

Community Participation Level in Business Capital Strengthening

(A Case Study at LEM Sejahtera Andomesinggo. Konawe Regency, Indonesia)

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Abstract: The purpose of this research is to know the community participation level in business capital strengthening at LEM Sejahtera Program. This research was conducted in AndomLEMnggo Village Beselutu District, Konawe Regency, Indonesia. The study was conducted during 12 months. This research begins by determining the respondent purposively ie the perpetrator who knows and understands the problem, and is directly involved with the research problem. The number of respondents in this study is determined as much as 25% of the total population. So the number of respondents or actors in this study were as many as 38 people. For qualitative data collection, the determination of informants is based on preliminary information about the existence, their roles and functions, work programs and institutional activities. Results of the study showed that: the level of participation of members of LEM Sejahtera in business capital strengthening program is high. Members have mobilized themselves in an integrated activity (savings and regular meetings) and the parties only act as facilitators.

Keyword : community participation, capital business strengthening, LEM Sejahtera

I. INTRODUCTION

Society Economic Institution LEM *Sejahtera* is a community institution at the village level formed from the community, by the community and for the village community by collecting and utilizing all the potential resources in the village to improve the capacity of human resources and to create a prosperous society for all members of the community (the Cocoa Farmers, specially). In realizing the welfare of farmers there are three phases namely: 1) Human Resource Development; 2) Network development Business partnerships (network business) and 3) phases Increasing. The third competitiveness can be achieved through the empowerment of farmers' economic institutions (Wan Abbas Zakaria, 2014). Community participation in farmer institutions, the higher the participation level both the intensity and quality of participating, the more encouraging the institutional effectiveness (Anantanyu, 2014). Based extension system should be institutionalised in order to ensure sustainability in the transfer of the technologies. The system should be able to lead to the building of the capacity of the local farming community to continue utilising and transferring these technologies to solve their problems and ultimately creating sustainable farming systems (Noordin Q and Senior Agroforester, 2015). More importantly, however there must be government support either in cash or in kind (Olukotun GA, 2008).

Nikoyan (2015) explains that the participation rate of farmers can be classified into several levels, namely: Very low participation level, Low participation, Medium participation, High participation, and very high participation level. Studies from Mundau and Tanga (2016) show that there is some or no involvement of project members in the various phases of the project cycle. Furthermore, there is consultation with local leaders, but not during the project assessment phase. Governments at all levels and development partners have not really succeeded in mobilizing and creating desired awareness on how community participation should be addressed and achieved. Understanding the fact that participatory models have neither imposed any task upon governments nor other development agency but effective community participation is unlikely to occur without serious attention from the government. (E. D. Laah et al, 2013).

The research on about participation has also been done by Tanwir M and Safdar T (2013). about The Rural Woman's Constraints to Participation in Rural Organizations. Azunna C (2018) about Post-colonial agricultural participation in livelihood strengthening. The study conclude that the introduction and adoption of AVM brought about substantial changes to the farmers livelihood capitals. Community participation in natural resource management in madurai district-TN India (Britto S and Rani S. 2017). Research Usadolo SE and Caldwell M (2016) about investigates a rural community project (Nguni

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Cattle Project) that uses Participatory Rural Appraisal (PRA) as a tool for its operational focus. The main objective of the study is to identify how the stakeholders are reflecting the PRA goal of the project.

II. RESEARCH METHODS

Paradigm and Type of Research

This research paradigm is based on post-positivistic philosophy which views social reality as something intact, complex, dynamic, meaningful and interactal supported by quantitative. This research is a case study that is intensive testing, using various sources of evidence against an entity limited by time and space, this test links the cause and effect (Daymon and Holoway, 2002).

Location and Analysis Unit

This research was conducted at LEM *Sejahtera* in AndomLEMnggo village Besulutu Sub-district of Konawe Regency, Indonesia during 12 months. Site determination was done purposively. The study analysis unit is a community participating in LEM *Sejahtera* program and other institutions involved in capacity development and capacity building.

Types and Data Sources

Primary Data, is data obtained from the object of research by conducting in-depth interviews on informants with the help of questionnaires. Data on the level of participation of members in program implementation and institutional capacity. Secondary Data, is data obtained from relevant agencies that have to do with this research.

Data Collection and Informant Determination

This study was started by determining the respondents purposively (25% of the total population members of LEM *Sejahtera* which amounted to 150 people) so that obtained 38 people. For qualitative data collection, informant determination is based on preliminary information about the existence of LEM *Sejahtera*, its roles and functions, work programs and institutional activities.

Data Analysis

Data analysis used in this research is qualitative analysis method. According to Daymon and Halloway (2008), qualitative analysis is a process of organizing, structuring and interpreting irregular data. Qualitative analysis consists of three stages: data reduction, data presentation and conclusion. The analytical tool to know the Community Participation in the implementation of LEM *Sejahtera* is done by combining the level of community participation in the LEM *Sejahtera* program according to Anas Nikoyan (2015) with the participation typology according to Pimbert and Prestty (1997)

III. RESULTS AND DISCUSSION

The level of community participation in business capital strengthening programs is based on their involvement in savings and loan activities, buying and selling of production facilities and cocoa beans and attendance in monthly routine meetings. Business capital is sourced from members and from government and private / banking aid.

Participation of members in efforts to strengthen managed business capital is largely categorized as high and partly in very high and medium categories. This is indicated by the liveliness of members who have settled staple savings and Compulsory savings but for voluntary savings and Simaya is still low. The proportion of owned capital is mostly sourced from members' self-saving deposits (staple savings, Compulsory savings, voluntary savings and Simaya) and the accumulated Time Operating Income generated annually. The categorization of member participation levels in the business capital strengthening program can be seen in Table 1.

Community Participation Level in Business Capital Strengthening

Table 1. Community Participation Level on Business Capital Strengthening of LEM Sejahtera Program

| Participation Level | Outstanding Public Posision | | Respondent Frequensi | % |
|---------------------|--|--|----------------------|--------|
| | Participation Level | Typology of Participation | | |
| Medium | Involvement: Members are involved in the business capital strengthening | Members have joined in LEM Sejahtera just following the program set by LEM Sejahtera. | 3 | 7,90 |
| High | Empowerment: Active members in the strengthening of business capital (savings activities - borrowing and buying and selling of means of production) and conducting regular meetings and not dependent outside parties LEM Sejahtera | Community members have mobilized themselves in the savings and together the board takes the initiative to hold monthly meetings. Outsiders, in this case, extension agents and other institutions only act as facilitators and monitor the various activities of LEM Sejahtera related to the strengthening of business capital. | 27 | 71,05 |
| Participation Level | Community Position To Outside Parties | | Respondent Frequensi | % |
| | Participation Level | Typology of Participation | | |
| Very High | Collaboration: Members of LEM Sejahtera are active in savings - loans, buying and selling of production facilities independently and no longer dependent on outside parties. Actively conducting monthly regular meetings without any compulsion from any party, and acting as a motivator for the members around him | Members of LEM Sejahtera are active in savings - borrow and sell - buy production facilities independently and are no longer dependent on outside parties. Actively conducting monthly regular meetings without any compulsion from any party, and acting as a motivator for the members around him | 8 | 21,05 |
| Total | | | 38 | 100,00 |

Based on Table 2 it is known that most of the respondents have a participation rate in the strengthening of business capital that is high as much as 27 people (71.05%). The monthly routine meeting held by LEM Sejahtera is used as a vehicle of unity for the citizens as well as to obtain various information related to the implementation as an evaluation of activities that have been implemented during the last month, as well as a vehicle to get information about various activities related to the planning or program that have been implemented institution, both activities derived from the facilitation of government, private and self-help activities and implemented by deliberation. In this meeting also carried out Compulsory savings transactions, the return of member savings and loan services for members in need. This condition indicates that the empowerment activities in the business empowerment activities of LEM Sejahtera which have been carried out facilitators have been running well

The activities of LEM Sejahtera members in the strengthening of business capital in each aspect in the form of principal savings, Compulsory savings, voluntary savings, Simaya, borrower and or buyer of production facilities and monthly routine meetings are described as follows.

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Member Participation in Staple Savings

Total staple savings of the Years 2014, 2015 and 2016 are IDR 141,018,000, IDR 148,108, - and IDR 148,500,000, -. This data shows that there is an increase in the amount of staple savings each year. This happens along with the development of the number of members who are members of LEM Sejahtera. Based on the results of the study also known that all respondents have paid staple savings of IDR 1.000.000, - / member.

Participation of members in staple savings is high categorized. The high participation of members is indicated by the awareness of members in making payments without having to be forced to pay off the staple savings that have become mutual agreement. This condition is reinforced by the repayment time of staple savings by some members, of whom 8 directly repay the staple savings when registering as a member, 27 people pay off the deposit for a period of one year and only 3 people pay off the staple savings for two years after registering as a member. Respondents' perceptions of the repayment time of staple savings can be seen in Table 3

Table 2. Perception of Respondents to Staple Savings Payment

| No. | Description | Frequency | Percentage (%) |
|-----|----------------------|-----------|----------------|
| 1. | Cash | 8 | 21,05 |
| 2. | Credit ≤ 1 Years | 27 | 71,05 |
| 3. | Credit 1,1 – 2 Years | 3 | 7,90 |
| | Total | 38 | 100 |

Based on Table 2 it is known that all respondents (100%) have paid staple savings, 8 people (21.05%) of which paid the principal savings directly paid (cash), 27 people (71.05%) paid staple savings by credit less than or equal to one year and 3 (7.90%) of other respondents repay staple savings by way of credit more than one to two years and declaring themselves register as a member.

Member Participation in Compulsory Savings

Number of Compulsory savings of members Year 2014 IDR 62,028,000, -; Year 2015 increased to IDR 77,065,000, - and Year 2016 IDR 92,027,000, -. These data indicate that the number of Compulsory savings of members has increased significantly each year. This is in accordance with the development of the number of members who joined in the LEM Sejahtera and the accumulated compulsory savings from the previous year.

Table 3. Respondents' perceptions of the repayment time of compulsory savings at LEM Sejahtera During the Year 2016

| No | Description | Frequency | Percentage (%) |
|----|-----------------------|-----------|----------------|
| 1. | Never Delinquent | 34 | 89,47 |
| 2. | Delinquent a Month | 3 | 7,90 |
| 3. | Delinquent Two Months | 1 | 2,63 |
| | Total | 38 | 100,00 |

Based on Table 3 of 38 respondents, 34 people (89.47%) said that the compulsory savings were never delinquent, 3 people (7.90%) stated they had been delinquent a month and the rest as much as 1 person (2.63%) for two months. In general, members who have arrears of mandatory contributions from the area so do not hold monthly meetings to pay compulsory dues. Based on these results it can be concluded that the number of members in performing mandatory savings is very high.

Member Participation in Voluntary Savings

Year 2014 voluntary savings IDR 27,884,000,-; Year 2015 increased to IDR 25,609,000, - while in 2016 decreased to IDR 20,839,000,-. These data indicate that there is a fluctuating increase. Members' participation in voluntary savings is categorized as very low. This is indicated by the perception of respondents as shown in Table 4.

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Table 4. Respondents' Perceptions of Valuntary Savings on LEM Sejahtera

| No | Description | Frequensi | Percentage (%) |
|----|-------------------------------|-----------|----------------|
| 1. | Have Voluntary Savings | 20 | 52,63 |
| 2. | Do not Have Voluntary Savings | 18 | 47,37 |
| | Total | 38 | 100,00 |

From Table 4 it can be seen that from 38 respondents 20 people (52.63%) of them have voluntary savings and 18 people (47.37%) do not have voluntary savings. Based on the financial statements of the board of LEM Sejahtera known that the amount of voluntary savings of respondents ranged from IDR 10,000, - to IDR 3,000,000. This condition shows that the participation of respondents in voluntary saving is still low. Stakeholders must make effort to address the various constraints identified by respondents (Adeogun, 2015)

Member Participation in Simaya Savings

Total Simaya's savings Year 2014 Rp 15,077,000, -; Year 2015 increased to Rp 16,425,000, - while in the Year 2016 decreased to Rp 4.905.000, -. This data indicates that there is a fluctuating development of the number of Simaya from year to year. Perception of respondents to Simaya as shown in Table 5.

Table 5. Respondents' Perceptions of Simaya's Savings on LEM Sejahtera

| No | Description | Frequency | Percentage (%) |
|----|------------------------------|-----------|----------------|
| 1. | Have Simaya's savings | 6 | 15,79 |
| 2. | Do not have Simaya's savings | 32 | 84,21 |
| | Total | 38 | 100,00 |

From Table 5 it can be seen that from 38 respondents only 6 people (15.79%) have Simaya's savings and most others 18 people (84.21%) do not have Simaya's savings. Based on the financial report of the board, it is known that the amount of Simaya's savings ranges from IDR 71,000 to IDR 2,000,000. This condition indicates that the participation of respondents in Simaya's savings is still very low.

Participation of Respondent as Borrower and or Buyer

Based on the results of the research is known that there are members of LEM Sejahtera who only lend money or goods (production facilities), there are only buying goods and some are doing borrowing money as well as buying goods. Respondents' perceptions of borrowing activities and or purchase of production facilities can be seen in Table 6.

Table 6. Respondents' Perceptions of Loans and or Purchases on LEM Sejahtera

| No | Description | Frequency | Percentage (%) |
|----|----------------------------|-----------|----------------|
| 1. | Borrowing (Money or Goods) | 7 | 18,42 |
| 2. | Buying Goods | 4 | 10,53 |
| 3. | Borrowing and Buying | 27 | 71,05 |
| | Total | 38 | 100,00 |

Based on Table 6 it can be seen that from 38 respondents mostly borrowed either money or goods as well as purchase of production facilities in cash to LEM Sejahtera as many as 27 people (71.05%), 7 people (18.42%) only conduct lending activities and 4 people (10.53%) only purchase the means of production in cash

This condition indicates that all respondents have participated in the business activities of LEM Sejahtera, either in the form of savings and loan business as well as sales of production facilities in the form of subsidized fertilizer. Thus the participation of members in lending and or purchasing activities is high. The participation of members in this activity is due to the fact that the respondent engages in borrowing activities both in the form of money and goods and also conducts the purchase of production facilities with full awareness and because of the basic needs that they must fulfill. Respondents are also keenly aware that by lending and / or purchasing production facilities will have an impact on the scale of business

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and the remaining business return (RBR) they will earn each year. This condition also shows that savings and loan business and sales of production facilities LEM Sejahtera have been running well.

Participations of Respondents of Monthly Routine Meeting Activities

Based on the results of the research note that LEM Sejahtera organizes routine meetings held every 15th of the month.

Table 7. Perceptions of Respondents of Monthly Routine Meeting Activities at LEM *Sejahtera* Year 2016

| No | Description | Frequency | Percentage (%) |
|-------|-------------|-----------|----------------|
| 1. | Active | 14 | 36,84 |
| 2. | Less Aktive | 17 | 44,74 |
| 3. | Not active | 7 | 18,42 |
| Total | | | 100,00 |

This condition indicates that the participation of respondents in of Monthly Routine Meeting Activities at LEM *Sejahtera* is still very low.

IV. CONCLUTION

The level of participation of members of LEM Sejahtera in business capital strengthening program is high. Members have mobilized themselves in an integrated activity (savings and regular meetings) and the parties only act as facilitators. Participation is the "catalyst" of the government opening process, and trust represents a key input of the public participation (Duťu A and Diaconu M, 2017).

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