

Community Participation Level in Business Capital Strengthening (A Case Study at LEM Sejahtera Andomesinggo, Konawe Regency, Indonesia)

¹Ine Fausayana, ¹Muhtar Abu, ¹Anas Nikoyan, ²Reny Neswati

¹Faculty of Agriculture, Universitas Halu Oleo Kampus Hijau Bumi Tridharma Anduonohu, Kendari
93232 INDONESIA

²Departement of Plantation and Horticulture Southeast Sulawesi Province INDONESIA

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 Caldwel M (2016) about investigates a rural community project (Nguni

Community Participation Level in Business Capital Strengthening

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 interactual 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 Position		Respondent Frekuensi	%
	Participation Level	Typology of Participation		
Medium	Involvement: Members are involved in the business capital strengthening	Members have joined in LEM <i>Sejahtera</i> just following the program set by LEM <i>Sejahtera</i> .	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 <i>Sejahtera</i>	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 <i>Sejahter</i> related to the strengthening of business capital.	27	71,05
Participation Level	Community Position To Outside Parties		Respondent Frekuensi	%
	Participation Level	Typology of Participation		
Very High	Collaboration: Members of LEM <i>Sejahtera</i> 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 <i>Sejahtera</i> 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 the 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.

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.

Community Participation Level in Business Capital Strengthening

Table 4. Respondents' Perceptions of Voluntary 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 <i>Simaya</i> 's savings	6	15,79
2.	Do not have <i>Simaya</i> '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

Community Participation Level in Business Capital Strengthening

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. CONCLUSION

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 (Duđu A and Diaconu M, 2017).

REFERENCE

- 1) Adeogun SO, 2015. Participatory Diagnostic Survey Of Constraints To Youth Involvement In Cocoa Production In Cross River State Of Nigeria. *Journal of Agricultural Sciences*, Vol. 60 (2) : 211-225
- 2) Anantanyu. 2014. efektivty of Famers Institusi and Their Determinant's Factor case: Provice of central. *Journal Penyuluhan Pertanian* Vol. 5 No. 1 Maret 2009. Fakultas Ekologi Manusia institut Pertanian Bogor. Bogor.
- 3) Azunna C. 2018. Post-Colonial Agricultural Participation In Livelihood Strengthening Research, *Society and Development*, vol 7 (2) : 01-13
- 4) Britto S and Rani S. 2017. *Global Journal of Human-Social Science: C Sociology & Culture*. Vol 17 (2). Online ISSN: 2249-460x & Print ISSN: 0975-587X
- 5) Daymon and Holloway, 2002. *Metode-Metode Riset Kualitatif dalam Public Relation dan Marketing Communication*, Penerjemah Surya Wirabuana Bentang Pustaka. Yogyakarta. 2002.
- 6) Duđu A and Diaconu M. 2017. Community Participation For an Open Public Administration: Empirical Measurements and Conceptual Framework Design. *Cogent Business and Management*. Vol 4 (1) : 1 - 22.
- 7) E. D. Laah ., J. O. Adefila ., R. O. Yusuf. 2013. Community Participation in Sustainable Rural Infrastructural Development in Riyom Area, Plateau State of Nigeria. *Journal of Economics and Sustainable Development*. Vol.4 (19) : 83-93
- 8) Mundau M and Tanga PT , 2016. An Assessment of the Level of Community Participation and Localization of Decision-Making in Donor-Funded Projects in Zimbabwe. *Perspectives on Global Development and Technology*, Vol 15 (6) : 716 - 728
- 9) Nikoyan, A., 2015. Perencanaan Partisipatif. Bahan Pembelajaran PPS Agribisnis Tahun Ajar 2015 Universitas Haluoleo. SulawLEMi Tenggara.

Community Participation Level in Business Capital Strengthening

- 10) Olukotun GA. 2008. Achieving Project Sustainability Through Community Participation, *J. Soc. Sci.*, 17(1): 21-29
- 11) Pimbert and Pretty. J. 1997. *Participatory Learning and Action Serial Participatory Methodologi IILEED*. London.
- 12) Qureish Noordin and Senior Agroforester, 2015. Community Participation in Agroforestry Development and Extension: Experience of the Kenya Wood Fuel and Agroforestry Programme (Kwap), Busia District, Kenya. *East African Agricultural and Forestry Journal*, Vol 13 (1) : 261-270
- 13) Tanwir M and Safdar T. 2013. The Rural Woman 's Constraints to Participation in Rural Organizations. *The Journal of International Women's Studies*, Vol 14 (3) : 210 – 229
- 14) Usadolo SE and Caldwell M. 2016. *A Stakeholder Approach to Community Participation in a Rural Development Project*. Sage : 1-9
- 15) Zakaria WA, 2014. Penguatan Kelompok Tani Kunci Kesejahteraan Petani Disampaikan di Seminar Nasional Dinamika Pembangunan Pertanian dan Perdesaan di Bogor.