

## "TARUNA MANDIRI" BASED AGROPRENEURSHIP AS SOLUTION TO THE POVERTY'S PROBLEM OF SMALL FARMERS IN INDONESIA

Nita Fridayani<sup>1</sup>, Sulaisiyah<sup>2</sup>, Sisca Chintia<sup>3</sup>

<sup>1,2,3</sup>Bogor Agricultural University, INDONESIA

[nitafridayani108@gmail.com](mailto:nitafridayani108@gmail.com), [sulaisiyah@gmail.com](mailto:sulaisiyah@gmail.com), [sisca.chintia10@gmail.com](mailto:sisca.chintia10@gmail.com)

### Abstract

Population of Indonesia in 2014 reached 252 164 800 inhabitants with a profession largely as a farmer. Karang Taruna is a social organization as a container and the development of every member of society, especially the younger generation in rural or urban areas. Taruna Mandiri is a modified community of Karang Taruna program based agropreneurship and intended as a solution to the problem of poverty of small farmers in Indonesia. The method used in this program are active members of small farmers in Indonesia, 17 to 45 years old, coaching and regular evaluation with a mentoring system in every village in Indonesia agropreneurship field consisting of agribusiness and agro-industry, easy access from the owners of capital (bank), access to agricultural processing technology, and access to the marketing of products. Indicators of success used in the Taruna Mandiri program is growing participation and awareness for the welfare of each other's lives, improving soft skills and hard skills in the field of agropreneurship community, mental formation of independent farmers and does not depend on the government, as well as increasing farmers' income potential in Indonesia in dynamic.

**Keywords:** Agropreneurship, Karang Taruna, Poverty, Small Farmers, Taruna Mandiri.

### 1 INTRODUCTION

Indonesia is an agricultural country that is located in Asia with a population in 2014 reached 252 164 800 inhabitants (BPS 2013). Central Statistics Agency (BPS) shows that until February 2014 the majority of Indonesia's population works in the agricultural sector, which amounted to 40,833,052 inhabitants of the total workforce 118 169 922, or a total of 34.55% of the total workforce in Indonesia. According to BPS data Similarly, the value of the GDP (Gross Domestic Product) of the Indonesian agricultural sector in the second quarter 2014 amounted to 368 277.10 billion or by 14.85% of the total GDP of Indonesia, which put the agricultural sector was ranked second as a sector of Indonesia's largest producer of GDP in under the manufacturing industry.

As one of the pillars of the state economy, the agricultural sector is expected to increase revenue mainly from the rural population still below the poverty line. To that end, a variety of investment and government policies have done to encourage growth in the agricultural sector. Investment in the agricultural sector is often very expensive, plus returns are very low and too long investment time so as not to attract private. Therefore, development of irrigation, agricultural extension and various forms of investment in the form of subsidies and other generally be done by the government.

Farmers are categorized as second class citizens for banks in Indonesia. The work done is considered inefficient farmers due to land ownership, access to markets, capital mastery, and a low level of education of farmers, so the bank thought a thousand times to provide loans to farmers. Bank uses the system of interest at the expense of farmers. Small farmers' access to credit and capital by banks eventually become difficult and limited. Banks will lend to farmers if there are institutions that are willing to be responsible for the high risk of agricultural enterprises. Therefore, created a community of Taruna Mandiri modified from government programs, namely Karang Taruna as fasilitator between farmers and the owners of capital and other stakeholder.

### 2 METHODOLOGY

The method used in this agropreneurship based Taruna Mandiri is compiled by the student structure to

target the active members of small farmers in Indonesia, aged 17 to 45 years, coaching and evaluation on a regular basis with a mentoring system in every village in Indonesia.

### 3 TARUNA MANDIRI

Condition of agriculture, food and rural annually has decreased in the last 10 years. Based on the census of the Central Statistics Agency (BPS) in 2013 released their depreciation 5.10 million farm families of 31.23 million families per year 2003 to 26.14 million families per year 2013. This means that the number of farm families shrink an average 500 000 households per year. In contrast, in the same period, the number of agricultural enterprises increased 1475 companies of 4011 companies per year 2003 to 5486 companies per year in 2013.



Source: Serikat Petani Indonesia

The study Nurmanaf *et al.* (2006) showed that it was not easy for farmers to access capital from financial institutions in their neighborhood, due to strict procedures and requirements (in formal institutions) as well as interest rates are very high (in the non-formal institutions). In terms of availability of funds, theoretically actually formal banking institutions have great potential for agricultural business financing. However, banks have to collect public funds legality in very large quantities, it is not maximized in financing the agricultural sector. At least it can be seen from the proportion of the national bank credit to agriculture is still relatively low. As an illustration, during the period 2002-2006, the share of bank credit to the agricultural sector average of 5.72 percent. The amount of the share of the agricultural sector remains always under the sector of industry, commerce, and business services (BI 2006).

is a social organization container development of young generation that grew and developed on the basis of awareness and social responsibility of, by and for the people, especially the younger generation in rural areas / villages or indigenous communities are equal and mainly engaged in the business of social livelihoods. Youth members are all young people from age 11 to 45 years residing in villages / village or indigenous communities as equals.

Karang Taruna perform functions namely organizing social livelihoods businesses, providers of education and training for the community, organizers of community empowerment, especially the younger generation environment comprehensively integrated and coherent and sustainable development of the entrepreneurial spirit of the organizers of activities for young people in their environment, planting understanding, nurture and raise awareness social responsibility of the younger generation, growth and development of spirit, soul, social solidarity and strengthen the values of wisdom in the frame of the Republic of Indonesia, fertilizing creativity young people to develop social responsibility that are recreational, creative, educational, economical and productive and other practical activities by utilizing all the resources and potential of social livelihoods of their environment independently, the organizers of the referral, advocacy, and social advocacy for people with problems of social livelihoods, strengthening the system of communication, cooperation,

information and partnership with other sectors, the organizer of the problem prevention efforts social actual.

Karang Taruna as a social organization of young people throughout the territory of the Republic of Indonesia (NKRI) has a Main Pembina, Pembina Functional and Technical Trustees. Patrons Main referred to the President of the Republic of Indonesia. Public Trustees, Trustees and Patrons Functional Technical referred consists of supervisors in the following centers: Regional minister and builder in which the governor or the head of the village.

Karang Taruna have a strong position and prioritize social values in the application. Therefore made a modification of the Karang Taruna program is Taruna Mandiri. Taruna Mandiri is a community managed by the youth from all regions in Indonesia and tutored by the Indonesian students. Taruna Mandiri organization structure in the entire village will facilitate the application and monitoring of farmers in implementing agricultural businesses. Taruna Mandiri also can be a facilitator that ensures the Bank in providing capital to small farmers. Small farmers who need capital for their business can be an active member of the Independent Youth 17-45 years old criteria and is committed to improving the welfare of the business as a farmer. Active members Taruna Mandiri will get regular monthly coaching, business mentoring field agropreneurship from upstream to downstream, as well as easy access to capital. Indicators of success used in the Independent Youth program is growing participation and awareness for the welfare of each other's lives, improving soft skills and hard skills in the field of agropreneurship community, mental formation of independent farmers and does not depend on the government, as well as increasing farmers' income potential in Indonesia dynamic.

#### **4 CONCLUTIONS**

Taruna Mandiri based agropreneurship as a community facilitators of farmers in accessing capital and business assistance can increase farmers' income potential in Indonesia dynamically.

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