



SOCIO-ECONOMIC PERSPECTIVE TO INCREASE COCONUT PRODUCTIVITY IN CENTRAL KALIMANTAN

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ABSTRACT

The study on production and productivity of coconut plants (Cocos nucifera) in Central Kalimantan Province is one of the efforts to support increased production and economic productivity. It is especially through the exploitation of coconut plant commodities which are plantation crops. It is still a mainstay of the original income of the people. Expected increase, especially in the business chain of the coconut plant, is a proportional-optimal increase. Proportionally the balance of economic, social, and

environmental aspects can be achieved and the optimal exploitation of coconut in plants can run effectively, efficiently, and bring sustainable positive impacts.

Keywords: coconut, productivity, socio-economic perspective.

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1. INTRODUCTION

National economic growth of Indonesia in 2019 is at 5.02 percent. This indicates a declining trend of a slowdown of 0.18 percent from the previous year which is 2018 at 5.2 percent. The decline in the slowing rate of economic growth was influenced by several indicators, namely the performance of import and export, investment and household consumption. National exports and imports grew negatively at 180 billion rupiah compared to 188.7 billion rupiah until the end of 2018. The formation of Gross Fixed Capital or investment which contributed 1.59 percent to Gross Domestic Product (GDP), actually experienced a significant slowdown, which only grew 5.01 percent. Far below the growth in the second quarter of 2018 which amounted to 5.85 percent. The only indicator that supports the national economy can grow is the positive trend of the household consumption index which increased by 5.17 percent on an annual basis during the second quarter of 2019, an increase compared to the same period last year of 5.16 percent. The contribution of household consumption to GDP was 55.79 percent, an increase compared to the previous period of 55.23 percent. This condition indicates, while the national economy is very dependent on household consumption which is also closely related to community income and the availability of household commodities (BPS National Statistics. 2019).

On a provincial scale, the net export valuation among regions is -23 billion rupiah. This indicates the dependence of Central Kalimantan Province on other regions nationally is still very high. Household consumption expenditure and fixed capital formation show a positive trend increasing from the previous year, indicating public consumption and the availability of household commodities are indicators that can support economic growth in the community. In the period 2018-2019, the agricultural sector (agriculture, plantation, forestry, fisheries) is still the main sector with the largest contribution to the Provincial Gross Regional Domestic Product (GRDP) of 27 billion rupiah or 20 percent of the total GRDP.

Coconut is a native plant of Indonesia, in the 70-80s reached its heyday with an exchange rate of 1 kilogram of copra equivalent to 3 kilograms of rice. The coconut industry absorbs more labor than oil palm, and is more environmentally friendly because it can coexist with other plants. Without fertilizer, coconuts will bear fruit throughout the year. Coconut fertilizer is quite salt, so it thrives on the coast of the archipelago. Now, especially in the province of Central Kalimantan, coconut land has often been changed to oil palm which incidentally is not a native plant of Indonesia. Changing coconut land to oil palm disturbs the productivity of coconuts and other plantation crops such as soil quality degradation, reduced biodiversity, and the attack of plant pests / pests (Syahni. 2018).

2. SOCIO-ECONOMIC PERSPECTIVE

2.1. Production and economic growth

The theory of production simply describes the relationship between the level of production or output of an item with the factors of production input used to produce. The factors that become input of production in general (Sadono in Sulfiani, 2014) consist of:

1. Natural Resources. These production factors are available and can be used in nature. These production factors include land, various types of mining goods, forest products and natural resources that can be used as capital such as water that is dammed for irrigation or for power generation.
2. Human Resources. In general, human resources are not only about the quantity or amount of human resources available, but also concerning the quality which includes education, expertise, and skills.
3. Capital. The availability of valuable means of exchange for the supply of production materials can be in the form of money, assets, etc. can be categorized as capital. Capital is needed because the materials of production cannot be produced as a whole by individuals.
4. Other Supporting Aspects. This includes facilities and technology, law and policy, investment climate, and political stability.

Meanwhile, economic growth is the increase / change in income within a certain period, without regard to population growth and other aspects. Economic growth is a significant increase in income (with increasing income per unit) in a certain calculation period. economic growth is the increase in output caused by the natural increase of the population growth rate and the saving rate. Another understanding of economic growth in terms of state development is the term for developed countries to refer to the success of development, while in the developing countries the term economic development is used (Putong and Andjaswati in Sulfiani, 2014). The factors that influence economic growth in a society are:

1. Capital accumulation, including all new investments in the form of land (land), fiscal equipment, and human resources (human resources), capital can be interpreted based on its source, shape, owner, and based on its nature;
2. Population growth, changes in population in a certain area at a certain time compared to the previous time.
3. Technological progress, something that follows the progress of science.

Economic growth is a measure of the achievement of the development of an economy. Measurement of the progress of an economy requires an appropriate measuring tool, one of the gauges of economic growth, among others, the Gross Domestic Product (GDP) or at the regional level called the Gross Regional Domestic Product (GRDP), namely the number of goods or services produced by an economy in a period of one year and is stated in market prices. The rate of population growth and matters related to the increase in the labor force have traditionally been considered a positive factor in stimulating economic growth. In addition to the total population, the role of labor in GDP growth is also highly dependent on the quality of the workforce. Human Capital Theory explains that a person can increase his income through higher education. Another factor that influences economic growth is the price level. In the economy, the process of increasing prices in general and constantly related to the processes and mechanisms that occur in the market, which affect the decline in currency values. Inflation actually reflects the stability of the value of a currency which is reflected in the stability of the price level which then influences the realization of the achievement of a country's economic

development goals, such as expanding employment opportunities and economic stability (Supartoyo et al. 2013).

2.2. Productivity Improvement

The strategy to increase the productivity of agricultural commodities consists of at least several important factors, namely improving the quality of production through quality inputs, diversification, and improving the quality of human resources, especially smallholder farmers (Budi et al. 2014). Agricultural diversification is the selection and adoption of several additional types of market-oriented commodities, to be produced through modern agricultural cultivation, both at national and regional levels. Besides that, it is also necessary to consider supporting plants for the environment. Mangkoedihardjo and Samudro (2014) stated there was an effort to support the economic value through the use of kenaf as environmental values. In the context of environmental treatment, especially the absorption of carbon dioxide, kenaf proved well able to absorb the gas. Research results in Japan revealed there was a significantly high rates of photosynthesis of kenaf compared to woody plants. When the kenaf was planted in high density, about twice as much carbon dioxide was fixed as was fixed by trees in a tropical rain forest (Lam et al., 2003). These results indicated that for tropical conditions, of course kenaf was reliable for carbon dioxide absorption. In addition, the application is also suitable, based on the experience of peatland dan Central Kalimantan in general (Fernando et al., 2018; Ludang, et al., 2007; Masliani and ludang, 2020; Murhaini and Ludang, 2020).

Agricultural diversification is a complex and broad endeavor to improve the agricultural economy through efforts to diversify commodities in the production, consumption and distribution subsystems at both the regional and national farming level towards achieving structural transformation of the agricultural sector towards resilient agriculture (Wahyuningsih. 2008). aspects supporting the success of diversification, namely:

1. Government Outreach and Intervention. In developing diversification, agricultural extension is the spearhead of the changing and changing market and technology demand. In principle, the priority setting of the extension program is not only oriented to what is implemented from above, but accommodates the aspirations and interests of farmers. The main target of extension services is that farmers can develop their farms more specifically in accordance with the potentials and conditions of their respective environments, as well as foster cooperation with outsiders, foster an entrepreneurial spirit and be able to arouse farmers' creativity, until finally farmers are able to move their businesses independently and professionally market oriented. Therefore this extension service agency should establish a working relationship with the university, research institutes, libraries and service institutions / coaching agencies so that agricultural extension services can provide optimal services. Through counseling, research resulting from engineering research results, development and experience from various sources of thought and discovery can reach farmers in a form that is ready to be adopted by farmers. The government should be able to encourage in agriculture and the entrepreneurs themselves are willing to provide coaching to farmers in rural areas, so that farmers are stimulated to increase their farming business.

2. Cooperative. Cooperatives in the village must be given a proportional place and role in the development of the rural economy. In an effort to improve the role and capabilities of cooperatives, it is necessary to refine and implement operational concepts that focus on fostering initiatives and workshops, improving management skills, capital accumulation of its members so that cooperatives become a vehicle for improving the welfare of the people. Specifically in the context of agricultural diversification, cooperatives must be able to carry out their functions as providers of agricultural production facilities and basic needs for their members, credit and savings and loan services, product processing and marketing.

3. Institutional. Institutional development of farmer groups and advanced farmers is a potential that must be developed and involve them as a catalyst between farmers and outsiders. The role of farmer groups is very large, meaning both as a forum for coaching in improving the life of farming, the traditional institutions in the village must continue to be developed, because their role is no less important than government institutions. For example village granary institutions which have the primary goal of overcoming food insecurity. The activities carried out are also oriented to generate profit (added value). Therefore, it is time for the government to encourage the existence of this institution as one of the economic strengths of the people in the countryside. As an initial step, it can be done to improve the ability of technology to store agricultural products and other products produced, train business management and strengthen access to markets and capital as needed.

2.3. Farming Business

Problems in farming according to Sukartawi (2005, 2009) include the following:

- A. Increasing environmental damage and global climate change. Global climate change has become a global concern and is believed to have an effect on food production. The frequency of climate anomalies between seasons and between years increases, making the determination of planting time difficult and the risk of crop failure greater.
- B. Limited availability of infrastructure, inadequate land and water infrastructure, inadequate rural infrastructure supporting farming, is one of the main problems of farming. One of the infrastructures that is needed by farmers is farming roads. At present there is no farm road to go to the paddy fields which are located some distance from the settlement. To go to the rice fields, farmers must pass through the yard or other farmers' fields. Often, they are not allowed to cross the farmer's yard or paddy field because it can damage the existing yard or plant. This sometimes triggers disputes between them. The absence of this farming road makes it difficult for farmers to transport production inputs and farming products, thereby increasing production costs. Another problem related to rural infrastructure is the damage to the available irrigation networks. In some other locations there are also networks that the community deems the design (design) is not in accordance with local land conditions. This situation makes the availability of water unmanageable; some locations have drought and some parts have longer stagnant land; as a result, there is a delay in planting time and crop failure.
- C. Status and area of land ownership, Indonesia with the fourth largest population in the world has limited agricultural land. This condition is exacerbated by the high rate of increase in population, the conversion of rice fields for industrial and infrastructure use, the conversion of paddy fields to other commodities of higher value, and the decline in government investment in printing new fields, construction of irrigation facilities, and declining funds available to maintain irrigation networks that have already been built.
- D. Weak national seedling nursery system, quantity and consistency of seed / seed production has not been maintained, the rate of adoption of superior varieties / seeds is still slow, the quality of seeds / seeds has not met the standards, quality control has not been effective, and also a number of Government policies relating to the field seed / nursery which is not always beneficial for the business world, especially in terms of copyright protection of plant varieties.
- E. Farmer's access to capital and the high interest rates for farming, capital is one of the important factors of production in agricultural business. However, not all farmers have sufficient capital in their business operations. Accessibility of farmers to capital sources is still very limited, especially for farmers who control the narrow land which is the

largest community of rural communities. Thus, it is not uncommon to find that lack of funds is an obstacle that hinders farmers from managing and developing farming.

- F. Weak capacity and institutional capacity of farmers and extension agents, Weaknesses in institutional business and institutional farmers. Household-scale, small-scale agribusiness and large-scale agribusinesses are not yet bound in mutual cooperation, mutually reinforcing and mutually beneficial. What happens is that market control by a strong business group results in skewed profit margin distribution that is detrimental to farmers.
- G. Still vulnerable to food security and energy security, the increasingly vulnerable food security in Indonesia is the result of declining agricultural land area and land productivity that cannot be increased. This means that some efforts to increase agricultural production are no longer economical.
- H. Food diversification has not gone well, most farmers plant a commodity with a monoculture pattern, and carried out continuously, so that when the harvest comes the price of the commodity falls, causing farmers to lose.
- I. Low farmer exchange rates, crop crops (soybeans, peanuts and corn directly sold to middlemen or loggers on the grounds that they cannot stand for long time)
- J. Not yet integrated between sectors in supporting agricultural development, handling of harvest and post-harvest has not been supported by the use of agricultural machinery; not all farmers have implemented fertilizer recommendations (only 60%); crops of crops (soybeans, peanuts and corn are directly sold to middlemen or loggers on the grounds that they cannot stand for long time).
- K. The lack of optimal performance and service of agricultural bureaucracy, agricultural bureaucracy workers generally rarely go directly to the field to identify the problems faced by farmers. So that the farmers solve the problem in their own way which sometimes actually harms.

2.4. Government Policy

Plant cultivation system is a system of developing and utilizing plant-based natural resources through human efforts that with capital, technology, and other resources produce goods to better meet human needs. Vegetable natural resources include all types of plants including parts that grow both on land and in water, which have been or have not been cultivated, consisting of annual crops such as rice, sugar cane, tobacco, cotton, bamboo, mushrooms, potatoes, etc. and also annual plants such as coconut, rubber, mango, teak, pine, sago, palm, and so on. The meaning of goods includes intangible goods (services).

Based on Law No. 39 of 2014 concerning plantations, the scope of plantation arrangements includes: planning, land use, seedling, cultivation of estate crops, plantation businesses, processing and marketing of estate crops, research and development, data and information systems, human resource development, plantation business financing, planting capital, guidance and supervision, and community participation. Estate planning is intended to provide direction, guidance, and tools for achieving the objectives of controlling plantations. The estate plan includes: Region, Plantation Commodity, human resources, institutions, plantation area, upstream-downstream linkages and integration, facilities and infrastructure, financing.

Study of production and productivity of smallholder plantations in Central Kalimantan refers to the 9 (nine) programs and nawacita vision set forth by the President of the Republic of Indonesia (2014 - 2019) in developing regions in Indonesia mainly related to programs number 6 and 7. The program is to increase productivity the people and competitiveness in the international market and realize economic independence by driving the strategic sector of the

domestic economy. It contains 3 (three) main characteristics, namely: the state is present, building from the periphery, and mental revolution.

The development of the Kalimantan region is aimed at accelerating regional growth and strengthening its role as a national energy barn and one of the world's lungs. The strategy is: (a) development of leading commodities: estate crops; manufacturing industry, among others: coal and oil and gas refinery industry, wood industry, wood products, cork etc .; coal mining and river, lake and crossing transportation; and (b) Development of major growth centers, which are prioritized for: development of Industrial Estates / Investment Commissions, Special Economic Zones/KEK, Strategic Areas for National Tourism / KSPN, including the fourth part of the 5 (five) years phase of the Central Kalimantan Provincial Long Term Development Plan 2005-2025. In this fourth part, development is carried out with the theme "realizing an independent, advanced and equitable Central Kalimantan society through accelerated development in various fields by emphasizing the construction of a solid economic structure based on competitive advantage in various regions supported by quality and competitive human resources. Development priorities include:

1. Accelerate the quantity and quality of investment in the context of increasing economic agglomeration and regional competitiveness.
2. Optimizing the productivity of the utilization and control of space in accordance with applicable law.
3. Achieve agribusiness-oriented agriculture, plantations, fisheries, forestry for agro-industry development and food security in a sustainable manner.
4. Increasing the acceleration of the development of cooperatives and SMEs as well as the interrelated business world between businesses and between regions, particularly those based on the potential and superiority of regions interrelated between businesses and between regions.
5. Accelerating the adequacy of public facilities and infrastructure in an integrative and comprehensive manner in the context of increasing the carrying capacity of regional development.
6. Realizing a clean, professional and responsive government in the context of accelerating regional development.
7. Build and develop a culture of learning that educates evenly and fairly on all types, lines and levels of education to create a society that is faithful, pious, intelligent, creative, and innovative and has competitiveness that can answer the needs of the community.
8. Realizing a healthy paradigm community to accelerate the increase in the degree of public health in a sustainable manner.
9. Realizing public order and public order based on the empowerment of community social capital as well as increasing trust and harmonization of community groups for the solidity of the Unitary State of the Republic of Indonesia.
10. Establishing a systematic partnership between the local government and the community and strengthening the participation of community groups in preventing and increasing the speed of overcoming social problems in a sustainable manner.
11. Realizing improvements in the quality of population and employment, quality small families and youth and sports throughout the Central Kalimantan region.
12. Realizing the function of natural resources and the harmonious environment in supporting the economic, social and cultural functions of the community on an ongoing basis.

The vision of development in Central Kalimantan Province is based on the directives of the 2016-2021 Medium-Term Development Plan, namely: "Central Kalimantan is Advanced, Independent & Fair for the Welfare of All Communities Towards Dignified, Elegant, Religious, Strong, Trustful and Harmonious Central Kalimantan"

The mission of the Province of Central Kalimantan based on the direction of the 2016-2021 Medium-Term Development Plan, namely:

1. Strengthening Provincial Spatial Planning
2. Infrastructure Management
3. Management of Water, Coastal and Coastal Resources
4. Inflation Control, Economic Growth, Poverty Alleviation
5. Strengthening Local Government Governance
6. Improving Education, Health and Tourism
7. Management of the Environment & Natural Resources
8. Regional Revenue Management

The determination of strategic areas from the viewpoint of economic growth interests in the Central Kalimantan Province Spatial Planning for 2015-2035 especially plantation areas is in all 14 districts in the administrative region of Central Kalimantan Province. Plantation commodities developed include: oil palm, coconut, rubber, pepper, and cocoa.

3. CONCLUSION

The strategy for developing coconut commodities consists of at least a number of important factors, namely improving production quality through quality inputs, diversification, and improving the quality of human resources, especially smallholder farmers. This research is expected to provide benefits for farmers in developing coconut plant commodities, and for the government in making decisions related to the potential development of coconut commodities.

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