previous description and discussion, it can be concluded that (i) there are empowerment program undertaken by the government to the salt farmers in the village of Pinggir Papas, Sumenep, East Java Province, both local government programs, in this case the Department of Marine and Fisheries Sumenep and East Java Province and the central government in this case the Ministry of Marine And Fisheries of the Republic of Indonesia. (ii) Empowerment programs undertaken by the government have not been able to improve the welfare of salt farmers and families. (iii) The process of policymaking made by the government, in terms of formulation, process, and policy implementation for salt farmers in Sumenep regency, East Java Province is still not in accordance with the wishes of the salt farmers. (iv) There are many factors that hamper the empowerment of salt farmers in Sumenep regency, East Java Province. Including the policy of salt importation and price fixing that still can not be realized at the farm level.

#### 4.2. Proposition

(i) There is a serious need to empower farmers in salt, in the sense that not only given money, but it is also important to improve the skills and the ability to produce a salt that is more modern and has more results. This can be done with continuous and sustained government assistance. (ii) The existence of policies that favor salt farmers, so that what is done by the farmers will be able to improve the welfare. Not only to make a benchmark purchase price, but also guarding the policy until it is actually done in the field. (iii) It is better for the government to create an entity that can absorb the entire salt of the people, so that people's salt does not plummet at harvest time, and is bought according to government regulations. The good price of salt will again make passionate salt farmers to farm salt, and will further increase salt self-sufficiency.

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