The Impact Analysis of Institutional Strengthening on the Autonomy of Farmer and Livestock Groups in Uso Village, Banggai, Central Sulawesi

Zulkipli N Salingkat, Budi Santosa
Universitas Trisakti, Jakarta, Indonesia
E-mail: zulkipli122012016002@std.trisakti.ac.id, Budi_Santosa@trisakti.ac.id

*Correspondence: zulkipli122012016002@std.trisakti.ac.id

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ABSTRACT
The purpose of this research was to analyse the impact of strengthening community institutions on the sustainability of farmer and livestock groups. This included the process of establishing and strengthening community institutions, how the company's strategy in developing governance systems, decision-making mechanisms, system evaluation including community institutional benefits, contributions to SDGs 16 and their relation to ISO 26000. The method of this research used quantitative methods sourced from primary data and secondary data to determine the impact of strengthening community institutions on the sustainability of the Semangat Mandiri farmer group and the Lingkar Industri livestock group located in Uso village, Batui sub-district, Banggai regency, Central Sulawesi province. Data analysis was carried out using triangulation to validate data linkages from field research. Furthermore, an in-depth study of the relationship between the subject and object under study was carried out to explain the formulation of the problem and the purpose of the study and draw conclusions from the research results. The results showed that PT. PAU has a complete commitment in implementing CSR programs. This commitment could be seen from the implementation of community institutional strengthening, aspects of governance systems, decision-making mechanisms, and evaluation of governance systems in achieving ISO 26000 and SDGs 16 in farmer and livestock groups in Uso village, Banggai Regency which have a good impact on the community and the company.

Introduction
PT Panca Amara Utama is an ammonia processing company operating in Uso village, Batui district, Banggai regency. The company has invested USD 800 million to support the government's efforts to increase domestic value-added domestically. The company produces ammonia with a capacity of 700,000 tons per year. Ammonia is a...
chemical molecule that is often used in the production process of fertilizers, explosives, acids, and various other petrochemical products (Maassen et al., 2017).

PT Panca Amara Utama takes part in sustainable development. This part is carried out in the corporate social responsibility program. The program is through various types of activities in the field of social religion, education, environment and also the field of community empowerment and development (Shin et al., 2022).

Social mapping in Uso village has been carried out by cadets of Batui sub-district in 2021. The result is unemployment at 50% followed by poverty at 16.7%. Another problem is the conflict between the community and the company by 33.3%. The jobs that are most in demand by the community, especially youth, are entrepreneurs as much as 33.3% (Dahlawi et al., 2023).

The Semangat Mandiri farmer group and the Lingkar Industri livestock group are assisted groups by PT Panca Amara Utama in Uso Village. Both groups are close to the company's operational activities. This group was formed due to reduced employment when the Company finished construction and switched to production. This shift causes the absorption of workers to be reduced and results in unemployment which is the main source of problems in the village (Stensaker, 2014).

Assistance for farmer and livestock groups is important to be carried out by PT Panca Amara Utama. This is to answer the problems that are happening in Uso village such as unemployment and poverty which result in very high conflicts between the community and the Company. The assistance is mainly for institutional strengthening in raising awareness of the importance of good cooperation. Cooperation can develop social systems found in society. The social system of farmer and livestock groups through cooperation can jointly solve problems (Pakaya et al., 2022).

The success of farmer and livestock groups brings great benefits to people's lives. These successes are economic, social and ecological benefits. Success can be achieved thanks to strong support from farmer and rancher groups (Hudiyani et al., 2017); (manggala Rimbawati et al., 2018). Institutions have a strategic role as a vehicle for communication and learning media for business development.

It is not easy to establish strong community institutions. If the company does not prepare good governance, it will cause conflicts between people. This can harm all parties, both from the community and the company. To avoid these losses, governance is important to be prepared by the company (Darmi & Suwitri, 2017). In this case, the company refers to ISO 26000, because there is a core subject of organizational governance that guides in implementing corporate social responsibility programs, namely commitment and accountability of leaders, maintaining the environment, creating economic and non-economic benefits, providing opportunities for the community to actively participate in the programs implemented, so as to get a balance of needs between the community and also the company (Võ & Löfgren, 2019).

Good organizational governance will encourage the sustainability of an organization. This governance will encourage farmer and livestock groups to become strong and sustainable community institutions. this can contribute to the achievement of SDGs (16) with indicators of reducing corruption at all levels, developing effective, accountable and transparent institutions and decision making that is responsive, inclusive, participatory and representative (Haukland, 2020).

Involving community participation is important for the group to be strong and sustainable. This involvement in preparing planning and decision making (Suwandi et al., 2019).
Stakeholder engagement is important in CSR programs. Such engagement can increase trust, transparency, and accountability. This involvement encourages good communication so that organizational programs can be sustainable (Tampubolon & Barokah, 2020).

Based on this presentation, researchers are interested in analyzing the impact of strengthening community institutions on the sustainability of the farmer group "Spirit Mandiri" and the livestock group "Lingkar Industri" in Uso village, Banggai regency.

**Research Methods**

This research is qualitative research. According to (Sugiyono, 2013) qualitative research methods are often called naturalistic research because the research is carried out in natural conditions.

Institutional determination was carried out by purposive sampling on the livestock group "Lingkar Industri" and farmer group "Spirit Mandiri" in Uso Village, Banggai Regency. This research uses 6 (six) aspects, namely the formation and strengthening of institutions, the preparation of governance, decision-making mechanisms, evaluation of governance systems, SDGs (16), and their relation to ISO 26000.

The samples that became resource persons were 4 people from the Semangat Mandiri farmer group, 4 people from the Mandiri circle livestock group, and 1 employee of PT Panca Amara Utama.

Data collection was carried out using triangulation techniques that combine observation, interviews, and documentation. In qualitative analysis, the data taken are potential findings and problems that highlight the uniqueness of objects, processes and social interactions.

The purpose of this analysis is to ensure the correctness of the data as well as the construction of the phenomena and hypotheses found. The data used in this study are primary and secondary. Primary data were collected through observation, surveys and structured in-depth interview methods to a predetermined sample. Furthermore, secondary data collection is obtained through documentation.

After working on the gathering of information, go through in-depth interviews and also structured dialogues. The method of analyzing data that has been collected uses content analysis to study the information submitted by respondents. In accordance with the chosen case study approach. The analysis process of testing data is carried out by triangulation where qualitative research data is checked back to the source. (Sugiyono, 2019)

In triangulation techniques, researchers utilize diverse data collection methods to obtain the desired data from the same source.

**Results and Discussions**

**Discussion of Research Results**

Interviews, identification and direct observation conducted to respondents to review more deeply the aspects studied. These aspects are the process of strengthening and forming community institutions, strategies for preparing governance systems, decision-making mechanisms. Other aspects that were also examined were the process of evaluating the governance system, community institutional benefits and contributions to strengthening SDGs 16 and ISO 26000.
Establishment and Strengthening of Community Institutions

Institutional Formation of Society

The formation of the Semangat Mandiri farmer group departed from motivation and innovation from individuals. This group numbered 12 people and managed a group garden with an area of 3 hectares. This motivation is the desire to progress, as well as encourage and raise the spirit of the community to be more productive. The formation of this group was initiated by the former village chief of Uso.

The Livestock Group was formed in 2021 from the youth initiative of Uso village. Initiatives carried out to solve the problem of unemployment that most people complain about. The initial independent circle cattle group stood at 10 people.

The Semangat Mandiri Farmer Group has been cultivating corn since 2021. Corn cultivation is developing well but they face problems in carrying out business development, these problems are in the form of capital, knowledge and cooperation networks. This group builds communication to PT Panca Amara Utama asking for help and assistance in 2022 to solve the problems faced.

The Industrial Circle livestock group consisting of Uso village youths often protest to companies related to programs in the community. The young man in 2022 established communication with PT Panca Amara Utama to ask for help and group assistance in the field of cattle farming.

Community Institutional Strengthening

In 2022, PT Panca Amara Utama followed up on requests from farmer groups Semangat Mandiri and livestock groups Lingkar Industri to provide assistance and strengthen community institutions. Several things implemented in these two groups are in accordance with the aspects stated by (Yuniati et al., 2018), namely:

1. Institutional Capacity Building

   The arrangement of community institutional capacity carried out by PT Panca Amara Utama strengthens the group's position in the community. Facilitating group legality in the form of a decree confirming the Semangat Mandiri farmer group and the Industrial Circle livestock group from the village government. This legality is to get recognition from the village and can strengthen the group in partnership with related parties.

   Management and members are given clear duties and responsibilities for the implementation of activities. Create rules in groups to encourage openness in budget management and activities. Such disclosures such as activity information boards, aid records, proof of income and expenditure will be conveyed in regular group meetings.

2. Capacity Building of Institutional Resources

   PT Panca Amara Utama understands that increasing human resource capacity is very important. The capacity building is in the form of technical training on corn cultivation, livestock rearing system training and integrated organic fertilizer processing. This training is in collaboration with the Food Crops, Horticulture and Plantation office of Banggai Regency. In addition to technical training, groups are given strengthening motivation and group management procedures in mentoring regular group meetings.

   Capacity building is particularly beneficial for groups. Technical training encourages groups to run corn and cattle cultivation independently. Other capacity building such as good institutional management will foster a sense of member trust will make the group more solid.
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**Service Capacity Building**

Increased service capacity can increase public trust in groups or organizations. PT Panca Amara Utama conducts service capacity building such as encouraging groups to create social media accounts. This account is to inform the activities carried out in order to gain public trust.

Recording budgets on information boards and group cash books is transparency carried out within the group. This transparency has a positive impact on groups and companies. This positive impact is that it can provide trust from PAU’s top management and also the wider community.

**Expanding Cooperation or Partnership Network**

PT Panca Amara Utama expands its network of cooperation in implanting this program. The cooperation is a collaboration with various parties such as the Food Crops, Horticulture and Plantation Office of Banggai district, the Batui sub-district agricultural extension center and animal orderlies. This party is very helpful in implementing this program.

The Batui sub-district agricultural extension center assists farmer groups in dealing with pest attack problems, how to fertilize and facilitate fertilizer assistance. Animal material carries out artificial insemination in order to produce superior seeds, giving FMD vaccine at a time when many livestock are attacked by FMD disease.

The collaboration carried out by PT Panca Amara Utama with various parties went well. This collaboration is very helpful for farmer and livestock groups in carrying out their activities. This can be done because this group is facilitated by group legality.

PAU’s CSR program always prioritizes collaboration with various parties to support smooth activities. Related parties are always given opportunities in accordance with their respective functions and authorities. We can see as shown below:

![Diagram of Program Collaboration](image)

**Figure 1 Program Collaboration**

The core circle is the livestock and farmer groups in this program. The group is the main actor in carrying out activities, PAU is at the intersection of the circle of the two groups. PAU's role is to provide assistance in institutional strengthening, capacity building, assistance with production facilities and infrastructure for groups. The last circle
is the TPHP/Livestock/Village Government office, the role of the parties in this program is to assist the group if they encounter technical problems in maize and cattle cultivation.

Thus, PT Panca Amara Utama has strengthened community institutions that are quite good and have a positive impact on group independence. This is in line with (Yuniati et al., 2018) research to ensure that institutions can be active in encouraging farmers towards independence and empowerment, support from other institutions is needed.

**Governance System Strategy**

The results of data analysis show that the most instrumental strategy is to build active communication. The strategy is to gain the trust of all members. Group members are given the opportunity to express opinions in regular meetings.

PT Panca Amara Utama has succeeded in encouraging member participation in decision making. This participation is carried out during regular group meetings because groups are required to meet regularly once a month. As for the discussion of regular meetings, the group discusses planning and evaluating the activities that have been carried out.

Regular group meetings play an important role in building transparency. The meeting is a forum to convey planning and evaluate activities. Another thing that is done is to provide information related to group receipts and expenditures in carrying out corn and cattle cultivation.

All members are clear and open to all parties. The transparency carried out in this group is part of concern for stakeholders such as members and also PAU. The board understands very well that members are one of the main stakeholders in the group.

Farmer and livestock groups are very consortium-oriented. This orientation is realized through transparency of activities and financial records. This received a very positive response from the top management of PT Panca Amara Utama because it could see the development and progress of the activities carried out by the group. All this is done in the interest of all parties.

This group is very open to any Uso villagers who want to join the group. People who want to join must obey the rules that exist in the group. This is due to the encouragement of PT Panca Amara Utama so that this group can bring a positive impact to other residents.

From the explanation above, we can see that PT Panca Amara Utama has carried out a very good strategy in building governance. This is in accordance with research conducted by (Dwiputri, 2019) corporate governance is a guiding principle of business control. This principle is to achieve a balance between power and authority. Governance as a guarantee of accountability to shareholders in particular and other stakeholders in general.

**Decision-Making Mechanism**

Decision making is important in strengthening community institutions. Good decisions can be made by making good decisions. The decision will answer the problem correctly and correctly so that there are no errors and omissions that harm the group and PT Panca Amara utama.

Group decision making by understanding the problems that exist in the Semangat Mandiri farmer group. The first step is to recognize the problem of corn leaf damage that is severe enough to inhibit corn growth. The second step is to find the cause of corn leaf damage by collecting data in the field. The data collected were analyzed for the cause of damage and the extent caused by leafworm attacks.
Farmer groups develop options that must be done to solve the problem. This option is a way of pest control by identifying several types of insecticides to be used. The next step is to evaluate the list of insecticides that have been written which are the most effective and efficient.

The selection of the best option for solving the problem is always based on experience and low price of insecticides. If this group has obtained the best option, then immediately implement the decision taken. The last stage of the decision-making mechanism in the group is to evaluate whether the decisions taken go well within a period of 7 days. Likewise, what is done by the Industrial Circle livestock group in decision making in solving a problem in the group.

Thus it can be concluded that in an organization it is important to make the right and efficient decisions. Good decisions will determine the direction of the organization. Decision makers must know very well the principles and stages of decision making in order to produce good decisions for all parties. The decision-making mechanism is in accordance with the stages that must be carried out by decision makers according to Maidiana (2021).

**Figure 2 Decision-Making Mechanism**

**Governance System Evaluation Process**

Farmer group Semangat Mandiri and livestock group Lingkar Industri use regular meetings as a forum to evaluate the governance process carried out. The evaluation process provides an opportunity for all members to provide input and suggestions to the board to make improvements. However, from June to October 2023, the attendance rate for regular meetings is only 7 people from the total members. This level of attendance is caused by some members being carried out other activities such as working in the Company and fishing outside the area.

In these regular meetings encourage transparency in the group. The meeting of the group management provides clear information related to plans, evaluations, financial records to all members. This is done as an application of equality carried out by group administrators.

PT Panca Amara Utama conducts group strengthening assistance in regular meetings such as motivation and group management. The meeting is always well prepared by the group. They understand that regular meetings are very important to be carried out for mutual interests, especially PT Panca Amara Utama as material for reports to the Company's Management.
Benefits of Community Institutional Strengthening

The results showed that community institutions are very useful for PT Panca Amara Utama. Such benefits are mainly the Livestock Group Industrial Circle, this group helps to reduce conflict. This is because the cattle herd is the one involved in the demonstrations in May 2023. The conflict has reduced until October 2023 when there are no demonstrations at PT Panca Amara Utama.

The farmer group Semangat Mandiri helped explain to residents the mechanism of working with PT Panca Amara Utama. Farmer groups provide information on procedures and mechanisms for obtaining assistance and assistance. Many people do not know these procedures and mechanisms, causing conflicts between the community and the Company.

The Lingkar Industri livestock group provided information that was hot in the community and the figures involved related to PT Panca Amara Utama. This information is important information for companies to prepare conflict prevention measures. These steps are like providing explanations with a persuasive approach so that there are no disturbances or demonstrations.

PT Panca Amara Utama has implemented CSR programs for the right beneficiaries. We can see that this can provide benefits to the group and the Company. Accuracy in this program is like the budget efficiency of existing planning. This efficiency occurs because of the decision-making mechanism at the level that selects the best and efficient options.

The Industrial Circle livestock group made efficiency in the construction of cowsheds. The efficiency was in its planning that the cost of the handyman had been budgeted, but the group did self-help to build a cowshed. From the efficiency of the budget for the construction of cowsheds can be allocated to buy an additional 1 cow.

PAU’s CSR program only provides socio-cultural, educational and environmental donations (Maleo conservation) so that demonstrations from the community occur. As a result of this demonstration, PAU encouraged to improve its CSR program. The program is institutional strengthening assistance to both groups in Uso village. This assistance is expected by the group to be a model for other communities. Top Management of PAU really appreciated this assistance so they visited these two groups.

Contribution of Institutional Strengthening to SDGs 16

The results of the study found that community institutional strengthening was carried out to encourage transparency at the group level. This transparency is in the form of providing clear information to all members. This sufficient information will prevent and reduce corruption at the group level. Transparency is also the responsibility of group administrators to members and to the company.

Regular meetings are an effective way as a tool used in building group transparency and accountability. PAU has succeeded in developing farmer and livestock groups into good community institutions. The success is that the group is registered at the village level to obtain legality to facilitate collaboration with various parties in the implementation of the program.

PAU has succeeded in encouraging good decision-making mechanisms in regular meetings held in groups. The mechanism ensures that members participate in decision making and are able to answer problems that occur in the group appropriately.

Governance System Linkage to ISO 26000

The results of this study get institutional strengthening in building governance very closely related to ISO 26000. This institutional strengthening is a strategy of the company...
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in building good relations between the company and the community. In addition to good relations, it also provides opportunities for the community to improve welfare. PT Panca Amara Utama encourages farmer and livestock groups as pilot groups for other communities. This is a commitment from the company in improving the implementation of corporate social responsibility.

The visit from PAU's top management to this group is part of management's commitment in supporting the implementation of CSR programs. The visit because of transparency between the group and the company is a form of accountability applied in the implementation of this program.

These two groups will create "Credential Value" and provide benefits to the environment. Livestock groups process manure into compost for use by farmer groups. The compost is very good for plants and also the environment. Another benefit is that corn stalks after harvest from farmer groups are given to livestock groups to feed cows.

Institutional strengthening carried out by PT Panca Amara Utama provides benefits to farmer and livestock groups. The perceived benefits can be seen below.

1. Economic Benefits

For economic benefits, we can see the distribution flow of the results of the cultivation of livestock groups and farmer groups as below:

**Independent Circle cattle group**

![Figure 3 Flow of Distribution of Industrial Circle Cultivation Results](image)

The economic benefits obtained by members of the Industrial Circle livestock group are the division of the first calf while the second offspring will be given the group and so on.

**Independent Spirit Farmer Group**

![Figure 4 Flow of Distribution of Independent Spirit Cultivation Results](image)
From the flow of the revenue sharing mechanism, we can see that the sales proceeds will be divided into 3 parts, namely for production / capital costs, group cash and for group members. In 2022, the following data were obtained:

<table>
<thead>
<tr>
<th>Information</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help from PAU</td>
<td>17,000,000</td>
</tr>
<tr>
<td>Sales Results</td>
<td>25,391,700</td>
</tr>
<tr>
<td>Total receipts</td>
<td>42,391,700</td>
</tr>
<tr>
<td>Production Cost</td>
<td>27,305,000</td>
</tr>
<tr>
<td>Income</td>
<td>15,086,700</td>
</tr>
<tr>
<td>Group Division</td>
<td>3,017,340</td>
</tr>
<tr>
<td>Member Division</td>
<td>12,069,360</td>
</tr>
</tbody>
</table>

Table 1 Economic Benefits

<table>
<thead>
<tr>
<th>No.</th>
<th>Member Division</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kun</td>
<td>2,666,000</td>
</tr>
<tr>
<td>2</td>
<td>Rudi</td>
<td>1,877,000</td>
</tr>
<tr>
<td>3</td>
<td>Haris</td>
<td>3,612,000</td>
</tr>
<tr>
<td>4</td>
<td>Ruslan</td>
<td>2,221,000</td>
</tr>
<tr>
<td>5</td>
<td>Rosi</td>
<td>927,000</td>
</tr>
<tr>
<td>6</td>
<td>Momi</td>
<td>644,000</td>
</tr>
<tr>
<td></td>
<td>Sum</td>
<td>11,947,000</td>
</tr>
</tbody>
</table>

Source: primary data

From the table above, we can see that each member gets a different share. This is because each member will get a share according to the level of attendance during the growing season until harvest. The higher the involvement in group garden management, the higher the economic impact.

Non-Economic Benefits

<table>
<thead>
<tr>
<th>No.</th>
<th>Group</th>
<th>PT. Panca Amara Utama</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Increased knowledge related to cultivation</td>
<td>Get information related to situations that will compromise operational security</td>
</tr>
<tr>
<td>2</td>
<td>Solidarity between members is getting stronger</td>
<td>Be helped by the group to explain the stages and process of the program</td>
</tr>
<tr>
<td>3</td>
<td>Cooperation in groups increases</td>
<td>Reduce disruption to company operations</td>
</tr>
<tr>
<td>4</td>
<td>Openness in groups</td>
<td>Gain trust from management</td>
</tr>
</tbody>
</table>

Source: primary data

Another thing related to ISO 26000 is the regular meeting of the group. The meeting was able to make efficient activity planning and financial recording in human and financial resources. These meetings also provide opportunities for members to actively participate in decision-making.

Another thing in this meeting is to provide suggestions and input as a two-way communication between group management, members and the company. This group is very open to other communities to be able to join the group with a record of being able to meet the rules that apply in the group.

The results of this study are supported and in line with the research findings of Alwi et al., (2019) which states that company achievements are based on subject involvement and community involvement and development according to ISO 26000.
Conclusion

The results showed that PT. PAU has a complete commitment in implementing CSR programs. This commitment can be seen from the implementation of community institutional strengthening, aspects of governance systems, decision-making mechanisms, and evaluation of governance systems in achieving ISO 26000 and SDGs 16 in farmer and livestock groups in Uso village, Banggai Regency. Then the results of other studies that can be concluded as follows:

The establishment and institutional strengthening of farmer and livestock groups is very good. Institutional strengthening is in the form of legality, rules and governance, capacity building and collaboration in program implementation.

PAU's strategy of preparing governance in farmer and livestock groups through regular group meetings is very effective. The meeting encourages transparency, equality, member participation, and forms of group concern for group members and companies to achieve common interests.

PAU succeeded in encouraging the group in a fairly good decision-making mechanism. The mechanism starts from the formulation of problems, looking for the best option and also from the results of the decisions implemented are still evaluated. The evaluation is to measure the success of the decisions taken. This is a good practice that can be applied in other groups.

Regular group meetings become a place to evaluate all stages. This evaluation process is by providing clear information on group conditions and activity planning. This encourages transparency in the group and provides opportunities for group members and companies in evaluation activities.

Farmer and livestock groups provide benefits to companies such as building harmonious relationships with the community, reducing conflicts between the community and the company. Another benefit is that the assistance provided to the community is right on target because it is well managed. Good and transparent management of the aid gained the trust of the top management level.

PAU contributes to the achievement of SDGs 16 because it encourages transparency so as to reduce corruption. In addition, the decision-making mechanism in regular group meetings ensures that members participate in decision-making. This decision-making mechanism can answer problems that exist in the group so as to build effective institutions.

PAU implements corporate social responsibility programs in strengthening institutions based on ISO 26000. The institutional strengthening is a commitment from a strong company. From this commitment produces many things for the company and society such as economic, non-economic benefits, building solidity within the group, and participation of group members in activities that make the institution strong and sustainable.
References