



Social Exchange in Broiler Breeding Using Core-Plasma Partnership System

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Abstract

This article will discuss the form of social exchange in broiler breeding using core-plasma partnership system. This study was a case study taken place in Blitar Regency as one of broiler cattle breeding centers in Indonesia. The result of research showed that cattle raisers followed core-plasma partnership system because it was considered as having smaller risk than independent system. The core-plasma partnership began with social exchange between cattle raisers and Partner Company. Profit-loss, mutual need, and trust consideration underlies the exchange occurring in core-plasma partnership. Cattle raisers with limited business capital could run broiler breeding with Partner Company's help as integrator that provided day old chicken (DOC), feed, and drugs, and marketed the harvest product. Meanwhile, Partner Company with limited land and workers could also benefit from the partnership ran. The exchange was considered as fair when it generated profit for each other despite difference profit obtained by the parties. The end of partnership implied that there was no longer social exchange between the parties engaged.

Keywords: Social Exchange; Broiler Breeding; Core-Plasma Partnership

Introduction

Indonesia is a developing country whose economy is supported, among others, with poultry breeding sector. Broiler breeding is attractive to develop because its cycle is so short that is suitable for people cattle breeding business (Purnomo and Ratriyanto., 2012). Data of Central Statistic Bureau (BPS) shows unemployment rate of 7.01 million people on February 2017, belonging to fairly high category. An alternative way is required to reduce the unemployment rate, one which is to develop broiler cattle breeding, particularly in rural areas. Broiler chicken is one of commodities in animal husbandry producing nutrition and having potential economic value (Hartono., 1997). In 2016, broiler meat production is more than 1.6 millions ton (Dirjennak., 2017). This figure dominates national meat gain. There are some areas becoming broiler breeding centers in Indonesia, one of which is Blitar Regency. In 2015, the broiler chicken productivity surpasses the target specified by Livestock Service of Blitar Regency, 60,900 ton or 138% of target (Livestock Service of Blitar Regency., 2015). This figure is fairly high recalling that 514 regencies/ cities in Indonesia. Therefore, this location is considered as having adequate data for research.

There are two systems in broiler chicken cattle breeding business: independent and partnership patterns. Independent cattle breeders in principle provide any things related to cattle breeding business themselves and have a freedom of marketing their own product. Meanwhile, partnership is a relationship enacted between the those running for-profit business with interdependence and mutually raising principle (Fletcher., 1987; Hafsa., 1999). There are many types of partnership system, but the one commonly used in broiler cattle breeding business is core-plasma partnership. This partnership system is conducted with core-plasma pattern in which Partner Company serves as core (integrator) and breeders as plasma (Purnomo & Ratriyanto., 2012). After Indonesia encountered economic crisis in 1998, many independent cattle breeders switch to partnership system. Currently almost all broiler meat productions are yielded from broiler cattle breeding with partnership system.

Out of many previous studies on broiler cattle breeding business with core-plasma partnership system only a few of them have studied social aspect. Most studies investigated about technical aspect of breeding such as cattle breeding business' product or factor affecting it. For example, Majid and Hasan's (2014) study discussed the variable mostly affecting the price of poultry, viewed from some indicators. Meanwhile, Nurtini et al., (2017) studied the harvest product and productivity obtained by broiler cattle breeder with partnership system. Considering this fact, this article aims to discuss social exchange in broiler partnership business with core-plasma partnership system. Exchange theory views world as an exchange arena, where people exchange reward with each other (Damsar & Indrayani., 2015). Therefore, this article is expected to increase new knowledge by considering broiler cattle breeding from sociological perspective.

Methodology

This qualitative research was a case study conducted in Blitar Regency as broiler chicken breeding center. The location has peculiarity compared with other areas, in which many broiler chicken stalls are established amid settlements. This research was a single case study focusing on the operation of core-plasma partnership system. Data collection was conducted for 3 months from November 2017 to January 2018. Data collection was carried out through in-depth interview, observation, and documentation. Interview was conducted with 15 informants consisting of 7 main informants including broiler breeders and 7 supporting informants including agricultural extension officers, Livestock and Fishery Service of Blitar Regency officer, workers, collector (*pengepul*), rented stall owner, and people surrounding the stall.

Technique of selecting informant used was purposive sampling with maximum variation sampling, searching for information that can explain the presence of variation and general patterns meaningful in the variation (Slamet., 2006). Data validation was carried out using source and method triangulation. Creswell (2015) mentioned that triangulation is data collected through various sources in order to analyze the result of interview, observation and observation comprehensively. Data analysis was conducted by developing explanation by determining a series of reciprocities concerning the phenomenon raised (Yin., 2013).

Result and Discussion

Social exchange is a social relationship affecting each other and containing reward, sacrifice, and return elements (Zeitlin., 1995). Homans develops a theory about behavior exchange based on an assumption that people are engaged in behavior to obtain reward and to avoid punishment. The higher the reward obtained, the more likely is the behavior repeated, and vice versa (Hoomans., 1974; Poloma., 1987).

From some ideas about social exchange, it can be inferred several basic assumptions, for example, human being is a rational creature and takes profit and loss into account (Damsyar & Indrayani., 2015). In the case of broiler cattle breeding with core-plasma partnership system, it can be seen that both breeders and companies prefer to have partnership because they consider it as more profitable and has lower risk of loss than when they run cattle breeding business without partnership. Breeders with limited business capital or difficulty of marketing product will benefit very much from following core-plasma partnership system. Breeders should only provide stall, equipments, and workers to run broiler cattle breeding business. Meanwhile, DOC, feed, drugs, experts, and marketing of harvest product have been managed by Partner Company. It can be said that the cost spent by breeders is lower than that when they run independent system. Although actually when the meat price is high and harvest product is abundant the material profit obtained by breeders is much higher than that when they follow partnership, it is accompanied with a very big loss threat when the harvest product is low. Meanwhile, in core-plasma partnership system, the risk of loss is assumed jointly during harvest failure, thereby relieving the burden of two parties. It is actually a form of social exchange because it is related to sacrifice and reward obtained by breeders in relation to their interaction with Partner Company.

Meanwhile, establishing partnership with breeders is beneficial as well to the company as it unnecessarily spends more cost to construct stall and to pay workers. In the beginning of partnership, work contract agreement is usually made to govern the operation of partnership system. It includes the determination of contract price, breeders' and company's rights, and what is allowed and what is not allowed. Through this exchange theory, it can be seen that partnership is made and maintained because the two parties get benefit.

Social exchange conducted by cattle breeders with Partner Company using core-plasma partnership system can give extrinsic and intrinsic rewards from the two parties. Extrinsic reward, for example, can be seen from the material benefit obtained from core-plasma partnership system run, including compensation fund received by breeders when their harvest is below target but not resulting loss to the Partner Company. Meanwhile, intrinsic reward includes the trust established between the two parties in which breeders having high productivity and good attitude will be prioritized more by the Company than those less reliable. For example, when DOC production is difficult, the company will fill in the stall of breeders considered as profitable to company first.

The second assumption is that social exchange occurs when the objective to be achieved can be obtained only through interaction with other and behavior should aim to get a means of achieving those objectives (Blau., 1964; Poloma., 1987; Damsar & Indrayani., 2015). Core-plasma partnership system shows that there should be an interaction between breeders and Partner Company to achieve mutual objective, to develop broiler breeding business. In implementing core-plasma partnership system, breeders interact not only with Partner Company to achieve the objective but also with other parties including other breeders. The affiliation of breeders with certain core-plasma partnership is closely related to the effect of other breeders joining first and recommending it. Good relationship between breeders also exerts positive effect and benefits them not only extrinsically or materially but also intrinsically. Breeders often share information each other about the business they run. The objective of improving business productivity will be achieve more easily when there is information sharing. In addition, the trust to lend breeding equipment to each other proves the exchange occurring between one breeder and another.

In relation to Partner Company, breeders also obtain various equipment difficult to get when they use independent system, particularly in relation to marketing when the price of meat decreases in marketplace. In addition, breeders will usually get new knowledge related to broiler breeding business from seminar or training given by company. In this case, breeders benefit much from the partnership system because they have bigger opportunity of improving their business productivity. Because harvest product is abundant, not only breeders but also Partner Company gets profit. On the other hand, company

needs breeders to manage breeding business they run without a need for constructing stall requiring very large capital. It means that cooperation in core-plasma partnership form established between breeders and Partner Company reflects on social exchange assuming that to achieve objective, interaction should be made with everyone.

The third assumption is that social exchange occurs only when those involved benefit from the exchange (Damsar & Indrayani., 2015). An exchange action will not occur when some of those involved do not benefit from the exchange transaction. In this assumption, social exchange will unlikely occur when one of parties does not benefit or even suffer from loss. It is in line with the principles of partnership including equality, transparency and mutual benefit (Wibisono., 2007). The principle of equality here enacts not only between breeders and Partner Company that get equal profit according to their own portion and responsibility. It means that as long as there is no party feeling harmed, the equality principle still prevails and social exchange still occurs as well. Similarly, transparency is related to the trust between those engaged in social exchange. When studied further, the presence of trust between two parties interacting is proportional directly to the social exchange conducted. When there is no trust established between them, social exchange will not occur. Furthermore, mutual benefit principle becomes the basic assumption of social exchange. So, when core-plasma partnership system is run by keeping upholding the basic principle of partnering, social exchange will run continuously.

Meanwhile, there are some factors breaking the core-plasma partnership, among others, when one of parties feels harmed. We know that in the beginning of partnership, work contract agreement is made. The infringement against the mutually approved rule will remove trust between corresponding parties and will lead to the end of partnership. For example, breeders feel harmed due to delayed feed and drug supply or bad quality of DOC. If it occurs continuously, it will impact on the decreased harvest output. Company's less transparency in harvest product report can make the breeders lost, for example they should achieve the specified target, but in the report, it is written below target. It will harm the breeders not only financially but also in relation to efforts and their trust in the company will decrease. On the other hand, company often feels harmed when breeders break the rule by selling harvest product before due time without confirming it first to the Company. It will not be a problem when the harvest target is still achieved but when the harvest is not as targeted, it will harm the company. Breeders' honesty will affect the operation of core-plasma partnership. When core-plasma partnership ends, it can be said that social exchange between the two parties end as well.

Conclusion

Social exchange in broiler breeding business with core-plasma partnership system can be seen from the beginning of system run. A basic assumption of social exchange is mutual benefit constituting a principle of partnership system. Thus, as long as the core-plasma partnership system run still holds tightly on basic principle, social exchange will keep running. Company as integrator provides DOC, feed, drugs, and expert and manage the marketing of harvest output; alternatively, breeders prepare stall, breeding equipment, and workers to take care of broiler chicken. This partnership system is beneficial to both breeders and Partner Company as they complement each other's limitation, so that broiler breeding business can run well. Social exchange can also be seen when the breeders having high productivity and good attitude will be prioritized more by the Company then those less reliable. The end of partnership implies the end of exchange transaction between the two parties.

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