



Occupational Diversification and Socio-Economic Life of Rubber Farmers after the Fall in Rubber Prices in Pelita Sagop Jaya Village of Indra Makmur Subdistrict in East Aceh

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Abstract

This research aims to analyze occupational diversification and the socio-economic conditions of rubber farmers in Pelita Sagop Jaya Village, Indra Makmur Subdistrict, East Aceh. This research uses a descriptive method with a qualitative approach through data collection techniques in the form of interviews, observations, and documentation related to secondary data to support this research. The results of occupational diversification research carried out by rubber farmers after the fall in rubber prices by doing additional or side jobs such as being a casual daily laborer at PTPN 1 Aceh, a mobile fish seller, opening a staple food stall, and becoming a marketing trip for *umrah* (Islamic minor pilgrimage) and with the help of the role of his wife. Overall, occupational diversification carried out by rubber farmer households can improve economic welfare and farmers' efforts to be able to maintain their lives. Socioeconomic conditions of farmers by diversifying the occupation of rubber farmers can be helped and even better, rubber farmers can meet the needs of life even though their main source of search is not reliable for all household needs.

Keywords: *Occupational Diversification; Socioeconomic Life; Rubber Farmers*

Introduction

The carrying out of the national development of the State of Indonesia as mandated in the fourth paragraph of the Preamble of the 1945 Constitution is solely to advance public welfare. Various national development activities are carried out by the government to improve public welfare. One of them is by directing various development activities to regions, especially development in areas that have relatively low population and welfare levels. Development itself is carried out in an integrated and sustainable manner according to the priorities and needs of each region with roots and targets that have been determined through national short-term and long-term development programs.

However, development issues related to economic problems are so complex in the community. According to Horton and Hunt (in Soeroso, 2008), it states that economic problems present are so complex in society, of course, a social and economic problem-solving strategy is needed that is able to provide solutions that can be felt both in the short term and long term.

To overcome the above social and economic problems, another way is needed to keep development growth going, another way is to develop the agriculture and plantation sectors. Given that Indonesia is an agricultural country that has great potential in these two sectors. *The Association of Natural Rubber Producing Countries: 2012*, Indonesia was ranked second after Thailand and followed by Malaysia, India, Vietnam, and China for the agricultural sector and rubber plantations. They also noted that the total area of rubber plantations in Indonesia reached almost 3.5 million hectares with a production of 3.3 million tons. The area is dominated by smallholder rubber plantations which in 2012 covered an area of 3 million hectares or around 81% of the total national rubber area, with a production of around 80% of the total national natural rubber production, which means that agriculture and agriculture can be relied upon as a buffer for the country's economy.

Problems arise, when the agriculture and rubber plantation sectors cannot be relied upon due to constraints with selling prices, rubber has a low selling price, the Technology Assessment and Application Agency (BPPT) in 2012 noted that high world oil prices are the cause of falling rubber prices, world oil itself is the basis for synthetic rubber or artificial rubber as a competitor of natural rubber. Another factor is oversupply from national rubber. This creates a crippling in the socio-economic life of people who depend on the sector.

Regarding the price of Indonesian rubber, Julivanto (2009) explains that Indonesian rubber experienced a price decline due to several obstacles encountered such as low productivity, global crude oil factor, exchange rate instability and world economic conditions affecting the volume of Indonesia's natural rubber exports. Indonesia's natural rubber exports are also vulnerable to shocks in the economy, besides that in the long term the stability of the exchange rate will increase the volume of exports that are not arbitrarily regulated by the Indonesian government. This is caused by the decrease in uncertainty, the risk borne by importers also decreases so that natural rubber importers will not hesitate in increasing imports of natural rubber from Indonesia. In the long run, Indonesia's natural rubber exports are also strongly influenced by its production of natural rubber.

One of the regions in Indonesia that has potential in the field of rubber plantations is Indra Makmur Subdistrict, East Aceh. The area is known as an area that has the potential for natural resources in the agriculture and plantation sectors. The potential of agricultural land in Indra Makmur which is very good when viewed from the area of land as well as the condition of the land and the weather that is suitable for gardening and farming is the Village of Pelita Sagop Jaya. However, the reality of Pelita Sagop Jaya residents who are known to have more rubber farming land than other areas in Indra Makmur Subdistrict, East Aceh, is not very advanced in terms of economic and social aspects. In addition, their lives are not prosperous in other regions. This is evidenced by their family life, the way they dress, the condition of their homes.

The phenomenon that occurs in Pelita Sagop Jaya Village, Indra Makmur Subdistrict, East Aceh requires them to diversify occupation to other sectors, According to Nghiem (2010), Occupational Diversification in rubber farmers is defined as the process by which agricultural households increase income and labor to the non-agricultural sector. This approach prioritizes the non-agricultural sector as a source of diversification activities. The indicator used is the share of labor allocation or share of income from non-agriculture. In the long run, the diversification of income sources is aimed at creating more employment, improving the economy of the agriculture and rural sectors, and developing service and service activities through the linkages between agriculture and rural areas with non-agriculture. Policies

that lead to expanding employment opportunities to increase diversification of household income are priority development policies in rural areas.

Literature Review

According to Davis (2010), occupational diversification is an effort as a strategy to build a livelihood system or a strategy to fulfill a living which is a tactic and an action built by individuals and groups in order to maintain their lives while taking into account the existence of social infrastructure, social structures, and cultural value systems that apply. Household decision making for diversification depends on whether the market function is working properly so that it does not become an obstacle for agricultural households to enter into other activities.

In relation to agriculture, Sukirno (2002) emphasizes that occupational diversification activities in farm households are important considering that non-farming activities (informal activities) will increase income and support the economy. Non-farming activities become not only a side activity, but also a work opportunity that can generate income to meet the farmers' basic needs. The importance of the role of non-farming activities for farm households can be seen from the number of farm households that depend not only on their sources of income but also on non-farming activities.

The purpose of occupational diversification is to secure household income. In the current era of climate change, households that depend entirely on sources of income from the agricultural sector, agriculture has a high enough potential risk of the possibility of crop failure and uncertain selling prices that have an impact on household income decline. In the long term, diversification of income sources is aimed at creating more employment, improving the economy of the agriculture and rural sectors, as well as the development of service and service activities through the linkages between agriculture and rural areas with non-agriculture, Nghiem (2010).

Poniman (2015) suggests that social is everything that is used as a reference in interacting between human in the context of society or community, as a reference means social is abstract which contains symbols relating to the understanding of the environment, and serves to regulate the actions that are raised by individuals as members of a society. Therefore, social must include more than an individual who is bound to one unity of interaction, because more than an individual means that there are rights and obligations of each individual that function with one another.

Santrock (2007) explains that the socioeconomic status is a grouping of people based on similar characteristics of employment and economic education. Socioeconomic status indicates certain inequalities. In general, community members have (1) work varying in prestige, and some individuals have greater access to work of higher status than others; (2) different levels of education, there are some individuals who have greater access to a better education than others; (3) different economic resources; (4) level of power to influence community institutions. Differences in the ability to control resources and participate in community rewards produce unequal opportunities.

Methodology

This type of research is descriptive with a qualitative approach. Research with descriptive methods is research that aims to make a description, picture or painting in a systematic, factual and accurate manner about the facts, properties, and relationships between the phenomena under investigation. The informants in this research were rubber farmers who had rubber land area of over 5 hectares, middlemen and community leaders in Pelita Sagop Jaya Village, Indra Makmur Subdistrict, East

Aceh. Data collection techniques using primary data collection techniques in the form of interviews, and literature studies used to support this research. Secondary Data as obtained indirectly through sources both in writing, pictures, as well as from media sources, as well as scientific documents related to the research, and observation. According to Miles and Huberman (2007), the stage of data analysis consists of several activities that occur simultaneously, namely, data reduction, triangulation and drawing conclusions.

Research Result

Occupational Diversification

Additional work is an activity that is intended as a side activity to get additional income, where additional work is work that is owned by the head of the rice farmer household or family members. Deemed insufficient in meeting the needs of his family, small farmers look for alternative work alternatives to increase their income.

Mulyanto (1982: 323) distinguishes income into three groups, namely formal income, informal income, and subsistence income. Formal income is income derived from basic work. Informal income is income derived from additional or side jobs, while subsistence income is income derived from production factors that are valued in money. Informal income is usually to support formal income when formal income is deemed insufficient or insufficient.

Additional work is work carried out by someone, usually, because the income earned from basic work is not sufficient to meet the basic daily needs or side jobs are there because there is still time left for someone after doing their main work, side jobs are carried out by rubber farmers to meet their needs due to low rubber prices.

Based on the data above, Pelita Sagop Jaya Village residents who carry out additional/side work are rubber farmers, according to the Head of Pelita Sagop Jaya village. The types of additional work performed by rubber farmers in Pelita Sagop Jaya village include:

1. Becoming a freelance daily worker at PTPN I ACEH
2. Becoming a *muge* (itinerant fish seller)
3. Opening a shop at home
4. Becoming *umrah* marketing sales

In addition to the things mentioned above, there are also rubber farmers who carry out occupational diversification activities assisted by the role of their wives. In essence, every person will always try to be able to continue to maintain his life, one of these efforts is certainly by working. Someone doing work is to get income. Thus, they try to work as well as possible so that they can meet their needs. By working men try to be able to meet every living need from the income he gets from working both his main job and from side jobs.

Household needs are needs that are indeed and must be met in order to sustain life, those needs include food, housing, clothing, and goods and services such as education, health, and participation. Farmers do additional work solely to increase the support system in the family so that the main source of income that cannot be used as collateral can be covered with additional income.

The results of interviews and observations, his household is supported by the participation of his wife who helped run the family economy. According to Saparinah (2010), the reasons why the participation of women in economic activities increases are: first, there is a change in people's views and

attitudes about the importance of education for women and men, as well as the growing awareness of the need for women to participate in development, secondly, there is a willingness of women to be independent in the economic field that is trying to finance their living needs and perhaps also the living needs of the people who depend on their own income. Another possibility that causes an increase in the participation of women in the workforce is the wider employment opportunities that can absorb female workers, for example, the emergence of handicrafts and light industry. Women have the potential to contribute to household income, especially middle to lower-income households. This is also agreed by Heryanto (2008), who explains that in middle to lower-income households' female members jump into the labor market to increase household income that is felt to be insufficient. The income of women workers in the clothing industry has a significant contribution to increasing family income. Women's contribution can be said to be a safety valve or a support for the middle to lower household to fulfill their basic daily needs.

The economic condition of the family often forces women to work to supplement family income. Frequently, the household needs are so large and urgent, making husband and wife have to work to be able to meet their daily needs. These conditions make the wife has no other choice but to join in looking for work outside the home. Various alternative subsistence belongs to the self-help carried out by farm families in solving economic problems that might be able to happen to him. This can include activities such as selling petty, working as a handyman, as a freelance worker, or even immigrating. From this side job, it can be used as an alternative that can be an option for some people to cover all the shortcomings that are needed by the community and even, from the alternative work can be a support for future savings when people are in need of something. The subsistence economy of smallholder families in this research basically knows that if rubber yields are sufficient, it can be said that their food supply is sufficiently guaranteed. However, if rubber products are sold, they are valued based on price. Then, the guarantee for their food could no longer exist. This is what largely causes people who work in the agricultural sector to experience economic problems that are fatal enough so that the fulfillment of their needs may experience instability. Based on this, it is encouraging for most people to take alternative steps by immigrating from employment in the agricultural sector to switch to other jobs which according to him can guarantee their quality of life to be better and more improved than before. Therefore, if the results of the main work are felt to be lacking, the results of the part-time work can cover any deficiencies that occur. Part-time farming such as planting commercial crops that they can sell, sell, work part-time or even raise chickens or ducks can be a source of subsistence guarantee that can be used as a livelihood if one day the rubber yields are not sufficient for their daily needs

Viewed as a whole, the occupational diversification carried out by rubber farming households in Pelita Sagop Jaya Village to improve economic welfare is an effort of farmers to be able to maintain their lives. Efforts made by farm households with the above objectives are certainly to have a positive impact on the occurrence of good social change. During diversification, increasing or stabilizing income will develop economic behavior in consuming material objects of household basic consumption needs. Such behavior will bring certain lifestyle changes that will later foster the formation of prosperous households even though the main income is less supportive. Overall, the findings from the research above state that occupational diversification activities in rubber farmer households have various types and income results, and this is also supported by rubber farmer household farmers who also play a role in contributing energy so that the results of their occupational diversification activities run well. Even so, there are also those who are reluctant to carry out occupational diversification activities due to several factors, one of which is because there is income support from wives who have sufficient income.

The Social and Economic Life of Rubber Farmers

Socioeconomic life is a person's activity that is related to other people. Men are social creatures where they cannot live alone. According to Aristotle, Men are *zoon politicon*, social creatures who like to live together or prefer to find friends to live together rather than live alone. Men need help from others ranging from human born to death. Men always interact, relate, communicate, need each other and help each other. Every individual has the desire to relate to others.

Fandi (2013), stated about the understanding of the socio-economic conditions of the community is a joint effort in a community to overcome or reduce life difficulties, with five parameters that can be used to measure the socioeconomic conditions of the community namely age, gender, education level, employment, and income level. The character of the socioeconomic condition will also be influenced by various things, which will cause a difference between the socioeconomic conditions of someone with someone else. In accordance with the above opinion, it can be concluded that socioeconomic characteristics are the characteristics of a person in a group of people determined by the type of economic activity and social conditions. This research is a socioeconomic description is the special characteristics possessed by a farmer related to socioeconomic, social description includes (1) lifestyle and (2) the level of education of farmers' children; while economic descriptions include: (1) Land Area owned, (3) rubber plantation production, (4) income of rubber farmers, and (5) level of fulfillment of rubber farmers' needs. In this research, the authors focus on how their socioeconomic life after occupational diversification activities, as for the results of the research are described below.

Discussion

James Scott (1982) explains from within the farmer arises from fears of experiencing income shortages and that is actually a consequence of a life that is so close to the boundary line of the subsistence crisis because most peasant households live so close to the boundaries of subsistence and become targets of nature's play and demands from outsiders. This is shown by most of the technical, social, and moral arrangements in this society based on the principles of life. In agriculture, they (the farmers) try to avoid failures that will destroy their lives and not try to make huge profits by taking risks. To keep income stable for farmers in rural areas, they often make money savings as reserve capital, how to form capital is often done by saving, namely by setting aside part of their income for saving needs. Rural conditions are often found that a person's wealth is often determined by the extent of ownership of land ownership. Thus, the wider the land owned or controlled by the farmer, the more extensive he has the opportunity to earn high income and capital. Limited land issues with factors such as selling prices that do not always support cause agriculture to be insufficient for farmers' living needs throughout the year. That is why most of the needs of large farmers, such as repairing houses, buying bicycles or buying clothes, can only be fulfilled when high selling prices arrive.

Regarding farmers' income, Haryanto (2011) argues that farmers' own income can be divided into two types, namely cash gross income, and non-cash gross income. Gross cash income is the value of money received from the sale of agricultural products and does not cover money loans for farming and consumption. Gross non-cash income is income not in the form of cash, but harvests that are consumed, used in other farms for food or stored in warehouses and payments in the form of objects. Net farm income is the difference between the farm's gross income and the total farm expenditure. The farm's net income measures the returns received by the farm family from the use of the factors of production work, management and capital owned by themselves or loans invested into the farm.

According to Purwitasari (2007), the pattern of household consumption is one indicator of household welfare. So far, there has been a growing understanding that the small proportion of

expenditure on food consumption to all household expenditures can provide an illustration of the welfare of the household. Households with a greater proportion of expenditure on food consumption indicate households with low incomes. The higher the level of household income, the smaller the proportion of expenditure for food to all household expenditure, so it can be said that households will be more prosperous if the percentage of expenditure for food is much smaller than the percentage of expenditure for non-food.

In principle, economic management is a useful tool for changing behavior to be effective. As a result of an inadequate understanding of economic management will be seen from how people experience mistakes when making spending decisions and others. The aftereffect is having an impact on the difficulty of meeting funds for various activities. Difficulties can occur at the level of individuals or families because economic activity in the family often leaks so that greater expenditure than income. Each family has a different art of management, this can be influenced by habits, experience and knowledge. The main problem is how with all the effort, one can quite guarantee his life. Understanding enough is very relative for everyone. Cannot be measured by the availability of excessive material. However, it is more likely to the satisfaction felt by those concerned. Someone can feel satisfaction if they do not always feel inadequate, and are hunted by the needs that are always urgent, which plunged them into the path of debt or close the hole because they are not aware of the need to separate between needs and desires.

The quality and quantity of family needs vary and are subjective according to their assessment and measurement. Nevertheless, it can be ensured that the expectations of each family can improve the fulfillment of their needs or well-being by having various choices (alternatives). The needs of family life are very diverse types, and not all men have the same needs. Therefore, men struggle to make a living to make ends meet. Besides, everyone has their own way to meet their needs. Suparmoko (2010) groups various types of needs into several parts, among others, needs according to intensity of use are divided into primary needs, secondary needs, and tertiary needs. Then, the needs according to their nature are physical needs and spiritual needs. In addition, the needs according to time are divided into the needs of the present and the needs of the future.

Income is an important indicator to determine the level of household life. In conducting farming activities, farmers hope to increase their income so that their daily needs can be met. Garden yields and productivity are sources of uncertainty, so when prices and production, the income received by farmers also changes. Income is also considered as a very important benchmark to see the welfare of farmers is household income because some aspects of welfare depend on the level of income of farmers. The amount of income of the farmers themselves will affect the basic needs that must be met, namely, food, clothing, housing, health and employment.

Conclusion

Socioeconomic conditions of rubber farmers in Pelita Village Sagop Jaya, Indra Subdistrict The results of the occupational diversification research conducted by rubber farmers after the fall in rubber prices by doing additional or side jobs such as being a casual daily laborer at PTPN 1 Aceh, a traveling fish seller, opening a staple food stall, and being an *umrah* travel marketing employee and with the help of the role of his wife. Overall, occupational diversification carried out by rubber farmer households can improve economic welfare and farmers' efforts to be able to maintain their lives. Socioeconomic conditions of farmers by diversifying the occupation of rubber farmers can be helped and even better, rubber farmers can meet the needs of life even though their main source of search is not reliable for all household needs. Several factors cause the community in Pelita Sagop Jaya Village to choose a job as a rubber farmer and the side jobs they choose, including the level of education is still relatively low, the age factor is derived from their parents as farmers so that they become farmers and lack of capital and the lack

of expertise they have to open a business, diversification of occupational activities or other additional work to meet their daily needs, it is also supported by other family roles, such as a wife who also did additional work in the midst of falling rubber prices.

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