Beyond Salt Industries and Environment in Sumenep: Effective Partnership for People Welfare

Fatmawati¹, and Moh. Kurdi²

¹Universitas Wiraraja Sumenep
Email: fatmawati.ir@gmail.com
²Universitas Wiraraja Sumenep
Email: emkurdi@gmail.com

Abstract. This study aims at describing how a pattern relationship with the People's Business Group Garam Garam Cooperative in Sumenep and Knowing pole effective partnership for the salt business folk groups and cooperatives in order to improve welfare salt business group. This study was conducted in Sumenep, the data collected and obtained from interviews with cooperatives in Sumenep, and the Department of Marine and Fisheries and the salt farmers population consisted of 60 respondents. Data analyzed using Qualitative Descriptive Analysis. The results showed that the partnership between the People's Salt Business Group (KUGAR) and Cooperative salt is not effective, so it is necessary to apply a partnership intermediary consisting of three parties partnership that large traders, cooperatives and farmers salt.

Keywords: KUGAR, the pattern of relationships, the effectiveness of the partnership

1. Introduction

Salt can no longer be separated from public life because without salt all tasted bland. So that the salt is considered one of the important commodity. Salt is used as industrial raw materials and foodstuffs are almost required by all of society. Based on geographical location, Indonesia has a natural potential that was instrumental in meeting the needs of the national salt. Salt is a white solid and shaped crystals as well as a collection of compounds with the largest part of sodium chloride (> 80%). Salt obtained from seawater, salty lake water, deposits in the soil, and the salt mines, as well as a source of water in the soil (Burhanuddin S 2001). These components have a very important role in the human body, so that the human body needed salt consumption with the right size and fit to support health. Consumption of salt per person daily in estimated 5-15 grams or 3 kilograms per year per person (Winarno 1995 in Amalia, 2007). Salt became one of the human needs that is complementary to the food needs of a source of electrolytes to the human body. Although Indonesia is a maritime country category, the salt production business has not been much in demand, as well as in efforts to increase the quality of salt production. On the other hand, the need for good quality salt (calcium and magnesium less) largely imported mainly high iodized salt and salt industries. Along with the development, the development in all fields must be increasingly considered. That was one way to improve the lives and welfare of the nation is improving industrial development, including the chemical industry, both of which produce the raw product or the finished product. Development of the chemical industry that produces a product is important because it can reduce the dependence of consumption Indonesia against the foreign industry, which will be able to reduce spending foreign exchange to import such materials, including salt.
Problems groups salt farmers in Sumenep most crucial is the lack of professional staff (skills) and management (management capabilities) in the salt business, limitation of capital, lack of access to banking and marketing of products, productivity still low, and mastery of technology that still inadequate. In order to increase farmers' income salt, needs to be balanced and accompanied by a favorable marketing system for farmers salt and salt business opportunities through a partnership system pattern. The marketing system adopted by the salt farmers (producers) during this time is a manufacturer visited by the consumer, and the next system is a manufacturer selling directly to collectors traders or middlemen. The marketing chain has been a long and continuing until today. For producers (farmers salt) not to market their products outside the island because of limited capital and lack of a network as well as the lack of mastery in entrepreneurship.

Basically, the pattern of the partnership is the kind of system concepts business entity where partners share profits and losses in business. Partnership system is often used by companies for tax purposes, as in the system of partnership structures are generally not taxed on income before goods are distributed to the partners. But everything depends on the system structure of the partnership and jurisdiction in which it operates, the owner of the partnership may be exposed to personal tax liabilities greater than those that would stock holding in a company. Cooperative role of salt in Sumenep is expected to change the economic system occurred in order to fix the economy increase farmers' income and welfare salt. Empowerment of cooperatives to support the development of enterprises producing salt should become a serious concern of the government. With a system of cooperative partnership that exists by salt with salt farmers groups supported by the local government, banking private entrepreneurs, it will be available the raw material of salt according to the criteria for the community. In the partnership, business groups and cooperative salt people should know how effective partnership pattern to be applied, in order to achieve maximum business benefits between the two sides. Based on the above background, research on a partnership between cooperatives and farmer groups in the salt business in Sumenep necessary, to formulate and recommend an effective partnership model to improve the bargaining position and well-being of People's Salt Business Group in Sumenep.

2. Methodology

The research was conducted on a number of people from the Department of Marine and Fisheries (DKP), a cooperative of salt and salt People's Business Group (KUGAR) in Sumenep as one group consisting of 60 people. Data collection techniques used in this research is in-depth interviews (in-depth interviews) conducted through a number of meetings with the cooperative board, the DKP, and the salt business group that the process takes place frequently asked questions about aspects of the research. In addition to in-depth interviews, the researchers conducted observations of conducting a direct observation of phenomena that appear in the field of research objects. This study intends to explain the facts and phenomena objectively that occur in the field. Toward this end, the method of analysis used is Qualitative-Descriptive.

3. Literature Review

Often found that agribusiness interpreted narrowly, namely trading or marketing of agricultural products. Whereas the agribusiness notion is far from the original concept in question. The idea of agribusiness is a whole concept, from production processes, process results, marketing and other activities related to agricultural activity. Definition of agribusiness is "A unity of business activities that include one or all of the chain of production, processing, and marketing that has to do with agriculture in the broad sense. Understanding agriculture in a broad sense is the business activities that support agricultural activities, and agricultural activities support business activities ". The link between the upstream industry, downstream industry, farming activities and supporting subsystems illustrated in Figure below.
Figure 1. Picture chart Agribusiness

Agro-industry is an activity or business process raw materials derived from plants or animals through a process of transformation by using physical and chemical treatment, storage, packaging, and distribution. An essential feature of the agro-industry is the activity is not depending on the season, needs modern business management, business scale achievement of optimal and efficient, and able to create high added value.

This means that the agro-industry is the engine of growth in the agribusiness system that will eventually contribute positively to economic growth in the region and nation.

Is something agro-industry effort to process ingredients derived from plants and animals. Processing includes transformation and preservation through the physical and chemical changes, storage, packaging, and distribution. Processing characteristics and degree of conversion can be very diverse, ranging from cleaning, grading, and packaging, cooking, blending and chemical changes that create fibrous food vegetables).

Herb has become a part cultural and natural wealth of Indonesia and the Basic Health Research in 2010 showed that the use of herbal medicine by the people of Indonesia for more than 50% . However, not all doctors in Indonesia especially specialist doctors accept it, citing lack of scientific evidence (evidence-based medicine / EBM). This is made clear by the loss of the field of study of traditional medicine, alternative and complementary to the management of the Indonesian Doctors Association (IDI) IDI post-congress in Makassar in 2012. The study Division fought IDI conference results in Palembang in 2009, after Mr. President declared herbs Indonesian brand in 2008. In fact, in each plenum IDI for three years, many board members have always questioned the scientific evidence of herbal medicine because many of their patients suffered kidney failure and even gastric perforation. The explanation that these herbs mixed with chemicals, drugs (BKO) as the cause of side effects, do not discourage their opinion that the grass unsafe and not scientifically based.

4. Result and Discussion

The data were obtained using data collection techniques such as in-depth interviews (in-depth interviews) conducted through a number of meetings with the Department of Marine and Fisheries, cooperative management, and business groups salts in the District Sumenep with a sample of one group consisting of 60 people. Addition to depth interviews, the data were also obtained by observation of conducting a direct observation of phenomena that appear in the field of research objects.
Table 1. The total area of the farm is based on ownership

| No. | Land ownership                               | Area (ha) |
|-----|----------------------------------------------|-----------|
| 1   | District land area. Sumenep                | 5468      |
| 2   | The land area of the people                 | 2068      |
| 3   | The land area of PT Garam (Persero)         | 3400      |

Source: DKP Sumenep (2012)

Based on the above table, the farmland ownership dominated by PT Garam (Persero)

This study intends to explain the facts and phenomena objectively in the field. Toward this end, the method of analysis used is Qualitative.

The fundamental problem that occurs in people's salt business activities include:
1) Human resources and institutional
2) Infrastructure and production facilities are used, the technology used is very limited and still uses the production method is simple. Due to the low quality of the salt, the resulting technology has not yet reached a good quality that is still included in KP 2.
3) The problem of capital, access to capital and market information is still very minimal.
4) Trade regulations
5) Business administration system which is dominated by traders, the market leading to monopsony market

The problems described above which occur in the salt business people led to the production and quality of low salt, resulting in a weak position salt farmers in setting the quality and price of the salt itself.

The amount of salt inhibiting factor for farmers to increase production and quality of the salt, making the government provides program policies Empowerment of People's Salt (PUGAR) for farmers to form groups of people salt business (KUGAR) will get funded PUGAR with terms and conditions that have been set. PUGAR an empowerment program grants salt business people who aim to develop entrepreneurial folk salt. However, this aid is still being misused by KUGAR in Sumenep, whichever occurs abuses committed by KUGAR. The diversion is suspected because of the proximity to the village or the village head or is still carried out by assistants marine and fisheries department.

4.1 Partnership

Institutional partnerships are one way that can enhance the bargaining power of farmers. Their partnership that exists to encourage farmers to produce a quality product, farmers are easier to obtain credit facilities, and supplies for the partners is guaranteed continuity. Cooperative salt is still active in Sumenep to date is a cooperative Astagina. Cooperative Astagina has a role to provide a high bargaining power for farmers salt in many ways, one of which provides facilities such as venture capital. With the expected cooperative farmers are able to avoid gaps and loss. Cooperative Astagina has been operating for 13 years starting from the year 2004 until the stand is today.

Cooperative Astagina has a very important role for salt farmers, but until now, not been able to maximize the Astagina cooperative role for the development of the salt business people. So that cooperation between farmers and cooperative Astagina not been fully carried out. The cooperation that exists is informal cooperation ie cooperation that does not have a clear contract, so there is the injured party who is none other than salt farmers.
Basically, the partnership was mutually beneficial for all the rules in economic activities between farmers and partners formally regulated and bound by the contract, so that all parties involved have the same rights and obligations. The fact that the case is the cooperation between KUGAR namely salt with cooperative farmers do not have a binding contract so that the partnership is not to be mutually beneficial. Weak cooperative role of salt in Sumenep in providing venture capital facility must borrow capital caused farmers to traders, as a consequence thereof farmers must sell to a collector at a price lower than the government's resolve.

Not a few businesses salt which today has become a member in the cooperative Astagina, but most of the salt still bought by collectors, processors, traders then sell back to the cooperatives. So the role of cooperatives to encourage the development of farmers in producing salt is still very weak. Traders very dominating in the marketing of salt, while the position of farmers is producers. Trader collector as providers of initial capital for the salt farmers and farmers have an attachment to the attachment middleman. because merchant farmers can not freely to obtain greater profits because farmers have to sell salt at a price set unilaterally by the collector. It can be concluded that the pattern of partnership that exists between the people of the salt business group (KUGAR) cooperative has not been ideal, because there are still those who feel aggrieved by the other parties, namely farmers. The lack ideal a partnership pattern that can be seen from the lack of rules that can be used as a reference in partnering as appropriate, the absence of a contract usually contains an agreement among partners led to businesses salt tied to traders as the party that has provided capital loans to farmers.

a. Implementation Fund Salt PUGAR In Developing Business People In Sumenep

Empowerment of People's Salt (PUGAR) has been established by ministerial regulation of maritime affairs and fisheries number 41 in 2011 on the guidelines for the implementation of the National Program for Community empowerment Marine and Fisheries in 2011. Together with the policy of the Department of Marine and Fisheries Sumenep has formed a team of facilitators and technical team PUGAR and coordinated with the Ministry of Marine Affairs and Fisheries.

KUGAR PUGAR Fund can be obtained by submitting a proposal, then from the Department of Marine and Fisheries conducted a survey of the land is owned by farmers salt or PT Garam by showing proof of land lease. Further funds are channeled into salt farmers in this regard is KUGAR through the head of the group, the technical team PUGAR and team co-PUGAR Department of Marine and Fisheries Sumenep and assisted by village the village chief and the District because of only those who know the mechanism for channeling these funds (Good, 2016). So it is not uncommon case of misappropriation of funds PUGAR by these parties, because no one knows the mechanism of distribution of funds in addition to them. Until now most of KUGAR not know about PUGAR and PUGAR fund distribution process. The amount of funding depends on how long PUGAR KUGAR has stood for a long KUGAR large amount of funds up to Rp. 12,500,000 and for new KUGAR maximum of Rp. 40,000,000 (Good, 2016).

Receipt of funds PUGAR not easy because the salt land must verify in advance by the technical team and the escort team PUGAR. The process may take approximately one month.PUGAR (Pemberberdayaan Enterprises of People's Salt) is a government program in the form of grants for the business group saline (groups owned by farmers salt this time) that has been formed in the early policy applies PUGAR, the program aims to strengthen the business group of salt to be able to avoid division and disagreement. The program is still being misused by elements who are not responsible, there was the misappropriation of funds Pugar by parties who have close relations with village officials and village heads, or may grant diverted by PUGAR companion salt business group people. So implementation PUGAR funds cannot be said to be effective in encouraging the development of the salt business better direction, because there are many obstacles and to fraud by related parties are not responsible.
4.2 Effective Partnership

Farmers salt which in this case is KUGAR has a great chance to work directly with processors (wholesalers), but because farmers do not have access to direct marketing, companies prefer to cooperate with traders, because it is more profitable that companies do not need issued transport costs having been incurred by traders and companies can also obtain the amount of salt in a large number of traders. In this case, the farmer is a very aggrieved party, for not being able to have a good bargaining position.

A partnership will be effective if there are three parties involved, namely the wholesalers as a manager, delivery cooperatives, and farmers salt which in this case is KUGAR as a producer of salt. The pattern of such partnerships can be termed as an intermediary partnership in which the cooperative bridge farmers to wholesalers in order to salt farmers have high bargaining power (NIDA, 2013). These partnerships should be organized formally bound by contract, so no gainers and no losers (all parties involved must be equally benefited).

Some important things that must be addressed to achieve effective partnership pattern that is:

1) Maximizing the role of cooperatives, which provide working capital facilities. In order for salt farmers have a higher bargaining position.
2) Cooperatives have to improve various aspects of a very influential for the welfare of its members, these aspects include a managerial fix, establish clear rules, a commitment between members and administrators
3) Utilizing the best possible PUGAR funds, not misappropriate funds from PUGAR program.
4) Cooperatives should really be delivery salt farmers with large companies.

5. Conclusion

Based phenomena have been studied in the discussion to answer the formulation of the problem, it can be concluded that

1) The pattern of partnership that exists between KUGAR which in this case is the farmers / growers salt cannot be said to succeed in making the salt business people in Sumenep growing, due to a weak cooperative in carrying out its role in providing a capital facility for producing salt. As a result, the salt farmers are still very attached to the loan capital from traders, as a consequence salt farmers have to sell fruit thereof to a collector at a price set unilaterally by the collector. This is a barrier for salt farmers to improve the quality and quantity of production thereof and to obtain a high bargaining power due to capital constraints or KUGAR salt farmers.
2) PUGAR fund implementation is still hampered by several factors including the ignorance of the majority of the funds will KUGAR PUGAR, PUGAR fund distribution mechanism that is known only to certain parties only one escort team and the distribution of funds that takes a long time. The number of those who do not know about the funding mechanism PUGAR cause their opportunities for stakeholders who are not responsible for the misappropriation of funds PUGAR so that the funds do not reach the hands of KUGAR and cannot be used to expand its business.
3) A partnership will be effective if there are three parties involved, namely the wholesalers as a manager, delivery cooperatives, and farmers salt as salt producers. The pattern of such partnerships can be termed as an intermediary partnership in which the cooperative bridge farmers to wholesalers in order to salt farmers have high bargaining power so that the salt farmers in Sumenep can achieve prosperity.
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