

## PROCEEDING INTERNATIONAL CONFERENCE

Agribusiness Development for Human Welfare



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# PROCEEDING INTERNATIONAL CONFERENCE

AGRIBUSINESS DEVELOPMENT FOR HUMAN WELFARE

"Small and Medium-sized Enterprises Competitiveness"



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#### **EDITOR FOREWORD**

The economic integrations by ASEAN certainly have given a major influence on Small and Medium-sized Enterprises (SMEs). Beside economic integration in the form of free trade area (FTA) that has been going on since the early 2000s, economic integration in the form of ASEAN Economic Community (AEC) has been ongoing since the beginning of 2016. Through this integration, SMEs have opportunity to expand access to markets, technology, and capital. But at the same time SMEs are required to improve their competitiveness in order to survive in the market.

In order to explore ideas, concept, and innovations related to the competitiveness of SMEs, International Conference on Agribusiness Development for Human Welfare (ADHW 2016) was held in Yogyakarta on May 14, 2016. The conference organized by Department of Agribusiness Universitas Muhammadiyah Yogyakarta, in collaboration with Department of Agribusiness and Information System Universiti Putra Malaysia, Department of Agro-Industrial Technology Kasetsart University, Department of Agriculture Socio-Economics Universitas Gadjah Mada, Department of Agriculture Socio-Economics of Universitas Brawijaya, Indonesian Society of Agriculture Economics, Agribusiness Association of Indonesia. Hopefully proceedings of ADHW 2016 provide stimulus for increasing competitiveness of SMEs in ASEAN, especially in Indonesia.

Furthermore, we are grateful to Allah, the Sustainer of all word, who always makes it easy for our affairs. We would like to acknowledge with thanks to all the institution and individual who joined with resources and efforts in organizing the conference that resulted in the papers which are published in this proceeding. Special thanks to all authors and discussants who contributed with their intellectual capital and responded to our call papers. Thanks and acknowledgment are also due to all reviewers of the conference who helped in evaluating submitted papers; and to the members of the Organization Committee, who ensured smooth execution of the event.

May 30, 2016

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#### **PREFACE**

Assalaamualaikum, Warahmatullaahi., Wabarakaatuh.

Dear Honorable Governor of Yogyakarta Special Province

Dear respectable Prof. Dr. Zainal Abidin Mohamed

Dear respectable Asist. Prof. Pornthipa Ongkunaruk

Dear respectable Rector of UMY Prof. Dr. Bambang Cipto, MA.

Dear all invited Guests, Speakers, and Participants of International seminar of ADHW 2016.

Alhamdulillah, all praise be to the Almighty God, so that we can be gathering here today at Muhammadiyah University of Yogyakarta in order to attend the Conference on Agribusiness Development for Human Welfare (ADHW) 2016.

Ladies and Gentlemen,

On behalf of the committee, I would like to say welcome to this International Conference on ADHW 2016 and thank you for attending our invitation.

Especially, we are grateful to invited speakers, Prof. Zainal Abidin Mohamed and Asist. Prof. Pornthipa Ongkunaruk, for their willingness to share information and thoughts in this conference. As a bit report, that this conference has been attended by 85 speakers coming from five countries.

This conference entitled "Small and Medium-sized Enterprise Competitiveness". ASEAN Economic Community is the largest economic integration that is going to be implemented at the beginning of 2016 (December 31, 2015). Through this integration, SMEs will have opportunity to expand access to markets, technology, and capital. But at the same time SMEs are required to improve their competitiveness in order to survive in the market. We expect that this seminar is capable of producing thoughts building SMEs within ASEAN, especially Indonesia, to face the free trade.

This event can be done by support and efforts from all sides. Therefore, I would like to say thank you to all committee members having worked hard to conduct this event. We, as the organizer commitee, do apologize when there is a shortage in conducting this event.

Wassalamualaikum, Warahmatullaahi., Wabarakaatuh.

Chairman

International Conference on ADHW 2016

Dr. Aris Slamet Widodo, SP., MSc.



#### WORDS OF WELCOME

Assalamu'alaikum warahmatullahi wabarakatuh

Alhamdulillah, all praise be to Allah SWT, who has given us His blessings so that this International Seminar of Agribusiness Development for Human Welfare (ADHW) 2016 entitled "Small and Medium-sized Enterprises Competitiveness" can be conducted. This International Conference is held in cooperation among Agribusiness Study Program of Muhammadiyah University of Yogyakarta with Putra University of Malaysia (UPM), Kasetsart University (KU), Association of Indonesian Agricultural Economy (PERHEPI), and Agribusiness Association of Indonesia (AAI), Universitas Gadjah Mada (UGM) and Universitas Brawijaya (UB).

Countries of ASEAN members like Indonesia, Malaysia, and Thailand have more than 90% Small and Medium-sized Enterprises (SMEs). In general, SMEs play important role in economic developments such as in terms of employment, added value, improve foreign exchange, and economic growth. For Indonesia, the role of SMEs is limited to employment and added value, while the foreign exchange from SMEs is still low. According to the General Director of SMEs of Industrial Ministry, in 2013 the total SMEs being able to pass through export market is just under 5 percent. For that required many breakthrough and innovation so that the role of SMEs becomes real economic development, especially in Indonesia, and generally in ASEAN countries.

On behalf of Agribusiness Department of Universitas Muhammadiyah Yogyakarta, we would like to express our gratitude Putra University of Malaysia (UPM), Kasetsart University (KU), Association of Indonesian Agricultural Economy (PERHEPI), Agribusiness Association of Indonesia (AAI), Universitas Gadjah Mada (UGM) and Universitas Brawijaya (UB) for all supports, sponsors, and all committee members having worked so hard that this International Conference can be conducted.

Hopefully, these sinergies coming from various parties can provide contribution for developing SMEs in Indonesia and other ASEAN countries as well.

Wassalamu'alaikum warhmatullahi wabarakatuh

Head of Agribusiness Department Universitas Muhammadiyah Yogyakarta

Ir. Eni Istiyanti, MP.





#### Gubernur

#### Daerah Istimewa Yogyakarta

## Sambutan KONFERENSI INTERNASIONAL "AGRIBUSINESS DEVELOPMENT FOR HUMAN WELFARE" Yogyakarta, 14 Mei 2016

Assalamu'alaikum Wr. Wb.

Salam sejahtera untuk kita semua.

Yang Saya hormati:

- Rektor Universitas Muhammadiyah Yogyakarta;
- Para Narasumber;
- Hadirin dan Para Peserta yang berbahagia,

Puji dan syukur marilah kita panjatkan kehadirat Allah SWT karena hanya atas limpahan rahmat serta karunia-Nya, kita dapat hadir pada kesempatan acara **Konferensi Internasional "***Agribusiness Development For Human Welfare*" ini dalam keadaan sehat wal'afiat.

Pada kesempatan kali ini, secara ringkas Saya akan menyampaikan mengenai industri kecil menengah nasional yang menjadi tema pada pembukaan Seminar Internasional "Agribusiness Development For Human Welfare" ini.

#### Hadirin dan Saudara-saudara sekalian yang Saya hormati,

Berdasarkan data BPS, pertumbuhan industri pengolahan nonmigas pada tahun 2015 secara kumulatif sebesar 5,04%; lebih tinggi dari pertumbuhan ekonomi (PDB) pada periode yang sama sebesar 4,79%. Pada periode Januari-Desember 2015, nilai ekspor produk industri pengolahan nonmigas mencapai USD 106,63 Milyar, dan nilai impor mencapai USD 108,95 milyar, sehingga neraca perdagangan insdustri pengolahan nonmigas pada periode yang sama sebesar USD 2,32 milyar (nerasa defisit).

Usaha pemerintah untuk memperkecil defisit di atas, salah satunya dengan cara memberdayakan Industri Kecil dan Menengah (IKM) yang merupakan bagian penting dalam perkembangan industri nasional. Sampai saat ini, Insutri Kecil dan Menengah



telah berkontribusi sebesar 34,82% terhadap pertumbuhan industri pengolahan nonmigas secara keseluruhan.

Angka ini dapat tercapai karena dukungan lebih kurang 3,6 juta unit usaha, yang merupakan 90 persen dari total unit usaha insutri nasional. Jumlah unit usaha tersebut telah mampu menyerap tenaga kerja sebesar 8,7 juta orang, yang tentunya berdampak pada meningkatnya ekonomi nasional serta mengurangi kemiskinan.

Industri Kecil dan Menengah (IKM) memiliki peran yang strategis dalam perekonomian nasional. Hal ini sejalan dengan Visi Pemerintah dalam Rencana Pembangunan Nasional Jangka Menengah (RPJMN) 2015-2019 yaitu "Terwujudnya Indonesia yang berdaulat, mandiri, dan berkepribadian berlandaskan gotong royong".

Untuk lebih meningkatkan peran tersebut, Penumbuhan dan Pengembangan Industri Kecil dan Menengah diarahkan untuk memiliki tujuan jangka menengah guna mewujudkan industri kecil dan industri menengah yang berdaya saing, berperan signifikan dalam penguatan struktur industri nasional, pengentasan kemiskinan dan perluasan kesempatan kerja, serta menghasilkan barang dan/atau jasa Industri untuk keperluan ekspor.

#### Hadirin dan Saudara-saudara sekalian,

Awal tahun ini, kita telah memasuki era Masyarakat Ekonomi ASEAN (MEA). Dengan demikan, perekonomian nasional akan langsung bersaing dengan para pelaku pasar di kawasan ASEAN. Produk dan jasa termasuk investasi negara-negara anggota telas bebas memasuki pasar di kawasan ASEAN.

Dalam rangka menghadapi hal tersebut, Pemerintah mengambil langkahlangkah strategis berupa peningkatan daya saing industri dan mendorong investasi di sektor industri; di mana peningkatan daya saing industri itu sendiri dilakukan melalui penguatan struktur industri dengan melengkapi struktur industri yang masih kosong serta menyiapkan strategi ofensif dan defensif dalam akses pasar.

Pemerintah telah melakukan Penguatan Sektor IKM dengan strategi ofensif dan defensifnya melalui beberapa program pelaksanaan, diantaranya antara lain: Penumbuhan Wirausaha Baru; Pengembangan IKM melalui Pengembangan Produk IKM serta Peningkatan Kemampuan Sentra dan UPT; Pemberian Bantuan Mesin dan Peralatan Produksi; Perluasan Akses Pasar melalui Promosi dan Pameran; Fasilitasi Pendaftaran Hak Kekayaan Intelektual; Fasilitasi Sertifikasi Mutu Produk dan Kemasan; serta Fasilitasi Pembiayaan melalui Skema Kredit Usaha Rakyat (KUR).

Saya berharap agar berbagai program-program pemerintah tersebut dapat didukung secara sinergis oleh seluruh komponen masyarakat. Untuk itu, Saya berpesan kepada Saudara-saudara sekalian agar semua program pemerintah dalam bidang



Industri, khususnya dalam program pemberdayaan Industri Kecil dan Menengah, didukung dengan sepenuh hati, agar dapat lebih bermanfaat bagi masyarakat dalam rangka pengembangan industri kecil menengah.

#### Hadirin dan Saudara-saudara sekalian yang Saya hormati,

Demikian beberapa hal yang dapat Saya sampaikan. Akhirnya dengan memohon ridho Allah Subhanahu Wata'ala, seraya mengucap "Bismilahirrahmanirrahim", Konferensi Internasional "Agribusiness Development For Human Welfare" dengan ini secara resmi Saya nyatakan dibuka. Semoga Allah SWT memberikan petunjuk, bimbingan, perlindungan dan kemudahan dalam setiap langkah dan upaya kita. Amien.

Sekian dan terima kasih.

Wassalamu'alaikum Wr. Wb.

Yogyakarta, 14 Mei 2016

DAERAHISTIMEWA YOGYAKARTA

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## THE RELATIONSHIP BETWEEN EMPOWERMENT OF FARMER GROUP ASSOCIATION (GAPOKTAN) AND MANGO FARM INCOME

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#### **ABSTRACT**

The study aims to investigate (1) the relationship between the economic capability of mango farmer group association (gapoktan) and gedong gincu mango farm income, (2) the relationship between the ability to access welfare of farmer group association and gedong gincu mango farm income and (3) the relationship between cultural and political ability of farmer group association and gedong gincu mango farm income. The method used in this research is quantitative with a descriptive survey technique to the members of Sami Mulya farmer group association who participated in the empowerment activity. The primary data collection was conducted through interviews with respondents using list of questions while the secondary data were obtained from government agencies that have relationship with this research. To find out the relationship of the economic ability, the ability to access welfare benefits and cultural and political ability with gedong gincu farm income, the study used Spearman's rank correlation coefficient test and t-test. The results showed that: (1) There is a real connection between the economic capability of gedong gincu mango farm income, as indicated by the value of rs = 0.852, (2) there is a real relationship between the ability to access welfare benefits and gedong gincu mango farm income which is indicated by the value of rs = 0.634 and (3) there is a real connection between cultural and political capabilities and gedong gincu mango farm income as indicated by the value of rs = 0.746.

Keywords: Empowerment, farmer group association and farm income

#### INTRODUCTION

Development is essentially aimed to always keep improving the quality of life for human being both individual and groups. According to Slamet Margono (2001).the creation of national development goals should be supported by the mental and intellectual readiness of all members of society to actively participate in various areas of national development. The quality participation of public includes among others agricultural extension activities through empowerment.

Empowerment is an effort to improve the dignity of society which in the present conditions has not been able to escape from the trap of poverty and underdevelopment (Sumardio, 1999).

Thus, the empowerment is an attempt to build a power or potential, to encourage, motivate and raise awareness of the potential of farmers and seeks to develop it, so that people or farmers become empowered, free from dependence, poverty and underdevelopment (Kartasasmita.1996).

The success of community empowerment can be seen from the improved economy that comprises the economic ability, the ability to access welfare benefits, and cultural and political ability (Suharto, 2004). These three aspects are linked to the four dimensions of power: power within, power to, power over, and power with.

Improved agricultural productivity can actually be achieved by improving the quantity and the quality of land, capital and labor through repairing farming environment and promoting the invention or the application of new technologies or improving the skill levels of farmers. Nicholson (1991) stated that the effects of technological advances in the production process (1) will affect the use of inputs proportionally, (2) will lead to more productive use of capital and (3) will bring about more productive use of labor. These three types of technological effect to the use of inputs will shift the production function, which in turn will also affect the rate of input use (input demand) as well as the level of farmers' benefits.

The improvement of horticultural commodities as a source of new growth and at the same time as an alternative source of the community's economy in the agricultural sector gets continuous attention from various parties. One of the growing horticultural commodities cultivated by farmers in Cirebon Regency mango. Mango commodity development in some areas of Cirebon regency has been carried out either individually or in groups has a tight relationship with the development program of local's superior commodities through an agribusiness system.

However, there are some problems experienced by members of farmer group in Sedong, a large area where mango commodities are cultivated that include the low farmers' economic capability. low access to welfare benefits and weak cultural and political ability. In addition, the problem also occurred to the farmer group (gapoktan). Gapoktan's association problems include the fact that farmers are reluctant to write revenue administration in every production, its difficulty to access capital and the low price of mango farm products.

#### **METHOD**

The research was conducted in gapoktan of Sami Mulya in Sedong District, Cirebon Regency. The research was conducted in September-December 2015 and the study design used in this research is quantitative method with descriptive survey as the research

technique. Quantitative research is one type of researches that has some characteristics: systematic, planned, structured and clear from the beginning until the research design step. This study can be categorized as quantitative as the research data are in the form of figures and the researcher used statistical analysis (Sugiyono, 2002).

The type of data collected in this study is primary and secondary data. The primary data i.e. basic main data obtained from direct interviews with farmer respondents, prepared questionnaires distributed respondents to observation while secondary data as the supporting data were accessed from literature study and from various government and non-government agencies and institutions that contain socioeconomic and agriculture situation and other important factual information. Population of the study is the members of gapoktan of Sami Mulya in Sedong District, Cirebon Regency that constitute 80 people who participated empowerment activity. The research took census as sampling method, meaning that all gapoktan members that involved in the gedong gincu farm empowerment program were taken as the sample (Suharsimi Arikunto 2006).

To find out the relationship between independent variables: economic capability (X1), the ability to access welfare benefits (X2) and cultural and political ability (X3) and dependent variable, Gedong Gincu mango farm income (Y), the study used Spearman rank coefficient correlation (rs) with the formula stated by Suharsimi Arikunto (2006):

$$rs = 1 - \frac{6 \sum di^2}{n (n^2 - 1)}$$

Information:

rs: correlation coefficient

di: rank difference n: sample size

Based on the results of observations, if the study found twin or paired data, the statistical tests used is as follows:



$$rs = \frac{\sum X^2 + \sum Y^2 - \sum di^2}{2\sqrt{(\sum X^2)(\sum Y^2)}}$$

Where:

$$\begin{split} \Sigma \, X^2 &=\, \frac{N^3 -\, N}{12} \, - \Sigma \quad T_x \, , \Sigma \quad T_x = \frac{t^3 -\, t}{12} \\ \Sigma \, Y^2 &=\, \frac{N^3 -\, N}{12} \, - \Sigma \quad T_y \, , \Sigma \quad T_y = \frac{t^3 -\, t}{12} \end{split}$$

Information:

N : Number of samples

t : twin rank

Tx: Number of twin rank x Ty: Number of twin rank y

To find out the level of relationship among variables at Spearman Rank correlation, the study used interpretation guidelines as stated by Sugiyono (2002) through classifying levels of interpretation as described in Table 1.

Table 1. Closeness of relationship among variables

vanab	ies	
No.	r value	Category
1.	0.000 - 0.199	very low correlation
2.	0.200 - 0.399	low correlation
3.	0.400 - 0.599	Moderate
		correlation
4.	0.600 - 0.799	strong correlation
5.	0.800 - 1.000	very strong
		correlation

Source: Sugiyono (2002)

#### t Test

The real level of variable correlation of the economic ability, the ability to access welfare benefits and cultural and political ability (X) with gedong gincu mango farm income (Y) (rs value) was conducted through t-test with some steps stated by Suharsimi Arikunto (2006).

$$t_{hitung} = rs \sqrt{\frac{n-2}{1-(rs)^2}}$$

Thitung = tcount

Information:

t : Distribution

rs: correlation coefficient

n : sample size

Based on the calculation and compared with the value of 95% confidence level and degree of freedom (db = n - 2), it can be concluded that:

 ${
m H_0}$ : Rejected,  ${
m H_1}$  accepted, if tcount> ${
m t_{a/2(n-2)}}$ , meaning there is no real relationship between economic capability, the ability to access welfare benefits, and cultural and political ability of farmers and gedong gincu mango farm income.

 $H_1$ : Rejected,  $H_1$  accepted, if tcount $\leq t_{a/2(n-2)}$ , meaning there is real relationship between economic capability, the ability to access welfare benefits, and cultural and political ability of farmers and gedong gincu mango farm income.

#### **RESULT AND DISCUSSION**

## (1) Analysis of Gedong Gincu Mango Farm Income

#### Farm Costs of Gedong Gincu Mango

The production costs of gedong gincu farm in Sedong District are divided into two types of costs: fixed and variable cost. Fixed cost is expenses whose value does not depend on the production size. In other words, if production changes the cost will always remain. The fixed costs in gedong gincu farm is made up of the equipment cost and the fixed interest (See Table 2).

Table 2 shows that the farm costs of gedong gincu mango for year 1-10 with a total area of 25 ha is IDR 7,825,140,904 or equivalent to IDR 313,005,636 per hectare, which is composed of variable costs IDR 6,893,482,950 or equivalent with IDR 275 739 318 per hectare, fixed cost IDR 93,250,000 or equivalent to IDR 3.73 million per hectare and the interest IDR 838,407,954 or equivalent to IDR 33,536,318 per hectare. A farmer who cultivates gedong gincu mango through intensive farming can reduce gedong gincu mango farm costs (Supriatna, 2005).

Table 2. Average cost of gedong gincu mango farm (Year 1-10).

No.	Farm Cost	Land area (25 ha)	Per hectare
1.	Variable costs		
	<ul> <li>a. Bamboo poles (IDR)</li> </ul>	392,200	15,688
	b. Seeds (IDR)	117,660,000	4,706,400
	c. Pupuk		
	- Pupuk Organik (IDR)	2,893,915,000	115,756,600
	- NPK (IDR)	334,906,000	13,396,240
	- ZPT (IDR)	435,699,000	17,427,960
	d. Pesticide		
	<ul> <li>Insecticide (IDR)</li> </ul>	532,605,750	21,304,230
	- Fungicide (IDR)	843,135,000	33,725,400
	e. Labor	1,735,170,000	69,406,800
	Total Variable Cost (1) (IDR)	6,893,482,950	275,739,318
2.	Fixed cost		
	a. Land lease (IDR)	37,500,000	1,500,000
	b. Tool preparation (IDR)	30,750,000	1,230,000
	c. Taxes (IDR)	25,000,000	1,000,000
	Total fixed costs (2) (IDR)	93,250,000	3,730,000
	Total farm costs (IDR) (1 + 2)	6,986,732,950	279,469,318
	Capital interest 12%/year (IDR)	838,407,954	33,536,318
	Total (IDR)	7,825,140,904	313,005,636

Source: Primary data analysis (2015)

#### Farm Income of Gedong Gincu Mango

Gedong gincu mango farm income received by farmers is derived from the production of mango after multiplied by the price. For more details, the average farm income of gedong gincu mango during the production process (10 years) can be seen in Table 3.

Table 3. Average income of gedong gincu mango farm (year 1-10).

		Production (kg)		Revenue (IDR)	
No.	Harvest Period	Production (25 ha)	Production (per ha)	Revenue (25 ha)	Revenue (Per ha)
1.	Harvest 1	74,833 kg	2,993 kg	IDR 561,249,000	IDR 22,449,960
2.	Harvest 2	159,548 kg	6,382 kg	IDR 1,276,387,200	IDR 51,055,488
3.	Harvest 3	324,742 kg	12,990 kg	IDR 2,922,674.400	IDR 116,906,976
4.	Harvest 4	550,649 kg	22,026 kg	IDR 5,231,163.600	IDR 209,246,544
5.	Harvest 5	714,431 kg	28,577 kg	IDR 8,501,533.400	IDR 340,061,336
6.	Harvest 6	1,200,132 kg	48,005 kg	IDR 13,801,518,000	IDR 552,060,720
	Total	3,024,335 kg	120,173 kg	IDR 32,294,525,600	IDR1,291,781,024
	Average	504,056 kg	20,029 kg	IDR 5,382,420,933	IDR 215,296,837
_		(			

Source: Primary Data Analysis (2015)

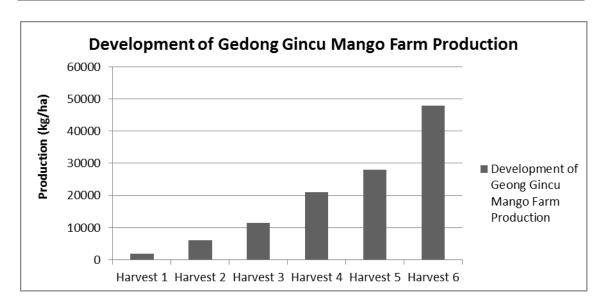


Figure 1. Development of Gedong Gincu Mango Production

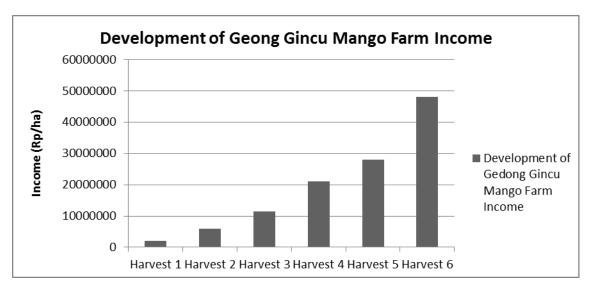


Figure 2. Development of Gedong Gincu Mango Farm income

Table 4 shows that the production of gedong gincu mango during the production process (10 years) within an area of 25 ha obtained an average production of 504,056 kg, equivalent to 20,029 kg per hectare, with an income value of IDR 5,382,420,933 or equivalent to IDR 215,296,837 per hectare.

#### Farm Income of Gedong Gincu Mango

Farm income of gedong gincu is the average income of gedong gincu mango farmers calculated from the production revenue of Gedong Gincu mango after deducted with the farm costs incurred during the production process (10 years). More detailed information of gedong gincu mango farm income can be seen in Table 4.

Table 4. Farm analysis of gedong gincu mango (Year 1-10).

No.	Information	Land area (25 ha)	Per ha
1.	Farm income (IDR)	32,294,525,600	1,291,781,024
2.	Farm costs (IDR)	7,825,140,904	313,005,636
3.	Farm income (IDR)	24,469,384,696	978,775,388
4.	Revenue Cost Ratio (R/C)	4.13	4.13

Source: Primary data analysis (2015)

Table 4 shows that gedong gincu mango farm income during the production process (10 years) with 25 ha land area is IDR 24,469,384,696 or equivalent to IDR 978,775,388 per hectare, with revenue cost ratio (R/C) is 4.13. It means that spending gedong gincu mango farm cost by IDR 1.00, the farmer will obtain farm income by IDR 4.13.

Table 5. Analysis of Net Present Value (NPV) Gedong Gincu Mango farm income (For every hectare).

Description	Circumstance
Begining of harvest	5 years
Net Present Value (NPV)	69,846,503
discount rate (18 %)	

Source: Primary Data Analysis (2015)

Production forecast of gedong gincu mango was performed to the economic life of the mango plant 30-35 years at a medium level of productivity. The reason is to take into account the risk factor due to the fact that there are mangoes which can not be marketed due to decay, too

small, being theft, pests and diseases and others. Based on estimated cash flow for 30 years, the study obtained information that the new mango crop can be harvested at the age of 5 years. Meanwhile, if the capital comes from the bank credit with discount rate of 18% per year, the Net Present Value (NPV) is IDR 69,846,503 (Table 5).

#### (2) Relationship between Empowerment of Farmer Group Association with Gedong Gincu Mango Farm Income

Based on the calculation of Spearman rank correlation coefficient, it shows that there is a real relationship between gapoktan empowerment (economic capability, the ability to access welfare benefits and cultural and political ability) with gedong gincu mango farm income. More detailed relationship between gapoktan empowerment with gedong gincu mango farm income can be seen in Table 6.

Table 6. Relationship between gapoktan empowerment and gedong gincu mango farm income

Variable X	Variable Y	Rs	$t_{count}$	t <sub>0.05</sub>	Category rs
Economic capability	Gedong gincu mango farm income	0.852	14.375	1.991	Very strong
Ability to Access Welfare Benefits	Gedong gincu mango farm income	0.634	7.241	1.991	Strong
Cultural and Political capability	Gedong gincu mango farm income	0.746	9.887	1.991	Strong

Source: primary data analysis (2015)

Table 6 shows that there is a real relationship of gapoktan empowerment (economic ability, the ability to access welfare benefits and cultural and political capabilities) with gedong gincu mango farm income.

## The economic capability and gedong gincu mango farm income

There is a real relationship between the economic capability and gedong gincu mango farm income, with a value of rs = 0.852. Such a coefficient value can be categorized as very strong. This means that the relationship between the



economic capability of farmers and gedong gincu mango farm income amounted to 0.852. The significance test obtained tcount 14.375 greater than t0.05 1.991 at 5% significance level, meaning that there is a real correlation between farmers' economic capability and gedong gincu mango farm income.

Economic capability is the ability of a person who wants to have equal economic opportunities and equal rights to the existing resources in households and communities. The desire to have equal economic opportunities means that he/she wants to have the same income in his/her life like the others. Through the improve improving ability to him/herself and his/her economy and his/her desire to have equal rights to the resources available in the household and the community shows that everyone wants to have equal rights in his/her life. This idea emerges because equalities among people have to always be upheld to avoid social jealousy that can trigger problems in the future (Suharto, 2004).

Community empowerment centered on the economy because its main goal is to make the society independent in terms of economy. To see how far the community empowerment have been successful, there is a need of monitoring and establishing measurable and comparable target. The way to measure the target can be seen among others from the Gini index, the number of people living below the poverty line, the number of poor villages, the role of small industries, farmer exchange value or *Nilai* Tukar Petani (NTP), the minimum wage and so on (Mokhtar, 2001).

## Capacity to access welfare benefits and gedong gincu mango farm income

There is a real relationship between the ability to access welfare benefits and gedong gincu mango farm income, with value of rs = 0.634 and categorized as strong category. This means that the relationship between the ability to access the welfare benefits of farmers and gedong gincu mango farm income amounted to 0.634. From the results of significance tests the study obtained tcount

7.241 greater than to.05 1.991 at 5% significance level. It means that there is a real relationship between the farmers' ability to access the welfare benefits and gedong Gincu mango farm income.

The ability to access welfare benefits is the capacity a person or group has in their life to have happiness and equal desire that bring about capacity to make future decisions for themselves and others. The desire to have an equal welfare comes from the believe in their ability to create a better life and to realize their rights and responsibilities in social life. Furthermore, the desire to make decisions about themselves and others means that a person's decision is actually the result of a thought process in the form of selection of one among several alternatives that can be used to solve problems encountered in their live in order to have happiness and a similar desire to make decisions for themselves and others (Sumodiningrat. 1992).

## Cultural and political capacities and gedong gincu mango farm income

There is a real connection between cultural and political capabilities with gedong gincu mango farm income, with a value of rs = 0.746 and the coefficient values includes strong category. This means that the relationship between the ability to access the welfare benefits of farmers and gedong gincu mango farm income amounted to 0.746. significance test results obtained tount 9.887 greater than to.05 1.991 at 5% significance level. It means that there is a real relationship between the cultural and political ability of farmers and gedong gincu mango farm income.

Cultural and political ability is the ability of a person or group to improve their welfare by showing their ability, attitudes, beliefs values and skills that apply to all surrounding communities. Cultural and political ability also revolves around specialized trends and patterns contained in certain parts such as the desire to face gender subordination, cultural traditions, legal discrimination and political exclusion. Political exclusion is defined as an assessment on perceived

ability of individuals lower than others and women are considered to be responsible and have a role in domestic affairs while men have the role in public affairs or production. The ability in terms of culture and politics also talks about the desire to be involved in the cultural legal and political processes, i.e the ability of every individual or group be equal in their cultural, law and political live realized through for example extensive vertical social movements aimed at giving an opportunity for someone to develop on the basis of his/her abilities. Someone might make identification with other people who have a higher status. Identification is a behavior that brings about the fact that a person feels him/herself has equal position with other people or groups considered higher with the hope that he/she will be treated equally (Suharto, 2004).

Empowerment does not only involve strengthening individual members of society but also their institutions. Instilling values of modern culture such as hard transparency working. thrift, accountability is a fundamental part of this empowerment. Renewal of social institutions and its integration into development activities with the involvement of society in it, increased popular participation in the decisionmaking process concerning themselves and their societies are amona empowerment processes. Therefore, community development is very closely related to stabilization, familiarization and practice of democracy (Friedman, 1992).

#### CONCLUSION

Based on the results of research and discussion, it can be concluded that, first, there is a real relationship between the economic capability of gedong gincu mango farm income as indicated by the value of rs = 0.852. It means that the indicator of the economic capability (the desire to have egual economic opportunities and the desire to have equal rights to the resources available in the household and community) indicates very strong connection with gedong gincu mango farm income.

Second, there is a real relationship between the ability to access welfare benefits with gedong gincu mango farm income as indicated by the value of rs = 0.634. It means that the indicator of the ability to access welfare benefits (the desire to have similar prosperity and the desire to make decisions about themselves and others) shows strong connection with gedong gincu mango farm incomes.

Third, there is a real relationship between cultural and political capabilities with gedong gincu mango farm income as indicated by the value of rs = 0.746. It means that the indicators of cultural and political ability (desire to confront gender subordination including cultural traditions, legal discrimination, political exclusion, and desire to involve in the cultural, legal and political processes) showed a significant relationship with gedong gincu mango farm income.

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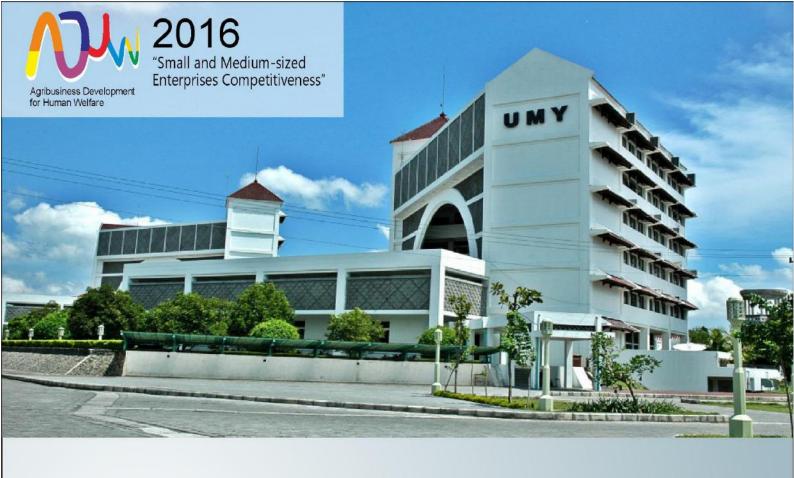
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#### **DISCUSSION FROM PARALLEL SESSION**

PAPER TITLE	The Relationship Between Empowerment of Farmer Group
	Association (Gapoktan) and Mango Farm Income
AUTHOR	Achmad Faqih, Nurul Atikah Fauzi, Siti Aisyah
DISCUSSION	
QUESTION	- No Question
ANSWER	-
SUGGESTION	- What do you mean by:
	Economic capability
	<ol><li>Ability to acces welfare benefit</li></ol>
	<ol><li>Cultural and political capability</li></ol>
	And how to measure vaw able 1,2 and 3



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