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## Poverty Reduction Around the Coffee Citizens: Social Capital Optimization and Participative Planning of Creative Economic Empowerment in Jember Regency

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**Abstract:** The reality of the poor in the vicinity of plantations and forestry also occurs in Jember Regency, including the poor surrounding coffee plantations mostly owned by Limited Plantation Companies (PTP). The problem is whether “self-capacity building” through optimizing the utilization of social capital and participatory planning empowerment The creative economy for the poor around the coffee plantations to cope with poverty has been done or not. Analysis of this data is necessary to obtain a picture of poverty alleviation community around the coffee plantation. Through analysis of this data then prepared action plan and implementation of action plan that have been prepared. In preparing action plans and implementation of community poverty reduction action plans around the coffee plantations are required Participant Rural Appraisal (PRA) methods. The results of this study provide a picture that poverty alleviation is still conventional, providing cash assistance. Poor people around the sugar cane plantations are not involved to alleviate their own poverty. Through optimizing the development of self-capacity and social capital, the poor surrounding sugarcane plantations can utilize various wastes of coffee plantations to welfare the family economy.

**Keywords:** Poverty, social capital, participatory planning, and creative economy

### RESEARCH BACKGROUND

In the reality of the social economic order of society, poverty is still a serious problem facing the Indonesian nation. According to BPS data, the distribution of the number of poor people in Indonesia is mostly in rural areas. Data from BPS (2010) revealed that 74% of the poor are in rural areas and some of the poor are scattered in plantation and forestry clusters in various parts of the country this.

In the report book issued by the Asian Development Bank (ADB) on the Evaluation of Regional Technical Assistance (RETA, 2010) disclosed that for the Java Island poor population who are in plantation

and forestry clusters scattered starting from Lebak district of Banten, Bandung regency, regency Banjar, Tasikmalaya regency of West Java, Wonosobo regency, Pati regency, Blora regency, Temanggung regency of Central Java, Gunung Kidul regency of DIY, Ngawi regency, Madiun regency, Lumajang regency, Jember regency, Banyuwangi regency, and Situbondo regency of East Java.

The reality of the poor in the vicinity of plantations and forestry also occurs in Jember Regency, including poor people around coffee plantations, mostly owned by Limited Plantation Companies (PTP). Poor people around coffee plantations in Jember spread in Panti Subdistrict, Mayang Subdistrict, Jelbug Subdistrict, Arjasa Subdistrict, Silo Subdistrict, and Sumber Baru Subdistrict.

The number of poor people in Jember Regency according to BPS data of Jember District (2010) is about 13% of the total population in Jember District. This poverty rate is slightly different from the data released by the Jember District government listed in the Regional Action Plan of Millennium Development Goals (RAD MDGs) of Jember District (2011) which states that the poverty rate in Jember regency is 11.5% of the population in Jember District. The poverty rate in Jember Regency is still below the national poverty rate which reached more than 15% in 2010.

When associated with the type of work, the reality of poverty in Jember district revealed that the majority of poor families (51.7% of the poverty rate of Jember District) have jobs in the agricultural sector (including plantations and forestry). This means, the agricultural sector has not been able to provide a good income, especially for poor families. (RAD MDGs Jember District, 2011).

This is possible because almost all poor families, especially those around coffee plantations in Jember Regency, do not own their own land and work as farm laborers in coffee plantations around their dwellings, both as pickers, planters, and others. Another possibility is not yet optimal development of productive coffee potency or incapability of poor community “to develop self capacity” to get out of poverty, both because of cultural and structural factors.

It should be acknowledged that in addition to revealing the success, poverty alleviation that has been done by the government, but the efforts that have been done by the government also shows failure in many places. Consciously or not, there are various problems in poverty alleviation itself. However, whatever the problems and challenges, poverty alleviation must continue, as well as the shared responsibility of central government, local government, business and society. Efforts to overcome poverty need to be a sustainable social movement that is continually perfected from time to time.

In the context of poverty alleviation for the poor living in coffee plantations in Jember District, many programs from local governments and those conducted by PTP XII and XIII have been conducted through CSR (corporate social responsibility). However, efforts to reduce poverty among the poor around coffee plantations Seems to still leave a general weakness that needs to be evaluated and improved.

The general weaknesses of poverty alleviation of the poor around the coffee plantations of Jember Regency are seen as follows: (1) still oriented towards macro growth; (2) a centralized policy that emerges that poverty reduction is the responsibility of the government; (3) is more charitable; (4) positioning the poor as an object and not taking into account the potential participation of better-off citizens, (5) a worldview about economic oriented poverty, (6) and the assumption of frequent problems and mitigation.

Given the weakness of poverty alleviation, it is very necessary to evaluate poverty alleviation that has been done either by the local government of Jember Regency and PTP XII and XIII accompanied by efforts to implement new strategies for poverty alleviation of poor communities around the coffee plantation.

Therefore, the new strategy for poverty alleviation in the vicinity of coffee plantations should include efforts to “self-capacity development” through the optimization of social capital and creative economic empowerment that can be developed by the poor around the coffee plantations. Of course, this effort can not only be through the mainstream instrument of strengthening the current economic or technological approach, but also must be pursued through various related dimensions. In other words, the “self-development capacity” process of the poorest plantations should be built within a comprehensive, holistic and harmonious framework of approach with regard to social capital that includes a value system, an institution that grows and develops in local communities, local potentials, community business units and carrying capacity Environment and coupled with participatory planning of creative economic empowerment outside the plantation economy (mainstream economy).

With the new strategy of poverty alleviation of the poor around the plantation is expected not only will increase the participation of poor communities around coffee plantation area for decision making and supervision of resource management of coffee plantation. But it will also be able to better ensure the sustainability of improving people’s welfare and conservation of coffee plantation resources.

The problem is not all the poor around the plantation not only understand all of them, but also do not understand what to do with life that is being lived. This problem is also experienced by the poor around coffee plantations in Jember district, especially in the centers of life of coffee plantation communities such as in Silo, Mayang, Arjasa, Jelbug, Panti, and Sumber Baru subdistricts. Communities in this coffee production center are not able to optimally empower themselves to cope with the poverty experienced, not only because they face the constraints of estate regulation but also problems in optimizing social capital and lack of participatory planning of creative economic empowerment available outside the plantation economy.

It should be understood that the community poverty alleviation around the coffee plantation is not enough to be given only material assistance, or facilities for improving the quality of infrastructure, access and services for the poor. It is important, but it will be more important if the poor are given the opportunity to “develop themselves” through social networks, participatory planning of creative economic empowerment as well as farm labor coffee plantations, and the development of social capital to carry out social and economic transitions.

The poor around the coffee plantations can not “develop self-capacity” to alleviate their own poverty. The poor will be able to cope with their poverty if joint efforts are made through the social capital they possess and the creative economic development available around the coffee plantation, whether in the off farm that can be done by the poor or the development of small-scale home industries that can be “grafted” Collectively in the area around the coffee plantation.

The problem is whether “self-capacity building” through optimizing the utilization of social capital and participatory planning of creative economic empowerment for poor communities around the coffee plantations to overcome poverty has been done or not. If so, how is the existing poverty reduction product and is the effort made effective in tackling the poor? If not, what steps have been taken to optimize “self-

development” through the utilization of social capital and participatory planning of creative economic empowerment outside the plantation economy?

The purpose of this research is to: (1) map and understand the poverty of the community around the coffee plantation in Jember Regency; (2) to evaluate the various poverty alleviation that has been done; And (3) designing community poverty reduction measures around the coffee plantation through participatory planning of creative economic empowerment and social capital as a new strategy for poverty reduction. This research is useful for reference in designing policy and implementation of policy of poverty alleviation of poor people around coffee plantation through participative planning of empowerment of creative economy and social capital. In addition it is useful for academic development related to poverty problem of coffee plantation community and reference for other researchers to deepen about poverty of coffee plantation community in Jember Regency. For the poor, this research can be useful for an inspiring reference to self-capacity building efforts and expanding social networks to improve the dignity of life.

## RESEARCH METHOD

This research is done by using action research approach. Action research is a process of controlled, self-recycled, independent reflective investigation, which aims to make improvements to the system, workings, processes, content, competencies, or situations. In the context of this study the action approach is aimed at evaluating poverty reduction policies and actions and designing new strategies for poverty alleviation of poor communities around coffee plantations which are then accompanied by action plans that need to be done by multi-stakeholders.

In action research, in general the research cycle will be performed according to procedures or steps: Planning, action, observation and reflection. The steps to be taken in action research are problem identification, formulating problems, analyzing problems and finding solutions, creating action plans and monitoring, processing and interpreting data, and making reports.

In the context of this research, the research team will identify the problem of community poverty alleviation around the coffee plantation, formulate the problem of poverty eradication that has been done by multi-stakeholders, analyze the poverty alleviation that has been done and offer other alternative poverty alleviation, make action plan to diffused, and implement the action plan through participatory planning on poverty alleviation.

Data collection is done through observation techniques, in-depth interviews and involved observations. Observations were made on the phenomenon of poverty and the efforts of poverty alleviation of the poor around the coffee plantations. In-depth interviews were conducted with multi-stakeholder informants who had been involved in community poverty alleviation around the coffee plantations and observed involvement by researchers in which researchers would temporarily reside in the vicinity of the population around the coffee plantation. Data analysis was done by using qualitative analysis technique. Steps taken: (1) review the data; (2) reducing data; (3) categorize data; (4) display data; And (5) interpret the data.

All data relating to poverty, poverty alleviation, social capital, off-farm activities, and capacity building, whether obtained through interviews, observation, documentation, or observation are involved through specific interpretations for further steps. After the data obtained are reviewed, the next step is to select and

sort data related to poverty, poverty alleviation, social capital, off farm activities around the coffee plantation, and self-development capacity. Irrelevant data is discarded so as not to interfere with categorizing steps.

The data is then categorized based on the researcher's interest which includes five aspects (poverty, poverty alleviation, social capital, creative economic activity, self-capacity building). The next step is to interpret the data obtained and diialized with various theories.

Analysis of this data is very necessary to obtain a picture of poverty alleviation community around coffee plantations. Through this data analysis then prepared action plan and implementation of prepared action plan. In preparing action plans and implementation of community poverty reduction action plans around the coffee plantations are required Participant Rural Appraisal (PRA) methods. It is a participatory, multi-stakeholder participatory planning method and is used to facilitate the society's deep insight into oneself and its possibilities, and allows members to express their ideas, discoveries in their own varied, meaningful, and usable and realistic ways (RETA , 2010: 9).

The steps taken in this method are: (1) information sharing; (2) consultation; (3) collaboration; (4) persuasion; And (5) joint control. The researchers first exchanged information on poverty, poverty alleviation, and others included in the focus of this study. Then proceed with consultations with various parties, ranging from village elders, village bureaucracy apparatus, to the poor about what needs to be done to overcome poverty.

After that the researchers cooperate with multistakeholders to develop action plans for poverty prevention of the community around the plantation. With this cooperation is expected the poor are able and willing to express their views and feel involved so as to obtain social efficacy. If this step is not optimally done persuasion by researchers. Finally everything that has been designed, decided, implemented with the control together so hopefully will get the expected results.

## RESULT AND DISCUSSION

### The Problem of Poverty and Its Countermeasures

Poverty alleviation is one effort to improve the welfare of the community. Poverty alleviation is a mandate of the 1945 Constitution which is outlined in various national and regional development agenda, among others through RPJMN / RPJMD where poverty reduction is the main agenda and priority to reduce poverty that has become global commitment in Millennium Development Goals (MDG's) in 2015 .

Poverty alleviation is the effort of all parties (multi-stakeholders) to reduce the number of poor people and prevent non-poor population into the poor or below the poverty line. The poor around the coffee plantations in the district of Jember are generally in a dismal condition. The poor are unable to meet their basic needs and do not have access to resources to improve the quality of their more dignified lives.

The cause of poverty in the coffee plantation community in Jember can be both cultural and structural factors. From the cultural aspects can be the attitude of a person / group of people who are influenced by consumptive lifestyle, habits of life and cultural attitudes (apathy, resignation, no motivation). While from structural aspect can be uneven resource structure, ability of society unbalanced, inequality of opportunity in effort and earn income from plantation coffee sector.

The results of this study indicate that the dominant dimension of poverty accompanying the poor around the plantation is helplessness. Powerlessness in: (1) meeting basic needs such as food and nutrition, clothing, shelter, education and health; (2) conducting productive business activities; (3) access to social and economic resources; (4) self-determination and always discriminated against, have feelings of fear and suspicion, and apathy and fatalism; And (5) free oneself from the mental and cultural poor and always feel that they have low dignity and dignity.

## **Optimization of Social Capital and Participatory Approach**

Social capital instruments are referring to parts of social organization - networks, norms of interdependence, and trust - that facilitate cooperation for mutual benefit (Putnam, Robert D, 1999: 3). In social capital, membership in various types of social networks can be observed, plus “invisible moral resources” such as trust, cooperation, interdependence, support, and information flow, concerned with and strengthening one another. Taken together, the parts that make up this social capital will support social stability and sustainable economic vitality.

In community life, as well as in the poor around the coffee plantations, various networks exist within society, reaching outward (horizontally) to other groups, and connecting people (vertically) to other authority people. These relations are respectively referred to as the act of binding, bridging, and linking social capital. The poor in the coffee plantation region rely on such assets (social capital) as channeling to such people who assist them, for example when they are sick or need a nanny (binding social capital).

They rely on relationships with people outside their own group who can help them, for example individuals in the field of coffee plantation work in relation to other workplaces outside the coffee plantation (social capital bridging); And relationships with people in positions with political or financial power to gain both vertical and horizontal opportunities and mobility (social capital linking). According to Narayan Deepa (1997: 22), everyone relies on relationships with others whom they trust to advance, but for poor people may rely more on social capital than on education to survive.

Because the poor rely so heavily on social networks, the development of social capital is crucial to helping poor people make the social, economic, and cultural transition necessary to “develop self-capacity”. Therefore, poverty alleviation does not only improve the quality of infrastructure, access, the provision of temporary material assistance, and services for the poor.

In a theoretical perspective, social capital can be increased if there is a participatory or enhanced learning environment where a participatory approach is systematically incorporated into all stages of poverty reduction, from conceptualization through implementation to evaluation. James Coleman (2000: 34), said that if this participatory approach is accompanied by trust among group members or social networks, or if different social groups and networks can unite to work together and support each other, the poor will be able to achieve More in many ways, including being able to cope with the poverty he experienced.

According to Thomas Carroll (2001: 56), the depth of participatory approach and maximum participation will be achieved if there are actions of empowering or joint control. Communities develop action plans and manage their own activities based on their own priorities and ideas. In the context of poverty reduction, they should be given space and opportunities to develop poverty reduction plans and manage their own activities based on their own priorities and ideas that reduce poverty.

## **Empowerment of Creative Economy of Coffee Plantation Community**

The concept of creative economy develops as an antithesis to mainstream economic concepts. Creative economy is the activity of production and reproduction of goods and services that are outside the main economic activities resulting from the process of creative thinking. In simple language the creative economy is the production and distribution activity of “side” outside the main livelihood.

In the living order of the poor, the creative economy is a rational choice to be made amidst the limitations of its key economic power. The condition of the main economic power that is unable to provide the economic and social needs of the poor, forcing the poor to “get out” of the poverty trap through various means, including struggling beyond the main economy (survival strategy).

In the creative economy, the poor usually not only provide a mobilized family workforce, but also provide time outside of their main economic activity. In cultivating the creative economy, the poor often also provide a longer outpouring of labor rather than the outpouring of labor provided for the main economy.

A form of creative economic development in coffee plantations generally lies in off farm economic activities that are generally accessible to the poor. Including the plantation’s creative economic activities, are economic activities outside the agriculture and off farm sectors such as home industry, culinary, plantation tourism, environmental waste processing to be sold products, and others.

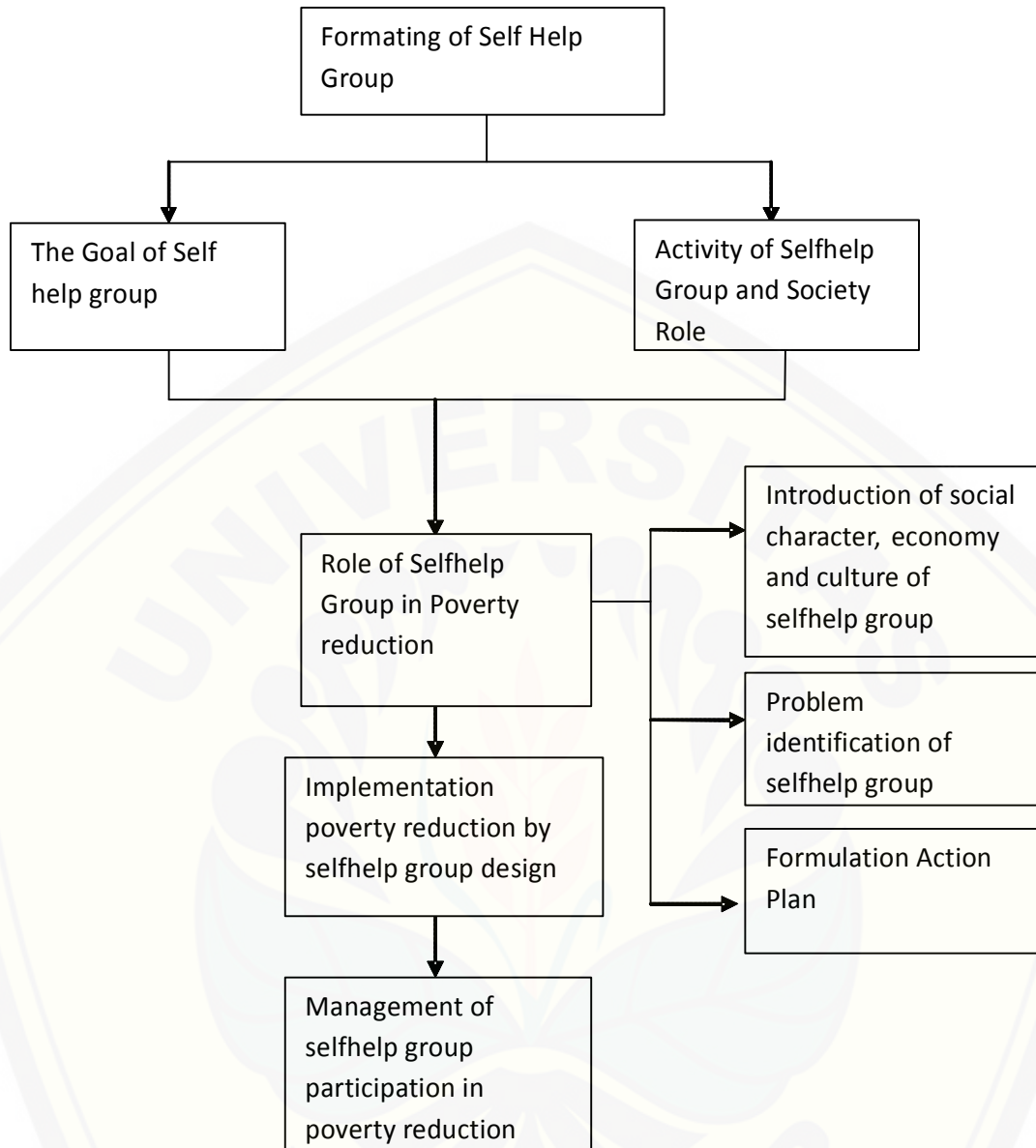
In the context of coffee plantations, creative economies that can be developed include coffee plantation tours, coffee stalls, coffee fruit waste processing, wooden coffee crafts, culinary support coffee garden tourism, or souvenirs to support coffee tours. Beyond the development of a creative economy based on coffee products, there may also be other productive economic enterprises organized in a community of collective enterprises or productive economies that are endeavored by individuals.

In the theory of local economic development (local economic development) developed A.H.J. Helming (2005: 27) said that the development and empowerment of creative economy for the community is a policy choice that needs to be decided to help people cope with the poverty they experienced. The local term in terms of the local economy does not designate an administrative boundary area, but rather the increase in local component content and the optimization of local resource use.

## **Facilitating the Establishment of Independent Groups**

The potential of the community around a huge coffee plantation in Jember can not be utilized optimally. This study focuses more on the study of community empowerment around coffee plantations through social capital approach and participatory planning to improve the welfare of poor communities living around the plantation.

In its implementation group formation was preceded by inviting the community to form independent groups. The formation of community self-help groups is aided by the research team and adapted to each of the “self-capacities” it is possible to develop. Steps to facilitate the formation of self-help groups and the participation of self-help groups in poverty reduction can be illustrated in the following picture.



The formation of self-help groups around the coffee plantations to manage the creative economy is able to raise the degree of economically viable people's lives. With the formation of self-help groups, each group develops its different economic potentials so that the creative economy efforts undertaken by self-help groups can be complementary.

Generally these self-help groups set up creative economic endeavors aimed at off-farm economic development, such as coffee shop businesses providing hot coffee drinks for plantation visitors, typical Jember food stalls, and others.

Various independent groups' efforts in setting up various economic endeavors can improve their welfare, and most importantly they are responsible for the developed effort that ultimately is able to independently cope with the poverty that has been experienced.



## CONCLUSION AND RECOMENDATION

### Conclusion

The reality of poor people around plantations and forestry occurs around coffee plantations that are mostly owned by Limited Plantation Companies (PTP). Poor people around coffee plantations in Jember spread in Panti Subdistrict, Mayang Subdistrict, Jelbug Subdistrict, Arjasa Subdistrict, Silo Subdistrict, and Sumber Baru Subdistrict. Self-capacity development through the optimization of social capital utilization and participatory planning of creative economic empowerment for poor communities around coffee plantations to overcome poverty has been done, but the results have not been optimal. In preparing action plans and implementation of community poverty reduction action plans around the coffee plantations are required Participant Rural Appraisal (PRA) methods. It is a participatory, multi-stakeholder participatory planning method and is used to facilitate the society's deep insight into oneself and possibilities, and allows members to express their ideas, discoveries in their own varied, meaningful, and usable and realistic way.

### Recomendation

The phenomenon of poverty is not a single reality so that efforts to overcome it need an integrated approach. The involvement of all parties should be more emphasized in order to solve the problem of poverty can run optimally. Participatory planning for creative economy empowerment can be developed continuously in the face of Asean Community and free trade era.

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