

Chapter 1

Solidarity Economy Practices in Rural and Fishing Communities Across Indonesia

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1. Introduction

Agrarian politics, agrarian studies, issues concerning politics and development in rural societies in Southeast Asia, particularly Indonesia, have been the focus of my research for the last two years, and this chapter presents my preliminary thoughts on a project to extend this research focusing on solidarity economy practices.

Why is it important to look at the politics and economy of agriculture? Because of its resurging or continuing importance in our world today. This topic was very popular in the 1960s and 1970s in the post-colonial context, when so many countries in the global south-eastern region gained their independence and had to deal with issues of rural development, but it is still important today, even in developed countries, where much of the support for conservative parties such as the LDP in Japan, and the Republican party in the USA comes from rural areas or de-industrialized areas. It is obviously important in countries such as India, which recently saw a series of mass protests, as well as Indonesia, where agrarian issues have been prominent in political and cultural discourses in the last couple of decades. The ongoing issues arising from the reshaping of rural areas are the main reasons why this topic remains important for us today.

In this project, we will look at how ‘smallholders’, which is just a generic term for peasants and fisherfolk, respond to agrarian change; or how they react to the expansion and deepening of market relations and

forces in rural areas in contemporary Indonesia. In particular, in this project, we will look at the connection between society and the market, focusing mostly on local responses to agrarian change, primarily during the post-authoritarian period, from 1998 onwards.

Scholarship on agrarian studies as well as Indonesian society and development has primarily focused upon agrarian conflicts such as land conflicts, or political actions by farmers and rural activists against land grabbing and resource dispossession. However, one type of response that is often overlooked is economic resistance, and alternatives to market rule. This economic response is also known as Solidarity Economy, which means correctives and alternatives to market capitalism.

This ideologically is mostly inspired by populist and sometimes left-leaning ideas, and there are some examples of these practices such as the self-sufficient, communally oriented Marinaleda village in Spain, the community housing projects of urban squatters and landless peasants in Brazil, and the welfare state or social democracy experiments in the state of Kerala in India. These are some examples of solidarity economies that already exist in different parts of the world.

This project is an attempt to shift our attention away from the obsession with open agrarian conflicts and political actions by farmers, fisherfolk, and proactivists, and look at other types of activities and activism, especially in econometric areas. This area has been under studied, and in particular few studies have looked at Solidarity Economy experiments among fishing communities. In this author's opinion, a more comprehensive view of proceeding economic experiments in Indonesia is long overdue.

To put changes in rural politics and economy in Indonesia into context, the current features of Indonesian rural society and development are more or less the byproducts of the mode of governance and development under the previous authoritarian regime, which lasted

for three decades from the 1960s until the late 1990s. Then in the late 1970s to 1980s we saw the expansion of state backed large scale plantations and land grabs that engendered opposition to this expansion of investment and capital into rural areas, leading to a new wave of protests by activists as well as peasant communities campaigning for land rights and against eviction. This was exacerbated in the 1980s by the liberalization of the economy, including the land market in rural areas. This period of economic liberalization also coincided with political liberalization. So, even though the region was under authoritarian control, they were relaxing some rules and political spaces and this paved the way for a new wave of peasant activism. Then through the 1990s, and with the democratization of the country in 1998, we have seen a more vibrant wave of activism by peasants and fisherfolk as well as by rural activists.

At the same time, there was an intensification of market expansion in rural areas, which led in the early 2000s to the rise of peasant unions protesting land-titling legalization without land reform. This prompted several activists and communities to shift their attention to expanding the focus of their operations by not only looking at politics and cultural resistance, but also looking at the economy. They started to ask what sort of alternative economic arrangements and experiments they could undertake to challenge market expansion? According to several activists whom this author talked to this is a quite recent strategy which started in 2010, although some of the practices behind this can be traced back all the way to the 1970s or 1980s. However, in the context of recent developments, this is a pretty recent experiment.

2. Field Findings

In this section I would like to share some illuminating case

studies from my fieldwork that showcase these Solidarity Economy experiments. According to my observation so far, these experiments can be broadly defined into more or less five types. The first is organic or natural farming. The second is producer cooperatives. The third is community enterprises or community businesses. The fourth is credit unions, and the fifth is social institutions such as community run schools and adult education programs. This is based on my past three years of in-country fieldwork, from 2015 to 2017 and 2018 to 2019 as well as ongoing conversations with my interlocutors in the field. I cannot go back to Indonesia yet, but I still maintain communications with my friends and dialogue partners in the field. These experiments are both productive and socially reproductive. Socially reproductive refers to activities that are not directly related to agricultural or economic production activities, but are nonetheless still important to support the economy, such as education.

Currently, there are a number of similar experiments in various parts of Indonesia but to illustrate the ongoing progress being made in empowering local communities in Indonesia, we will take a few examples to help deepen our understanding and generate future discussion.

1. Organic Farming



Figure 1. Natural/Organic Farming in Salassae Village

Source: Author

Several peasant unions and community organizers see organic or natural farming as an alternative to corporate-dependent mainstream agriculture. For instance, the Indonesian Peasant Union (SPI) promotes organic farming as a way to improve the autonomy of smallholders while still participating in the market economy (Edwards, 2013). In Bulukumba District, South Sulawesi Province, an organization called the Salassae Rural Self-Governing Community (KSPS) encourages local peasants to adopt organic farming to lessen their dependence on big fertilizer companies and increase their political awareness. The idea is to produce high quality agricultural products and challenge the market by reducing the dependence of farmers on middlemen and finding a niche market that they can sell their products to.

Advocates of this practice prefer to call this natural farming or *pertanian alami*, in Indonesian language, because according to them, organic farming is being corporatized and already big companies have appropriated the term. So they prefer to use the term ‘natural farming’. The logic behind this is basically to lessen dependence on big fertilizer and agricultural companies through organic farming.

2. Producer Cooperatives

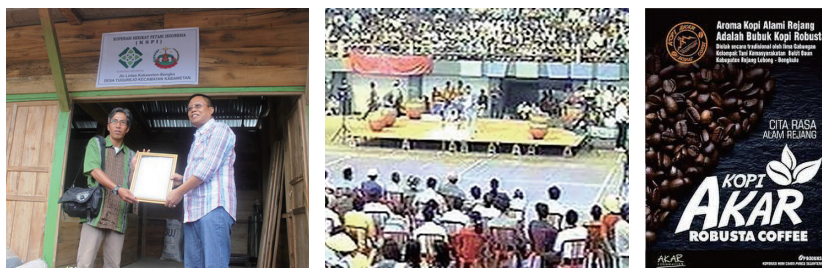


Figure 2. Producer Cooperatives in Bengkulu

Source: Author

Producer cooperatives are another example of a solidarity economy that is growing in popularity across Indonesia, and this is a research focus that the editor of this volume, Fitrio Ashardiono has also been working on. These cooperatives are common in both fishing and farming communities, and some of them have emerged out of years of struggle for land rights in different parts of Indonesia in areas where land conflicts happened. In some places where corporations and state authorities illegally or forcefully took away land from the local communities, they fought back and managed to win back some of their land in the post-authoritarian period.

Producer cooperatives are typically formed as an economic organization of smallholders. These cooperatives aim to maintain production rates, democratically control production activities, and keep socio-economic inequality among smallholders in check. The results of this endeavor vary across contexts. In Bengkulu Province, some peasant unions, such as SPI and the Bengkulu Peasant Union (STaB) have been struggling to maintain both the production and organizational activities of their cooperatives. Others, such as Muara Baimbai Cooperative fishing community in Serdang Bedagai District, North Sumatra Province, have been more successful in maintaining their production activities and selling their products to the market (Anugrah, 2019).

The underlying concept can be expressed as: “We need to maintain this land. We need to control our production activities so that our land will not be taken away again, so that we don’t have to depend on big companies, so that we will not have to sell our land because we have no money. The best thing we can do is to combine our resources and develop a community-based business.” As a result, these communities have established cooperatives in a number of different agricultural sectors such as coffee and rubber.

Some are more successful and others are struggling. In a number of unions, for example, the Indonesian Peasant Union, and Bengkulu Peasant Union, it's been pretty hard for them to sustainably establish these cooperatives due to a variety of reasons. However, in some other communities such as the coffee growers in Rejang Lebong district in Bengkulu, they have been successful in establishing and running their own cooperatives as well as branding and selling their products, at least for the local market.

3. Community Enterprises

Another example of solidarity economy in Indonesia is the community enterprise or community business. A few of the most successful producer cooperatives have managed to expand their cooperative production activities and build successful businesses. Over the years, members of Muara Baimbai Cooperative and the local fishing community have expanded their livelihood beyond fishing activities to successfully running a community-based ecotourism business. After obtaining their initial capital from a business contest organized by the British Council in Jakarta, they managed to turn their local initiative into a profitable enterprise.



Figure 3. Ecotourism Business run by Fishermen in Serdang

Source: Author

the selling of land to those banks by providing cheaper, more accessible loans managed by their own members. The result has been remarkable. Now, CUG Pawartaku has a total asset of 3.8 billion IDR, with 70 percent of it (2.4 billion IDR) circulating among its members as loans (Hasani, 2019).

Another example is the credit union in Blitar district in East Jaffa, a farmers-run or peasant-run credit union which is basically a people's bank. This is a community bank and this is not the same as the big banks that we currently use in the world today. This credit union was formed by a peasant union in Blitar, and this particular peasant union managed to win back their land, which had been illegally grabbed. They won back their land and as a way to maintain their presence, they have built corporate cooperatives and a credit union. This has been growing pretty well, and they have amassed total assets of 3.8 billion Indonesian Rupiah of which roughly around 70% is still circulating as loans among its members, which means these loans are used for productive household activities, from education, as well as growing their businesses.

5. Social Institutions



Figure 5. Community-run Vocational Highschool
Source: Author

Last but not least, several communities have successfully created and managed their own social institutions, such as schools and adult education programs. I witnessed this on my visit to Garut District in West Java Province, one of the strongholds of the Sundanese Peasant Union (SPP). In this district, SPP has been able to run their own school system with elementary, middle, and vocational high schools. SPP has also managed to send the children of their members to local universities, who will then take up community organizing and leadership activities in the union.

So basically this peasant Union and its members have been able to build these schools and run them for a number of years. They have an elementary school, and a middle school, as well as a vocational high school. And they also manage to send the kids of these union members of these peasant families into local universities. And once they graduate, they go back to their communities and work as community organizers or as teachers at the schools.

3. Conclusion

To conclude, I would like to share some concluding remarks and further notes for future research and discussion. The first challenge is: How do we scale up these experiments? How do we turn them into another Marinaleda or Kerala, for example? And how do we make them sustainable? There are two variables that I think are important. First, a major challenge for advocates and practitioners of these alternatives is to scale-up their operations beyond their respective localities. Secondly and relatedly, the expansion of these activities necessitates state support and technical expertise.

The second challenge is just as important. How do the practitioners

of a solidarity economy experiment address the complexities of today's rural political economy in Indonesia? They're facing the challenge of an aging rural population, a more urban-oriented rural youth, and the increasing importance of non-farming and non-fishing income and activities for rural households. These are issues that the practitioners as well as scholars should take into consideration in the future.

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