

## **Agribusiness Partnerships and Inclusive Governance for Equitable Farmer Welfare**

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### **Abstract**

This study examines the agribusiness partnership between PT Hikmahfarm and farmers in Pangalengan, Bandung Regency, Indonesia, focusing on its effectiveness and inclusivity as a poverty alleviation strategy. Farmers face persistent structural challenges, including land scarcity, limited access to capital, low technology adoption, and unequal market access. This research employs a descriptive qualitative approach, using in-depth interviews with 25 purposively selected informants, field observations, and document analysis. Data were analyzed thematically using NVivo software. The findings show that the partnership effectively improves access to capital, technology, and markets for partner farmers, resulting in increased productivity and income stability. However, these benefits are not accessible to non-partner farmers, creating a two-tiered system that risks widening socio-economic disparities. The study reveals that the partnership reflects an incomplete form of collaborative governance due to its limited inclusivity. This research contributes empirically by demonstrating that agribusiness partnerships can simultaneously promote empowerment and exclusion. It highlights the need for proactive government intervention to strengthen public institutions and ensure more inclusive partnership models. Such efforts are essential to transform agribusiness partnerships into a more equitable and systemic poverty alleviation strategy aligned with the Sustainable Development Goals' principle of leaving no one behind.

Keywords: Agribusiness Partnership, Collaborative Governance, Farmer Welfare, Inclusive Policy, Poverty Alleviation

### **Abstrak**

Penelitian ini mengkaji kemitraan agribisnis antara PT Hikmahfarm dan petani di Pangalengan, Kabupaten Bandung, Indonesia, dengan fokus pada efektivitas dan tingkat inklusivitasnya sebagai strategi pengentasan kemiskinan. Petani menghadapi berbagai tantangan struktural yang berkelanjutan, seperti keterbatasan lahan, akses modal yang terbatas, rendahnya adopsi teknologi, serta ketimpangan akses pasar. Penelitian ini menggunakan pendekatan kualitatif deskriptif melalui wawancara mendalam terhadap 25 informan yang dipilih secara purposif, observasi lapangan, serta analisis dokumen. Data dianalisis secara tematik menggunakan perangkat lunak NVivo. Hasil penelitian menunjukkan bahwa kemitraan ini secara efektif meningkatkan akses terhadap modal, teknologi, dan pasar bagi petani mitra, yang berdampak pada peningkatan produktivitas dan stabilitas pendapatan. Namun demikian, manfaat tersebut tidak dapat diakses oleh petani non-mitra, sehingga menciptakan sistem dua tingkat yang berpotensi memperlebar kesenjangan sosial-ekonomi. Studi ini juga menunjukkan bahwa kemitraan tersebut mencerminkan bentuk tata kelola kolaboratif yang belum sepenuhnya optimal karena keterbatasan dalam aspek inklusivitas. Penelitian ini memberikan kontribusi empiris dengan menunjukkan bahwa kemitraan agribisnis dapat secara simultan mendorong pemberdayaan sekaligus eksklusivitas. Temuan ini menegaskan pentingnya intervensi pemerintah yang proaktif untuk memperkuat institusi publik serta memastikan model kemitraan yang lebih inklusif. Upaya tersebut menjadi krusial untuk mentransformasikan kemitraan agribisnis menjadi strategi pengentasan kemiskinan yang lebih adil dan sistemik, sejalan dengan prinsip Tujuan Pembangunan Berkelanjutan (SDGs) yaitu tidak meninggalkan siapapun.

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Kata kunci: Kemitraan Agribisnis, Tata Kelola Kolaboratif, Kesejahteraan Petani, Kebijakan Inklusif, Pengentasan Kemiskinan

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## **INTRODUCTION**

The agricultural sector remains a critical pillar of Indonesia's economy, providing primary livelihoods for millions of rural households. However, despite the nation's fertile terrain and abundant natural resources, smallholder farmers continue to face persistent structural challenges that perpetuate poverty cycles. In Bandung Regency, West Java, a major horticultural production center, these challenges are particularly acute. Data from the Central Statistics Agency (BPS) in early 2024 indicated that West Java had approximately 3.7 million impoverished inhabitants, with Bandung Regency featuring prominently in these poverty statistics, particularly among horticultural farmers who constitute the region's agricultural backbone (BPS-Statistik Indonesia, 2023)

The poverty experienced by farmers in Bandung Regency extends beyond insufficient income, rooted instead in multifaceted institutional barriers: limited access to capital and innovative agricultural technology, inadequate human resource capacity, insufficient agricultural infrastructure, and unequal market access (Karyani et al., 2024; Eisenman, 2018). Achmad et al. (2022) emphasized that capital scarcity prevents farmers from adopting modern agricultural technologies that could enhance productivity, while Ginting et al. (2023) noted that dependence on traditional farming practices further compromises both food security and agricultural advancement. These interconnected challenges create a vicious cycle of poverty that proves difficult to break through individual farmer efforts alone.

In response to these structural constraints, agribusiness partnerships between private companies and farmers have emerged as a proposed solution. These collaborations theoretically offer farmers access to capital, technology, training, and markets, while companies secure reliable supply chains (Schoneveld, 2022; Rachman et al., 2022). The partnership between PT Hikmahfarm and farmers in Pangalengan District, Bandung Regency, exemplifies this model. PT Hikmahfarm provides production inputs (seeds, fertilizers), technical training, and guaranteed market access, aiming to empower farmers to escape poverty through sustainable agricultural practices.

From a theoretical standpoint, such partnerships align with the Collaborative Governance framework articulated by Ansell & Gash (2008), which emphasizes cooperation between public and private sectors to achieve common objectives through shared resources, trust-building, and inclusive stakeholder participation. These collaborations are also highly relevant to achieving Sustainable Development Goals (SDGs), particularly SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 12 (Responsible Consumption and Production) (United Nations, 2023).

However, a critical gap exists between the theoretical potential of agribusiness partnerships and their practical implementation. Questions remain about the equity of benefit distribution between corporations and smallholder farmers, the accessibility and inclusiveness of partnership programs for marginalized farming communities, structural barriers preventing non-partner farmers from accessing similar support systems, and the long-term sustainability of poverty alleviation through such models (Khan et al., 2021; Hartwich & Tola, 2007).

Most prior research has concentrated on theoretical analyses or literature reviews of partnership benefits, without comprehensive empirical examination of implementation challenges in specific Indonesian contexts (Sexton & Xia, 2018; Deichmann et al., 2016). Preliminary field

observations in Pangalengan suggest that while partner farmers may benefit significantly from PT Hikmahfarm's support, a substantial segment of the farming population remains excluded from these advantages, potentially creating a "two-tiered system" that exacerbates rather than alleviates existing inequalities. This situation raises fundamental questions about whether such partnerships truly embody collaborative governance principles—particularly the principle of inclusivity—or whether they function as mechanisms of selective empowerment that inadvertently deepen socio-economic disparities.

This study urgently seeks to address critical questions about the extent to which the agricultural business partnership between PT Hikmahfarm and farmers in Pangalengan effectively addresses poverty alleviation. It examines the primary structural challenges faced by both partner and non-partner farmers, analyzing how the partnership model addresses or fails to address these challenges. The research investigates the inclusivity of the current partnership model and identifies barriers preventing broader farmer participation. Finally, it explores what policy interventions are necessary to ensure more equitable access to resources and markets for all farmers in the region.

This research makes three distinct contributions to the literature. First, it provides much-needed empirical evidence on the practical implementation of agribusiness partnerships in Indonesia's specific socio-economic context, moving beyond theoretical discussions to document real-world impacts and challenges. Second, it critically examines the inclusivity dimension of collaborative governance in agricultural partnerships, offering a nuanced analysis of how such models can simultaneously empower some while marginalizing others. Third, it generates actionable policy recommendations grounded in field evidence, contributing to broader discussions on how public-private partnerships can be structured to achieve systemic poverty alleviation rather than selective empowerment (Duffy et al., 2021).

By examining the PT Hikmahfarm case in Pangalengan, a region representative of Indonesia's horticultural farming challenges, this study offers insights transferable to other rural agricultural contexts facing similar structural constraints. The findings are particularly relevant for policymakers, development practitioners, and corporate actors seeking to design more inclusive and sustainable partnership models that genuinely advance the SDG agenda of "leaving no one behind."

## **RESEARCH METHOD**

This study employs a descriptive qualitative methodology to examine the implementation of the agricultural business partnership between PT Hikmahfarm and farmers in Bandung Regency, along with its impact on poverty alleviation. A qualitative approach was selected to facilitate comprehensive understanding of the social dynamics, power relations, and lived experiences of farmers within the partnership structure, as well as the structural challenges encountered by both partner and non-partner farmers (Kim et al., 2017). This interpretive paradigm allows for in-depth exploration of how partnership mechanisms function in practice and their differential impacts across farming communities (Lim, 2025).

The research was conducted in Pangalengan District, Bandung Regency, West Java, Indonesia, between September and October 2024. Pangalengan was purposively selected as the research site for several strategic reasons. First, it serves as a significant hub for potato and horticultural cultivation, representing the agricultural character of highland farming communities in West Java. Second, it is the primary operational site of PT Hikmahfarm's partnership program,

allowing direct observation of partnership dynamics. Third, the district exhibits high dependence on agriculture, particularly horticulture, making it an ideal location for examining the effects of agribusiness collaboration on poverty alleviation. The region's persistent poverty challenges despite its agricultural potential make it a representative case for understanding structural barriers faced by smallholder farmers in Indonesia (Achmad et al., 2022).

Informants were selected through purposive sampling with maximum variation strategy to capture diverse perspectives and experiences. The selection criteria were designed to ensure representativeness across key farmer characteristics including partnership status, farm size, land ownership type, years of farming experience, and access to resources (Memon et al., 2024). Partner farmers were required to have been involved in PT Hikmahfarm's program for at least two planting seasons to ensure adequate experience with the partnership model. Non-partner farmers were selected from the same villages to enable direct comparison of conditions and challenges. Company management and government officials were selected based on their direct involvement with or oversight of the partnership program.

In total, this research involved 25 informants consisting of 10 partner farmers, 8 non-partner farmers, 3 managers from PT Hikmahfarm (including the Partnership Manager, Field Coordinator, and Supply Chain Manager), and 4 representatives from relevant government agencies (including 2 agricultural extension workers, 1 district agriculture office staff, and 1 village government representative). The slightly larger number of partner farmers was intentional to capture variation in partnership experiences across different scales of operation. Data collection continued until theoretical saturation was achieved, meaning no new themes or insights emerged from additional interviews (Bouncken et al., 2025).

Data were gathered through three complementary methods to ensure triangulation. First, in-depth semi-structured interviews were conducted with all 25 informants between October 10-13, 2024. Interview protocols were developed based on the research questions and Collaborative Governance framework, covering themes such as access to capital, technology adoption, market integration, perceived benefits and challenges of partnership, and suggestions for improvement. Each interview lasted between 45-90 minutes and was audio-recorded with explicit consent from participants. Interviews were conducted in Bahasa Indonesia and Sundanese (local language) to ensure participant comfort and authenticity of responses (Lim, 2025).

Second, direct field observations were conducted to document agricultural practices, farmer-company interactions during training sessions and harvest coordination, and physical conditions of farming operations. Observation notes captured not only activities but also informal conversations, non-verbal communications, and contextual factors that might not emerge in formal interviews. Third, documentary analysis was performed on company records including partnership agreements, training materials, production records, and relevant government policy documents to corroborate and contextualize interview findings.

The data analysis process was conducted systematically following Braun & Clarke (2006) six-phase thematic analysis approach, facilitated by NVivo 12 software. All interview recordings were transcribed verbatim within 24 hours of data collection to maintain accuracy and capture contextual nuances including pauses, emphasis, and emotional tone. Field notes from observations were digitized and organized chronologically with detailed contextual annotations (Zamawe, 2015).

The analysis began with familiarization through repeated reading of all transcripts and field notes to develop intimate knowledge of the data. Initial coding was conducted inductively, allowing themes to emerge organically from the data rather than imposing predetermined categories (Babbie, 2016). Meaningful segments related to research questions were systematically coded, generating 47 initial codes. These codes were then grouped into broader patterns through iterative comparison and refinement, producing 12 potential themes including land scarcity challenges, capital access barriers, technology adoption disparities, knowledge transfer mechanisms, government support accessibility, market access inequalities, and partnership impact variations.

The identified themes were then reviewed against coded data extracts and the entire dataset to ensure internal coherence and distinctiveness. Themes were refined through collaborative discussion among researchers to minimize individual bias. Following this, each theme was clearly defined and named to articulate its essence and boundaries. The final stage involved selecting compelling data extracts that vividly illustrated each theme, integrating them into a coherent analytical narrative that addressed the research questions. Deductive analysis was subsequently applied by examining emergent themes against the Collaborative Governance theoretical framework to assess alignment between theory and empirical practice.

Multiple strategies were employed to ensure credibility, transferability, dependability, and confirmability of findings. Credibility was established through prolonged engagement in the field, triangulation of multiple data sources (interviews, observations, documents), and member checking whereby preliminary findings were shared with five key informants who confirmed the accuracy of interpretations (Birt et al., 2016). Transferability was enhanced through thick description of the research context, participant characteristics, and findings, enabling readers to assess applicability to other settings. Dependability was ensured through maintaining a detailed audit trail documenting all methodological decisions, data collection procedures, and analytical steps (Ponterotto, 2015). Confirmability was achieved through reflexive journaling where researchers documented their assumptions, reactions, and potential biases throughout the research process, and through peer debriefing sessions where preliminary analyses were critically examined by colleagues not involved in data collection (Dodgson, 2019).

This research adhered to established ethical principles for social research. Formal research permission was obtained from relevant authorities including the Bandung Regency Agriculture Office and village governments. All participants provided informed consent after receiving clear explanation about the research purpose, procedures, voluntary nature of participation, confidentiality protections, and their right to withdraw at any time without consequences (Creswell & Creswell, 2022). To protect anonymity, all names in this report are pseudonyms and identifying details have been modified or removed. Audio recordings and transcripts are stored securely with access limited to the research team and will be destroyed after the required retention period. Given the sensitive nature of discussing income and partnership challenges, special care was taken to create safe interview environments and to avoid questions that might cause discomfort or risk to participants (Orb et al., 2001).

As researchers from an academic institution with no direct affiliation to PT Hikmahfarm or competing organizations, we approached this study with relative outsider status, which facilitated openness from both partner and non-partner farmers. However, we acknowledge that our position as university researchers may have influenced how participants presented their experiences, potentially emphasizing narratives they perceived as academically valuable. To mitigate this, we

emphasized our interest in understanding genuine experiences rather than evaluating individual performance, and we spent considerable time building rapport before formal interviews. Our interdisciplinary team composition (social welfare, political science) enabled examination of the partnership from multiple analytical lenses, enriching interpretation while requiring ongoing dialogue to reconcile different disciplinary perspectives.

**RESULTS AND DISCUSSION**

This study examines the structural challenges faced by farmers in Pangalengan District, Bandung Regency, and analyzes how the PT Hikmahfarm agribusiness partnership addresses these challenges in the context of poverty alleviation. Drawing on interviews with farmers, farmer organizations, company representatives, and government officials, the study identifies key issues and evaluates the effectiveness and sustainability of the partnership.

To systematically present the key structural challenges faced by farmers, the findings from interviews and field observations are summarized in Table 1. The table highlights six major issues, including land scarcity, limited access to capital, low farmer capacity, restricted access to government assistance, unequal market access, and the selective impact of the PT Hikmahfarm partnership.

**Table 1. Structural Challenges Faced by Farmers and Unequal Access to Resources Based on Partnership Status**

No.	Issues Faced by Farmers	Findings from Interviews and Informants
1.	Land Scarcity	Farmers rely on land rental from external parties, such as large companies or individuals, leading to high dependency. <i>(Informant: Mr. F, Head of Farmer Group, October 13, 2024)</i>
2.	Capital/Funding	Farmers struggle to obtain capital from formal institutions and often resort to borrowing from loan sharks. PT Hikmahfarm provides capital support without upfront costs, but only for partner farmers. <i>(Informant: Mr. G, Partner Farmer of PT Hikmahfarm, October 12, 2024)</i>
3.	Farmer Capacity	Farmers not involved in partnerships with PT Hikmahfarm find it difficult to access training and the latest agricultural technologies. Many still use traditional farming methods. <i>(Informant: Mr. R, Agricultural Extension Worker, Bandung Regency Agriculture Office, October 10, 2024)</i>
4.	Access to Government Assistance	Access to government assistance is very limited and often depends on personal relationships with extension workers or local officials. <i>(Informant: Mr. R, Agricultural Extension Worker, Bandung Regency Agriculture Office, October 10, 2024)</i>
5.	Market Access	Farmers not involved in the PT Hikmahfarm partnership face difficulties marketing their products and often rely on middlemen offering low prices. <i>(Informant: Mr. G, Partner Farmer of PT Hikmahfarm, October 12, 2024)</i>
6.	Impact of PT Hikmahfarm Partnership	PT Hikmahfarm provides solutions in terms of capital, training, and marketing for partner farmers, but it only covers certain segments of farmers. <i>(Informant: Mr. H, Partnership Manager of PT Hikmahfarm, October 11, 2024)</i>

Source: Primary Data Processed, 2025

As shown in Table 1, the challenges faced by farmers are not only structural but also systematically differentiated between partner and non-partner farmers. While the PT Hikmahfarm partnership provides solutions in terms of capital, training, and market access, these benefits are exclusively accessible to partner farmers. Consequently, non-partner farmers remain trapped in conditions of limited resources, low productivity, and market vulnerability. This pattern indicates the emergence of a dual structure within the farming community, where access to resources is mediated by partnership status. Such a condition reflects an imbalance in institutional access and highlights the partial nature of collaborative governance in practice, particularly in terms of limited inclusivity and uneven participation among stakeholders.

Rather than functioning as isolated problems, these challenges are interconnected and reinforce one another. Limited land ownership increases farmers' dependence on external capital, while restricted access to finance constrains their ability to adopt modern agricultural technologies. At the same time, weak institutional support and unequal market access further deepen these structural disadvantages. These findings provide an empirical basis for further analysis of how the partnership model operates within broader governance dynamics.

### **Exclusive Empowerment in Agribusiness Partnership**

This study reveals a significant paradox in the implementation of agribusiness partnerships in Pangalengan. While the collaboration between PT Hikmahfarm and its partner farmers has successfully improved access to capital, technology, and markets, these benefits remain exclusive to a limited group of participants. Despite these positive outcomes, the findings reveal a critical limitation in the partnership's implementation. The partnership deviates substantially from the ideal collaborative governance model. Although Ansell & Gash (2008) posit that broad participation is crucial for successful collaboration, the findings indicate that this partnership is highly selective, benefiting only a limited subset of the farming community. This selective approach directly undermines the goal of achieving equitable outcomes through comprehensive stakeholder engagement.

Beyond this normative observation, the persistence of exclusion can be explained by several structural mechanisms. First, the partnership model operates based on selective criteria imposed by the company, such as land availability, production capacity, and perceived reliability of farmers. This inherently limits access for smaller or more vulnerable farmers who do not meet these requirements. Second, weak public institutions, particularly under-resourced agricultural extension services, fail to provide alternative support systems for non-partner farmers, reinforcing dependency on private actors. Third, existing inequalities in land ownership further exacerbate exclusion, as farmers without secure access to land are less likely to be included in partnership schemes. Finally, bureaucratic and informational barriers, including limited outreach and reliance on informal networks, restrict broader participation. These factors collectively explain why exclusion persists, not as an incidental outcome, but as a structural feature of the partnership model.

Building on these structural explanations, a closer examination of the empirical findings reveals an uneven application of the key components of collaborative governance as outlined by Ansell & Gash (2008). Face-to-face dialogue, for instance, is primarily limited to interactions between the company and partner farmers through training sessions, excluding non-partner farmers from participatory processes. Trust-building is evident within the partnership group,

where consistent support fosters strong relational ties; however, this trust does not extend to the wider farming community. Commitment to process is also asymmetrical, as only partner farmers are actively engaged in structured collaboration, while non-partners remain outside formal governance arrangements. Similarly, shared understanding is developed within the partnership network but not across all stakeholders, resulting in fragmented collective goals. This suggests that exclusion in agribusiness partnerships is not merely a deviation from collaborative governance principles, but an inherent feature of how such partnerships are institutionally structured. These findings suggest that collaborative governance in this context is only partially realized, lacking the inclusivity required for broader social impact.

As a result, the exclusion of non-partner farmers from essential resources such as capital, training, and markets has inadvertently created a two-tiered system, which risks exacerbating pre-existing community inequalities instead of mitigating them. This aligns with existing academic critiques, such as those from Agarwal et al. (2023) and Schoneveld (2022), who argue that public-private agricultural partnerships often fail to achieve widespread impact due to their limited scope and uneven benefit distribution. The study therefore confirms that without deliberate, intentional mechanisms for inclusivity, even a well-structured partnership risks becoming an instrument for exclusive empowerment rather than broad poverty alleviation.

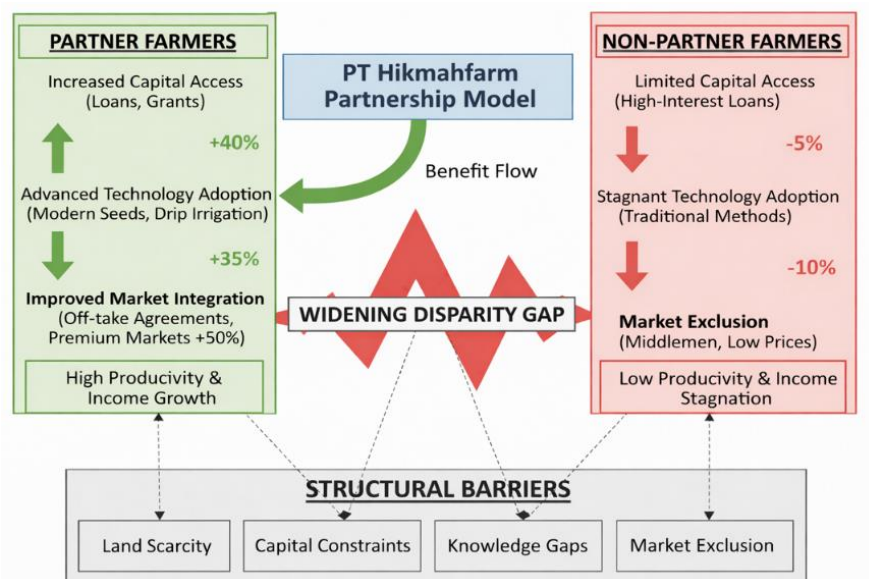


Figure 1. Empowerment Model in Agribusiness Partnership

Ultimately, these findings underscore a core tension between efficiency and equity in collaborative governance. While the PT Hikmahfarm model is highly efficient for its members by providing streamlined access to resources, this efficiency comes at the cost of equity. The majority of farmers in the area remain isolated from these benefits, highlighting a central challenge in agricultural development: how to balance the need for effective, managed interventions with the broader goal of providing universal access to development opportunities. The dynamics of the partnership model and its unequal distribution of benefits are illustrated in Figure 1. The partnership creates a contrasting trajectory between partner and non-partner farmers. While partner farmers experience improvements in capital access, technology adoption, and market

integration, non-partner farmers remain constrained by structural barriers, resulting in a widening disparity gap.

### **Structural Dimensions of Inequality: A Thematic Analysis**

#### **Access to Productive Resources: The Role of Capital and Land in Selection**

Farmers in Pangalengan face a foundational issue of restricted access to essential resources, namely land and capital. The scarcity of available land is particularly severe, driven by escalating rental prices and the conversion of farmland for residential or tourism development. This situation is clearly articulated by Mr. F, the Chairman of the local Farmers' Group, who describes the condition by stating:

*"Most of us here are tenant farmers, not landowners, and we face a constant escalation in rental fees. The cost to lease one hectare of land has risen from IDR 8 million per season to between IDR 12-15 million. This financial pressure is compounded by a lack of tenure security; if the owner decides to sell or reclaim the land, we are forced to relocate. There is simply no stability for us."* (Interview, October 13, 2024)

The prevailing conditions compel numerous farmers to rely on unstable, short-term land lease arrangements, which introduces significant economic uncertainty and prevents strategic long-term agricultural planning. Concurrently, there is a pronounced scarcity of access to formal capital. Mr. S, a farmer not affiliated with the partnership, recounted his experience:

*"I once attempted to secure a loan from a bank for planting capital, but my application was rejected due to a lack of collateral. Ultimately, I was forced to borrow from a moneylender at a 10% monthly interest rate. As a result, half of the proceeds from my harvest were spent on servicing the debt and its interest."* (Interview, October 12, 2024)

This circumstance ensnares non-partner farmers in a debt cycle with informal lenders or usurers charging exorbitant interest, which significantly diminishes their earnings. Within this framework, the PT Hikmahfarm partnership acts as both a remedy and a mechanism for selection. The company provides its partner farmers with access to land and, crucially, essential production inputs like seeds and fertilizers without any initial costs. According to Mr. G, one of the partner farmers:

*"Partnering with PT Hikmahfarm has eliminated my concerns over initial capital. The company supplies all production inputs, such as quality seeds and fertilizers, under a post-harvest repayment scheme. This arrangement is a significant relief, as it frees me from the previous necessity of taking on debt. Consequently, my net income has risen by almost 50%, as I am no longer servicing any interest payments."* (Interview, October 12, 2024)

This provision essentially liberates these farmers from debt and enables them to commence their planting cycles with considerably less financial risk. Nevertheless, this intervention also establishes a clear boundary. For partner farmers, it represents a path toward selective empowerment. In contrast, for non-partner farmers, it reinforces their structural reliance on costly land rentals and exploitative informal loans. These findings resonate with prior studies, like that of Nguyen et al. (2015), which found that contract farming schemes can boost participants' incomes. However, this research advances that understanding by detailing how these same mechanisms concurrently lead to significant exclusionary consequences for the broader agricultural community.

#### **Technology and Knowledge Transfer: A Case of Limited Capacity Building**

A second critical dimension of this disparity concerns access to contemporary agricultural technology and expertise. Most farmers in Pangalengan continue to employ traditional, inherited farming methods. Mr. R, from the Bandung Regency Agricultural Office, provided this insight:

*"The capacity of our extension services is critically constrained, with a ratio of just 6 agents to over 2,000 farmers in Pangalengan. Consequently, our outreach is insufficient. Participation in our training programs tends to be skewed, attracting a self-selecting group of farmers who are already well-informed. This systematic issue means that the most marginalized farmers—those in greatest need of support—are consistently left behind." (Interview, October 10, 2024)*

Low technology adoption can be attributed to a combination of factors, including limited educational attainment, inadequate access to training, and a general aversion to altering established, traditional practices. Ms. T, a female farmer not affiliated with the partnership, offered an alternative viewpoint:

*"While I know of modern agricultural methods, I lack the practical knowledge to apply them, and there is no available guidance. The fear of failure and financial loss prevents me from experimenting independently. Consequently, I adhere to conventional farming practices, despite recognizing that my output is inferior to that of my neighbor who is part of the corporate partnership." (Interview, October 13, 2024)*

In this context, PT Hikmahfarm again functions as a provider of exclusive solutions. The company provides its partners with consistent technical training on advanced, efficient, and sustainable agricultural practices. Mr. H, the company's Partnership Manager, elaborated on this by stating:

*"Our partner farmers receive intensive training on a monthly basis, which encompasses a comprehensive curriculum on modern agricultural practices. This includes instruction on superior seed selection, balanced fertilization, Integrated Pest Management (IPM), and the implementation of drip irrigation systems. The impact of this program is quantifiable: we have observed a 35-50% increase in their productivity, alongside a dramatic decrease in crop failure rates." (Interview, October 11, 2024)*

The training effectively boosts the capacity and productivity of partner farmers, thereby allowing them to be more competitive in the broader market. This has led to the creation of a significant knowledge gap within the community, as non-partner farmers continue to use low-productivity methods while their counterpart's advance. The lack of a universally available knowledge safety net from public institutions, such as extension services, positions this private partnership as the sole source of innovation, though it is accessible to only a limited group. This highlights how institutional shortcomings can exacerbate market-driven inequalities.

### **Market Integration: Exclusive Networks vs. Digital Alternatives**

Equitable and consistent market access is a final and crucial factor for farmers' prosperity. Non-partner farmers in Pangalengan encounter persistent difficulties, including reliance on middlemen who provide unstable and low prices, in addition to unequal access to government support initiatives. Mr. D, a farmer outside the partnership, described his situation:

*"We are compelled to sell our produce to intermediaries as we have no other options. The pricing is erratic and unpredictable; for instance, the price can fluctuate from IDR 8,000 per kilogram one week down to IDR 5,000 the next. Furthermore, we experience significant*

*payment delays, often exceeding a month. This situation persists because we have no access to alternative markets." (Interview, October 12, 2024)*

Their limited bargaining power leaves them susceptible to exploitation and market instability. The PT Hikmahfarm partnership, however, severs this cycle of dependency for its members by ensuring access to more stable and extensive markets, including supermarkets and the processing industry. This provides them with better and more predictable pricing, as confirmed by Mr. G:

*"The partnership with PT Hikmahfarm offers me market security and price stability. The company provides a price point that is 25-30% higher than that of intermediaries, and guarantees payment within a two-week period. This level of predictability is crucial, as it allows for effective household financial planning." (Interview, October 12, 2024)*

This approach successfully establishes an exclusive market network that insulates its partners from local market fluctuations. Despite its effectiveness, this solution underscores the inherent issue of inclusivity. The model does not fundamentally alter the broader market structure; instead, it merely draws a select group of farmers into a secure 'bubble.' In contrast, successful initiatives in regions like Indramayu, Lebak, and Klaten provide a more inclusive alternative.

The adoption of digital platforms, including Smart E-Commerce, Tokopedia, Shopee, and social media, has demonstrated the capacity to democratize market access. Unlike restrictive partnership networks, these platforms can potentially offer all farmers direct connections to consumers, thereby eliminating intermediaries and strengthening their collective bargaining power. International research, such as that by Hartwich & Tola (2007), also indicates that the impact of innovations from partnerships is often localized and challenging to scale. Consequently, this suggests that the future of inclusive agricultural development may rely less on traditional partnerships and more on hybrid models that integrate concentrated corporate support with the extensive reach of digital technology.

These findings are consistent with broader studies on agribusiness partnerships in developing countries, which highlight that such models often generate uneven outcomes when inclusivity is not systematically addressed (Schoneveld, 2022; Agarwal et al., 2023). Similar patterns of selective participation and unequal benefit distribution have been observed in other regions of Indonesia, indicating that the challenges identified in Pangalengan are not isolated but reflect a wider structural issue in agricultural development. This reinforces the argument that without deliberate institutional design for inclusion, partnership-based models risk reproducing existing inequalities rather than transforming them.

### **Policy Implications for Inclusive Agricultural Development**

The examination of the exclusive empowerment paradox within the Pangalengan partnership model offers not only academic insights but also practical implications for Indonesian agricultural policy and strategy. For agribusiness partnerships to genuinely contribute to poverty reduction, a more equitable and inclusive governance structure is essential.

### **Policy Implications: Fostering Inclusive Governance**

The study's findings highlight that market forces and private sector initiatives alone cannot guarantee balanced developmental outcomes. Instead, active government intervention is required

to reconcile economic efficiency with social equity. The collaborative governance framework Ansell & Gash (2008) posits that successful collaboration depends on the government acting as an active facilitator, a role this research found to be absent in practice.

Two critical policy areas must be addressed immediately. First, public institutions need to be strengthened. The agricultural extension services in Pangalengan are weak and under-resourced, often providing uneven access based on personal connections rather than systematic outreach. This institutional failure perpetuates inequality by leaving farmers without social capital behind. Thus, enhancing the capacity and ensuring universal access to these public services should be a primary goal. Strong public institutions would serve as a vital counterbalance, offering knowledge and technology to all farmers regardless of their affiliation.

Second, the government must develop a regulatory framework for partnerships. This framework should be designed to ensure an equitable distribution of benefits, protect farmer autonomy, and enforce inclusive participation. For instance, the government could mandate that companies demonstrate how their operations will benefit the wider community, not just their direct partners, as a prerequisite for receiving public incentives or support.

### **Relevance in the Context of Sustainable Development Goals (SDGs)**

These policy implications are highly relevant to achieving the Sustainable Development Goals (SDGs). On a micro scale, the PT Hikmahfarm partnership has demonstrably advanced SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth) for its members by providing capital, training, and market access, which has helped them escape poverty and secure better livelihoods. Furthermore, the focus on efficient and sustainable farming practices aligns with SDG 12 (Responsible Consumption and Production) (Scoones, 2015).

Despite these positive contributions, the model's exclusive nature limits its broader impact, thereby impeding the full achievement of the SDGs. The resulting structural inequalities directly contradict the central tenet of the SDGs: to 'leave no one behind'. Consequently, it is vital to pursue more inclusive policies, such as reinforcing public services and implementing equitable partnership regulations, to ensure that the private sector's role can be fully leveraged for the national development agenda. In conclusion, sustainable agricultural progress requires a fundamental shift: moving from a framework of selective empowerment to one of inclusive development, underpinned by effective and just public governance.

### **CONCLUSION**

This study reveals a critical paradox in the use of agribusiness partnerships as a strategy for poverty alleviation. The partnership between PT Hikmahfarm and farmers in Pangalengan effectively addresses key structural barriers for its participants, particularly in terms of access to capital, technology, and markets. As a result, partner farmers experience increased productivity, reduced dependence on high-interest loans, and improved income stability. However, these benefits are not equally distributed. The partnership remains exclusive, creating a two-tiered system in which non-partner farmers continue to face structural disadvantages, including limited access to financial resources, technological knowledge, and fair market opportunities.

The findings highlight a fundamental tension between efficiency and equity within the framework of collaborative governance. While the partnership demonstrates strong performance in terms of efficiency and resource delivery, it falls short in fulfilling the principle of inclusivity. This

study contributes to the literature by providing empirical evidence that agribusiness partnerships can simultaneously function as mechanisms of empowerment and exclusion, thereby challenging the assumption that such models inherently lead to inclusive development.

From a policy perspective, the results underscore the importance of active government intervention. Strengthening public institutions, particularly agricultural extension services, is essential to ensure equitable access to knowledge and resources. In addition, regulatory frameworks are needed to guide private sector partnerships toward more inclusive practices, ensuring that benefits extend beyond a limited group of participants. Without such intervention, partnerships risk reinforcing existing inequalities rather than alleviating poverty.

This study has several limitations. First, it is based on a single case study in a specific regional context, which may limit the generalizability of the findings. Second, the research relies on qualitative data, which, while rich in detail, may not fully capture broader quantitative patterns of impact. Future research is therefore recommended to conduct comparative studies across different regions or partnership models, as well as to incorporate mixed-method approaches to better assess the long-term and scalable impacts of agribusiness partnerships on inclusive development.

In conclusion, achieving sustainable and equitable agricultural development requires a shift from selective empowerment toward inclusive governance. This can only be realized through a balanced approach that integrates private sector efficiency with strong public sector facilitation and regulation, ensuring that no group of farmers is left behind.

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