

Analysis of Salt Policy and Its Impact on Farmers: Balancing Regulation and Protection

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Abstract:

Purpose:

Indonesia has great potential in salt production, especially in Cirebon Regency, West Java, thanks to its vast marine area. However, challenges such as low productivity, poor quality, and limited access to technology and capital hinder the development of the local salt industry. Most salt farmers still rely on traditional methods, which results in an imbalance between domestic market demand and production capacity. This research analyzes the regulation related to salt policy and its impact on the welfare of farmers in Waruduwur Village, Mundu Sub-district.

Methodology:

Using a case study-based qualitative approach, this research explores the role of government policy in overcoming capital and technological barriers, such as the application of geomembranes.

Findings:

The results are expected to offer recommendations to achieve a balance between effective regulation and protection of farmers in order to improve their welfare, reduce import dependency, and strengthen the competitiveness of local salt in the national market

Implication:

This study shows that government policy support is essential to overcome capital and technology constraints faced by salt farmers, such as through the application of geomembranes. Appropriate regulations can improve productivity, quality, and farmer welfare while reducing significant dependencies. The findings also emphasize the need for collaboration between the central and regional governments to create policies that support the sustainable competitiveness of the local salt industry.

INTRODUCTION

Indonesia, as an archipelago with a very large marine area, has great potential in the utilization of marine resources, including salt production. Based on the results of the United Nations Convention on the Law of the Sea (UNCLOS) agreed on December 10, 1982, in Montego Bay, Jamaica, Indonesia has a sea area of 3,257,357 km², almost two-thirds of which consists of oceans. This vast marine area provides potential natural resources that can be utilized, one of which is salt. Salt is an important commodity that has been widely recognized by the Indonesian people for centuries and has made a major contribution to the country's economy, both in the industrial sector, domestic consumption, and food needs. However, despite this huge potential, Indonesia's national salt production has not been able to meet domestic needs, and often, Indonesia still imports salt to meet the shortage of supply.

Although Indonesia has great potential in salt production, the sector still faces various challenges that hinder the optimization of production. One of the main challenges is the ineffectiveness of the national development strategy, which has not been supported by adequate technology. In addition, government policies that are less favorable to salt farmers, as well as the reliance on traditional production methods, cause Indonesian local salt to have low competitiveness. The quality of salt produced by traditional farmers often does not meet industry standards, both in terms of purity and quantity. This leads to an inability to meet the demands of the domestic and industrial markets, as well as causing dependence on salt imports.

Based on data from the Ministry of Maritime Affairs and Fisheries (KKP) in 2021, the number of salt farmers in Indonesia was recorded at only 29,617 people, which is a fraction of the total number of jobs in the country. Not only that, the income of salt farmers is relatively low and not worth the effort they put in. On the other hand, the limited land area of salt ponds is also a major obstacle for farmers to increase production. According to Pambudi and Bendesa (2020), the area of salt and non-salt ponds in Indonesia is recorded at around 22,587 hectares. However, opening a new pond requires a high cost and an arduous process. This is one of the factors causing the low national salt production capacity.

Cirebon Regency, West Java, is one of the areas that has great potential in salt production. The district relies heavily on the salt farming sector as the main source of income for many of its people. Based on data from the Central Statistics Agency (BPS), salt farms in Cirebon Regency are spread across various sub-districts, such as Losari, Suranenggall, Kapetakan, Gebang, Pangenan, Gunungjati, and Mundu. Salt farmers in Mundu Village, one of the villages in Mundu Subdistrict, are an example of micro-entrepreneurs who manage salt ponds to meet the needs of the local community and domestic market. However, despite its great potential, the salt production sector in Cirebon still faces various challenges, both in terms of production and quality.

According to Saragih et al. (2018), to improve the quality and quantity of salt production, farmers need to adopt technologies that can help the production process. One technology that can improve the efficiency and quality of salt production is geomembrane technology, which can help reduce the water content in salt and increase its purity. However, the application of this technology is still limited, especially in Waruduwur Village, Mundu District, where many farmers still rely on traditional methods that have been used for generations. Although geomembrane technology has great potential to increase production yields, it requires high investment costs, which is a major obstacle for many farmers who have limited capital.

In addition to technological limitations, another problem faced by salt farmers is access to capital. Many salt farmers in coastal areas such as Waruduwur Village have difficulty accessing financing to develop their businesses. In fact, many farmers complain about the lack of attention from local governments in providing adequate financial assistance and empowerment programs. For example, Law No. 7/2016 on the Protection and Empowerment of Fishermen, Fish Cultivators and Salt Farmers provides a legal basis for the state to protect and empower salt farmers. However, the implementation of this policy has not been fully optimized, especially in terms of access to capital and technological empowerment for salt farmers.

In facing these problems, it is important to analyze local government policies related to the empowerment of salt farmers. What is the role of the government in providing access to capital, technology, and training needed by salt farmers in Waruduwur Village, Mundu District? How can the policies implemented help improve the welfare of salt farmers and, at the same time, support the optimization of salt production in Indonesia? This research aims to analyze local government policies in empowering salt farmers, particularly in Waruduwur Village, in order to improve the quality and capacity of salt production and the welfare of salt farmers in the area. Thus, this research is expected to contribute to formulating more effective policies to support the salt sector in Indonesia.

This research will use a qualitative approach with a case study in Waruduwur Village, Mundu District, Cirebon Regency. This method was chosen to gain a deeper understanding of the dynamics that occur in the field, both in terms of local government policies and salt farmers' responses to these policies. Data will be collected through interviews with salt farmers, local government officials, and other relevant parties. The findings of this study are expected to provide strategic recommendations that are useful for the development of better salt farmer empowerment policies that support increased national salt production.

Thus, this research not only provides insight into the condition of the salt sector in Cirebon Regency but also seeks to provide solutions to the problems faced by salt farmers in order to improve their welfare and strengthen the competitiveness of local salt in the national market.

METHODS

This research uses a qualitative approach with a case study design, which aims to provide an in-depth understanding of the problems and empowerment potential of salt farmers in Waruduwur Village, Mundu District, Cirebon Regency. The village was chosen as the research location because it is one of the main salt producing areas in West Java, with a significant contribution to local salt production. Data collection was conducted through in-depth interviews with various key informants, including salt farmers, local government officials, as well as other related parties such as technology providers, financial institutions and academics. The interview technique was designed to gather information on the policies implemented, barriers faced by salt farmers, and opportunities for empowerment in the sector. In addition, field observations were conducted to get a first-hand view of the salt production process, technology use and challenges at the operational level.

Secondary data was collected through analysis of official government reports, recent statistical data, and a review of relevant literature related to salt production and policy in Indonesia. The analysis refers to a number of regulations, such as Law No. 7/2016 on the Protection and Empowerment of Fishermen, Fish Cultivators and Salt Farmers, which emphasizes the government's obligation to protect and empower salt farmers by providing access to capital, technology and training. In addition, this study also refers to the Minister of Maritime Affairs and Fisheries Regulation No. 2/2015 on the Empowerment of Salt Farmers and Small Fishermen, which aims to increase the productivity and competitiveness of salt farmers at the local and national levels.

Data were analyzed using a thematic analysis approach, which enables the identification of patterns, themes and relationships between the various factors that influence salt farmer empowerment. Through this approach, the research aims to uncover supportive policies, structural barriers faced by farmers, and strategic recommendations to improve the welfare of salt farmers while boosting the competitiveness of local salt in domestic and international markets.

RESULTS AND DISCUSSION

The Ministry of Maritime Affairs and Fisheries (KKP) assesses that the quality of salt produced in Indonesia has not met the quality standards of export salt. Unfortunately, salt production in Indonesia is only utilized for consumption. This is because the quality of salt in Indonesia is not enough to reach 97-98% NaCl, to be utilized as an industrial material. Based on data from the Central Statistics Agency (BPS), in 2022, Indonesia received approximately 2.7 tons of imported salt. The high number of salt imports continues to fluctuate every year. So, it is necessary to analyze why the quality of salt in Indonesia is low and cannot meet industrial demand, which causes the government to decide to import salt.

Each region has geographical conditions with different characteristics. These characteristics affect the process of salt pond management, rainfall, sunlight energy and soil type. These 3 things become geographical factors that really need to be considered during the production process of salt ponds. Each region has geographical conditions with different characteristics. These characteristics affect the process of salt pond management, rainfall, sunlight energy and soil type. These 3 things become geographical factors that really need to be considered during the production process of salt ponds.

Salt productivity in Cirebon Regency, especially in Waruduwur Village, Mundu Sub-district, faces serious challenges that affect the quality and quantity of salt produced. One of the main factors causing low salt productivity is the use of production technology that is still very traditional and less efficient. Although Cirebon Regency has great potential in salt production, with a land area of around 22,587 hectares spread across several sub-districts, such as Losari, Suranenggal, Kapetakan, Gebang, Pangenan, Gunungjati, and Mundu (BPS, 2021), this sector is still far from optimal. Most salt farmers in Cirebon Regency still rely on traditional technology.

Legal Policies that Support Capitalization and Empowerment of Salt Farmers: Law No. 7 Year 2016 on the Protection and Empowerment of Fishermen, Fish Cultivators, and Salt Farmers

Legal policies that support the empowerment of salt farmers in Indonesia, particularly in Cirebon Regency, play a very important role in addressing the sector's capital and financing issues. One of the main legal foundations in the empowerment of the salt sector is Law No. 7/2016 on the Protection and Empowerment of Fishermen, Fish Cultivators, and Salt Farmers. This law is specifically designed to provide protection for salt farmers and encourage them to access resources, technology and capital that can improve their welfare and productivity.

The main objective of Law No. 7/2016 is to protect salt farmers so that they can enjoy fair and sustainable returns from their business. Salt farmers are an important part of the marine and fisheries sector that contributes significantly to the local economy, especially in coastal areas. In this context, salt farmers are expected to be able to obtain protection of their rights as business actors, both in economic and social aspects.

The law also encourages the empowerment of salt farmers by ensuring that they have adequate access to the resources, technology and capital needed to increase their productivity. The government acts as a facilitator, providing policies and programs that support the development of the salt sector in Indonesia. Thus, Law No. 7/2016 is expected to encourage the creation of a better system in terms of capital, training, and access to technology that can improve the competitiveness of salt farmers.

In addition, environmental sustainability is a major focus of this law. This aspect of sustainability is important to ensure that salt production by salt farmers does not damage the coastal ecosystem and the surrounding environment. For example, one of the negative impacts that often occurs is damage to the quality of water and soil used for salt production. For this reason, Law No. 7/2016 includes provisions that regulate the use of environmentally friendly technologies and sustainable natural resource management practices, which will encourage farmers to make changes in the way they produce.

Law No. 7/2016 provides social and economic protection to salt farmers through various policies implemented by the government. These protections include the rights of farmers to earn a decent and fair income from their production. In this regard, the government is committed to reducing income inequality among salt farmers, as well as addressing issues related to the often unstable and low salt prices. One of the protections covered by this law is a social security mechanism for salt farmers who are faced with risks or losses due to natural disasters or climate change. In this case, the government is expected to provide funds or assistance that can help salt farmers deal with losses arising from bad weather or other natural disasters that may affect their salt production.

Apart from social and economic protection, Law No. 7 of 2016 also emphasizes the importance of empowering salt farmers through access to capital and technology. Access to capital is very important to enable salt farmers to develop their businesses, improve farm infrastructure, and switch to more efficient and environmentally friendly technology. One of the existing programs to support capital for salt farmers is People's Business Credit (KUR), which is distributed to the agricultural and maritime sectors, including salt farmers. This program provides loans with low interest and lighter terms compared to commercial loans, making it more affordable for salt farmers who are trying to increase their production capacity.

Even though KUR and other financing programs already exist, many salt farmers still have difficulty accessing them, especially in remote areas such as Waruduwur Village in Cirebon Regency. The problem is a lack of understanding regarding credit application procedures and limited information received by salt farmers regarding available programs. Therefore, empowering salt farmers in terms of access to capital must be accompanied by more intensive counseling and training.

Apart from that, this law also encourages the application of more modern technology in salt production. One technology that is considered to increase production efficiency is the use of geomembranes. This technology allows salt farmers to minimize losses due to rainwater contamination and speed up the salt drying process. In this case, the government is expected to provide technical assistance and facilitation in the procurement of this technology, especially for small salt farmers who are constrained by high investment costs.

One aspect that is highly emphasized in Law No. 7 of 2016 is environmental sustainability. Salt production often relies on limited natural resources, such as seawater and coastal land. Therefore, it is important to ensure that salt production activities do not damage coastal ecosystems and reduce environmental quality. In this case, the government is expected to educate salt farmers about the importance of environmentally friendly production practices, such as the use of geomembrane technology, which can reduce negative impacts on the environment. In addition, monitoring and supervision of salt pond management must be carried out periodically to ensure that salt farmers do not violate existing regulations related to environmental sustainability.

Even though Law No. 7 of 2016 has a clear aim to increase the empowerment of salt farmers, the implementation of this policy still faces several challenges. One of the main challenges is the lack of coordination between the central and regional governments in terms of outreach, training and allocation of aid that is right on target. At the regional level, many salt farmers still do not know about policies or programs that can support their businesses, such as access to financing or new technology. Besides that, there are still problems related to salt farmers not knowing about the administrative procedures that must be followed to obtain assistance or facilities provided by the government. This shows the important role of local governments in providing education and assisting farmers in carrying out these administrative.

Challenges in Implementing Legal Policies that Support Capital and Empowerment of Salt Farmers Even though the government has implemented various legal policies to support the empowerment of salt farmers in Indonesia, including in Cirebon Regency, the implementation of these policies still faces many challenges that hinder their effectiveness. The policy in question aims to provide protection for salt farmers, provide access to financing, and introduce modern technology that can increase production efficiency. However, in practice, many obstacles are faced, both in terms of coordination between the government and salt farmers, difficulties in accessing financing, and low knowledge about modern technology that can increase the quality and quantity of salt production.

One of the biggest challenges in implementing policies to empower salt farmers is weak coordination between local governments and the salt farmers themselves. Even though policies such as People's Business Credit (KUR) or technical assistance have been introduced, many salt farmers do not know about their existence or how to access them. In more remote areas, such as Waruduwur Village and Mundu District, salt farmers often do not receive sufficient information about this policy. Even if information is available, the distribution of aid or access to financing programs is often uneven, so farmers who need help do not get it.

This coordination problem occurs due to the lack of effective communication bridges between local governments, financial institutions and salt farmers. Without a clear extension system, salt farmers remain trapped in ignorance regarding potential programs that can improve their welfare. Existing programs should be more targeted if there is closer cooperation and better coordination between the parties involved in empowering salt farmers. Although new technologies such as geomembranes are expected to increase the efficiency of salt production, many salt farmers do not yet understand how to use them properly. The lack of effective technical outreach is an obstacle to the adoption of this technology. Salt farmers are often accustomed to production methods that they have mastered for years and are reluctant to switch to new methods that they consider difficult or have no proven success.

Less intensive education from the government, as well as limited access to adequate technical training, means that salt farmers do not know how to implement new technologies such as geomembranes or other environmentally friendly techniques. In addition, the cost of attending training or workshops on this new technology is often a barrier for salt farmers, most of whom have limited resources. Financing is the main problem faced by salt farmers in Indonesia, especially in more remote areas. Programs such as People's Business Credit (KUR) have been designed to provide loans with low interest and lighter requirements for salt farmers. However, in reality, many salt farmers cannot access this program easily. One of the main causes is the complicated and complex administrative process, which prevents salt farmers from understanding the correct way to apply for

credit. Many salt farmers are not familiar with the administrative procedures required to apply for a loan. They are often hampered by incomplete documentation or difficulty meeting credit requirements. In addition, many salt farmers do not have collateral or assets that can be used as collateral, even though KUR offers unsecured loans for micro and small businesses. This makes it difficult for them to obtain the financing needed for technological modernization or business development.

The long and non-transparent application process is also a big obstacle for salt farmers who have limited time and resources. Salt farmers are often reluctant to apply for loans due to uncertainty about whether they will be approved or not, as well as difficulties in meeting all existing requirements. Another problem that contributes to worsening access to financing is the low level of financial literacy among salt farmers. Many salt farmers do not have a sufficient understanding of how to manage their business finances effectively. Without a good understanding of financial management, they tend not to be able to plan their finances well or manage the

Lack of knowledge about how to plan business finances also hinders salt farmers in managing financing obtained from KUR or other financial institutions. Without good financial literacy, salt farmers will have difficulty managing funds for operational needs, purchasing equipment and implementing new technology, which ultimately affects the efficiency and sustainability of their business. In addition to administrative and technical challenges, social and cultural factors also play a role in the implementation of this policy. Many salt farmers have long relied on traditional methods of salt production. They feel more comfortable with the methods they have mastered and tend to be skeptical of change or new technology. Some farmers also feel that they cannot afford or do not need to invest in modern technology because they are unsure of its success in their local context.

Habits that have been passed down from generation to generation and the tendency to maintain existing methods make salt farmers less open to change, even though these changes can bring great benefits. Therefore, apart from improving technical coordination and training, the government also needs to educate salt farmers about the importance of innovation and change in facing increasingly complex salt production challenges. The government must be able to change the paradigm of salt farmers by showing evidence of the success of implementing new technology and providing real examples that can increase their confidence in this technology.

Another significant challenge is that policies are not always on target. Although policies such as KUR or capital assistance are distributed to the agricultural and maritime sectors, their implementation often does not take into account local conditions and the specific needs of salt farmers in certain areas. Many of the policies implemented are general and do not suit the characteristics of salt businesses in certain areas. For example, many salt farmers in rural areas require small capital for their businesses, but existing policies focus more on assistance for larger businesses. This makes the policy less effective in reaching salt farmers on a micro or small scale.

CONCLUSION

Empowering salt farmers in Cirebon Regency is a strategic step in increasing the productivity and quality of salt in Indonesia. Various policies and programs have been provided by the government, both through Law No. 7 of 2016 concerning the Protection and Empowerment of Fishermen, Fish Farmers and Salt Farmers, as well as other regulations that support the financing and adoption of modern technology such as geomembranes. Although this policy is quite comprehensive, the main challenge faced is in terms of implementing the policy itself. Many salt farmers have not been able to access available assistance and technology, largely due to a lack of coordination between the government and farmers, complicated administrative problems, and the low level of financial literacy among salt farmers.

Salt farmers in Cirebon Regency also face obstacles related to capital, which makes it difficult for them to adopt new technology that can increase production efficiency. Even though People's Business Credit (KUR) is available as a low-interest financing solution, salt farmers are often hampered by complicated procedures and a lack of understanding of how to access this financing. In addition, the lack of technical training regarding modern

technologies such as geomembranes hinders the implementation of technologies that can improve the quality and quantity of salt produced.

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