Institutional Development for Cooperative Sustainability of Beef Cattle

La Nalefo
Department of Social Economics, Faculty of Agriculture, Universitas Halu Oleo, Kampus Baru Bumi Tridharma, Kendari 93232 Indonesia. Phone +624013194978, Mobile 08124216670
Email: lanalefo@rocketmail.com

Abstract. A case study on the impact of institutional development for the sustainability of project participants (sustainability project) has been conducted on the asset of Initial Fund Equivalent (MAP), which is facilitated by Cooperative Ministry and UKM of Indonesian Republic in Ahuhu, Wawotobi district, Konawe Regency, Southeast Sulawesi. The study was conducted through a survey of 12 farmer groups by interviewing 60 project participants from members of the group. The result showed that the farmers' institutional performance as project participant are very low. This is evidenced by the low level of respondent participation in group activities related to counseling, project management, and livestock development. One impact of the weak performance of the participant project is the inability of the farmer groups to develop economic institution community-based to assist the development of farmer livestock. This study proves that one of the causes does not the formation of farmers' economic institutions which can take over the project management according to the original plan due to lack of government attention to institutional development of farmer groups as a coaching container of project participants.

Keywords: Institutional, sustainability, farmer groups, cattle raiser.

1. Introduction
The case study welfare improving of small farmers is one of the development goals of long-term agricultural in Indonesia so that the projects based on small farmers have been launched to support it. To get the project that provides long-term benefits, then the direction of development should be implemented in the context of project sustainability. It will be achieved when the development of orientation not only aimed at the technical aspects but also the institutional development of project participants. Thus, the project participant institution can contribute to develop full benefits continuously.

MAP, cows supply project in Ahuhu village is one of the Ministry of Cooperatives and UKM RI program was launched in 2000 until 2007 which received financial assistance from the World Bank (1) which is distributed through IFAD (International Food and Agriculture Development) to support the development of animal husbandry in Indonesia. In Southeast Sulawesi, the project started from 2000 until 2007, the major activity is the development of cooperation with the spread of local cattle have adapted to the local environment as many as 200 head-on 12 groups participant of female farmers who are members of Women Cooperative (Kopwan), namely Sri Rejeki. The spread of cattle by Kopwan uses credit pattern called MI (Modified Inked) which is a modification of the previous pattern of FI (Full Inked) or profit-sharing. With the pattern of MI, the amount of credit and debit payments of cattle assessed in Rupiah, not paid with the outcome of...
cattle breeds as the FI pattern. For that credit, payments should be approved by Sultra Regional Development Bank as manager. Since the early stages of the credit payment patterns applied to the MI pattern thus at the end of the project MI, the asset value can be assessed easily. The purpose of this pattern is seen at the stage of full project management, the project can be transferred to their institution, including the cooperatives which obtain the credit from the bank.

These institutions will buy the cattle from the project and spread it to the members of the credit system that they set themselves. Through this system, the project of sustainability is expected to be maintained by the project participants independently, without relying on the government activities. The study of local institutional Parabela in Buton (2) has been conducted in many countries, which is generally studied from various aspects, such as aspects of institutional and local wisdom, leadership role in ensuring the safety of local institutions, interests, welfare of its citizens who are members, follow and obey with the applicable rules in the institutional. Veblen in Prasad (4) focused on the dichotomy between the business and economic aspects of the industry, which further his study focused on developing dichotomy between institutional and technological. In more explanation, Veblen focused on investigating the effect of new technologies on institutional schemes and describing how the social agreement and interest groups was settled to resist change. Marquardt et al. (2009) conduct research studies in the Upper Amazon region of Peru that focused on managing land degradation problems in swidden farming, and the institutional setting for such experimental activities within a resilience theory framework. Framed by a local institution name cohoba, learning situations of field experimentation were created to speed up the joint learning process between farmers, a local NGO and researchers. The author argues that action research (AR), as methodology, not only enhances contextual learning processes by working within farmers' existing institutional framework for learning but also has the advantage of integrating local and scientific knowledge into a joint learning process. Further, at the same place, (5) conduct research that focused on the working of an NGO partner called Pradera. In its land management projects, Pradera's working approach was characterized by a close collaboration with farmers. The emphasis was on grasping the farmers' perspective on agriculture, targeting of local institutions in the villages as natural arenas for learning, and including topics in their analysis such as culture and worldview; this is analyzed through the framework of a reflective learning organization.

One of the social aspects need to be considered to support the benefit sustainability of the project is institutional development of project participants (6); (7); (8); (9); (11); (12). To support this, (13) developed the concept of institutional development called IB (Institutional Building) that includes two interrelated categories: institution and relevance. The first aspect concerns the internal capacity of institutions, while the second aspect is the development of relevance with other stakeholders in the environment. For farmer groups that can play a role in the project management then the group capacity, both internally and have a relationship with other stakeholders, should be optimized through institutional development. His (14) found several factors that affect the ability of the group in facilitating their members to implement the plans they have made, namely: (a). Physical and psychological atmosphere: the rendezvous, family atmosphere, and cooperation among members; (b) The participation: participation in group work and attendance at the meeting; (c). The norm of groups: social interaction before and after meeting; (d). The cohesion: care for each other - perception about no existence of contradiction between solidarity and individuality; (e). The evaluation: evaluation and knowledge of sustainability evaluation.

The effectiveness of institutional development has been done during the project and how the condition of project participants institutional is reflected from the level of participation project participants in their group activities. The approach will be used in this study.

Following the Appraisal project, since the beginning of the implementation of project participants guided within an institution is a farmers group. Farmers group are expected to be a farmer cooperative institution in the management of cattle and increasing their knowledge. Through the institutional development is also expected to strengthen the cooperative that can take over the management of project assets. Only the idea of transferring the asset project management to farmers'
institutions until the end of the project did not materialize because no one farmer institutions are ready. Thus, the management of project assets fully remains to be done by the government by applying the FI pattern.

Through this study is to prove that the main cause of failure over management project from the government to the farmers' institution is weak in developing farmers group institution. The institution is the result of farmers' group inability in influencing other stakeholders, especially KUD can be used in the management of the MAP project.

2. Methods
2.1. Data Collection
This research was conducted through the survey on the location post-project in Ahuhu, Wawotobi subdistrict, Konawe Regency, Southeast Sulawesi. Data collection is done by interviewing the leader of the group and the farmers as participants project that chosen randomly using questionnaire. The samples consist of 12 farmer groups with 60 respondents group members who became the project participants. Collecting data on the effectiveness of the group is done through an interview with the group leader, the assessment of documents and field observation. While the data on project participation in group activities conducted through interviews with randomly selected respondents from the sample. To reduce the bias against the leadership of the farmer groups are divided into two categories: active leader and less active leader. The determination groups according to categories referred based on perceptions of the local field officers which is facilitated by LSM Kesrindo as a field companion.

The participation level of respondents in group activities are divided into three categories of activities, namely: (a) extension activities which consists of five components: (1) group meeting, (2) demonstration, (3) training, (4) field trip, and (5) obtain materials information; (b) project management activities that consist of three components: (1) the selection of candidates who handle the cattle; (2) the implementation of revolving the cattle as payment; and (3) the recording of cattle development; and (c) the activities of cattle development which consist of six components: (1) the construction of the coral, (2) cattle reproductive services, (3) cattle health services, (4) the utilization of cattle labor, (5) the development of forage, and (6) the marketing of cattle.

2.2. Data Analysis
The data analysis is done by using a simple way, namely summation, and percentage. To calculate the number of respondents participation in group activities derived from the average number of respondents who participated in group activities stated in percentage using the formula:

\[ P = \frac{A}{(R \times K)} \]

- \( P \) = Participation number
- \( A \) = The number components of activity participated by all respondents
- \( R \) = The number of respondents
- \( K \) = The number of components in each category of the activities.

3. Results and Discussion
The result of the study found that the group who used as a container of coaching the project participants are group of woman farmers of food crops and the cattle which is then used as a basis of agricultural coaching activities such as counseling and credit distribution. From the whole farmer groups have been observed that none has an organizational structure. The leader is a central point of the group activities. The summary of observations on the institutional aspects of the project participants are presented in the following table.

| Respondents Participation Rate in Farmer Group Activities |
|---------------------------------------------------------|
| 1. The number of farmer groups 4 (A) 8 (B)              |
| 2. The group who has activities 4 (A) 1 (B)            |
| 3. The number of respondents 31 (A) 29 (B)             |
4. The respondents who are member of the group 28 (A) 20 (B)
5. Members’ participation in the activity:
   a. Extension (%) 5 (A) 1 (B)
   b. Management of projects (%) 15 (A) 1 (B)
   c. Development of cattle (%) 2 (A) 0 (B)

A = active leader group; B = less active leader group.

From 60 participants who stated by their leader as a member of the group showed that not all respondents felt as group members. The researcher found respondents who considered themselves not members of the group, that are 3 respondents (10%) of the farmer groups with an active leader and 9 respondents (31%) of the farmer groups with less active leader. These data show that not all the project participants are members of farmer groups, although membership in the groups is a requirement to be a project participant. Respondents' perceptions of the farmer groups indicate a low rate which only 19% of respondents stated that the need for farmer groups. Meanwhile, 43% of respondents stated that the farmer does not benefit for them, 19% stated that the structure and organization ineffective, 11% do not understand the farmer groups, and 8% considered the government's role in coaching of farmer groups is still low.

From 12 farmer groups of the sample acquired only 5 groups coordinate strongly the activities of its members such as counseling, assist the management of project and cooperation in cattle development. While 7 other farmer groups already did not have any activity. It is also found that the activities are conducted entirely on the initiative of the leader so that only the groups who have an active leader of the group's activities. The existence of group activity has not fully involved the members as reflected by the lack of participation rate of respondents in each category of activity. Participation rate for all activities only 4%.

The data above shows how low the role of farmer groups, which originally expected as a basis for the development of institutional project participants MAP in supporting the sustainability of the project. The orientation project management focused on the technical development of the farm has excluded institutional aspects at the stage of project preparation and implementation. From the project, guidelines document not found a reference about the institutional project participants both in supporting the sustainability nor the project, especially for the farmers to prepare the institutions and manage the assets of the project as referred to Appraisal Project.

The institutional link between farmer groups of project participants with KUD Kopwan Sri Rejeki in developing the farm is found very little. The weakness of farmer groups institutional with KUD made the position of farmers are very weak so that the expectation to involve KUD in managing the project would not be realized. This is confirmed (15); (16) that he expected the participation of small farmers in the process of policymaking in developing countries is not realistic. This is different from developed countries where the farmers joined in pressure groups. Therefore, developing the farmer in the groups is a good learning tool to increase their participation. Social and cultural determinants of economic institutions and outcomes have come to the forefront of economic research (17).

4. Conclusion
The result of this case study found that the existence of farmer groups as one of farmers' institutional as project participants MAP in the survey area has not provided actual meaning in supporting the sustainability of the project. This is reflected in the weakness of the participation rate of respondents in group activities. One of the main factors that can be the cause of the inability is not the implementation of an institutional development program of farmers as project participants directionally. The situation makes the project participants not able to build an institution that can
take over the management of project assets as original design. Model illuminates the role of power in institutional design.

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