

Rural Agribusiness Development Based on Community Empowerment (A Case Study in Bajeng Sub-district of Gowa Regency, South Sulawesi, Indonesia)

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ABSTRACT---- *Using a combination of qualitative and quantitative approaches, a study was made of factors which determine the effectiveness of a Rural Agribusiness Development Program (RADP), based on community empowerment. The study was conducted in Bajeng Sub-district of Gowa Regency in South Sulawesi, Indonesia. The data used in the analysis were collected from individuals and groups as the program implementers. The success of RADP based on community empowerment was found to be strongly associated with the level of public trust that is established. The effectiveness of RADP had no direct relationship with the presence of community institutions, such as the Farmer Group Association (FGA), but is determined by the influence of social norms of individuals and socio-cultural influences. The implementation of RUDP through community empowerment in Bajeng Sub-district was found to be below optimal, due to a limited ability to involve local representatives in decision-making, combined with limitations of the capacity of local institutional management and marketing systems. The net impact was limited in terms of increasing both farmer and community productivity and welfare. The lack of impact of RADP in Bajeng Sub-district also reflected a lack of involvement of the government in providing guidance and supervision, combined with weak administration of program activities by FGA personnel, due to their lack of experience and knowledge.*

Keywords---- Rural Agribusiness; Policy Implementation; Community Empowerment; Rural Agribusiness Development and Program (RADP) implementation

1. INTRODUCTION

Indonesia is an archipelago that is rich in natural resources and has quite high potential of human resources. Development initiatives in Indonesia still reflect geographic inequality and disparities. The causes of poverty have not been fully or optimally addressed, particularly in rural communities. Poverty reduction in rural areas is a national issue which should be addressed immediately. Agricultural development plays a potentially important role in addressing poverty in rural communities. The lack of agricultural development is reflected in the limited capital resources of most farming households in Indonesia. The development of farmers' productive businesses is a policy mechanism which is expected to have an impact on improving the welfare of farmers in rural communities.

One of the government programs aimed at improving community welfare in order to accelerate poverty reduction and expansion of employment opportunities in rural areas is the National Program for Community Empowerment (PNPM-M). A Rural Agribusiness Development Program (RADP) which has been implemented by the Ministry of Agriculture since 2008, is one of the government policy initiatives being implemented within the PNPM-M program. RADP is a national program for poverty reduction in the agricultural sector. The program activities include the provision of Direct Community Assistance (DCA) for improving capital access by as much as Rp. 100,000,000 to farmers, whether they are owner farmers, tenant farmers, farm workers and farm households, the capital availability being coordinated/distributed through Farmers Group Association (FGA).

The concept of agribusiness is actually whole concept, starting with production, processing, marketing and other activities related to agricultural activities (Suryani and Rahmadani, 2014). The RADP program is an integrated system related to development policy which is focused on the empowerment of farming communities in fostering public confidence in the government. The motivation of citizens in assessing public policy can be based on consideration of the suitability of the government's actions relative to the aspirations and public interests. Rational public confidence is formed when residents and stakeholders assess the actions taken by government institutions and officials, is in

accordance with the aspirations and expectations of communities (Dwiyanto, 2011). This is the rationale on which RADP is being implemented.

A number of studies have been done of community empowerment, among which are: (a). The implementation of the RADP program (Rural Agribusiness Development Effort) in Ngawi District (Nurhadi, 2014). The results of the study found that the successful implementation of RADP in Ngawi District has brought about positive changes in the community, including the development of new agribusiness ventures and the emergence of units of agribusiness supporting the sub-system, the development of the procurement and distribution sub-systems, and the development the production and marketing sub-systems. The new activities conducted within the context of the RADP program have also increased community capacity, with the community now being able to plan, implement and evaluate the program. There is also good leadership and human resources that help enhance the community. (b). Idris (2012) identified the constraints of the empowerment of poor farmers in Banyuwangi through RADP. The study found advisor performance is a factor that significantly determines farmer's prosperity (directly), although this determine poor farmers empowerment (indirectly). Internal and external factors do not significantly determine farmer's prosperity (directly), but can have a significant effect in determining poor farmer empowerment (indirectly). The coefficient of determination of the factors toward poor farmer empowerment was estimated at 65% ($R^2=65\%$), while the coefficient of determination of the factors towards farmer's prosperity was estimated to be 57% ($R^2 = 57\%$). The net return to the RADP program was estimated at only 15.3% before calculating any expenses. Direct expenses were estimated at 61%, while farmers non performing loans accounted for 23% and other constraints on FGA institution. (c). Research conducted by Mubarak (2010) showed that community capacity development activities in Sastrodirjan village have been conducted in accordance to the principles of community empowerment and have succeeded in changing the level of public awareness and increased their understanding of the potential value of participation in community development initiatives. The findings also revealed that changes in public consciousness were not related to respondent's age, their education level and their role in the PNPM, while the relative role of men and women was not yet optimal enough to support development in their community. (d) Research by Litaniawan and Suasa (2014) found that the implementation of the national program of self-empowerment of rural communities in Parigi Sub-district Moutong was not maximized. Human resources related issues which were affecting development included, a low level of education, inadequate staff empowerment and expertise, and a lack of relationships between the district government agencies for implementing in Torue Sub-district with Moutong Parigi district government as the control center in the area, and (e) Research Bhanu Prawirasworo, Tri Yuniningsih and Maesaroh, (2013) states that the results showed the results of the existing planning. The recommendation of this research to was to increase the level of human resources to be able to better meet community servicing needs. The conclusions of the researchers was that the implementation of rural agribusiness program is not optimal, due to human factor and the weakness of the government's role in the supervision, guidance and control of the program.

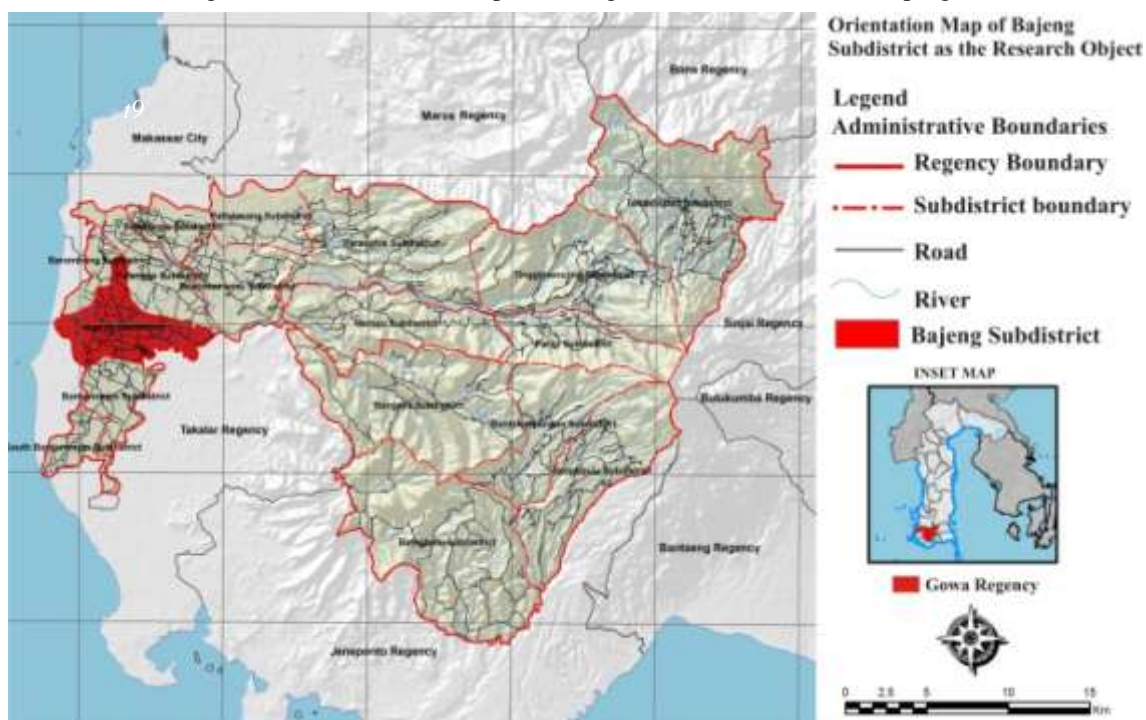


Figure 1. Bajeng Sub-district, the Research Focus Area
Source: Regional Planning Agency (Bappeda) of Gowa Regency, 2015

The Gowa Regency is a region that has had a DCA-RADP program since 2008. Until 2015, as many as 159 Farmer Group Associations (FGA) in 159 villages distributed among 18 sub-districts, had received program assistance. One of the sub-districts that had been a recipient of RADP is Bajeng sub-district, the focus of this research in this report. The implementation of the RADP program in Bajeng sub-district started in 2008. There have been suggestions/reports that implementation of RADP in the sub-district has not been optimal or effective. Edwards (Subarsono, 2011) states that policy implementation is influenced by four main factors which are interconnected with each other, namely: (a) communications, (b) resources, (c) disposition and, (d) structure of bureaucracy. Therefore, the development of rural agribusiness based on community empowerment in Bajeng sub-district has been studied in relation to these four factors, which are linked directly to the community empowerment mechanisms that have been implemented.

2. RESEARCH METHODOLOGY

The effectiveness of implementation of rural agribusiness development programs is greatly influenced by decision-making relating to public policy and by the implementing agencies and personnel, both individuals and farmer community groups (FGA). This research was aimed at analyzing the role of the government and the program implementing agency, FGA, on the effectiveness of a Rural Agribusiness Development Program (RADP) based on community empowerment, together with an evaluation of the utilization of Government Direct Aid (GDA). The approach used was that introduced by Creswell (2012) for qualitative research, which is based on a combination of biography, phenomenology, theory, ethnography, and a case study. The roles of individuals and community institutions and their respective effectiveness, were evaluated in the study. Wallace (Tukiran, SE (2012), explains that surveys involves a process of transforming five components of methodology, these being logic, deduction, interpretation, logic inference and concept formulation. The research approach chosen was a combination of quantitative and qualitative components which comprised the research prioritization of quality data, followed by assessment and analysis of conditions and situations relating to the mechanisms and procedures for the implementation of the community empowerment of the Rural Agribusiness Development Program (RADP) in the study area. The goal was to explore, understand and describe the phenomena related to the mechanisms and procedures for the implementation of RADP in Bajeng Sub-district. Primary considerations in the merging of qualitative and quantitative approaches were; (a) the development of rural agribusinesses specifically aimed at improving individual and community welfare, and rural poverty reduction; (b) the need to represent the multiplicity of actual conditions in the field; (c) the characterization of outstanding cases in the process of GDA fund management; (d) phenomena that need to be described to characterize the structure of society/social characteristics; and (e) the collection of representative quantitative and qualitative data. The collection of relevant data was based on a combination of observations, questionnaires, interviews and documentation (Tashakkori and Teddlie, 2010). The qualitative approach reported in this paper was focused on providing an interpretation and description of the mechanisms and procedures used for the implementation of the Rural Agribusiness Development Program (RADP) . The quantitative approach described was used to measure the success of GDA-RADP aid fund management.

3. DATA and ANALYSIS

Gowa Regency is one of the regencies which has participated in the Rural Agribusiness Development Program (RADP) since 2008. In general, the potential of Gowa Regency is based on the agricultural sector. Records show that the agricultural sector accounts for about 40% of Regional Gross Domestic Product (Central Bureau of Statistics, Gowa, 2014). The main contributions in the agricultural sector come from (a) food crops like rice with yields reaching 6.19 tons/ha; corn at 5.83 tons/ha; cassava at 22.73 tons/ha; sweet potatoes at 11.81 tons/ha, green beans and peanuts at 0.88 and 1.93 tons/ha, respectively; (b) vegetables including potatoes, tomatoes, peppers, beans, cabbages, carrots, green beans, kale, spinach and squash;(c) fruit crops including passion fruit, jackfruit, bananas, mangos, rambutans, avocados and oranges;(d) livestock include cattle, horses, buffalo and goats; s and (e) freshwater fish farming. The development of rural agribusiness is strongly influenced by three main factors, namely; (a) role of local government, measured by the ability to define and implement programs through empowerment for the purpose of improving the community welfare, (b) the role of communities, measured by the ability to access the utilization of economic resources in a sustainable manner and (c) the optimization and utilization of agriculture-based natural resources for the purpose of increasing the production and marketing of agricultural production.

Gowa Regency consists of 18 sub-districts, and agricultural production is the predominant activity of residents. This means that the basis of development of Gowa Regency is the agricultural sector-food crops, horticulture, livestock and fisheries. Bajeng Sub-district is regarded as having considerable potential for further development of its agricultural sector, partly reflecting its high population. The total population of the district in 2014 was recorded as 55,644 (Table 1).

Table 1.
Population by Gender in Bajeng Sub-district, Gowa Regency

	Villages	Males	Females	Total
1	Kalebajeng	1,668	1,749	4,417
2	Mata allo	1,867	1,979	3,846
3	Maradekaya	2,271	2,753	5,030
4	Pa'bentengang	1,964	2,066	4,030
5	Tubajeng	1,326	1,321	2,647
6	Paraikatte	1,251	1,399	2,650
7	Panyangkallang	2,028	2,280	4,308
8	Lempangang	1,667	1,607	3,274
9	Bone	2,462	2,493	4,955
10	Limbung	2,993	2,450	5,170
11	MacciniBaji	1,733	1,081	2,814
12	Panciro	2,465	2,527	4,992
13	BontoSunggu	1,679	1,589	3,268
14	TangkeBajeng	2,987	1,989	4,976
	Total	28,361	27,283	55,644

Source: Central Bureau of Statistics, Gowa, 2014

The successful development of rural areas is determined by the participation of local communities in development initiatives, through the community empowerment process. In particular, the local communities are the main actors in the implementation of the Rural Agribusiness Development Program (RADP) in sustainable manner, through the utilization of economic resources and natural resources of the communities, supported by the strengthening institutional capacity of the communities.

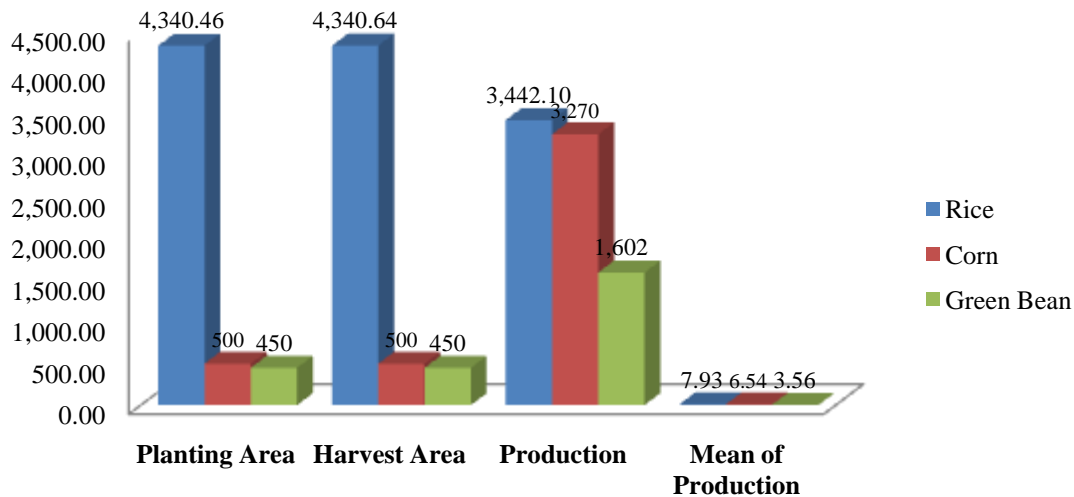
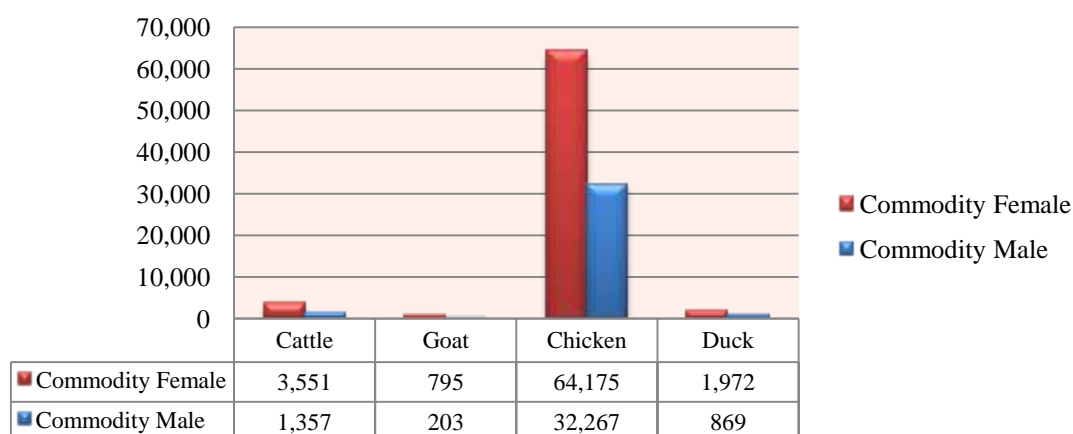


Figure 2. Commodities, Area and Production of Food Crops in BajengSubdistrict2014
Source: Branch Office of the Agricultural Office of Bajeng Sub-district, 2014

Figure 2 shows the 2014 production levels of three of the main agricultural food crops, rice, corn and green beans, in Bajeng Sub-district. Rice is the dominant crop with a planted area of 4,340 ha and an average rice yield of 7.93 t/ha (a total production of 3,442 tons).

Population of animals in Bajeng Sub-District (Heads)



Source: Branch Office of the Agricultural Office of BajengSub-district, 2014

Figure 3 illustrates the relative importance of the four main categories of livestock raised in Bajeng Sub-district, cattle, goats and poultry (chickens and ducks). The livestock sector is an important sector of agricultural production in rural communities, with potential for further development within the context of the RADP initiative.

Rural agribusiness development is strongly influenced by human capital on one hand and social capital on the other. Kuncoro (2014), confirms that regional autonomy leads to a change in the development paradigm from centralized to decentralized economy, from directive culture into an emphasis of democratic principles, initiatives and aspirations of the people. Numang (2012) highlighted seven challenges faced in the field of agricultural development in the province of South Sulawesi, namely; (a) development of regional autonomy and dynamics of the regional empowerment; (b) challenges of the need for farmer empowerment; (c) globalization of agribusiness imposing privatization of the food sector; (d) liberalization of information; (e) mechanisms of agricultural trade being determined by free trade; (f) changes in consumer tastes and technologies; and (g) climate change and global warming. These seven factors require support for the strengthening government capacity in public policy-making, while also requiring the support for community institutional capacity building for the development of rural agribusiness.

Table 2. Education level of the population in Bajeng Sub-district

No	Education Level	Total	%
1	No formal education/pre-school age	11,189	20.11
2	Elementary School	19,297	34.68
3	Junior High School	11,491	20.65
4	Senior High School	10,087	18.13
5	Academic Diploma	1,582	2.84
6	Bachelor Degree	1,998	3.59
Total		55,644	100,00

Source: Bajeng Sub-district, 2014

Table 2, summaries the education level of the residential population in Bajeng Sub-district. The data shows that the availability of human capital in Bajeng Sub-district still relatively low in terms of level of education, with only 6.43% of the population with educational qualifications above senior high school level. There remains a need for the further improvement of higher education levels in the district to support the development of rural agribusiness through a process of transformation and knowledge transfer.

Soetomo, (2010) asserts that structural transformation is one of the needed changes in the community development process. Fukuyama (Soetomo, 2010) also states that trust is a main element and the social capital to encourage the emergence of activity or collective productive and profitable initiatives.

The successful implementation of rural agribusiness development, in addition to being influenced by human capital, is also related to the conditions and community characteristics of production resources ownership in the agricultural sector. Rural areas are generally synonymous with structural poverty. Indicators of rural community poverty are reflected in the levels of ownership of agricultural land. The current status of agricultural land ownership in Bajeng

Sub-district is shown in Figure 4. Only 21% of agricultural land (897 ha) is owned by farmers, while 38% (1,650 ha) is under tenancy arrangements. The remainder (1,794 ha = 41%) is under owner-tenancy arrangements.

Agricultural Land Ownership in Bajeng Sub-district

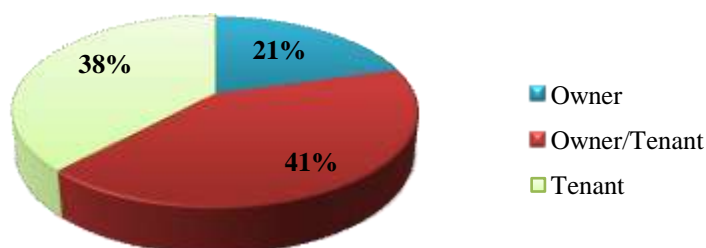


Figure 4. Status and Ownership of Agricultural Land Area by Farmers in Bajeng Sub-district
Source: Bajeng Sub-district, 2014

Based on these data, it is clear that the basis of the poverty being experienced in Bajeng Sub-district is structural poverty. This is reflected by the fact that farmers dominate the communities in the area. Social problems are mainly problems associated with the level of poverty in the communities. Therefore, the resolution of social problems is fundamental to improving the quality of life. Improvements in the social environment and social solidarity come through greater collective awareness (Soetoma, 2013). Furthermore, Yuwono (2011), mentions that in the lives of rural people, especially for poor farmers, they have to strive to meet their physiological needs, including food and drink, as well as their basic needs of clothing, and housing. This means that the economics of rural communities in Bajeng Sub-district is completely dominated by the status and needs of the poor communities. This indicates that rural agribusiness development in Bajeng Sub-district needs the support of community empowerment in a sustainable manner.

4. DISCUSSION

Rural agribusiness development through community empowerment has the objective of improving farmer welfare through the implementation of sustainable programs. Mardikanto et al. (2014) state that the core of people-centered development is the empowerment that leads to community independence. Community participation is very important in order to generate and support collective growth. Alfitri (2011) confirms that empowerment is comes as a result of effort to involvement of a community in the achievement of its development goals through self-empowerment. Community empowerment has nothing to do directly with the potential of region in the sense that development utilizes natural resources, combined with the social and culture based local wisdom possessed by local communities (Anwas, 2014). Usman (2010), states that there are two categories of perspectives that can be used to address the problem of poverty, namely (a) cultural perspectives and (b) structural perspectives.

In accordance with the concept referred to by Mardikanto (2014), Alfitri (2011), Anwas (2014) and Usman (2010), the implementation of a development program needs to incorporate community development to help address issues of welfare and poverty in rural areas. Therefore, public decision-making and implementation of development policies will require consideration of the potential of natural resources and human capital through local empowerment mechanisms integrated into a single development system. This means that a rural agribusiness development program needs to be part of a broader development program, in which the basis is laid for the implementation of public policies in order to encourage community participation in development, through the development of all potential of natural resources, human capital and local knowledge, simultaneously, to achieve the goal of improving community welfare. Salusu (2015) confirms that the conceptual element in making public policy play a key role in the bureaucracy decisions and becomes a standard operating procedure. Sinambela (2010) confirms that the key to a quality management policy is the high level of public participation through a process of dialogue for a policy that is ready for use. It can be concluded that successful rural agribusiness development based on community empowerment is largely determined by the public trust built and the contribution of RADP program implementation for improving community welfare, as well as handling poverty in rural areas.

Implementation of Rural Agribusiness Development Policy

Development policy basically has a goal focused in the improvement of community welfare. The rural agribusiness development programs (RADP) being implemented in the Bajeng Sub-district of Gowa Regency, is a way

of implementation of public policy in reference the government services to the community. The realization of the implementation of rural agribusiness development program is increased through governmental self-help on the production factors in developing economically productive activities and the development of a community institutional system in the product marketing system, in a sustainable manner. That is, that the creation of community self-help as within the changes at the micro level has a considerable positive effect on poverty reduction of farming communities in rural areas. In this context, it there is a need for government bureaucracy to make adjustments in order to balance the demands of communities and be responsive and able to provide better public services (Sugandi, 2011). The field data collected showed the unpreparedness of the government in responding to the demands of communities. This means that in the context of the implementation of rural agribusiness development in Bajeng Sub-district of Gowa Regency, there is a weakness in the government's role in the implementation of the program, either at the level of planning formulation, or during implementation and post-implementation of the program. This weakens the potential benefits to individuals within the program. Sukidin and Darmadi (2011) confirm that the role of individuals is closely related to social norms and is a key factor in the individual work behavior. It can be therefore be concluded that the effectiveness of the implementation of the RADP program implementation conducted in Bajeng Sub-district has no direct connection directly with the presence of community institutions (Farmer Group Association/FGA), but it is determined by the influence of social norms attached to the individual and the socio-cultural influences, causing a community weak response in describing the implementation of the program.

Mardikanto and Soebianto (2012), confirm that the principle of empowerment means that the empowerment activities involve the community as much as possible. The adoption of this way of thinking in the implementation of Rural Agribusiness Development Program (RADP) in Bajeng Sub-district clearly shows that individuals within the community are not yet optimally involved, individually is not involved; rather, there is a tendency in the implementation of the program that institutions are the main actor. Research conducted by Litaniawan and Suasa (2014) regarding the implementation of the National Program for Community Empowerment in rural areas in Parigi Torue Sub-district, found that factors inhibiting the implementation of the program were in the regulatory and administrative environment managing the program. Tika et al. (2014) in their research on the Implementation of Community Empowerment Policy (a study on the Implementation of the National Program for Community Empowerment of Urban Areas in Batu Sub-district, Batu City), found that there are four major problems in the implementation of the program, namely: (a) stalled refunds within revolving funds that become an obstacle to the implementation of the program as a result of the application of different interest rates between regions; (b) social activities relating to providing training to the communities in accordance with the existing resources and opportunities, so that the products have problems in being marketed; (c) mismatch of the budget with program implementation plan and, (d) elected Environmental Management Efforts members do not always understand their field, so that they are less competent.

The findings of Litaniawan and Suasa (2014) and the findings Tika et al. (2014), explain that the mechanism and implementation of the general community empowerment program policy has a tendency for failure in its implementation due to the unpreparedness of the bureaucracy in the implementation, together with the unpreparedness of the community to respond to the implementation of the program. In the context of the implementation of the Rural Agribusiness Development Program (RADP) in Bajeng Sub-district, the program implementing actor, the bureaucracy, acts in the position as program implementer, while individuals and community institutions act as program beneficiaries. Factors found in the field study show that the program has not been effectively or fully implemented. Three contributing factors were identified as contributing to the weak implementation. **First**, coordination at the level of program implementation is characterized by the lack of coherence of program implementation in the domain of bureaucracy relating to program implementation, resulting in the mechanisms and procedures that are not well implemented well. This weakness is due to the lack of human capital capable for responding and translating the program policies related to the region's potential, as the base of agribusiness activities that have the potential to be developed. **Second**, at the operational level and in particular in relation to the implementation of program socialization, there is poor support for providing adequate responsibility, resulting in program implementation that tends to be not maximal in the implementation. The mechanisms and procedures for socialization tend to be one-way. **Third**, at the level of individual and community institutions, there has been inadequate consideration of human capital and the social culture, causing weak community acceptance of the program. This condition is characterized by increased development of agribusinesses but not in a sustainable way. In addition, there has been little development of the product marketing system, so that the marketing pattern developed by communities is still based on local markets, so there has not been a significant increase in farmers' revenue. It can be concluded that the implementation of the rural agribusiness development program through community empowerment in Bajeng Sub-district is not completely optimal, due to limited resources to support the program, particularly in relation to the level of involvement and capacity of people in the communities. The involvement of local people is strongly influenced by socio-culture factors, while at the institutional level there is very limited capacity in the product marketing system, which is an important part of rural agribusiness development system.

Implementation of Rural Agribusiness Development Program (RADP) Based on Community Empowerment

The implementation of the Rural Agribusiness Development Program (RADP) based on community empowerment in Bajeng Sub-district in Gowa Regency shows that one of the success indicators is measured in terms of the ability of the community institution (FGA) in the process of funds utilization. The development of the DCA-RADP fund received by public institutions shows that the procedures and the implementation of the programs are not effective, based on the target to be met.

Tabel 3.
Development of the DCA-RADP Fund for Each Farmer Group Association (FGA) of 2008-2014
In Bajeng Sub-district

No	Farmer Group (FGA)	Receipt Year	Government Assistance (Rp)	Fund Utilization Development		
				Increase (Rp)	% Increase	% annual increase
1	2	3	4	5	6	7
1	Panciro	2008	101,500,000	1,500,000	1.50	0.25
2	Juluero	2008	122,005,000	22,005,000	22.01	3.67
3	Paraikatte	2008	109,350,000	9,350,000	9.35	1.56
4	BajiAteka	2009	132,186,000	32,186,000	32.19	6.44
5	Panyangkalang	2009	110,070,000	10,070,000	10.07	2.01
6	Juluminasa	2009	126,633,000	26,633,000	26.63	5.33
7	Bontosunggu	2009	153,169,000	53,169,000	53.17	10.63
8	Bonerate	2009	110,210,000	10,210,000	10.21	2.04
9	Ujung tanah	2010	103,051,000	3,051,000	3.05	0.76
10	Julu Pamai	2010	110,450,000	10,450,000	10.45	2.62
11	BontoLempangan	2010	107,610,000	7,610,000	7.61	1.90
12	Limbung	2011	103,300,000	3,300,000	3.30	1.10

Source : Report on Evaluation and Monitoring of Rural Agribusiness Development Program (RADP),2014.

The Rural Agribusiness Development Program (RADP) fund management in Bajeng Sub-district is summarized in Table 3. The information in the table summary the utilization of DCA-RADP funds by the Farmer Group Association (FGA) as the receiver and manager of the program. There are three levels of management of DCA-RADP funds in Bajeng Sub-district: (a) FGA Bontosunggu has the highest level of management with an annual average return of 10.16% on managed funds; (b). FGA Julu minasa and FGA Baji Ateka represent the next level of return on funds with average returns of 5.33% and 6.44%, respectively. (c). Lower levels of return on funds come from FGA Paraikatte (1.56%), FGA Bontolempangan (1.90% and FGALimbung(1.10%). (d). The lowest levels of return come from FGA Julu Pamai (2.62%), FGA Bonerate (2.40%), FGA Panyangkalang (2.01%), FGA Ujung Tanah (0.76%), FGA Panciro (0.25%), FGA Limbung (1.10%) and FGA Bonto Lempangan (1.90%). The variability in annual average returns reflect differences in management ability by FGA, combined with variability in the community institutional capacity to implement programs effectively. It can be concluded that the development of rural agribusiness in terms of economic management and community economic business marketing, has not been completely effective in bringing about significant increases in community productivity and farmers social welfare.

In relation to the field study, the failure of financial administration management by FGA can be associated with several factors: *First*, from a psychological perspective, the unpreparedness of communities in responding to the economic business marketing system as part of the agribusiness system. *Second*, from the aspect of asset information, this is strongly influenced by the ability and knowledge of community institutions, many of which do know have an advanced knowledge of financial management. Many community institutions still adhere to their traditional management techniques, which may not be optimum. *Third*, the adaptation response of the Farmer Group Association (FGA) to new ideas relating to the development of rural agribusiness tends to be weak due to socio-cultural factors, and an inability to respond to the terms and objectives of the DCA-RADP fund. *Fourth*, in relation to financial assets, often individuals and community institutions do not have the ability and knowledge of how to manage assets in the long term to maximize potential benefits to be gained. This partly reflects the fact that communities are often still within subsistence economic systems. *Fifth*, human assets, conditioned as a result of insight and knowledge of individual communities, are often based on poor educational backgrounds, making it difficult for individuals to respond to new innovations and breakthroughs in the agribusiness systems being introduced. *Sixth*, material assets are measured by the ability of individuals and community institutions to develop productive economical innovations for business development and ownership of agricultural land. The field study found that the assets ownership of individuals within communities has not changed significantly, resulting in the potential benefits of the Rural Agribusiness Development Program (RADP) to be

enjoyed only by land owners. Part and full-time land tenants involved in agricultural production have often not benefited from the RADP innovations.

It can be concluded that the development of rural agribusiness in Bajeng Sub-district has not been implemented optimally and effectively through the empowerment process, resulting in relatively few changes or improvements in community economic activities.

The development of rural agribusiness is strongly determined by the ability of communities to manage and use funds for agricultural development. The successful implementation of the RADP program is measured by improvements in the economic status of individuals and institutions (FGA) within communities. The use of DCA-RADP funds for the development of economic activities in Bajeng Sub-district is illustrated in Figure 5.

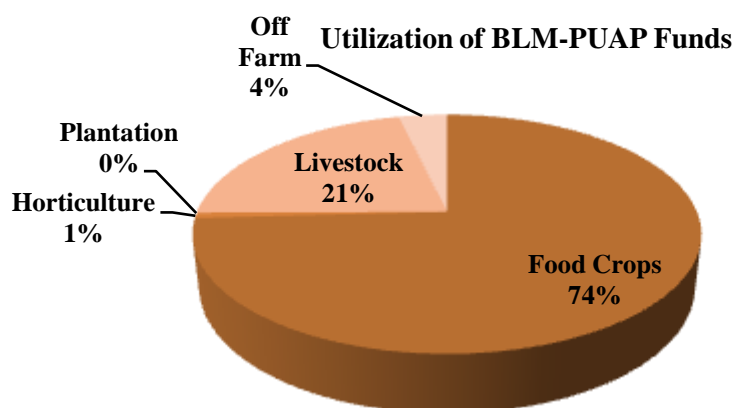


Figure 5. Percentage Use of DCA-RADP Funds in Different Agricultural Sectors in Bajeng Sub-district

Source: Evaluation and Monitoring Report of RADP Implementation, 2014.

Figure 5 shows that the use of the DCA-RADP funds in Bajeng Sub-district has been focused on the food crop sector (74% of funds) and livestock sector (21% of funds). Off farm investment only accounts for 4% of funds. Therefore, it can be concluded that the development of the rural agribusiness system has not changed significantly. This means that the program has not been able to be fully translated to and by the communities as the program beneficiaries.

The development of rural agribusiness based on community empowerment is largely determined by the ability of community institution (FGA) to maintain an accurate record of the administrative processes. The book keeping administrative responsibilities relating to the implementation of the Rural Agribusiness Development Program (RADP) in Bajeng Sub-district are summarized in Table 4.

Table 4.

Administrative Bookkeeping Responsibilities of the FGA Administration relating to RADP in Bajeng Sub-district

No	FGA	Administrative Requirements of Program Implementation							
		1	2	3	4	5	6	7	8
1	Panciro	C	IC	IC	IC	IC	IC	IC	IC
2	Juluero	C	IC	IC	IC	IC	IC	IC	IC
3	Paraikatte	C	IC	IC	IC	IC	IC	IC	IC
4	BajiAteka	C	C	C	C	C	C	LC	LC
5	Panyangkalang	C	C	LC	LC	LC	C	IC	LC
6	Juluminasa	C	C	C	C	C	C	C	LC
7	Bontosunggu	C	IC	IC	IC	IC	IC	IC	C
8	Bonerate	C	C	C	LC	C	IC	N	LC
9	Ujung tanah	C	IC	IC	IC	IC	IC	IC	IC
10	JuluPamai	C	IC	IC	IC	IC	IC	IC	IC
11	BontoLempangan	C	IC	TL	IC	IC	IC	IC	IC
12	Limbang	C	C	C	N	C	C	C	N

Source: Evaluation and Monitoring Report of RADP Implementation, 2014.

Description:

- | | | |
|--------------------|--|-------------------|
| 1: Account book | 5: Data on loan repayments | C : Complete |
| 2: Cash book | 6: Data on acceptance of operating results | LC: Less complete |
| 3: Data on loans | 7: Data on operating costs | IC : Incomplete |
| 4: Data on savings | 8: Data on accountability letter/receipts | N : Nothing |

As indicated in Table 4, complete administrative records are only maintained in the Account book. In most other aspects of the program administration, records are generally incomplete, implying that coaching process of the government in relation to program implementation and record keeping, have not been effective. In addition to the management of the community institution in the administration process, there are human capital/resource limitations related to the support of RADP program implementation. It can therefore be concluded that the level of effectiveness of the implementation of the Rural Agribusiness Development Program (RADP) in Bajeng Sub-district is influenced by the level of responsibility of the government. In terms of guidance and supervision, there has generally been weak administration of program activities by the communities, due to limited insight and knowledge. The effective implementation of the RADP program can only be achieved if the process of community empowerment is supported by institutional capacity strengthening as part of the process of community empowerment.

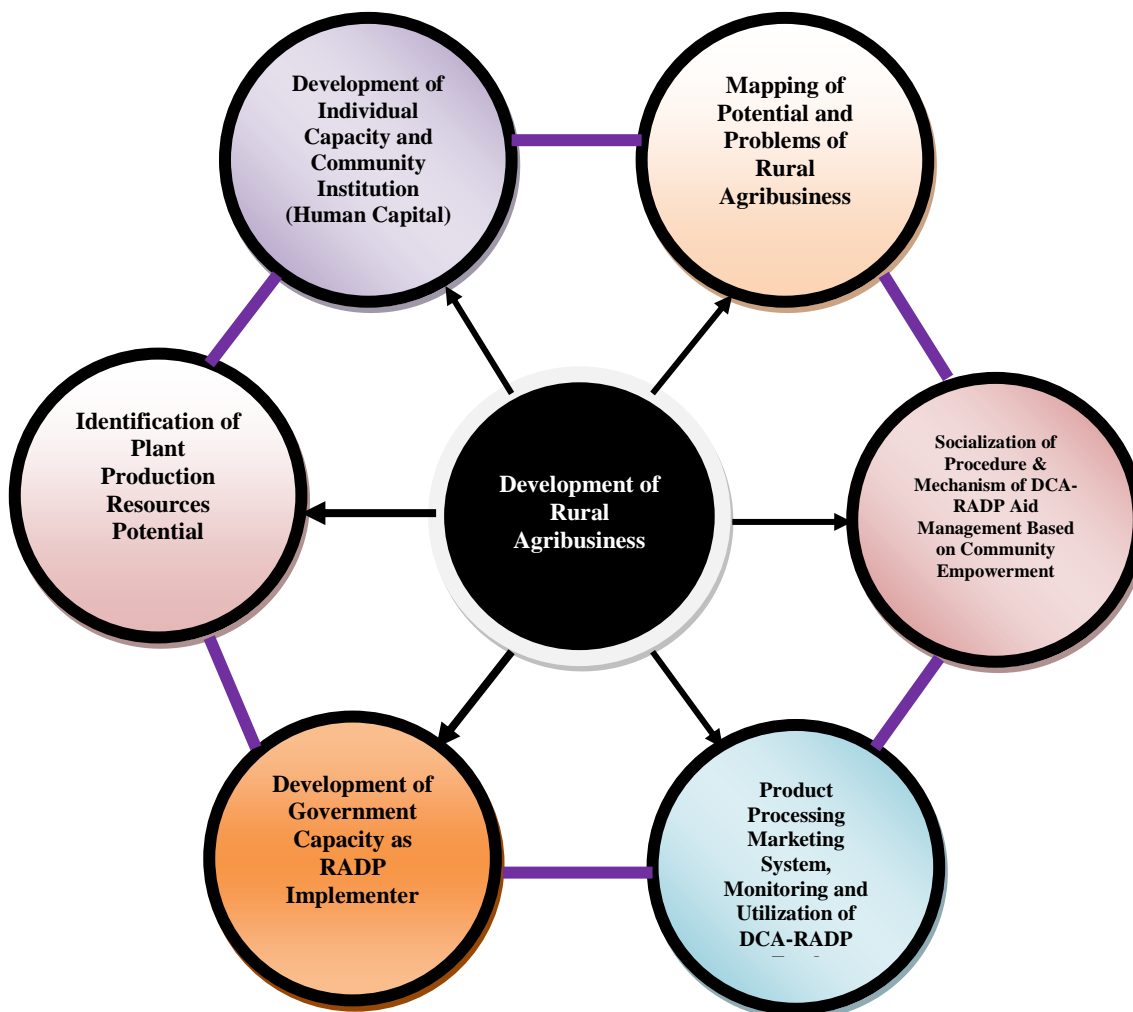


Figure 6. Mechanisms and Procedures of Rural Agribusiness Development Based on Community Empowerment

Figure 6 shows the mechanisms and procedures for rural agribusiness development based on community empowerment. Considering various issues and the results of analysis carried out related to the implementation of rural agribusiness development based on community empowerment, there are a few steps and stages that can be used as a reference in order to optimize the Rural Agribusiness Development Program (RADP) as a part of public decision making. The proposed stages that can be implemented are as follows:

1. Development of government capacity: This is implemented in stages, beginning with the appointment of facilitators, extension workers and supervisory personnel. It is the initial process of assessing the competency of bureaucracy personnel that will be involved in the implementation process. The basic references used are the ability to translate the program, competency based on educational background and expertise, and the ability to adapt to the community situation and be supported by technological capabilities and management of financial resources. The duties and functions are knowledge transfer and technology transfer to individuals and community groups as the beneficiaries.

2. Identifying the agriculture sector resources: This stage and process are carried out by identifying the potential of the agricultural sectors in the target location. The process of area potential identification is associated with the potential of the human resources at community level. Consideration of program location selection is based on the potential of local resources and potential biodiversity of the agricultural sectors, both in terms of production and area, for the purpose of supporting the rural agribusiness economy.
3. The development of individual capacity and community institutions (human capital). This process is carried out to detect the readiness of communities to accept the program. Consideration and indicators used as references include: educational background, expertise, skills and community socio-cultural conditions and community institutions readiness to respond to the implementation of the Rural Agribusiness Development Program (RADP), as well as procedures for the management and utilization of the DCA-RADP funds.
4. Mapping the potential and problems of rural agribusiness. This process is carried out through a survey to identify the region's potential, and the readiness of human capital, either individually or in groups, to be the main actor for implementing the program. Indicators that can be used in the process are: community responsibility, ability to organize programs, ability to develop productive economic activities, and ability to read market situations and fluctuations in the agribusiness system, and marketing of agricultural products.
5. Socializing procedures and mechanisms for the management of DCA-RADP aid, based on community empowerment. This process is performed by ensuring the readiness of each actor to support the implementation of the Rural Agribusiness Development Program (RADP). Indicators that can be used are: competency, capability, honesty and integrity of each actor at bureaucracy level and community level.
6. The management of production output, marketing systems, monitoring and utilization of the DCA-RADP fund. This stage process is carried out continuously and involves the evaluation of community development competence, creation of agricultural product-oriented markets, periodic monitoring of every process stage, and fostering of the use of the DCA-RADP fund through coaching, supervision and building public awareness on their rights and obligations in managing DCA-RADP fund in a sustainable manner.

5. CONCLUSIONS

Based on the results of the analysis and discussion related to the Rural Agribusiness Development Program (RADP) in Bajeng Sub-district in Gowa Regency, several conclusions can be made.

1. The implementation of the Rural Agribusiness Development Program based on community empowerment is influenced by the competency of personnel in the public decision making processes and the relative preparedness of government personnel to respond and translate the implementation of RADP. Weaknesses in program implementation are sectoral. At operational level, it is not supported by adequate responsibility, resulting in less-than-optimal implementation. At the level of individual and community institutions, implementation has not been based upon the consideration of human capital resources and socio-culture factors, resulting in weak public acceptance. Socio-cultural factors have a strong influence on the local potential of the program and the level of involvement of individuals in decision-making.
2. The failure of financial administration management by FGA is the result of a weak government role in coaching and supervision of asset management. FGA adaptation to new ideas in the development of rural agribusiness tends to weaken due to socio-cultural influences and an inability to respond to changes in economic added value on the program output in terms of utilization and use of DCA-RADP funds. In terms of financial assets, there have been limitations of community capacity, both individually and institutionally, to manage long-term finance based on the results and value of program output. In terms of human assets, relatively low levels of education within the community significantly influence perceptions and knowledge within the community, making it difficult to respond to new innovations. In terms of the ownership of assets within communities, with relatively high levels of tenancy among farmers within the communities, the benefits of RADP are mainly enjoyed only by land owners.
3. Optimizing the implementation Rural Agribusiness Development Program (RADP) as part of public decision making involves six stages: (i) the development of government capacity in stages; (ii) the identification of area potential associated with the potential of human capital at community level; (iii) the assessment of community readiness to accept the programs; (iv) the mapping rural agribusiness potential and problems; (v) socializing procedures and mechanisms of DCA-RADP aid management based on community empowerment; and (vi)

management of production results, marketing systems, and the monitoring and utilization of DCA-RADP funds in a sustainable manner.

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