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# Optimizing the Development of Agricultural Cooperatives through Rukun Tetangga (RT) Based Design

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## Abstract

Indonesia is a country based on strong family, friendly, mutual cooperation with a cooperative economic system. Demand for the agricultural sector is increasing because agricultural products are not only used as food, but also as feed, fuel and fiber. The conclusion from this service is that the Rukun Tetangga (RT) level as a basic step in establishing agricultural cooperatives cannot yet be used, so further model development and community conditioning is needed. Individual farming and renting agricultural land in the micro category. Agricultural facilities and infrastructure are not optimal and the costs of the production process (input) are greater than the income from agricultural products (output) which is small. Farmers' agricultural business organization is not yet optimal.

Keywords: agricultural, cooperative, Rukun Tetangga

# Abstrak

Indonesia merupakan negara berasaskan kekeluargaan yang kuat, ramah tamah, gotong royong dengan sistem ekonomi berbentuk koperasi. Permintaan sektor pertanian semakin meningkat karena hasil pertanian tidak hanya dimanfaatkan sebagai makanan, namun juga pakan, bahan bakar, dan pemanfaatan serat. Kesimpulan dari pengabdian ini adalah bahwa tingkat Rukun Tetangga (RT) sebagai langkah basis pendirian koperasi pertanian belum bisa digunakan sehingga diperlukan pengembangan model dan pengkondisian masyarakat lebih lanjut. Pertanian individual dan bersifat penyewa lahan pertanian yang berkategori mikro. Sarana dan prasarana pertanian belum optimal serta biaya proses produksi (*input*) lebih besar dibanding pendapatan dari hasil pertanian (*output*) yang kecil. Organisasi bisnis pertanian petanian belum optimal.

Kata kunci: koperasi, pertanian, rukun tetangga.

### Introduction

Agricultural problems require strategies through research related to recovery and rebuilding, digital economy and sustainability. Indonesia is a country based on strong family, friendly, mutual cooperation with a cooperative economic system. Cooperative development is still very minimal. For example, Denmark and South Korea, many products that dominate the world market originate from cooperatives (Gardera, 2023).

Demand for the agricultural sector is increasing because agricultural products are not only used as food, but also as feed, fuel and fiber. However, production is decreasing due to climate change, making the involvement of technology important. In the agricultural product supply chain, the largest distribution system is in the mill. So farmers did not have a large income from the start. Farmers have a position in an oligopoly market. So these small farmers are faced with a larger input market, but on the other hand their output is small. Much of the agricultural sector is still managed by micro-scale farming. Even though there are many farmer groups and communities, management remains with each farmer. Agricultural census data reveals that as much as 48% of agricultural land is managed by sharecroppers, or on a rental system (Jamhari, 2023).

Cooperatives are a form of business that supports the people's economy (Kader, 2018). In 2019, the Ministry of Cooperatives and SMEs stated that there were 123,048 cooperatives throughout Indonesia and there were 22 million registered members. The word cooperative means cooperation. According to Law No. 25 of 1992 (Menteri Koperasi dan Usaha Kecil dan Menengah Republik Indonesia, 2021), a cooperative can be defined as a business entity consisting of a group of people whose activities are based on cooperative principles as well as a people's economic movement with a family basis. Meanwhile, according to our proclaimer, Mohammad Hatta, who is also the father of cooperatives, cooperatives are a type of joint business entity that uses the principles of kinship and mutual cooperation. Cooperative management leads to mutual assistance activities to improve and increase the economic welfare of its members. That is one of the reasons why cooperatives are very beneficial for many people.

The history of the cooperative movement in the world began in the mid-18th and early 19th centuries. At that time, cooperatives were still called Pre-Industrial Cooperatives. This movement was born as a result of the industrial revolution which failed to realize the motto Liberte-Egalite-Fraternite. This motto was considered a failure because the industrial revolution did not bring changes to the economic conditions of the people. Liberte or freedom is only felt by those who have capital so they can reap as much profit as possible. Meanwhile Egalite and Fraternite or equality and togetherness only belong to the owners of large capital (Ilham, 2023).

In England, the first cooperative was founded in 1844 in the city of Rochdale. Founded by 28 members, this cooperative can survive and is considered successful because it is based on strong togetherness and the will to run a business, namely the Rochdale Equitable Pioneers Cooperative Society. All members have a mission to form a business that can be run together which is outlined in work guidelines and Standard Operational Procedures (SOP) (Noorca, 2022).

In Indonesia, which values kinship and mutual cooperation, cooperatives are an economic institution that is very suitable to be implemented in Indonesia. These habits of kinship and mutual cooperation have become habits that have been passed down from generation to generation, so it is not surprising that the principles of kinship and mutual cooperation promoted by cooperatives can be integrated into this nation (Sihombing, 2018). The Indonesian economic system has a foundation that states, "The economy is structured as a joint effort based on the principle of kinship." This is stated in Article 33 of the 1945 Constitution, paragraph 1. Reported from the website of the People's Representative Council of the Republic of Indonesia (DPR-RI), the meaning of this article is that the economic system developed in Indonesia should not be based on competition and individualistic principles. In addition, the second paragraph in the same article states clearly that the government has a very large role in the country's economic activities (Sari & Indriani, 2017). Thus, according to the same source, the government has the authority so that state development is no longer exclusive. In order to realize inclusive development, the development carried out needs to be focused on human development, not just the economy. Because economic progress is based on progress in human resources, capable of realizing equitable economic prosperity(Sarfiah et al., 2019).

Senden Village, Kayen Kidul District, Kediri Regency is one of the villages that has high economic potential in the agricultural sector. Most of the population's livelihood is farming. So far, people have only sold their agricultural produce to middlemen in bulk so that one harvest, one sale and income is only limited to capital turnover to start planting again. There are no village level business entities yet. Farmers compete in selling their crops. This can be overcome by forming village cooperatives which can be started from the RT level. The existence of this cooperative can collect all agricultural products and market them in various forms, both raw products and processed products from community farming products. All sales are managed through cooperatives and distributed proportionally to the community according to cooperative principles. Product marketing is also managed by the cooperative using various marketing platforms so that it can reach consumers widely. This community service activity is designed to intensively assist in the formation of the cooperative.

## Method

This service method uses intensive mentoring techniques with the following stages (Mas'udah et al., 2022):

- a. Field observations were carried out by communicating with the RT head.
- b. Socialization of activity planning begins with making activity invitations made by the RT head and distributed to RT residents until socialization of activities is carried out to RT residents.
- c. Prepare the necessary materials, basic knowledge and benefits of cooperatives based on Law no. 25 of 1992 as legal basis of cooperatives. As well as a general description of agricultural cooperatives.

- d. Carrying out the activity, the participants in this activity were RT residents, each head of family (KK) was represented by one family member from each KK.
- e. Initial evaluation of activities, measuring the level of participation of RT residents.

Optimizing community involvement is very necessary in providing assistance so that the expected goals can be achieved. For this, the participation of community leaders is needed, especially those who play a role in policy making in society (Sarno & Hakim, 2019). The less than optimal role of the community will influence the failure of program implementation (Anekawati et al., 2021).

# **Result and Discussion**

Observation activities carried out communication and activity permits with the head of RT 01 RW 03 Senden Village, Kayen Kidul District, Kediri Regency. By conveying that the Agricultural Cooperative service program will be implemented through a Rukun Tetangga (RT) Based Design. documentation related to services or goods as outputs, or the main focus of activities. The number of family members in RT 01 RW 03 is 40 heads of families (KK). The socialization stage of activity planning was attended by 13 RT residents. From the total participation rate for this activity, it is 32.5%, it can be said that the level of citizen participation is low.



Figure 1 : Photo of Activities for Establishing RT-Based Cooperatives (23 September 2023)

The number of family members in RT 01 RW 03 is 40 heads of families (KK). The implementation phase of the activity was attended by 17 RT residents as representatives of each family head. From the total participation rate in implementing activities, it is 42.5%, it can be said that the level of citizen participation is low. The material presented by RT residents is expected to have the mindset and ability to duplicate the cooperative's AD/ART and the residents are able to form cooperative management.



Figure 2 : Photo of Activities for Establishing RT-Based Cooperatives (01 October 2023)

The socialization stage of activity planning was attended by 13 RT residents. From the total participation rate for this activity, it is 32.5%, it can be said that the level of citizen participation is low. It can be said that the level of citizen participation rate in implementing activities, it is 42.5%, it can be said that the level of citizen participation is low.

Even though the RT head plays an important role in making the Rumah Tangga Based Development Implementation (PBRT) program a success, the program will not be able to run well if it does not get a response from the community (Wahyudi, 2016). In general, the regulation of RT duties, functions and obligations can be seen in Minister of Home Affairs Regulation Number 18 of 2018 concerning Village Community Institutions and Village Traditional Institutions (Permendagri 18 of 2018). The RT or in this case the duties of the RT head are: Assisting the Village Head in the field of government services; Assist the Village Head in providing population data and permits; and Carry out other tasks assigned by the Village Head. In general, the functions of RTs which are included as Village Community Institutions ("LKD") are: Accommodating and channeling community aspirations; Instill and foster a sense of community unity and unity; Improving the quality and accelerating village government services to village communities; Develop plans, implement, control, preserve and develop development results in a participatory manner; Growing, developing and mobilizing community initiative, participation, self-help and mutual cooperation; Improving family welfare; and Improving the quality of human resources. Minister of Home Affairs Regulation No. 18 of 2018, has regulated that the RT head holds office for 5 years and the RT head can serve a maximum of 2 terms of office, whether consecutive or (Source: https://bendogarap.kecnot. klirong.kebumenkab.go.id/index.php/web/article/124/123).

The follow-up plan for supervision and assistance is the creation of a broader-based agricultural cooperative program at the RW, village and sub-district levels, through research related to recovery and rebuilding, digital economy and sustainability based on a cooperative economic system because Indonesia is a country based on strong, friendly and mutual cooperation. This culture is an important asset for the success of cooperative programs.

### Conclusion

The conclusion from this service is that the Rukun Tetangga (RT) level as a basic step in establishing agricultural cooperatives cannot yet be used, so further model development and community conditioning is needed. Individual farming and renting agricultural land in the micro category. Agricultural facilities and infrastructure are not optimal and the costs of the production process (input) are greater than the income from agricultural products (output) which is small. Farmers' agricultural business organization is not yet optimal.

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