

## **INSTITUTIONAL REVITALIZATION OF FISHERIES COOPERATIVES AS A MEANS OF EMPOWERING COASTAL COMMUNITIES**

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### **Abstract**

The purpose of this study was to examine and explain the revitalization of fisheries cooperative institutions that could serve as a means of empowering coastal communities. Fisheries cooperatives were institutions that functioned as a platform for their members to carry out joint economic activities in the fisheries sector. Although Indonesia's fisheries resources were abundant and highly potential, the socio-economic life of coastal communities was generally categorized as poor and marginalized. This research was a non-doctrinal legal study using a socio-legal research approach. This paper attempted to analyze and describe the issues of revitalizing fisheries cooperative institutions that could become a means of empowering coastal communities. The results of the study showed that revitalization of fisheries cooperatives could serve as an instrument to empower coastal communities. Cooperatives, as economic institutions, also simultaneously functioned as social institutions that played a role in improving welfare. They contributed not only in economic aspects but also in social aspects through education that could enhance members' knowledge and skills. As business entities, cooperatives gathered members based on the principle of voluntarism. Therefore, as legal entities, fisheries cooperatives needed institutional revitalization to function effectively in improving welfare and protecting the interests of their members.

**Keywords:** *Institutions; Cooperatives; Fisheries; Revitalization; Coastal*

### **INTRODUCTION**

Fisheries cooperatives are socio-economic institutions engaged in fisheries. As stated in the Cooperative Law No. 25 of 1992 concerning Cooperatives, Article 1 number (1) that a cooperative is a business entity consisting of individuals or a legal entity of the Cooperative by basing its activities on the principle of Cooperatives as well as a people's economic movement based on the principle of kinship. Likewise, fisheries cooperatives generally consist of coastal communities, namely fishermen, processors and fish traders and so on. Fishery cooperatives are also referred to as fishermen's cooperatives, because

they generally consist of fishermen, either formed by the members themselves or by the Government through certain programs. Fishermen according to Article 1 number (3) of Law Number 7 of 2016 concerning the Protection and Empowerment of Fishermen, Fish Cultivators and Salt Farmers are everyone whose livelihood is fishing.

In general, fishermen do fishing in the sea as a daily job, either for their own needs or for others. Indonesia as a maritime country has a very large sea and the potential for fish resources is quite large. Based on the Regulation of the Minister of Maritime Affairs and Fisheries of the Republic of Indonesia Number 18/Kepmen-KP/2014 concerning the State Fisheries Management Area of the Republic of Indonesia (WPPNRI), Indonesian waters are divided into 11 (eleven) WPPs. In accordance with the characteristics of the ecoregion area, 18 marine ecoregions are determined as the basis for consideration in the determination of the Environmental Protection and Management Plan (RPPLH). The sustainable potential of fish resources spread in WPPNRI, based on the Decree of the Minister of Maritime Affairs and Fisheries of the Republic of Indonesia, No. 47/KEPMEN-KP/2016 reached 9.9 million tons.

Fisheries is one of the very potential natural resources in Indonesia as an archipelagic country. This marine fishery resource is the main source of income for the community in coastal areas which administratively is at the village/sub-district level. Based on PODES 2018 data, around 15.32 percent of administrative areas at the village/sub-district level are located by the sea and around 21.82 percent of the population has the main source of income in the fisheries subsector (BPS/Statistics Indonesia, 2018: V).

Fishermen in Indonesia, including in Bengkulu, are generally traditional fishermen and small fishermen. The sea waters located in the Bengkulu Province area of 206,127.6 km<sup>2</sup> or equivalent to 19,446,000 hectares, are included in WPPNRI-572, namely the waters of the Indian Ocean with a coastline of 525 km. Most of the area of Bengkulu Province is categorized as coastal areas, with the number of fishermen reaching 16,437 families (Indra Cahyadinata, et al. 2018). As in general in Indonesia, fishermen in Bengkulu are mostly traditional fishermen and small fishermen. In Article 1 number (4.5) of Law No. 7 of 2016, it is stated that traditional fishermen are fishermen who fish in waters which are traditional fishery rights that have been used for generations in accordance with local culture and wisdom. Meanwhile, Small Fishermen are fishermen who fish to meet the needs of daily life, both those who do not use fishing boats and those who use fishing boats with a maximum size of 10 (ten) gross tons (GT)

In the lives of coastal communities and especially fishermen, the main problem is poverty. Despite living in an abundance of marine and fishery resources, the average level of welfare of coastal communities is still low. According to Rohmin Dahuri, based on BPS data in 2018, at least 20-48 percent of fishermen and 10-30 percent of fish farmers are

classified as poor. The causative factor is not only the low quantity of production, but also traditional methods that are still applied (Republika, 2018). The causes of fishermen's poverty include limited capital, skills, pressure from capital owners (unfair fishery profit-sharing system), non-transparent fish trading or auction system (no proper regulations and weak authority or government), traditional or conventional work culture. (Endang Retnowati, 2011). Based on data from the Ministry of Cooperatives and Small and Medium Enterprises (SMEs) in 2018, the number of fisheries cooperatives in Indonesia is 2,884 cooperatives, including 2,802 units of micro-enterprise-scale fishery cooperatives, 69 units of small business scale and 13 units of medium-scale fishery cooperatives. This number is around 2.09% of the total number of cooperatives in Indonesia amounting to approximately 138,140 units. Of the 2,802 micro-scale fisheries cooperatives, only 58% are still active or around 1,687 units and those with Cooperative Identification Numbers (NIP) amount to 271 cooperative units. Referring to this data, it can be said that there are still many fisheries cooperatives that have not functioned optimally, both from the institutional aspect and the management of fisheries cooperatives have not been professionalized.

Therefore, this study aims to study and explain the problem of revitalization of fisheries cooperatives. Institutional revitalization is very important in an effort to strengthen the function of fisheries cooperatives so that they can become a means of empowering coastal communities, especially fishermen who are members. By strengthening the institution and managing the cooperative's function as an economic institution, it is hoped that fishermen can empower themselves as cooperative members. With adequate human resource capabilities, cooperatives can be a means of empowering coastal communities in a sustainable manner.

## **METHODS**

This research was carried out with non-doctrinal legal research carried out in Bengkulu, Muko-Muko district, covering Muko-Muko, Teramang Jaya and Ipuh districts in 2018. The approach method used is the *sociolegal research approach*. The primary data collection procedure was carried out using *in-depth interviews* with informants and respondents determined by *proposive sampling*. Secondary and tertiary data collection is carried out by means of literature and document studies. Qualitative analysis.

## **RESULTS AND DISCUSSIONS**

### **Fisheries Cooperative Institution**

Cooperatives are a form of joint venture that constitutionally becomes the basis of the national economy as stated in Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia. According to Moh. Hatta, cooperatives are a concrete form of

mutual cooperation economy. Furthermore, juridically, Cooperatives are regulated based on Law Number 25 of 1992. Cooperatives in Indonesia are growing and developing in various fields including the fisheries sector. Fishery cooperatives were first present in Indonesia in 1912 in Tegal, which was a fishermen's association. Then it developed in Pekalongan, Cirebon and Semarang. The various fishery cooperatives (fishermen) initially only held the buying and selling of caught fish through auctions, then developed by holding a credit business for catching costs. The levy obtained from the auction is used for administrative costs, accident insurance funds at sea, purchase of fishery materials, boat building and traditional fish processing (such as salting, drying and scanning).

In terms of quantity, there are quite a lot of fishery cooperatives or fisheries cooperatives that are legal entities established in coastal communities. It was partly established due to the initiative of the fishing community group itself, and partly due to the government's encouragement due to various government programs. However, in terms of quality, it has not been able to develop optimally. This is due to various factors, both internally and externally. Therefore, it is necessary to revitalize or strengthen existing fisheries or fishermen cooperatives. Cooperative Revitalization is a series of activities organized by Cooperatives in an effort to make Inactive Cooperatives become active Cooperatives, and Active Cooperatives become larger Cooperatives." This refers to the provisions stipulated in the Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 25/Per/M.KUKM/IX/2015 concerning Cooperative Revitalization. Article 1 paragraph (2) in the Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 25/Per/M.KUKM/IX/2015.

Fishermen's cooperatives play a very important role in meeting the needs of fishermen, namely as a provider of capital, fulfilling equipment and meeting daily needs. The role of cooperatives as providers of capital, in this case fishermen (cooperative members) is very helpful, especially when members need money to open a business or equipment and others. Around 80% of cooperatives play a role as a provider of needs. The role of the cooperative as a provider of equipment, this cooperative provides fishermen equipment only when members request it. About 65% of cooperatives play a role in the provision of equipment. The role of cooperatives as providers of daily necessities plays a role of around 95% (Yusuf et al., 2014). In general, fisheries businesses or businesses run by fishermen or processors are micro and small-scale businesses. In running a business, the main problem faced by fishermen/processors as business actors is the problem of capital. The results of the research of Kontesa and Ambarini, (2005; 2007), stated that although the Government has provided facilities through the PEMP (Coastal Community Economic Empowerment) Program to help overcome difficulties in capital, in practice the program is not easily accessible, especially by women business actors

This can be exemplified from the results of research in Muko\_Muko and Ipuh sub-districts by Ambarini, et al. (2018), there are two Fishermen's Cooperatives that are already legal entities, namely the Putri Wulandari Fishermen Cooperative and the Fishermen's Cooperative of Selagan Makmur (in Muko-Muko), the Mina Karya Lestari Cooperative (Ipuh). This type of cooperative business is a capture fisheries business, and has received the status of a Legal Entity with No. 107/BH/IX-5/DPPKU/VII/2014. At the beginning of the establishment there were 25 fishermen. This is in accordance with the provisions of Law No. 25 of 1992 concerning cooperatives, which stipulates the establishment of a minimum of 20 cooperatives. In its development, the number of members continued to increase until the time of this research was carried out approximately 50 fishermen (20% of the number of fishermen in Ipuh sub-district 1,569 fishermen). The establishment of the cooperative was initiated by several people who then played the role of cooperative managers. The business field that is run is capture fisheries which includes fishing, fish farming and marketing. The initial activity moves in terms of savings and loans to meet the capital needs of its members. The initial capital of the Mina Karya Lestari cooperative in addition to principal deposits, mandatory and voluntary members as well as assistance from the government. At the beginning of the establishment of the cooperative, it had a capital of Rp. 25,000,000 (twenty-five million rupiah). At first, savings and loan activities could run smoothly, in its development until now it has experienced congestion due to various things. In addition to the less professional management of cooperatives due to the lack of knowledge and skills of managers of cooperatives, uncertain income of members as fishermen, as well as low knowledge and awareness of members in cooperatives. Likewise, there is weak support from the authorities even though there has been guidance from the government. However, this is generally only oriented towards achieving certain project or program targets.

#### Revitalization of Cooperative Institutions as a Means of Empowering Coastal Communities

Empowerment is part of the development paradigm that focuses attention on all principled aspects of human beings in their environment, ranging from intellectual aspects (Human Resources), material and physical aspects, to managerial aspects (Sutarto, 2018). According to Suharto (2017), the main goal of empowerment is "to strengthen the power of the community, especially weak groups who have powerlessness, due to internal conditions (such as their own perceptions), as well as due to external conditions (e.g. oppressed by unjust social structures)". Empowerment according to Najiyati, Asmana, & Suryadiputra, (2005) is based on the principle; (1) Equality, (2) Participatory, (3) Self-Reliance, Sustainable. (I Gusti Ayu Yogi Iswari, et al., 2019).

Empowerment is very important for the fishing community, especially those who are members of cooperatives who are generally fishermen or processors on a micro and

small scale. The poverty faced results in economic and social powerlessness in the life of the community. The problem of limited capital, skills, pressure from capital owners (unfair fishery profit sharing system), non-transparent fish trading or auction system (no proper regulations and weak authority or government), work culture that is still traditional or conventional, must be overcome by providing solutions so that fishermen have the ability to increase income and welfare. Basically, empowerment by the Government has been carried out, for example, through the PEMP Program (Economic Empowerment of Coastal Communities). However, in reality, based on the results of the research of Ambarini and Wafiya (2008), although the PEMP program, especially in Bengkulu City, has been well implemented, the targeted goals have not been achieved. The implementation of the PEMP Program has not been able to foster a culture or culture of creative-innovative, participatory and independent legal awareness and legal awareness of coastal communities. Similarly, according to the results of Ambarini's research (2010; 2012) related to the implementation of Law No. 31 of 2004 jo Law No. 45 of 2009 concerning Fisheries and Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs), have not provided protection and justice to MSME business actors in the fisheries sector.

Traditionally, in commercial or fishery business activities, there is a local economic system or institution that assists MSME actors (fishermen and fish processors) in overcoming problems or difficulties of business capital. The system is called the *ambaan* system by the *pengamba* in the fishing communities of Madura and Banyuwangi (Kusnadi, 2009: 52) and in Bengkulu it is called *Cingkau*, which plays the role of a *middleman* or in Malay called a catcher. This system regulates legal relations, namely cooperation between fishermen/processors and intermediary traders in the distribution of fishery products (fresh or processed) and the acquisition of fish raw materials for processors. In this relationship, intermediary traders also play a role as business capital lenders. This traditional system basically really helps fishermen, especially to be able to do work at sea, but economically it has not provided welfare for fishermen. This system is a form of patron-client system that is commonly carried out in coastal communities.

Regarding fisheries business institutions, it has been regulated in the Decree of the Minister of Maritime Affairs and Fisheries of the Republic of Indonesia Number KEP. 14/MEN/2012 concerning General Guidelines for the Growth and Institutional Development of Main Actors in Fisheries. Institutions are mentioned in the Introductory Chapter letter (C) that the institution of the main actors of fisheries is a collection of main actors consisting of fishermen, fish farmers, and fish processors who are informally bound on the basis of compatibility and common needs and within the sphere of influence and leadership of a leader of the main group of actors in marine and fisheries. Meanwhile, the main actors of fishery activities are fishermen, fish farmers, fish processors, fishery

product marketers, and people who do business in the marine and fisheries sector and their nuclear families. In Law No. 7 of 2016 concerning the Protection and Empowerment of Fishermen, Fish Cultivators and Salt Farmers, Article 1 number (28) Institutions are institutions that are developed from, by, and for Fishermen, Fish Cultivators, or Salt Farmers or based on local culture and wisdom. Furthermore, in the Sixth Part of Articles 54-58, these institutions can be in the form of groups, and these groups can also form joints, associations, cooperatives, or other business entities. The formation of these institutions is basically carried out by the main actors of fisheries and in this case the government is obliged to encourage and facilitate if the institution has not been formed.

In the provisions of Law No. 25 of 1992 concerning Cooperatives, juridically cooperatives are formed by a minimum of 20 people who voluntarily and agree to carry out joint business activities in the form of cooperatives. Volunteerism is the principle of cooperative membership which is essentially based on awareness of the importance of cooperatives. In this context, members have a commitment to carry out economic activities together to improve common welfare. On the other hand, there are many fisheries cooperatives whose formation receives facilities from the government through certain programs to help the community. Such as the PEMP (Economic Empowerment of Coastal Communities) program in 2001, in Bengkulu City starting in 2002. The program, which is financed with fuel subsidy funds, focuses on the institutional development of coastal communities based on local resources and the development of well-organized entrepreneurial capacity. The goal of the program is to achieve the sustainable utilization of coastal and marine resources. (Indra Cahyadinata, 2005). However, the program whose implementation with this project approach is not running optimally. The cooperative was formed from the PEMP program beneficiary group, namely LEPP-M3 Coastal Community Development 2004b. Legally, LEPP was ratified by the Bengkulu City Marine and Fisheries Service on August 16, 2003 with a decree number: 523/44/7PEMP/2003. Since February 11, 2004, LEPP has been a cooperative legal entity with decree number: 02/BH/DK-PPKM/KEP/II/2004 (LEPP-M3 Bina Masyarakat Pesisir 2004b). In this context, institutionally, a cooperative legal entity was formed, but in the course of its existence this cooperative was inactive, among other things due to suboptimal management. In terms of quantity, cooperatives are quite developed, but as previously presented data, only 58 percent (1,687 units) are still active out of a total of 2,802 micro-scale fishery cooperatives and 271 units that have Cooperative Identification Numbers (NIP).

With such conditions, the revitalization of fishery cooperatives is very necessary, so that it can become a means of empowering coastal communities. According to Wilantara (2016), the Cooperative revitalization can be done in 3 forms, namely: 1) Business Structuring, 2) Membership Structuring, 3) Cooperative Empowerment. (Sulistian Syaputri, 2019). With revitalization, it is hoped that cooperatives can contribute

to human resource development and development. Therefore, revitalization must be carried out comprehensively, planned, integrated and sustainable. Revitalization can first of all be done through education. Cooperatives are not only economic and social institutions but also educational institutions for their managers and members. Education is a conscious effort to improve the ability to understand one's identity and apply it. Therefore, from the intellectual aspect of human resources, both administrators/managers and members, education related to cooperatives and their management is very important. In addition to increasing awareness of cooperatives, it is also a skill to manage it. Furthermore, from the material and physical aspects related to cooperative institutions and the managerial aspects of fisheries cooperative management. This can be done by collaborating not only the government, but also the business world and the community, including educational institutions.

## **CONCLUSION**

This research aims to examine and explain the revitalization of fishery cooperatives as a means of empowering coastal communities. Fishery cooperatives, like cooperatives in general in Indonesia, are growing very rapidly quantitatively. However, qualitatively it cannot be optimal, because although it is formally registered as a legal entity, it is mostly inactive. For those who are not active, revitalization is very important. The revitalization of fisheries cooperatives must be comprehensive, planned, integrated and sustainable. This can be done through education, especially from the intellectual aspect of human resources for both managers and members. Educational transformation is not only about cooperatives but also includes cooperative management skills and the business fields that are run. Thus, cooperatives can develop not only institutionally but also in their business fields in a sustainable manner. Revitalization needs to involve various parties such as the Government, the business world and the community, both involved and the wider community. With revitalization, fisheries cooperatives can become a means of empowering coastal communities in a sustainable way.

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