



Farmer's Cooperatives with Farmers' Economic Morals in Realizing Food Security

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ABSTRACT: Farmers, as rural producers, produce agricultural products for the necessities of life while fulfilling economic needs. Farmers in Sukoharjo, Indonesia, have formed farmer groups, but these farmer groups are not managed mechanically. Therefore, it is necessary to think of a business entity that supports the agricultural production process of harvest and sale to support the improvement of farmers' lives. The ideal business entity for farmers is a Cooperative business entity with a cooperation system; this resembles the local community's culture or wisdom. A Cooperative is an association or organization consisting of people or entities that provide freedom of entry and exit as existing members. The regulation of Cooperatives in Article 33 of the 1945 Constitution states that the economy is structured as a joint business based on the principle of kinship, which in carrying out business activities must be in accordance with the type of cooperative based on the similarity of activities and economic interests of its members. Gaining success in agricultural production and improving farmers' standard of living is part of the Food Security system, in which people's needs for food can be met in abundance.

KEYWORDS: Farmer's Cooperative, Food Security, Moral Economy.

INTRODUCTION

Various parties often discuss the condition of farmers in Indonesia. Farmers face many problems; for example, fertilizers are expensive and in small quantities. In short, agricultural management has not been managed professionally (Hidayat, 2017).

The farmer group formed in Sukoharjo, Indonesia, has tried to provide facilities in the form of fertilizer distribution assistance but based on interviews with several farmers, they do not understand well about the cooperative organization. Moreover, this farmer group consists of people who make a living as farmers within the scope of one village. For this reason, this farmer group needs to be upgraded to a cooperative status (Scott, 2017).

A Cooperative is an association or organization that carries out business activities according to the cooperative type and its members' economic interests (Rachels, 2004). Cooperatives align with the economic democracy developed in Indonesia that the national economy is organized based on economic democracy with the principle of togetherness. It is as referred to in Article 33 paragraph (4) of the 1945 Constitution of the Republic of Indonesia (UUD 1945) that, in its activities, cooperatives are a people's economic movement based on the principle of kinship. So, in this case, the formation of cooperatives aims to improve the welfare of members.

The rice commodity plays an essential role for farmers and the community, especially as a source of food and business fields. The fulfillment of rice commodities for the whole community is one of the national food security systems. However, farmers face several problems, one of which is the supply of fertilizers. Indeed, the government has subsidized fertilizers for farmers. However, the distribution through individuals appointed by the kelurahan still needs a lot of evaluation. For example, some farmers are not registered in the system, so the distribution of subsidized fertilizers is not optimal, which is certainly very detrimental to the lives of farmers.

This research focuses on examining the characteristics of the Farmer's Cooperative, which contains elements of farmers' economic morals so that its existence can benefit farmers.

RESEARCH METHOD

This type of research is normative legal research by analyzing the laws and regulations related to research problems regarding the concept of cooperatives following the mandate of the 1945 Constitution, the philosophy of cooperatives, and the food



security system (Arikunto, 2006). Normative research is defined as research that includes the science of rules and understanding of what is usually referred to as dogmatic legal science (Marzuki, 2014).

- Approaches to the laws and regulations studied are:

1. The 1945 Constitution of the Republic of Indonesia
2. Law Number 25 of 1992 concerning Cooperatives
3. Law Number 23 of 2014 concerning Regional Government
4. Law Number 11 of 2020 concerning Job Creation
5. Government Regulation Number 24 of 2018 concerning Electronically Integrated Business Licensing Services;
6. Government Regulation Number 8 of 2020 concerning Farming Business Financing
7. Government Regulation Number 7 of 2021 concerning Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises;
8. Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 9 of 2018 concerning the Implementation and Fostering of Cooperatives;
9. Regulation of the Minister of Law and Human Rights Number 14 of 2019 concerning the Ratification of Cooperatives;
10. Regulation of the Minister of Agriculture Number 49 of 2020 concerning Allocation of Prices and Highest Retail Prices of Subsidized Fertilizers in Agriculture Sector for Fiscal Year 2021

RESULTS AND DISCUSSION

From the results of data analysis, it is possible to design a farmer cooperative that embodies the economic morals of farmers and follows the needs of the local farming population, not just a production cooperative in general (Hadhikusuma, 2005).

The concept of Moral Economics comes from:

1. community pressure on unequal land ownership;
2. government policies that do not favor the community;
3. a strong class of owners of capital; so some owners monopolize that land ownership, and some people become farm laborers (smallholders).

The understanding of morals is equated with the meaning of ethics, namely the thought, stance, and treatment of what is good and evil, proper or not. The essence of morality lies in the inner wall, reflected in actual or outward actions. Moral goodness lies in inner actions, namely the mind (rational goodness), but "feelings" have an influence, even often contrary to reason (Safitri, 2020). Therefore, it is better to be able to regulate feelings (a personal passion) and act in a rational direction.

According to the teachings of Adolf Reinach (1883-1917), morality always applies in society, has no time limit, and is attached to humans as individuals so that they cannot be represented by others and cannot be lost. Of course, the moral validity in society is different from that of the law but is still interrelated.

According to Johannes Messner, Moral Natural Law is concerned with human behavior, sourced from the rules of the universe that reflect human nature in fulfilling the existential goals of human life. The principles of the natural moral law are the principle of justice, obedience to the government, and respecting the rights of others. Then, according to Gouldner, the moral principle contains an element of reciprocity: everyone must help those who have helped him, reciprocate, work together, and repay fellow farmers.

This farmer's economy departs from the understanding of humans as social beings. According to Werner Maihofer that humans have freedom as individual beings but do not neglect to live together with other people. The obligation to live together is a must because development and perfection cannot be achieved without other people (Nugroho, 2018,). So that to realize a farmer's economy, togetherness is needed as well as working hand in hand while still respecting the freedom of farmers as individuals with deliberation for consensus; each has the right to vote as an individual but still has the same position.

The function of the Farmer's Cooperative is

1. to improve farmers' quality of life while still respecting individual freedom, as stated above.
2. to grow and improve the economic and social welfare of members. Cooperative members are seen as a group of social beings in a series of realizing a farmer's economy.



3. Realizing food security through cooperatives as a pillar and a forum for businesses to pursue profit.
4. As a joint effort based on kinship and economic democracy.

This Farmer's Cooperative is a producer cooperative that differs from the savings and loan cooperative type. In the Deed of Establishment, cooperatives must pay attention to the type of business included in the Articles of Association, namely farmer production cooperatives.

The realization of this farmer cooperative follows the teachings of Johannes Messner that farmer cooperatives are expected to be a forum for farmers to realize their life goals in relationships with fellow farmers, as members in particular, and in society in general, of course. Therefore, each member's needs are prioritized, and the rights and obligations of members are respected. The rights and obligations of cooperative members and the community's interests are regulated in the Articles of Association of the Farmers Cooperative establishment. Legal actions of cooperative members.

In the case of the establishment of a Cooperative, it is imperative to obtain the ratification of the Deed of Establishment and Amendment to the Articles of Association of the Cooperative through the Ministry of Legal Entity Administration System and Human Rights. The registration is online to get approval and a business license. The ratification fulfills the principle of legality for cooperative members to carry out legal actions and limited liability to the business entity's assets. Therefore, based on the provisions of Article 4 paragraph (1) PP No. 24 of 2018 concerning Electronically Integrated Business Licensing Services, it is regulated that to obtain ratification of the deed of establishment of Cooperatives, the founders or their proxies submit a written request for approval to the Minister of AHU. Then in paragraph (2), it is regulated that the request, as referred to in paragraph (1), shall be submitted by attaching:

- a. two copies of the Cooperative's deed of establishment, one of which has sufficient stamp duty;
- b. minutes of the meeting for the Cooperative formation, including the granting of power of attorney to apply for ratification, if any;
- c. proof of deposit of capital, at least in the amount of the principal savings;
- d. initial plans for cooperative business activities.

After completing the approval from the Ministry of Law and Human Rights, cooperatives are also required to fulfill the completeness of a business license through the Online Single Submission (OSS). Furthermore, for the assistance and development of Cooperatives, it is the authority of the Cooperative Office.

Cooperatives that have met the provisions on the legality of their business entities are required to put up a nameplate as an identity and fulfillment of the principle of publicity; this is in accordance with the provisions of PP Number 7 of 2021, namely when the cooperative is legalized as a legal entity, the Cooperative has met the requirements and should have guaranteed to work immediately (Tanjung, 2017). The Minutes of Cooperative Establishment and Deed of Establishment can prove that the founders have agreed to form a cooperative legal entity, have management and supervisors who will take care of the cooperative, and have clear and mutually agreed rules of the game for cooperatives (as stated in the Articles of Association and the Articles of Association). The Cooperative also has the capital to carry out its activities, as evidenced by proof of depositing the Cooperative's capital. In addition, cooperatives can also directly carry out their business activities according to the initial business activity plan that has been made.

Farmer's Cooperative Organ

The organs or bodies of Cooperatives are as follows: Meetings of members, supervisors, and Management. The three organs have their respective rights and obligations.

1. Members' Meeting is the highest organ, which has the authority to elect Supervisors and Cooperative Management
2. Supervisors have the task of conducting independent assessments to test and evaluate activities within the Cooperative so that the management can carry out their duties and responsibilities effectively and efficiently.

The supervisor has several functions, such as:

- a. The audit function is to check the books, record, analyze, assess, and evaluate the performance of the Cooperative, whether it is healthy enough or has deficiencies. Supervision results are carried out regularly and reported to the chairman of the supervisor to be forwarded to the management; at least the supervisory report is made once a month or can be arranged differently based on the cooperative by-laws.



- b. Consulting function
- c. Functions of supervisory management responsibilities
- 3. Cooperative Management is a person elected from and by cooperative members through a member meeting. Therefore, the highest power holder in the Cooperative is the Members' Meeting. The Deed of Establishment contains the member names representing the management and are included in the Deed of Establishment of the Cooperative. The maximum term of office of the Board of Directors is five years. The election and composition of the board of directors shall at least consist of Chairperson, vice chairman, Secretary, Treasurer, and Management. They must make policies that do not deviate from the Cooperative's AD/ART. Every year, and at the end of their term of office, management provides accountability for their work results to members.
- 4. The composition of the management in the Cooperative, namely:
 - a. Chairman
 - b. Vice Chairman
 - c. Secretary
 - d. Treasurer

Cooperative organs can carry out their rights and obligations effectively and efficiently. For example, in establishing the organ of the farmer cooperative, the selection and placement of candidates for the management of the farmer cooperative are selected from members of the Cooperative who are not members of the farmer group in Mandan Village. It is essential because the management of a healthy cooperative should be free from any conflict of interest. It must not only represent the ambitions or unilateral interests of the farmer group management but is pure for promoting the welfare of its members. So it is essential not to have double positions in Gapoktan and Cooperatives.

To attract interest from prospective members, farmers' Cooperatives must pay attention to factors that can be used as reasons to be willing to register as cooperative members. Some of the reasons for prospective cooperative members to join a cooperative are as follows:

1. The historical reason is that Bung Hatta tried to grow the people's economy through cooperatives to reduce the capitalist movement from colonialists and natives who became middlemen or loan sharks.
2. Political reasons, namely by joining a cooperative, farmers can have a bargaining position or equality in facing business competition, both internally (fellow farmers) and externally (against other business entities) in survival.
3. Economic reasons, namely, farmers can create businesses from upstream to downstream; by maximizing production processes and production efficiency, improving quality services, uniting perceptions among members of farmer cooperatives (unified vision and mission), designing marketing strategies, controlling market well, and attracting other prospective members as a basis for capital strength.
4. The sociological reason is that farmers can make cooperatives as a forum for the need to communicate between communities effectively and sustainably. Of course, this will reduce the individualistic nature of the character of gotong royong based on kinship and togetherness.
5. Juridical reasons, namely cooperatives as a business entity that is a legal entity, have fulfilled legality, making it easier for cooperative members to gain access from financial institutions, and gain access to training or subsidies from the government, especially in the agricultural sector.

CONCLUSION

The conclusion is that farmers in Sukoharjo require the creation of a farmer's Cooperative that meets the economic morals of farmers. Farmers' Cooperatives have benefits for farmer production, meet welfare, and equity in the nuances of kinship, justice, and togetherness, without leaving the element of local wisdom.

Local governments take an essential role in helping the community by going out in the field, looking for facts on problems, coordinating with related agencies, making action plans, evaluating and monitoring, and involving universities by providing copies of requests and cooperation between institutions.



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