

CHAPTER I

INTRODUCTION

A. Background

BP3L or *Badan Pengelolaan Pengembangan dan Pemasaran Lada* (Pepper Management Development and Marketing Agency) is an independent and non-structural organization which having responsibility in management, development and marketing of pepper in the Archipelago of Bangka Belitung Province (BP3L, 2014).

BP3L was established because of the interaction between local government and stakeholders as a concern towards the prospect of pepper business in the future (Gunawan, 2017). This establishment is the realization of Muntok White Pepper Society Agency based on Governor Law Number 37 years 2009 in the date of December 1st 2009 (BP3L, 2014).

Meanwhile, in order to hold the Muntok White Pepper brand, the agency should be becoming independent based on the demand from KUMHAM and HAKI (Kementrian Hukum dan Hak Asasi Manusia dan Hak Kekayaan Intelektual/Ministry of Law and Human Rights and Intellectual Properties Rights) because the local government are not allowed to hold the Muntok White Pepper Brand, and should be Society based agency (Gunawan, BP3L dan Keanggotaanya, 2017).

The Members of BP3L are those who specialize themselves towards the Pepper Condition in Bangka Belitung (Gunawan, 2017). Regarding the Vision

and Mission of BP3L are, becoming the Independent Agency which is trusted as the manager, developer and marketing pepper specific to Geographical Indication in the international market level. The Missions are becoming local government partnership in making workfield, becoming information centre and pepper technological innovation reference, joining partnership with stakeholders within the effort to empowering pepper society, and improving the income of Pepper Society (BP3L, 2014).

Therefore, BP3L is considered as an NGO due to its establishment, vision and mission which tends to support the pepper farmers and also the revitalization of Muntok White Pepper Commodity and mostly is not for their own interests.

BP3L existence is also counted on some parties who feel that the existence of BP3L also holds important participation in order to empower the pepper farmers towards the pepper export challenges. These parties are also the ones who have the duty and responsibility during the period of 2009 – 2015.

The formation of BP3L was actually taken from the background of some market participants in Bangka Belitung who were concerned about the lack of local government's attention towards the development of pepper economic potential in the future (KEMENTRIAN PERDAGANGAN, 2014). For this matter, BP3L is already supported by market participants towards the development of Muntok White Pepper which used to less concern from local government.

Other parties who support the existence and the progress of BP3L is IPC (International Pepper Community). IPC acknowledges that the existence of BP3L is strategic enough in the development, management and marketing of pepper in Bangka Belitung because IPC gains some information about cultivation technology which is based on International SOP such as Geographical Indications (IG), information about the local product potentials which coming from pepper especially Muntok White Pepper in Bangka Belitung, and knows the obstacles in pepper development in local level (Gunawan, 2016).

There were also some best practices that have been conducted by BP3L in order to empower the pepper farmers such as the NGO which guaranteed the implemetation of cultivation technology based on international pepper SOP (Standard Operational Procedures), pepper farmer courses, and sample pepper farm making in order to be more inline with the international pepper SOP (Gunawan, 2016).

Some indicators of the empowerment are the increasing number of pepper farmers joining the pepper farming inline with the International SOP such as Geographical Indications (IG), the increasing number of community in implementing the pepper products management based on International SOP such as Geographical Indications (IG), the increasing quality of pepper in exporter level (Gunawan, 2016).

Those are some facts from other parties and some indicators that describe how significant the existence of BP3L in Bangka Belitung which influences the improvement of white pepper. Therefore, the roles and strategies of BP3L need to

be analyzed and understood more within this Undergraduate Thesis. Before further explanation regarding BP3L and its role and strategies, brief description regarding the Muntok White Pepper will be stated below.

Export now is one of the important sources in keeping the economic in one state to be in good level as well as to maintain the needs of one state towards other state as the impact of globalization. Indeed, each state differs, so does the commodity which is exported to the destined consumers abroad. In the export context, it is including the regulations and also challenges to fulfill the export demands, which will make a state to take decision in order to face and solve them.

One of the commodities as well as one of the most known export demands from Indonesia in International Community is Indonesian pepper, and is also one of mostly well known brands of Muntok White Pepper from Bangka Belitung Province (Khamelia, 2015). This agriculture brand is the most expensive and wanted by the export destined states such as Europe, United States of America, Germany, Spain, Netherlands, Belgium, Japan and so on because of it's best quality and also its function to fulfill the industrial products such as in culinary, cosmetics and many more by using this best commodity (Bangka, 2012).

By referencing to the history of International/world export in the old times, this commodity was started to be cultivated around XVI centuries and has ever become one of the European interests in coming to Bangka Belitung. Bangka's pepper could supply 80% of world demands (Khamelia, 2015). It is still a very potential commodity up until today as one of International consumers' highest

priority. This commodity is also having high potential also to push the local and even national economy and also can be a source of foreign exchange, provides workfield and also industrial products (Khamelia, 2015).

Unfortunately, Bangka Belitung in supplying Muntok White Pepper for the world demands in the old times could not be maintained. The dynamic problems of the internal and also external factors were coloring the production, management, development and also the marketing of this commodity within export demands.

Understanding the dynamic within this commodity is a must in order to provide the anticipation and also solution regarding the problems that occur. The internal factors that influenced the dynamic of the exported commodity were lack of area to plant the Muntok White Pepper plant, lack of interests from the pepper farmer themselves due to the lower price of pepper, local government's previous years decision to convert the area of pepper plantation to be palm oil plantation and conventional tin minning (Putranta, 2015). It also included the usage of traditional technology up until today by the farmers and so on (Bangka Tengah, 2015).

Meanwhile, the external factor which coloured the dynamic of the exported commodity were the fluctuative of Indonesian's Rupiah currency value (Bangka Pos, 2016), the arise of new and stronger pepper producer which was Vietnam (Bangka Pos, 2016; Bangka Tengah, 2015), lack of local government attention to tackle the problems arise and the lack of organizational management and supervision from the local government (Satriawan, 2015), the demands from the

international pepper consumers to keep in the international standards in quality and quantity (Redaksi Bangka, 2012).

It can be seen also by comparison among years which showed the specific causal declination. Starting form 2000 until 2009 the area of pepper plantation were having its highest declination due to the difficulty of the farmers in affording good quality of seeds, pole pepper standing, the pepper price in the market was very low and was not inline with the high price of management (Redaksi Bangka, 2012).

By comparing the area of pepper plantation in 2010 are 36.000 hectares, in 2009 only 34.000 hectares, in 2008 are 33.000 hectares, in 2007 are 35.842,18 hectares and in 2006 are 40.720,65 hectares (Redaksi Bangka, 2012) it can be inferred that starting from 2006 until 2009 are having fluctuation due to the mentioned reasons above.

Comparison in the sectors of production in years, in 2002 the total production was about 33.000 tons and became 13.000 tons in 2008 or 60,6%. This also resulted the decrease in the volume of white pepper's export that started to decline from 29.448 tons in 2002 to 8.500 tons in 2008 or around 71.12% during 2002-2008 (Dinas Pertanian, 2010).

Meanwhile, the data taken in 2013 stated that 73,3 thousands tons of white pepper in the world, 30% of it was coming from Bangka Belitung (Direktorat Jenderal Perkebunan, 2013). By seeing this condition, there is still hope that this commodity still becoming a primadonna for the exports commodity even though

now some problems are engulfing the export product resulting on unstable production, management and marketing.

Furthermore, one of the dynamics within this commodity export product is about the pepper export challenges. One of the challenges is the international consumers wanted pepper product which matches up with the international standards. The international standards mentioned are Geographical Indication Law, Standard of Quality System Application and Food Safety which consist of Hazard Analysis Critical Control Point (HACCP), Quality Management System (ISO 9000/QMS), Environmental Management Systems (ISO 14000/EMS), Good Agriculture/Farming Practices (GAP/GFP), Good Handling Process (GHP), Good Manufacturing Practices (GMP), Good Distribution Practices (GDP), Good Retailing Practices (GRP) and Good Cathering Practices (GCP) (Lestari, 2016; Cahyono, 2009).

Indeed, the dynamic is a certainty to a commodity but it needs reasonable anticipations from the actors who take roles in the pepper export context in order to keep the balance of exports demands and also the welfare of the pepper farmers who plant the pepper especially the Muntok White Pepper.

One of the actors who is concerned about the dynamic problems within the internal and external sectors of Muntok White Papper Export Demands is an NGO called Badan Pengelolaan Pengembangan dan Pemasaran Lada or BP3L in short. BP3L is an NGO which will handle the management, development and also the marketing of the Muntok White Pepper.

B. Research Question

The research question regarding the preface above is “How did the role and strategies of BP3L (Badan Pengelolaan Pengembangan dan Pemasaran Lada) of Muntok White Pepper help Bangka Belitung pepper farmer towards the pepper export challenges in the period of 2009-2015?”.

C. Theoretical Framework

In this research, since the explanation was about the roles and strategies BP3L (Badan Pengelolaan Pengembangan dan Pemasaran Lada) and also the empowerment of pepper farmers to gain the welfare while revitalizing the pepper export production to face the international pepper export challenge, the theoretical framework used in this undergraduate thesis are the role of NGO in trading and concept of empowerment. Before understanding the role of NGO in trading and concept of empowerment, understanding of NGO function generally is needed.

1. The General Roles of NGO

Some of the NGOs’ functions and advantages (Streeten, 1997) are (1) they are good at reaching and mobilizing the poor and remote communities; (2) they help empower poor people to gain control of their lives, and they work with and strengthen local institutions; (3) they carry out projects at lower costs and more efficiently than the government agencies and (4) they promote sustainable development.

Meanwhile, Desai (2005) accounted some roles and functions for NGOs, such as counseling and support service, awareness raising and advocacy, legal aid and

microfinance. These services help the people to achieve their ability, skill and knowledge, and take control over their own lives and finally become empowered.

Stromquist (Stromquist, 2002) has noted three major functions for NGOs such as (1) service delivery (e.g. relief, welfare, basic skills); (2) educational provision (e.g. basic skills and often critical analysis of social environments); and (3) public policy advocacy.

NGOs are praised for promoting community self-reliance and empowerment through supporting community-based groups and relying on participatory processes (Korten, 1990; Clark, 1999; Fowler, 1993; M Edwards, 1994; Salamon, 1994).

By those functions above, it can be inferred that the main line of NGO's functions are advocacy and empowerment which can be done in any aspects of society such as politic, social, and economy. Therefore, relating to this undergraduate thesis, which take the scope of trading and empowerment is inline with the Roles of NGO in politic, social and economy, and then it will use the Role of NGO in Trade and Empowerment Concept.

2. The Role of NGO in Trading

The role of BP3L as an NGO is important in this undergraduate thesis discussion, since one of the focus within this paper is about trade especially pepper export which means there exist roles within NGO about Trade. There are two Roles of NGO which are (Riedl, 2009):

- Become global watchdog in advocating for public regulatory reform;

- Actively create new governance structures to provide 'alternative/fair' trade pathways.

The first role indicates that the NGO in trade is becoming the Watchdog in the reform within regulations in the public as a whole through advocating, seeing if exist any changing which can influence the existing regulations (Riedl, 2009). The second role indicates that NGO can create alternative trade pathway which means could favor the well being of pepper farmer and every actor that is involved within a case through actively creating new governance structures which can be understood as giving ideas and good composition of structures/mechanisms which supporting the trade pathways (Riedl, 2009).

The implementation of the roles of NGO in trading within this undergraduate thesis are, the first role is BP3L can be seen as the watchdog within any public regulatory reform within the Trade Process in the Pepper Export Matter including the mechanism that have been formed by the actors involved before. The second role is that BP3L, actively creating new governance structures here can be inferred as its active participation in creating new governance structures/mechanism in order to provide the alternative/fair trade pathways which favor the pepper farmer and other actors Involved.

3. Empowerment Concept

Empowerment is the ability of individuals to gain control socially, politically, economically and psychologically through (1) access to

information, knowledge and skills; (2) decision making; and (3) individual self-efficacy, community participation, and perceived control (Rappaport, 1987 ; Zimmerman MA, 1988).

This undergraduate thesis also see empowerment as one of vital concepts in order for the Bangka Belitung Pepper Farmer to be empowered when facing the international export pepper challenges, therefore BP3L exists as one of the actors and also NGOs that conduct the empowerment as stated on above sentence to provide the access to information, knowledge and skills which needed by pepper farmer in Bangka Belitung, participation in decision making in order for them to know how the mechanism of export is actually conducted.

Individual efficacy here means that the pepper farmer capability can be advanced through specific methods and utilization. Community participation here means there will be other community which is still in accordance with BP3L that supports what BP3L does in order to prepare the pepper farmer towards the international pepper export challenges. Meanwhile the perceived control means that BP3L as the actor who has roles and strategies in pepper farmer management in order to make the empowerment can be implemented well.

The concepts above will be used as the scope of understandings towards the role and the strategies of BP3L in order to empower the pepper farmer to face international pepper export challenges in the context of revitalization of Muntok White Pepper, so the result such as empowered pepper farmer, and Muntok White

Pepper revitalization, management, development and marketing will be benefitted in broader scope

D. Hypothesis

In answering the question of “How did the role and strategies of BP3L (Badan Pengelolaan Pengembangan dan Pemasaran Lada) of Muntok White Pepper help Bangka Belitung pepper farmer towards the pepper export challenges in the period of 2009-2015?”, will be used the role of NGO in trading, and concept of empowerment:

First, by understanding the role of NGO in trading, it can be inferred here that the role of BP3L in empowering Bangka Belitung Pepper Farmer towards the pepper export challenges is for monitoring role and active participation within the input and output of pepper trading process and creating alternative trade pathways which can favor the pepper farmer and also the actors involved such as local government and other actors.

Second, by using empowerment concept, it can be inferred that BP3L in conducting the empowerment is through networking towards other party such as Central and Local Government of Indonesia and Bangka Belitung, International Pepper Community, and exporters in form of pepper training, socialization and development, through integration into global market such as international standards within International Geographical Indications.

E. Purpose of Research

The main purpose of this research is to explain the role of BP3L (Badan Pengelolaan, Pengembangan dan Pemasaran Lada) as an NGO which manages the management, development, and also marketing of pepper especially Muntok White Pepper Brand by empowering pepper farmers in coping with the International Export Challenges in the period of 2009-2015. This also includes the strategies and challenges as well as statistics in the period mentioned above.

F. Method of Research

This undergraduate thesis method of research is primary research by questionnaires which directed to interviews also secondary research by resources utilization such as books, journals, websites, and reports.

G. Range of Research

The range of this research is only limited in the period of 2009-2015. In this period, starting from 2009 is actually when the BP3L is established and then in 2015 is actually the limited circumstances taken by the writer regarding to the proven activities conducted by BP3L such as monitoring, networking and integration into global trade. The period of 2009-2015 is where BP3L is starting their role and strategies in revitalization of Muntok White Pepper by empowerment of the pepper farmer as same as stated in the hypothesis section before.

H. Writing Systematics

In this section, a writing systematics is one of important aspects within this research. It is a degree where a writing can be considered as already put in order. It will hopefully make an easy understanding and having a good consistency within the research. The writing systematics will be divided into chapterizations.

Chapter I : In this chapter, there are some points such as background, research question, theoretical framework which consists of the role of NGO in trading : monitoring role and active participation, and empowerment concept, hypothesis, purpose of research, method of research, range of research, and writing systematics

Chapter II : In the second chapter, the explanation is around the what is actually BP3L (Badan Pengelolaan, Pengembangan dan Pemasaran Lada) in order to empower pepper farmer of Bangka Belitung to face the Pepper Export Challenges in the period of 2009-2015 and also what is Bangka Belitung Muntok White Pepper

Chapter III : In the third chapter is the explanation about the role of BP3L in trading especially how actually BP3L conducting the monitoring role and active participation of alternative trade pathways in order to empower Bangka Belitung pepper farmer towards the pepper export challenges in the period of 2009-2015

Chapter IV : In this chapter is the analysis about how BP3L conducting its empowerment through networking towards other party such as

Central and Local Government of Indonesia and Bangka Belitung, International Pepper Community and exporters in form of pepper training, socialization and development, through integration into global market such as international standards within International Geographical Indications

Chapter V : In this chapter, is the final chapter which is the conclusion from the relationship and also explanation among the previous chapter, research contribution, interesting matter for International Relations Studies and also the weakness within this undergraduate thesis