

Government Policy in Strengthening Social Capital for Poverty Reduction of Farmers

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Abstract

The government policies on the agricultural sector have led to a breakthrough on various platforms for Indonesian farmers, and this strengthens social networks. The policies formulated include training, counseling, and establishing banking networks for capital access to increase social capital. Therefore, this study aimed to improve the quality of the Indonesian farming community and increase their rice yields. The data was collected from Tamiang, Central Aceh, and Pidie Jaya regions using the qualitative method. The results showed that the government had an integrated poverty reduction model with various strategies, including a) enhancing the social capital in Aceh by encouraging the utilization of vacant land, b) opening access to capital and farmer insurance, c) strengthening the capacity of extension workers, d) leading comparative studies and training for farmers, and e) providing business capital aid through government grants. This model successfully reduced the poverty rate in Aceh from 18.58% in 2012 to 15.33% in 2021. However, every implemented government program needs to be periodically evaluated to ensure its success.

Keywords: Government, Policy, Social Capital, Farmers, Poverty

Introduction

According to Gora Kunjana (2013), poverty is still a global issue that requires different programs to be reduced. Furthermore, the Indonesian government has implemented various poverty reduction programs from ministries and agencies, such as the National Health Insurance (JKN), Healthy Indonesia Card (KIS), Family Hope Program (PKH), Non-Cash Food Assistance (BPNT), and basic food cards.

Kemenkue, (2020) stated that poverty reduction strategies should be consolidated, integrated, and be on target.

Aceh province applied its alternative model program to reduce poverty by optimizing the society's social capital role. Furthermore, the program's success is measured by the poverty rate declined in the last nine years, as shown in the figure below:

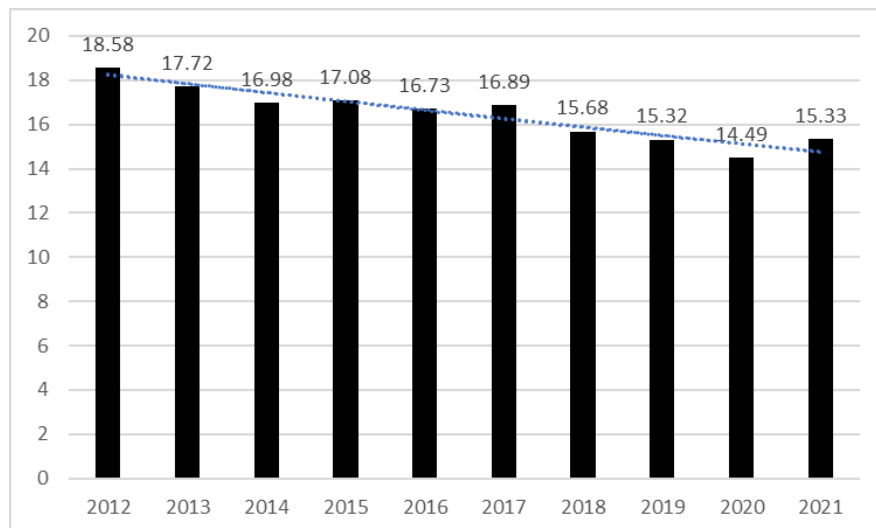


Figure 1: Poverty in Aceh
Source: Processed from various sources

According to Al-Amin (2016), social capital is significant in poverty reduction programs. Furthermore, Yunus et al. I, (2020; 2021) stated that social capital increases people's economic income. This is in line with Putnam (1993), which established that increased association and volunteer activities among community members caused southern Italian economic success. Buckley (1996) stated that the Somalia chaos reduced people's income in almost all areas. However, Bosaso port was not significantly affected due to the strength of social capital (local organizations) and the local communities' support to revive trade.

There is a significant correlation between social capital and group member participation in poverty eradication (Narayan, 1999). Furthermore, micro-entrepreneurs obtain benefits or ease of doing business because of good relations with their families, fellow entrepreneurs, and product and service buyers. According to Abidin, (2010), social capital affects human and physical capital in creating profits. This variable also determines physical and economic development in a region when physical and human capital are reduced or damaged (Fadli, 2015). Therefore, it is an essential aspect of producing goods and services along with education, and physical and human capital, which can be optimized when entrepreneurs. Social capital is also related to the

benefits of physical capital and its contribution to profits is relatively more significant.

Rural areas, such as Aceh, are associated with agriculture, a sector that significantly contributes to the poverty rate. Similarly, Aceh's rice and secondary crop agricultural sector labor force mostly consists of the poor at 40.4% (BDT 2015), with the low Farmers Exchange Rate (NTP), causing less income. The crucial sectors contributing to economic growth in Aceh include Agriculture, Forestry, and Fisheries business fields at 0.99% (BPS, 2020c).

The agricultural sector needs to be improved because it largely contributes to economic growth. The farm sector should be developed and empowerment of farmers in rural areas to reduce the poverty rate. Furthermore, the empowerment of farmers through agrarian information aims to develop community capacity, which improves the quality of resources. Hubeis, (2000) reported that information can help farmers gain insights on new ideas and ways of thinking to change old farming concepts.

The development in Aceh Province is in line with the national agricultural development strategy. The regional agricultural development policies are beneficial in various ways. For instance, they help optimize the empowerment potential, adjust the growth rate between regions, and equitable distribution for the farmers'

welfare. Therefore, the development policies and strategies in Aceh should follow the strategic agricultural and fisheries development (*Aceh Meugoe and Meulaot*). This will help increase productivity and add value to agriculture and the maritime economy while managing the supply chain in all production sectors. Also, it is likely to increase income through export-import by providing agricultural production facilities and programs. The palm oil conflict victims from 2008 to 2010 were provided with palm oil seeds, fertilizers, infrastructure, and land clearing costs (Saifuddin et al., 2015).

In rural or sustainable agricultural development, community empowerment results in physical assistance and knowledge, which is only appropriate at the introduction stage (Saifuddin et al., 2019). However, the continuous empowerment approach reduces rural communities' participation and hinders the strengthening of local social capital (Malvicini and Sweetser, 2003). Vital social money is needed especially for rural agricultural communities, to face their problems. According to Yunus et al. (2020) strengthening social capital can help solve them. Social capital is the main component in driving togetherness, mobility of ideas, mutual trust, and benefit to achieve mutual progress.

The public policies benefits focus on developing social capital, such as increased public participation, strengthening democratization, collective action, and common identities, decreasing crime rates, corruption, and alienation, growing relationships and networks between sectors, exchanging more ideas and values, low transaction costs, and enhancing community access to available resources (Edi Suharto 2007).

Social capital has three interacting essential elements: networks, beliefs, and norms that can empower farming communities effectively (Putnam, 1995; Fukuyama, 2005). In general, it includes various processes that form social relationships and institutions or establish other associations. According to Lyon (2000), developing partnerships with traders or changing

existing networks helps reach new markets and increase income.

There is minimal social capital for development in agricultural activities, leading to inferior performance of existing agrarian institutions. Moreover, communities with high social capital can efficiently solve complex problems. Yunus et al. 2019, (2020) suggested that farmers can build networks within and with other farmer groups, using the social money of mutual trust, tolerance, and cooperation. Social solid capital can foster community and government participation to increase regional economic development. Maintaining social capital involves developing Human (HR) and Natural Resources (SDA) and increasing the economy and employment opportunities. The current state of social capital in agricultural societies is far from what farmer groups need to improve their bargaining position. Therefore, this study discussed Indonesian government strategies and policies in strengthening farmers' social capital.

Literature Review

The social capital concept in a region's social and economic development can be defined as elements of Norms, Networks, and Beliefs. Portes (1998) stated that social networks and other social structures have benefits to social capital. According to Woolcock (1998), social capital is the degree of a community's social cohesion about forming networks, norms, trust, and facilitating mutually beneficial coordination and cooperation between communities. Similarly, Coleman (1988) viewed social capital as a facilitator to individual actions in their social structure. Based on World Bank (2003) and Cohen & Prusak (2001), social capital is an individual's willingness to actively engage as an institution, social relations, networks, honesty, quality norm formation, and quantity of social interaction with society. Putnam (1995) defined capital as social organizations features, such as work networks and social trust that facilitate coordination and cooperation for benefits.

While considering the views of several social capitalists, Haridison (2013) concluded that social capital (1) is a collection of existing and

potential resources, (2) entities consist of several social structure aspects that facilitate individual actions, (3) refers to horizontal associations, and (4) is in the form of information, norms, values, reciprocity, cooperation, and networks. Therefore, social capital has three essential elements, including norm values, networks, and trust. It can be summed up as social networks and values that facilitate individuals and communities to achieve common goals effectively and efficiently.

Social capital is divided into cognitive and structural aspects. The mental size relates to the values, attitudes, and beliefs that affect trust, solidarity, and reciprocity, which create society cooperation to achieve common goals. Social Capital Macron is viewed in a broader scope, such as the government level that upholds civil law. Certainties and political freedom affect economic achievement and determine a government function, and the public sector's economic development (Evan, 1996).

Social capital can accelerate the village development process by increasing everyone's access to knowledge, education, health, comfort, housing, and job opportunities to improve their livelihoods. Also, it facilitates communal work to achieve common goals as shown in post-tsunami research in Aceh. Fadli (2015) showed that social capital affected post-tsunami village development, especially in rebuilding the community's economy. Therefore, the community can benefit through cooperation and a high level of trust.

Social capital can be strengthened through cohesiveness, expansion of work or economic networks, and sustainable collective competitiveness. As a result, these three aspects have generated some values that form a network of mutual trust, respect, and benefits. The strategic components of social capital include the importance of shame or self-respect, empathy, honesty, trustworthiness, and altruism. The values of hard work, diligence, frugality, enthusiasm for innovation, respect for achievement, forward vision, and rationality are significant to create progress or (economic) growth in material culture. However, they are not

sufficient to create a sustainable development management framework.

Social Capital is significant in Policy and Development for social benefits and can collaborate with public policies. In general, public policy strategies that influence the development of social capital include 1) Strengthening social trust through integration and relations within and outside government institutions, 2) Fostering shared values through education, law and policy order, common identity as a nation, promoting positive social values, 3) Developing cohesiveness and altruism through tax deductions for individuals or companies that practice social activities or social responsibility, registration, and organizing social charity activities, 4) Expanding local participation by funding community projects, supporting community development programs, and initiatives that strengthen families, 5) Creating networks and collaboration between government agencies, NGOs, and business institutions and supporting voluntary organizations to build networks and alliances, and 6) Increasing community involvement in good governance processes.

The Syahra (2003) report showed that social capital influences every development aspect: political, economic, human, and cultural. Furthermore, it emphasizes the importance of maintaining good relationships and trust between people. To strengthen social capital and enhance agricultural development, several approaches can be followed, including a) Religious education to develop noble values and build the character of togetherness and mutual trust among humans, including increasing awareness of a sustainable environment, b) Family socialization education, c) Maintenance and development of social institutions to develop social solidarity in facing any situation, d) Efforts to socialize and internalize the social capital values, especially those related to character education should be increased from an early age through formal and informal education such as teamwork training, and e) Information communication development through various media, and art and cultural channels could instill noble local wisdom,

cooperation, mutual trust, and responsibility. Moreover, positive external values that strengthen existing social capital should be included through selective screening by social institutions and the wider audience.

Method

This study used qualitative methods (Nauman, 2007; Babbie, E, 2009) with purposive sampling techniques. The data were obtained from three different studies in Pidie Jaya, Central Aceh, and Aceh Tamiang, Aceh Province, Indonesia, from 2019-2021. The primary data were obtained through non-participant observations, interviews with heads of agricultural offices in the three regions, and questionnaires distributed to 300 farmers. Moreover, interviews were conducted in the native language, while secondary data was obtained from documents related to this research, such as annual reports, books, journals, proceedings, and websites. Data were analyzed through descriptive analysis in three stages, including data reduction, presentation, and conclusion drawing (Moleong, 2010; Sugiono,

2013). Qualitative data analysis activities were carried out interactively and continued to completion until data was saturated, while the questionnaire results were analyzed using SPSS.

Result and Discussion

Social capital is a resource that can be invested to obtain new resources in society. Therefore, it is one of the components in driving togetherness, mobility of ideas, mutual trust, and benefit to achieve mutual progress. The social capital in society is significant in agricultural development and economic aspects.

The socio-economic conditions of farmers in Aceh were discussed before looking at the Government Policies and Farmer Social Capital in Aceh. The first socio-economic condition is vehicle ownership which is an important transportation mode, supporting agricultural businesses and social status. The condition of farmer vehicle ownership in Aceh is shown in the graph below:

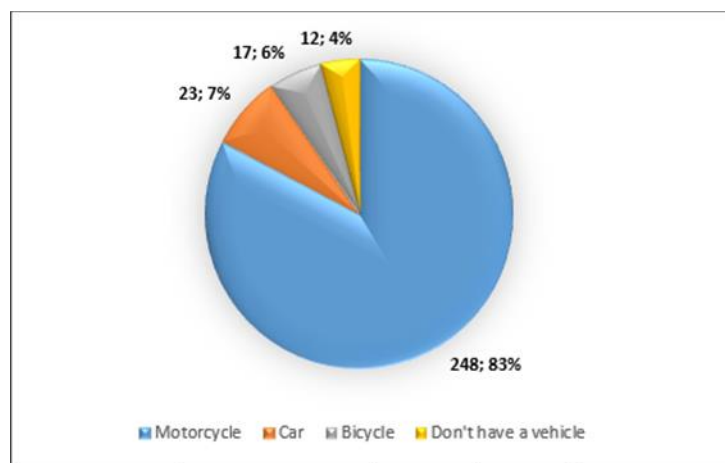


Figure 2: Vehicle Ownership

Source: Research Data 2020

According to the graph, 248 or (83%) of farmers had a motorbike, 23 or (8%) owned a car, 17 or (5%) had a bicycle, while only 12 or (4%) did not own a vehicle. The Central Statistics Agency (BPS) 's definition of 'poor,' is when a person lacks savings or goods that are easy to sell with a minimum Rp. 500,000, such as credit/non-credit

motorcycles, gold, livestock, motorboats, or other capital goods. In Aceh, only 4% of the farmers lacked a vehicle and as such cannot be categorized as poor according to BPS set criteria. Moreover, 89% of farmers in Aceh were homeowners. The homeownership status is shown in the following graph:

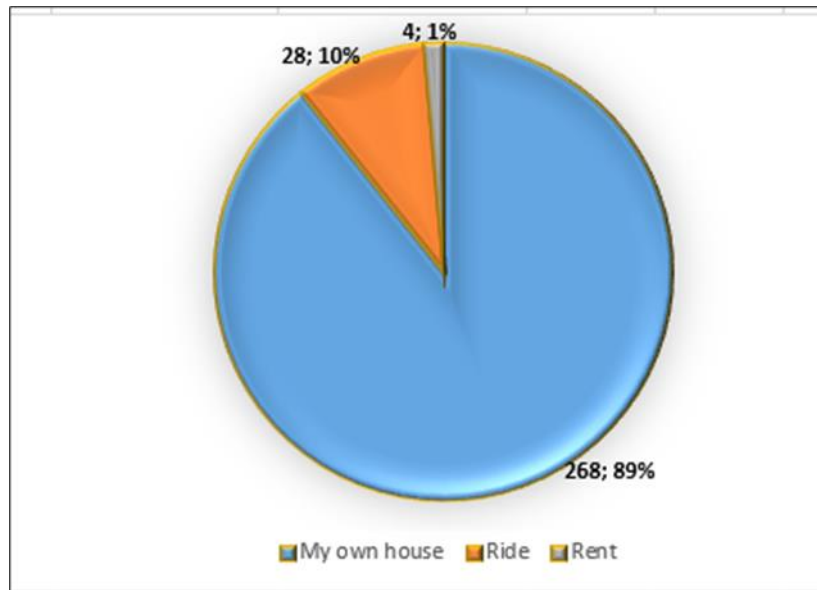


Figure 3: House Ownership Status
Source: Research Data 2020

The above chart shows that 268 farmers (89%) were homeowners, 28 farmers (10%) lived in their family/relative's house, and four farmers (1%) rented homes.

These data suggested that the farmers were able to own houses even though their income was not fixed. Therefore, their living conditions were better than for farmers in other parts of

Indonesia. The Indonesian government launched a program for Traders, Fishermen, and Farmers, focusing on helping them own their own houses for only Rp. 7.5 million (Suryowati, 2017). In sociology, education contributes to change in society's social strata. Therefore, education is essential for farmers in Aceh, as shown in the graph below:

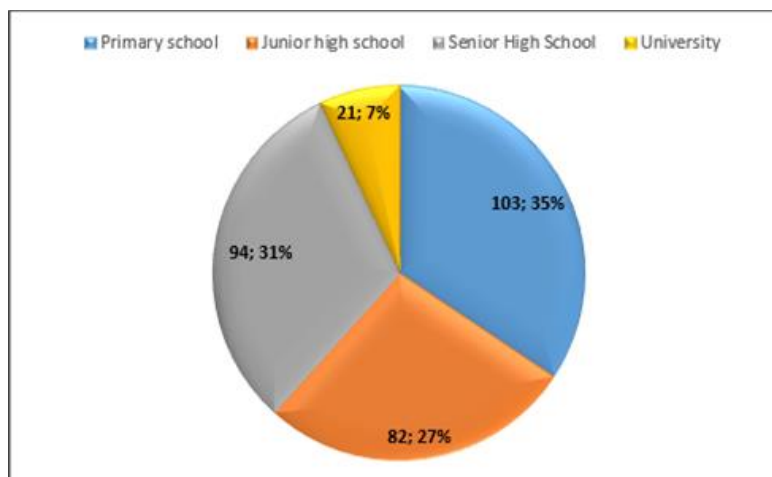


Figure 4: Farmer's Education Level
Source: Research Data 2020

The chart shows that 103 farmers (35%) had elementary school education levels, 94 farmers (31%) were senior high school graduates, 82 farmers (27%) graduated from junior high, and 21 respondents (7%) had university-level

education. In general, the majority of farmers have low education with only 58% having a junior and senior high school education, and 7% having higher education. Based on the BPS set criteria, the community can be categorized as

poor when the head of the household only graduated elementary school, did not finish elementary school, or did not go to school. However, the data suggested that only 35% of farmers in Aceh have completed elementary school level.

Poverty can be measured by three main approaches: income, household expenditure, and welfare indicators (Asra, 2012). Household per capita expenditure estimates food and non-food monthly expenses per household member. Various studies have used the household per capita expenditure approach to measure poverty levels (Baiyegunhi, 2014). Meanwhile, Indonesia has had tremendous success in poverty reduction since the 1970s, with the most significant episode of pro-poor growth in the country's economic history as the late 1970s to mid-1990s. There are three approaches to empowering the poor, 1) a targeted approach, meaning directing community empowerment to the poor. 2) the group approach, meaning solving the problems encountered together. 3) the mentoring system means that forming and administering groups of poor people should be accompanied by professional assistants as facilitators, communicators, and dynamists to accelerate independence.

All the three mentioned conceptual approaches have been applied in poverty reduction in Aceh. A clearer poverty reduction model through strengthening social capital is shown in the following figure:



Figure 5: Poverty Reduction Model

The above figure shows that the poverty reduction model is implemented using six strategies that optimize the social capital of farmers, including vacant yards utilization, opening capital access from various sources and farmer insurance, strengthening the capacity of extension workers, comparative studies, and training for farmers, and business capital assistance through government grants. This is in line with Nurul Liwanza interview as Head of the Agriculture Office of Central Aceh Regency:

The government has made every effort to strengthen the social capital of farmers in various ways so that our farmers prosper. Among the programs that have been implemented are providing business assistance to farmer groups, opening access for farmers with banks, providing insurance to farmers in the event of crop failure with a premium/contribution borne by the government of Rp. 144,000 and by farmers of 36,000 / ha/planting season and providing training to farmers and agricultural extension workers. (Interview, 26 August 2021).

The above description suggests that the assistance provided to farmer groups optimizes the social capital elements of cooperation networks, trust, and collective action. The data also shows that the government has provided crop failure insurance as well as opened bank access. This program is effective because the government also bears a higher percentage of premiums than the farmers who only pay Rp. 36.000 /Ha /. The government is still assisting farmer groups to date through agricultural goods and tools, in line with Law No. 19 of 2013 concerning farmers' protection and empowerment.

The selected program used to reduce poverty must include strengthening the role and position of the people's national economy, allowing structural changes, including resource allocation, institutional strengthening, and empowering human rights resources. The selected program should also support and empower the community through economic development. It must utilize strategic steps directed at expanding the access to development resources and creating opportunities for the poor communities to participate in the development process and improve their livelihood. Every implemented program should be periodically evaluated to ensure success.

Village communities have formed an institution in farmer groups to coordinate among members. However, their social capital is still weak, especially in the utilization of social networks and trust among groups. Social norms and networks are important in resolving the problem aspects in agricultural development. Therefore, the government should strengthen the farmers' social capital using concrete programs. The government strategy launched to enhance social capital is expressed by the following informant:

The process undertaken by the government in strengthening the social capital of farmers in Aceh is through the development of rice and maize. In addition, it uses empty land for planting onions both in the yard and in the garden. Currently, the government has helped the onion seeds as a source of funds from the Aceh Province APBA to farmers. Estimated yield of 600-700 Kg/Rante, or 15 Tons/Hectare. (Interview with Pak Yunus, Head of the Aceh Tamiang Agriculture and Livestock Office, 14 July 2021).

The data above shows that the government strategy to strengthen Aceh's farmers' social capital was through the development of rice, corn, and onions. The region's agricultural output exceeded the national average income (Aceh, 15 Tons/Hectare and National Average 9,47 Tons/Hectare). The discussed rice development refers to the cultivation change from the existing system to organic rice. The development of organic rice was achieved by supporting human resources, enhancing farmers' knowledge capacity through training and counseling. It is supported by interview results with the following informant:

Each extension agent has a group in each village. This strengthens farmers' social capital, though they are also trained in other places. For example, Pak Gimun was sent to attend training in Medan, which was conducted by an NGO engaged in agriculture. The program followed was related to planting rice using organic fertilizers, then Pak Gimun applied this knowledge in his village. The results obtained at this time the rice yields with this system are fluffier. Pak Gimun's rice yields have now become the target of the community to buy and even have to be ordered in advance because of the limited supply. A farmer does it in Gedong Biara, Survey District, Aceh Tamiang Regency (Interview with Pak Saleh, Field Extension Officer, Agriculture and Livestock Service Office of Aceh Tamiang Regency, 14 July 2021).

The data shows that the Government in Aceh Tamiang increased farmers' resources through

training activities to strengthen their social capital. By taking part in training outside their province; the farmers' gained more insights and built a social network; they used the knowledge and connections to sell agricultural products, improving the economy.

Social capital is not formed only by an individual, and therefore the emergence of solid social money depends on a group socializing to inherent values. A distinctive typology defines social relationships network in line with the characteristics and orientation of the group. As a result, parties pay great attention to social capital in agricultural development from the practices and activities formed and institutionalized by its members.

Fukuyama (1999) stated that social capital is significant in the functioning and strengthening of modern society. It constitutes a cultural component for the life of contemporary culture: various problems and irregularities in many countries cause low social capital in the community. Low social capital can reduce cooperation, exacerbate poverty, increase unemployment and crime, and affect the population's welfare. To strengthen farmers' social capital and open access to external parties, the government has encouraged sharia microfinance institutions to help farmers access capital lending. One of the informants stated that

The government has encouraged the formation of Islamic microfinance institutions through cooperation with the private sector. In addition to this, the government also facilitates farmers to collaborate with Bank Aceh in production facilities through a production sharing system (Interview with Yunus, Head of Aceh Tamiang Agriculture and Animal Husbandry Office, 14 July 2021).

Saifuddin et al. 1 (2020) showed that farmers' trust in investors, specifically Government and banks, is high. This is shown in the following figure:



Figure 6: Farmers' Trust in Investors

Source: Research Data 2021

The data shows that the government facilitates farmers to access Bank funding of production and strengthens social capital in a profit-sharing system, while also encouraging sharia microfinance institutions. Furthermore, the government influences mutual trust between Banks and the farmers to achieve social capital. The trust creates mutual benefit and builds community solidarity (cohesiveness).

Hadisapoetro (1973) stated that there are five factors of agricultural development, including a) the market that relate to needs. b) technology relating to expertise. c) capital related to the availability of agricultural tools and materials. d) Incentive, influencing the willingness of farmers. e) and transportation of capital.

The government promotes the fruit development programs in Bandar, Pusaka Aceh Tamiang's Sub-district, through the TAMAR 27 program following the agricultural development framework. This supports the market aspect or community needs and other described agricultural development aspects. Furthermore, fruits are marketed in Aceh Tamiang and North Sumatra and are mostly sold in Mall Brastagi Medan 3 hours away, with the local government commitment. The government is developing fruit cultivation to restore Aceh Tamiang as a fruit-

producing area. This assertion is supported by one of the informants, who stated the following.

In Gampong Bengkelang, Bandar Pusaka Subdistrict, there is a TAMSAR 27 program. The agro-forestry cooperation program for fruit development includes Mango, Durian Musang King, Pokat Mentega, and Honey Pineapple. They are marketed in Aceh Tamiang, and Medan, North Sumatra (Interview with Yunus, Head of the Aceh Tamiang Agriculture and Animal Husbandry Office, 14 July 2021).

The above information shows that Aceh Tamiang develops various fruit products, including in the Bengkelang village, Bandar Pusaka Sub-district. They produce Mango, Durian Musang King, Pokat Butter, and Honey Pineapple. Furthermore, the government has implemented a Farmers Road Development Program to facilitate access to agricultural locations. An informant stated the following.

The Farmer Business Road development program was unsuccessful because farmers could not manage it by themselves. Therefore, the government provided heavy building equipment to complete the project which benefited the community. (Interview with Yunus, Head of Aceh Tamiang Agriculture and Animal Husbandry Office, 14 July 2021).

This information shows that the government supports agriculture development by building farming roads, facilitating farmers' access during planting and harvesting. This

is in line with the concept developed by Hadisapoetro, which showed that transportation is an asset for farmers' success. In Central Aceh, farmer's social capital encourages access to People's Credit Business (KUR) funds. The People's Business Credit (KUR) is a government strategy launched in November 2007 that provides formal financial services to develop and increase MSME. To accelerate the development of MSMEs in line with the Job Creation Bill, the Financing Policy Committee chaired by the Coordinating Minister for Economic Affairs, decided to change to a more people-friendly KUR policy as follows by 1) reducing the interest rate from 7% to 6%, 2) increasing the total KUR ceiling from 140 trillion to 190 Trillion in 2020 and gradually to Rp. 325 trillion by 2024, and 3) raising the KUR Micro ceiling from IDR 25 million to IDR 50 million per debtor. The Central Aceh government has encouraged farmers to access the KUR fund. One of the informants stated the following.

The tangible program in Central Aceh is the development of horticulture, food, agriculture, animal husbandry, and corn, with the primary commodity being coffee. The government's strategy in strengthening social capital is encouraging farmers to access People's Business Credit (KUR) funds (Interview with Nasrun Liwanza, Head of the Central Aceh District Agriculture Office, 26 August 2021).

The above statement indicates that Central Aceh's government is pushing for horticulture (vegetables), food, agriculture, animal husbandry, and corn programs with

coffee as the mainstay commodity to encourage business development in the agricultural sector. The government has opened farmers' networks and access to banking through the Central Aceh Agricultural Service to strengthen social capital. Therefore, implementing the KUR program will build mutual trust between farmers and lenders (banks). Additionally, the government has implemented insurance programs to protect farmers from crop failure. The following is an interview excerpt regarding insurance programs.

The government in line with Law No. 19 of 2013 on farmers' protection and empowerment, provides insurance in case of crop failure with a premium/contribution borne of Rp. 144,000 and 36,000/ Ha are paid by farmers per planting season. The insurance in question is Jasindo insurance (Interview with Nasrun Liwanza, Head of the Central Aceh Regency Agriculture Office, 26 August 2021).

The data above suggests that the government provided insurance in case of crop failure. In general, this program is beneficial because the government bears significant premiums compared to the farmers only paying Rp. 36,000 / Ha. Furthermore, the government assists farmer groups but stopped providing cash assistance, and the groups are required to register with a notary. The following excerpt is from an informant.

All government assistance provided to farmers must be received by farmer groups, not individuals. To avoid fictitious groups, the government requires a

Notary Public registration and Certificate (Interview with Nasrun Liwanza, Head of the Central Aceh District Agriculture Office, 26 August 2021).

The above data shows that all government services are provided for groups. Therefore, the farmer groups need a Notary Certificate to apply for assistance. In social capital, the Notary Deed is a social norm that guides the program's implementation. The capital comes from several figures, such as Bourdieu, Colman, Putnam, and Fukuyama, and is included in assets, the closeness of relationships, and functions. Additionally, social capital is an individual asset that develops into a group asset or a group asset utilized by individuals. The context of relationship closeness shows the proximity of the relationship in social capital. Therefore, the similarity of the relationship creates trust and norms apart from being mutually beneficial (Faty R, 2019).

Norms are rules followed by members of a particular social entity with tangible values that serve as guidelines set by law. According to Putnam (2000), norms exist in a social network and create unity in relationships. Generally, the norms formed spontaneously are informal because they are not written and announced and enhance trust (Fukuyama, 2002). Furthermore, Hasbullah (2006) established that collective rules are unwritten but understood by society and determine the expected behavior patterns in social relationships. Each region has its flagship sector, coffee is the main in Takengon Aceh Tengah, while rice and maize are the main in Pidie Jaya. One of the informants stated the following

The entire program in Pidie Jaya focuses on the development of corn, chilies, onions, and watermelon, with the

mainstay sectors of rice and corn. The production of maize in Pidie Jaya continues to increase. Currently, the production of maize is 8 tons per year with an average price of Rp. 3,000, - so the income of farmers is Rp. 24,000,000, / year / Ha. The area of maize in Pidie Jaya has continued to increase annually. In 2014, the total area for corn was only 100 hectares, whereas currently, the corn area is 2,000 hectares. (Interview with Pak Rusydi, Secretary of the Pidie Jaya Regency Agriculture Service, 4 September 2021).

The above information shows that the main products developed by the Government in Pidie Jaya are rice and corn. The area covered by corn in Pidie Jaya as of 2020 was 2,000 hectares. Since the lowest price is Rp. 3000, the farmers' monthly income is 2,000,000 / ha. Furthermore, the government facilitates onion production by offering its seeds (tubers), fertilizers, and pesticides. Regarding rice farming, the government has helped build owl houses to reduce rat pests. The same information is disclosed by one of the informants as shown in the following excerpt.

Under the Regent's instructions for rice farming, the community was advised to build five owl houses per village. The construction was funded by village funds. The owl houses prevent rats in rice plants, increasing rice production and the farmer's income. The idea of building owl houses in rice

fields was adopted from the Demak community of Central Java (Interview with Rusydi, Secretary of the Pidie Jaya Regency Agriculture Office, 4 September 2021).

The data showed that the government facilitated training for rice farmers in Demak, Central Java to strengthen their social capital in the sector. The training provided knowledge of effective rat eradication using owl houses. Furthermore, the government-funded five owl houses in each village with rice fields. Meanwhile, the farmers in Pidie Jaya previously used electric cables running through the fields to repel the rats, causing deaths by electric shock. Therefore, they learned safer ways for pest control which is also environmentally friendly.

Conclusion

Substantial social capital is an economic development asset that enhances access to finance sources. The government policies need to strengthen this aspect by enhancing human resources through training and counseling and establishing networks with banks to access capital. The collaboration with banks creates networks and fosters mutual trust between individuals and institutions in society. Additionally, increasing Human Resources, Networks, and mutual trust are essential assets in social capital. Other vital strategies include the productivity of agricultural products and building farming roads to access rural locations. Farmers can also construct farm roads to strengthen social capital in the community. In general, the capital supporting strategies have been implemented by expanding the economic network, increasing resources, and sustainably enhancing collective competitiveness.

Aceh's poverty reduction model for optimizing social capital was implemented using six strategies, including the use of vacant land, capital access and farmer insurance,

strengthening the extension worker's capacity, comparative studies of farmers, training, and business capital assistance through government grants, successfully reducing poverty. However, poverty in Aceh is influenced by several factors, including armed conflict, tsunami, and Covid-19. This region continues to survive in the pandemic that affected the regional economy, making poverty reduction more complex.

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