

THE EFFECTIVENESS OF SALT BUSINESS EMPOWERMENT PROGRAM (PUGAR) IN DEMAK

THE EFFECTIVENESS OF PEOPLE'S SALT BUSINESS EMPOWERMENT PROGRAM (PUGAR) IN DEMAK

Anisa Dwi Aryani¹⁾, Siti Hilmiati Azyzia^{2)*}

^{1,2} Economics, Faculty of Economics and Business, Universitas Diponegoro, Indonesia

Abstract

One of Indonesia's coastal areas that have successfully utilize its natural potential is Demak Regency, Central Java. In 2018, Demak Regency Salt production had reached 172,446 tons. The production was driven by government policies in the form of assistance and empowerment of the people's salt business for salt farmers in each village in Demak. This study aims to determine whether the people's salt business empowerment program (PUGAR) has been running effectively or not in Demak Regency, Central Java. The data used in this study were obtained based on survey results and interviews with salt farmers in eleven villages in Demak Regency, Central Java. The research design used accidental sampling to select 32 respondents in Demak. The analytical method used is a qualitative descriptive analysis using several indicators, namely the formation of a community salt business group (KUGAR), channeling assistance from PUGAR to salt farmers, mentoring and training, and also enhancing technology to increase the productivity of salt farmers. The results showed that of eleven villages in Demak District, eight villages had implemented PUGAR. However, overall this program has not had a significant impact on people's salt business in Demak Regency, Central Java.

Keywords: salt business, PUGAR, Demak, productivity

1. INTRODUCTION

One of the biggest challenges in the salt industry is how to effectively use the potential of salt land in Indonesia, which reaches 68,754.16 ha. According to the Director-General of KP3K of the Ministry of Maritime Affairs and Fisheries (KKP), the domestic need for salt reaches 4 million tons per year, in detail 1.8 million tons of salt for consumption and 2.2 million tons for the industry. The fulfillment of national salt needs comes from local salt production and the rest is met by salt imports from other countries.

The salt fields are located on the coast, which is in a remote location, with limited access being one of the reasons for the low price received by salt farmers, which is much lower than the price at the consumer level. The low price at the level of salt producers will reduce the attractiveness of salt producers in producing salt so that Indonesia's dependence on imported salt will be higher. Dependence on imported salt, especially for consumption salt, does not really support national food security because salt is a strategic commodity that is continuously needed by the whole community.

Demak Regency is a national salt supplier area with an area of 897.43 km² in the Kedungsepur region with extensive salt ponds. The salt area of Demak Regency is 1,727,406 ha (according to NOP) producing 130,118.39 tons of salt with 987 salt farmers.

*Corresponding author. Email address: hilmiatiazzyia@gmail.com

Land productivity 102,466 tons per hectare (Ilyas, 2016) The area of this salt pond covers almost the entire coastal area of Demak Regency, especially in Wedung District, which crosses from Berahan Kulon village to Tedunan. Wedung District (and its surroundings) has potential land for people's salt covering an area of 1,834.67 hectares with a total number of salt farmers is 1,339 people. However, the productivity level of salt farmers in this region is still relatively low compared to other salt-producing areas in Indonesia. In Demak Regency, people's salt production managed by salt farmers in the northern coastal area of Demak has reached 94,042 (94 thousand) tons. According to data from the Ministry of Maritime Affairs and Fisheries in 2014, Demak Regency is a district with a share of people's salt production to national salt of 4.22%.

Table 1. Share of Smallholder Salt Production in National Salt Production

No.	Regency	Production (%)	No.	Regency	Production (%)
1	Cirebon	12.56	23	Gresik	0.35
2	Indramayu	12.43	24	Bangkalan	0.35
3	Sumenep	11.67	25	Buleleng	0.25
4	Pati	11.51	26	Sumbawa	0.18
5	Sampang	10.25	27	Pidie	0.16
6	Bima	6.25	28	Karawang	0.15
7	Kota Surabaya	6.24	29	Kupang	0.13
8	Rembang	5.67	30	Kota Bima	0.12
9	Demak	4.22	31	Aceh Utara	0.12
10	Pamekasan	3.57	32	Lombok Tengah	0.08
11	Jepara	2.91	33	Nagekeo	0.07
12	Pangkep	2.19	34	Karangasem	0.06
13	Lamongan	1.31	35	Kota Palu	0.04
14	Brebes	1.02	36	Selayar	0.03
15	Probolinggo	1	37	Ende	0.03
16	Tuban	1	38	Aceh Timur	0.03
17	Jeneponto	0.98	39	Sumba Timur	0.02
18	Lombok Timur	0.91	40	Aceh Besar	0.02
19	Pasuruan	0.64	41	Manggarai	0.01
20	Takalar	0.64	42	Alor	0.01
21	Kota Pasuruan	0.43	43	TTU	0.01
22	Lombok Barat	0.37		Total	100

Source: Ministry of Marine Affairs and Fisheries (KKP) (2014)

Table 1 shows that the contribution of salt production in Demak Regency ranks 9th out of 43 regencies/cities that produce salt. The percentage of 4.22% indicates that Demak Regency has high salt productivity and can continue to be developed. However, with the import of salt carried out by the Government, the condition of the welfare and powerlessness of salt farmers has worsened. Therefore, efforts are needed from the Government to improve the welfare and empowerment of salt farmers. In order to achieve national salt self-sufficiency, starting in 2011, the Ministry of Maritime Affairs and Fisheries (KKP) seeks to increase the effectiveness of national salt production by implementing the PUGAR (People's Salt Business Empowerment) program which is one of the PNPM Mandiri-KP programs focused on improving the productivity of salt farmers who encourage farmers to carry out PUGAR business through the indicators of the process of achieving PUGAR goals, namely: (1) the process of establishing KUGAR in

Demak Regency; (2) the process of distributing Direct Assistance to the People's Salt Business Empowerment in accordance with the Joint Business Plan (RUB); and (3) the process of assisting and improving people's salt business technology. The process of implementing PUGAR with the bottom-up principle means that salt farmers plan, implement, monitor, evaluate activities according to the specified mechanism. The target in the PUGAR is salt farmers who will later be coordinated in KUGAR (Salt Business Empowerment Group) which in its implementation will be accompanied by PUGAR Facilitators. The PUGAR in Demak Regency targets Wedung District, Demak Regency. The number of salt farmers in Wedung sub-district is 1,250 people. These farmers are members of 127 groups. They manage people's salt in an area of 1,222 hectares. The salt farmers who were targeted by the Pugar BLM are spread over 10 villages. Namely, Betahwalang Village, Bonang District (there are 2.72 hectares). Then, in the Wedung sub-district, they are in Tedunan Village (41.86 hectares), Kendalasesem (195.65 hectares), Kedungkarang (181.96 hectares), Kedungmutih (267.17 hectares), Babalan (269.03 hectares), Berahan Wetan (115.24 hectares), Berahan Kulon (7.1 hectares), Mutih Wetan (25.76 hectares), and Mutih Kulon (66.47 hectares).

Based on the background of the problems above, this study will discuss "Effectiveness of the Implementation of the People's Salt Business Empowerment Program (PUGAR) in Demak Regency". The purpose of this study was to determine the effectiveness of the implementation of the PUGAR in Demak Regency.

2. LITERATURE STUDY

Public Policy

Laswell and Abraham (1970) define public policy as a projected program with specific goals, values, and practices. Public policy implementation is one of the stages of the public policy process. According to Webster's dictionary (2002), that implementation provides a means to implement a policy and can have an impact/effect on certain things. According to Jones, in implementing the policy there are several conditions, including the presence of people (executors), money, and operational capabilities which are often called resources.

People's Salt Business Empowerment Program (PUGAR)

The People's Salt Business Empowerment Program (PUGAR) is a National Marine and Fisheries Independent Community Empowerment Program (PNPM Mandiri-KP) which is intended to increase job opportunities and the productivity of smallholder salt pond farmers and other people's salt business actors in an effort to support national salt self-sufficiency, both salt, and pepper. consumption and industrial salt with a bottom-up principle.

Effectiveness

Effectiveness is how well the work is done, the extent to which people produce outputs as expected (Masruri, 2010). The variables used to measure program effectiveness refers to previous research and PUGAR technical guidelines. Widiarto et al. (2013) stated that the determinants of the effectiveness of the PUGAR can be seen from

the process of establishing KUGAR, the process of distributing BLM, the process of mentoring, and improving people's salt business technology, business income, and business feasibility. Furthermore, according to the 2014 PUGAR Technical Guidelines, the program implementation targets include capacity, gender, local government support, BLM distribution, management of salt production facilities and infrastructure, output (production results), and outcome (business income). Based on the literature, the research variables to measure effectiveness are gender, capacity building, program assistance, outputs, and outcomes (Amanda & Buchori, 2015).

People's Empowerment

Community empowerment is a concept that represents a new paradigm in development that is people-centered, participatory, empowering, and sustainable (Christens, 2012). The result of the empowerment process is the level of empowerment. The level of empowerment is a measurement of community empowerment related to a possibility that occurs in community members to start and maintain activities that lead to changes in the quality of life of the community.

3. RESEARCH METHODOLOGY

Sampling locations were carried out in 11 villages in Demak Regency, including the villages of Babalan, Berahan Kulon, Berahan Wetan, Betahwalang, Kedungmutih, Kendalasesem, Tedunan, Menco, Mutih Kulon, Mutih Wetan, and Kedung Karang. The villages above are some of the villages in Demak Regency, Central Java Province that produces salt. Sampling was carried out for 3 months starting from September to November 2019.

Data were obtained through direct interview surveys with the community. Sampling was done by accidental sampling method in 11 salt-producing villages in Demak Regency. The number of respondents in this study was 32 people spread over 1 village where the study was located. The analytical method used in this study is a descriptive qualitative analysis using several indicators to determine the effectiveness of PUGAR. The effectiveness referred to in this study is to see how the implementation of the PUGAR policy in Demak without relating to the production process, where indicators of effectiveness are the establishment of KUGAR (People's Salt Business Group), distribution of assistance from the PUGAR for salt farmers, as well as assistance and technology improvement.

Table 2. Indicators of the Effectiveness of PUGAR Implementation

Indicators	Descriptions	Sources
Forming KUGAR	Is there any KUGAR already formed	Widiarto, Hubeis, dan Sumantadinata, 2013
Aid Distribution	Has the aid from the restoration program been distributed evenly and on time to salt farmers?	Widiarto, Hubeis, dan Sumantadinata, 2013
Technology Improvement	Is there an increase in the use of new production technologies by salt farmers	Widiarto, Hubeis, dan Sumantadinata, 2013
Assist on Technology	Is there assistance regarding production technology for salt farmers	Widiarto, Hubeis, dan Sumantadinata, 2013

4. RESULT AND DISCUSSION

Implementation of PUGAR in Demak District

Babalan Village

The community salt business empowerment program (PUGAR) in Babalan village has been running since 2012. The existence of this program provides special benefits for Babalan village, namely providing assistance in the form of funds, training, subsidies for salt production equipment, and the establishment of warehouses. In the first two years of its implementation, the program was effective. However, because there is no supervision and person in charge, this program does not run effectively because only some farmers enjoy the benefits of this program. One example is the use of salt storage warehouses that can only be used by a few farmers. Then this program assistance is also not on target, namely the assistance provided in the form of suction machines, membranes, and so on. According to the results of interviews with several farmers, there are some tools that are not really needed by salt farmers in Babalan village, but the assistance continues to come in the form of modern tools so that the assistance does not increase the productivity of the farmers.

Berahankulon Village

In Berahankulon village, the PUGAR is not running actively and functioning properly. Some of the farmers complained that the duration of assistance from PUGAR had decreased. Often the farmers apply for new tools or machines but do not get a responsive and fast response from the government so that the PUGAR in Berahankulon village does not run as it should.

Berahanwetan Village

The PUGAR in Berahanwetan village, Wedung district, Demak regency has not been implemented effectively by the local village community, because the information has not been properly disseminated to the public. It is reflected in the methods and tools used by farmers are still simple in the people's salt production process. In Berahanwetan village, there is no government role either in determining the lowest price standards, quality standards, and subsidizing production equipment.

Betahwalang Village

The PUGAR in Betahwalang village, Bonang district, Demak regency has not been implemented effectively. The salt farmers in Betahwalang village only know about the program, but PUGAR has not yet reached the village. PUGAR has not a positive impact in the village. PUGAR has not been effective in increasing the productivity of salt farmers. The land is used for making salt during the dry season, when the rainy season comes the land is used for fish and tiger shrimp ponds. Until now, salt farmers in Betahwalang village has not received training from the government. They learn to be self-taught salt farmers. In addition, there has been no technological assistance or tools from the government like in other villages.

Kedungmutih Village

The implementation of the PUGAR in Kedungmutih village began in 2011. This program was considered quite successful by the Department of Marine Affairs and Fisheries of Demak Regency and also the village community. The existence of the PUGAR has a positive impact on salt farmers. The benefits obtained from the PUGAR include salt farmers receiving assistance through the PUGAR Community Direct Assistance (BLM) fund. This fund is used to provide facilities and infrastructure that support the process of making people's salt, such as buying windmills, tombong (a container for putting salt after harvest), raking, repairing warehouses, and repairing roads to salt farms. The funds allocated for the PUGAR in Kedungmutih village in 2011 were around 200 million for 4 KUGAR (People's Salt Business Group), 2012 amounted to 250 million with details of 50 million for 4 old KUGAR and 200 million for 4 new KUGAR and in 2013 amounted to 210 million for 15 KUGAR. All these funds come from the State Budget of the Ministry of Maritime Affairs and Fisheries.

Kendalasesem Village

In Kendalasesem village, PUGAR has been running since 2011 and currently, there are 900 salt farmers. The process of distributing Community Direct Assistance (BLM) begins with the making of a Joint Business Plan or proposal carried out by the group. After being approved and known by the village head, the Joint Business Plan (RUB) is submitted to the National PUGAR team through the Department of Marine Affairs and Fisheries of Demak Regency. This program has been running effectively because the assistance provided can save production costs and speed up the salt production process in Kendalasesem village. The assistance given to salt farmers is in the form of membranes with a minimum number of 3 rolls for each farmer. Each roll has a minimum length of 50 meters and a minimum width of 4 meters. The advantage gained by farmers with the help of this membrane is that the harvest period is shorter, namely 3-4 days, whereas if using the manual method the harvest period reaches one week. Another aid is a machine that is used to drain water into the farmers' land. With this restoration assistance, farmers feel that the costs incurred are smaller. This is because, with assistance from the government, especially membrane assistance, they can save up to 3.5 million.

Tedunan Village

The effectiveness of the PUGAR, according to interviews with several farmers in Tedunan village, said that the government program in the form of a membrane subsidy was very effective in increasing the productivity and income of this salt business. Because the membrane price per roll is almost 2 million rupiah, while one plot of land with an area of about 10x10 meters requires 3 rolls of the membrane. The membrane functions to accelerate salt deposition in the hot sun which can shorten the salt harvest time from 1 week to only 2 days with better salt quality. So that salt farmers expect an increase from PUGAR assistance in order to improve the productivity of farmers as a whole.

Menco Village

In Menco village, the PUGAR that was implemented was considered ineffective because until now there has not been any assistance received by salt farmers in Menco

village. Most salt farmers only use equipment and funds obtained personally. The equipment used to produce is also relatively simple because it only relies on personal capital.

Mutih Wetan Village

The PUGAR in Mutih Wetan village was formed in 2011. PUGAR members or salt farmers in Mutih Wetan village are mostly obtained from Kendalasesem village, so it can be said that Mutih Wetan village is only a provider of salt production land. The PUGAR Community Direct Assistance (BLM) given to salt farmers in Mutih Wetan village is in the form of 2 rolls of membrane for each salt farmer. The advantage with the help of membrane provision is that the harvest period is faster. Before the membrane was available, the harvest period could reach 7 days, while after the membrane assistance was provided, the harvest period only took about 2-4 days. Another advantage that salt farmers get is that the costs incurred are smaller. With the average income of salt farmers in Mutih Wetan village, it reaches Rp. 200,000 per day per hectare. Although Mutih Wetan village is only a provider of salt production land, Mutih Wetan village has the potential to increase salt production and the welfare of salt farmers. So it can be said that PUGAR can continue to be developed in Mutih Wetan village and seen from the effectiveness of the salt production obtained and will be a great potential for the welfare of salt farmers in Mutih Wetan village.

Mutih Kulon Village

In Mutih Kulon village no longer produces people's salt. Only a few of the residents still work as salt farmers, even those that are not on a large scale and use private land and workers from outside the village. Of the total 578.54 hectares of the village area, currently, 90.69 percent (524.65 hectares) are rice fields. The potential of salt land in Mutih Kulon Village is not maximized to produce people's salt. Thus, Mutih Kulon village itself currently no longer has a PUGAR. And even now, the economy of Mutih Kulon village is more supported by rice farming.

Kedung Karang Village

In Kedung Karang village, the PUGAR has not been effective in improving community welfare. This is because there are still smallholder salt farmers who do not feel the benefits of the PUGAR itself. The benefits of PUGAR were only felt when the program was first launched. Providing assistance in the form of a membrane for the layer of land for salt, and a wheel that helps the process of irrigating saltwater. Due to the ineffectiveness of restoration on some residents of the Kedungkarang community, farmers prefer to manage their salt business independently with simple technology. The impact of this PUGAR is the shift of the profession of farmers to shrimp farmers during the rainy season and to salt farmers during the dry season. The government is less active in this PUGAR activity. Socialization of the utilization of technology, quality standards, and price standards as well as assistance is only felt by a few people. Program membership did not yield good results.

Table 3. Summary of the Implementation of PUGAR in Demak Regency

Name	Forming KUGAR		Aid Distribution		Technology Improvement		Assist on Technology	
	Yes	No	Yes	No	Yes	No	Yes	No
Babalan Village	v			v	v			v
Berahanwetan Village		v		v		v		v
Berahankulon Village	v			v		v		v
Betahwalang Village		v		v		v		v
Kedungmutih Village	v		v		v		v	
Kendalasesem Village	v		v		v		v	
Tedunan Village	v		v		v			v
Menco Village		v		v		v		v
Mutih Wetan Village	v		v		v			v
Mutih Kulon Village		v		v		v		v
Kedung Karang Village	v			v		v		v

Based on Table 3, it can be seen that most of the villages already have KUGAR. However, the distribution of aid for the PUGAR still faces many problems, including unequal distribution of aid, a long distribution process, and complicated aid application procedures. As a result, many salt farmers do not feel the benefits of the PUGAR. Another problem faced by salt farmers in most of these salt-producing villages is that there is no assistance regarding production technologies provided, as a result, farmers' productivity does not increase even though production technology has been provided.

5. CONCLUSION

Based on the results of the discussion above, it can be concluded that the implementation of the PUGAR has not been comprehensively effective. PUGAR has not a positive impact in the village. PUGAR has not been effective in increasing the productivity of salt farmers. In addition, the slow distribution of aid also makes salt farmers feel that this policy has not been effective in promoting their productivity. It is hoped that there will be improvements and supervision over the sustainability of this program so that the goal of this program, namely improving the productivity of salt farmers, can be achieved.

Suggestion for next research is add some important issues related to small scale salt industry in Indonesia that needs to be explored, such as low economies of scale, low technology, the character of farmers, and etc. And to strengthen the results and analysis, the next research needs to be provided with the data and statistical analysis, not only perception of farmers and common sense description.

Reference

- Adiraga, Y., & Setiawan, A. H. (2013). *Analisis dampak perubahan curah hujan, luas tambak garam, dan jumlah petani garam terhadap produksi usaha garam rakyat di Kecamatan Juwana Kabupaten Pati (Periode 2003-2012)* (Doctoral dissertation, Fakultas Ekonomika dan Bisnis).
- Amanda, R. P., & Buchori, I. (2015). Efektivitas Program Pemberdayaan Usaha Garam Rakyat (Pugar) Tahun 2014 Terhadap Tingkat Keberdayaan Petani Garam Rakyat di Kecamatan Kaliori. *Teknik PWK (Perencanaan Wilayah Kota)*, 4(4), 553-564.
- Berutu, D. A., & Susilowati, I. (2014). *Analisis Efisiensi Penggunaan Faktor-Faktor Produksi Garam Di Kecamatan Kaliori, Kabupaten Rembang* (Doctoral dissertation, Fakultas Ekonomika dan Bisnis).
- Christens, B. D. (2012). Targeting empowerment in community development: A community psychology approach to enhancing local power and well-being. *Community Development Journal*, 47(4), 538-554.
- Dictionary, M. W. (2002). Merriam-webster. *On-line at <http://www.mw.com/home.htm>*.
- Ilyas, E. (2016). *Laporan Konsultan Manajemen PUGAR Kabupaten Demak Tahun 2015*. Demak.
- Kasmel, A., & Andersen, P. T. (2011). Measurement of community empowerment in three community programs in Rapla (Estonia). *International Journal of Environmental Research and Public Health*, 8(3), 799-817.
- Lasswell, H. D., & Kaplan, A. (2013). *Power and society: A framework for political inquiry*. Transaction Publishers.

AFEBI Economic and Finance Review (AEFR)
Volume 5, No 01 (2020)

- Masruri, M., & Muazansyah, I. (2017). Analisis efektifitas program nasional pemberdayaan masyarakat mandiri perkotaan (PNPM-MP). *Journal of Governance and Public Policy*, 4(2), 363-393.
- Royani, I., Hurri, S., Maihani, S. (2017). Analisis Pemasaran Garam Rakyat (Studi Kasus Gampong Tanoh Anoe Kecamatan Jangka Kabupaten Bireuen). *Jurnal Pertanian*, 1(12), 1032-1045.
- Sari, Y. R., Setyono, B., & Manar, D. G. (2015). Implementasi Program Pemberdayaan Usaha Garam Rakyat (Pugar) Di Desa Kedungmutih Kecamatanwedung Kabupaten Demak Tahun 2011-2013. *Journal of politic and government studies*, 4(2), 191-205.
- Suherman, T., Fauziah, E., & Hasan, F. (2011). Analisis Pemasaran Garam Rakyat (Studi Kasus Desa Kertasada, Kecamatan Kalianget, Kabupaten Sumenep). *Jurnal EMBRYO*, 8(2).
- Trikobery, J., Rizal, A., Kurniawati, N., & Anna, Z. (2017). Analisis Usaha Tambak Garam di Desa Pengarengan Kecamatan Pangenan Kabupaten Cirebon. *Jurnal Perikanan Kelautan*, 8(2).
- Widiarto, S. B., Hubeis, M., & Sumantadinata, K. (2013). Efektivitas Program Pemberdayaan Usaha Garam Rakyat di Desa Losarang, Indramayu. *MANAJEMEN IKM: Jurnal Manajemen Pengembangan Industri Kecil Menengah*, 8(2), 144-154.