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ABSTRACT

This article examines the relationship of local culture on the ability to access finance on beef cattle farmer. The local culture in this study associated with the values held by the farmer community so far and affect the character of farmers both in his personal life and his relationship with the surrounding environment. The Data was collected by using interview and questionnaire instrument. Data were analyzed using descriptive analysis and correlation analysis. The result shows that local culture identified in this study include: honesty, smart, decency, firmness, hard work, and shame. It's important result that local culture has been associated with the ability to access financing for beef cattle farmers. The higher values are adopted and maintained by farmers will increase their ability to obtain loans from both informal and formal institutions. Strengthening the local culture is important because it affects the character of farmers who became one of the considerations for lenders other than collateral, capacity, and capital is precisely the financing constraints for them.

KEY WORDS

beef cattle farmers, formal institution, funding accessibility, informal institution, local culture

INTRODUCTION

The availability of capital for rural people, especially beef cattle farmers is very limited. Therefore, external financing is very helpful in run breeding cattle. Financing may include internal and external financing. Internal financing is financing sourced from its own business activities that they do. While external financing comes from outside parties either in the form of financing coming from formal or informal institutions. Formal financing is financing from banks or from the government distributed the various programs of assistance to farmers. Informal financing is financing that comes from informal institutions such as the Institute of Microfinance, friends, relatives, moneylenders, and others. The existence of formal and informal finance in rural areas are expected to complement each other and not kill each other.

Lack of funds owned by farmers requiring them to seek to finance from external financing. Limited access to external financing on farmers is one of the implications of the pecking order theory [8] which describes the hierarchy of financing. Some of the results of relevant research such as that done by Holmes and Kent [4]; Fazzari and Petersen [6] also pointed out that more small businesses are using a version of the pecking order theory in their funding decisions for access to external finance is limited so that internal financing is the first choice before seeking external financing. Implications hierarchical pecking order theory of financing in line with the preferences of financing on the farm of beef cattle that farmers tend to prefer internal financing as the first financing followed by external financing. External financing comes from informal and formal financing. Definition of informal financing Allen *et al.* [1] is everything that is not bank financing. Informal financing comes from friends, family, fellow farmers and micro finance institutions. While the funds sourced from formal institutions such as banks and government Asnawi *et al.*[3]. Allen *et al.* [8] specially refer to lending by the money lenders and private money houses as the nonstandard financial sector.

Funds from informal financing do not require heavy procedures and requirements but the capital of trust between farmers and lenders are very decisive. While the formal finance there are several factors that impede the accessibility of financing farmers beef cattle include: procedures are very long, the requirements are very burdensome, especially collateral, availability of information about financing is still low, the relationship between farmers and lenders are still relatively low, and the location between residence farmers with a lender that relation away. IFIs and other unregulated MFIs, compared to regulated institutions, have a competitive advantage as they are free to set their own interest rates and other contract terms. Many IFIs remain informal simply because there is no suitable legal form available, or at least no legal form with sufficiently low minimum equity capital requirements, or with capital adequacy ratios instead [12]. It also confirmed by Hyz [7] which states that some of the barriers in accessing credit in the banking sector are of high-interest rates, collateral requirements required by the bank, the procedures and length of time associated with the credit proposal.

In addition, banks are still applying some judgment in accordance with the concept of 5 C in selecting candidates for debtors namely: character, capacity, collateral, capital, the condition of economy and constraint Rivai *et al.* [10]. But we realize that farmers generally do not have the required collateral, the amount of internal capital owned was relatively small, and the ability to produce highly dependent on the factors of production owned.

Therefore, one of the assessment criteria of 5 C must be strengthened is the character of prospective borrowers. Characters farmers concerned about the character, attitudes, and values espoused by the debtor. Good character will determine goodwill or willingness and compliance to meet its obligations (willingness to pay) in accordance with the agreements that have been set. This is crucial because of good character could influence potential lenders to make loans or extend credit to the debtor. If these can be developed and maintained it will determine the ability of the farmer to improve their accessibility to credit both from formal and informal financing.

Characters farmers associated with the values of the local culture which are owned by South Sulawesi society, especially farmers who are still very strongly attached to them. The values of honesty, smart, decency, determination, effort and shame/pride is a capital of culture which has been investigated previously Nirwana [9] which showed that some of these things affect the financial condition of the area. This study aimed to examine the relationship of local culture for accessibility of financing on-farm beef cattle.

MATERIALS AND METHOD

This study was conducted in one of the areas in Indonesia, South Sulawesi Province. The selected area is Bone District because the area is the level of beef cattle development loan portfolio is quite large, but it is the area where the rates of the population are very large, the largest livestock population. This area still adheres to local cultural values are applied in many ways in our daily. A total of 70 farmers who were interviewed to obtain the information. This study uses a survey approach with the help of a questionnaire as a research instrument. Data were analyzed using descriptive analysis of the statistics and multiple regression analysis.

RESULTS AND DISCUSSION

Characteristics of Farmers:

Characteristics of farmers include age, education, and breeders experience while farm characteristics include: the number of cows that are kept and accessibility of financing to the farmers which is calculated from the frequency they obtain financing both formal and informal financing. Farmers and farm characteristics can be seen in Table 1.

Table 1: Farmers and Farm Characteristics

	Average	Median	Minimum	Maximum
Age (year)	44	45	24	73
Education (year)	11	12	6	19
Farmers Experience (year)	16	15	5	35

Based on the data in Table 1 shows that the average farmer at productive age is 44 years. This strongly supports the activities of farmers especially those associated with work that requires manpower and physical conditions such as take forage, bathing livestock, herding cattle, etc. The average level of education of farmers is good because most of them had a high school. Breeders already have experience enough that raising the average sixteen. Even among farmers there who've been raising for 30 years. This means that they are very proficient and able to overcome the technical problems related to breeding cattle. Description of farmers characteristics in this research is very supportive of this research because it requires knowing the answers and responses the values of local cultural developed in the community of their own draft general access financing

from both formal and informal institution. If the in the review of its business characteristics, the average farmer had the cow as much as 3 heads even though one of them there that have 27 animals. Ownership of cattle is very determined their access to financing because lenders will usually consider the number of animals kept. The greater the number of animals kept it, a chance to obtain financing more. It is associated with the ability to manage a business and capital owned by farmers. These criteria confirm Rivai *et al.* [10] that the credit ratings then there are some things seen, namely: character, capital, collateral, capacity, the condition of the economy, and constraint.

The values of Local Culture on Farmers Society:

Cultural values espoused farmer community in rural areas inherent in him and affect each character both for himself as well as with regard to their interaction with other. The local cultures in this study are:

- a. Honesty sincere, true, good or fair that his opponent's words are deceitful, cheating, lying, treasonous, bad, deceit, oppression.
- b. Smart or scholarship, the ability to make decisions and find solutions to the problems that it faces. Besides always careful in the work.
- c. Decency, fit, Appropriate or inappropriate ". It can be interpreted as decency or propriety " which essentially set gnats everything is in place, take something out of place and do things in place.
- d. Firmness, "do not break their agreement; do not betray the agreement; do not cancel the decision; do not change the deal, and if it speaks and acts, was halted before completion ".
- e. Persistence, associated with hard work, perseverance and not like lazy and did not surrender to circumstances,
- f. Self-esteem/embarrassment was the driving force to eliminate, alienate, repel, and so forth to what or who offend or dignity.

Effect Local Culture on Financing accessibility on Farmer:

The level of accessibility of financing the farmers vary depending on the assessment by the lender whether it is feasible to get a loan or not. Some factors as an indicator are business capacity, this collateral, and capital. The third things easily measured and assessed as available and easily observed physically. Another thing to be considered is the character of the lender. Character concerns the nature and character of which is owned by the debtor that already exists within each farmer. Characters in the assessment of lenders associated with cultural values such as honesty, scholarship, perseverance, effort and pride/shame on themselves farmers. As for the effect of each of these values to the accessibility of financing can be seen as follows:

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Table 2: Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.960 ^a	.921	.914	.27992

a. Predictors: (Constant), X6, X5, X1, X3, X4, X2

b. Dependent Variable: Y

The coefficient of determination explaining the effect of honesty, scholarship, perseverance, effort, and pride in the ability to access financing both informal and formal financing. When viewed from the value of R - Square is the magnitude of 0.921 indicates that the proportion of variable influence honesty (X1), smart (X2), propriety (X3), firmness (X4), persistence (X5), shame/pride (X6) the accessibility of financing (Y) of 92.1% means that all six of these variables impact of 92.1% while the remaining 7.9% is influenced by other variables outside the model. F Test results known as simultaneous test or tests Model/Anova Test showed the following results:

Table 3: F Test Result

ANOVA						
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	57.935	6	9.656	123.230	.000 ^b
	Residual	4.936	63	.078		
	Total	62.871	69			

a. Dependent Variable: Y

b. Predictors: (Constant), X6, X5, X1, X3, X4, X2

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Value prob. F count (sig.) Table 3. 0.000 worth less than the 0.05 level so it can be concluded that the linear regression model estimated a decent used to explain the influence of independent variables Honesty (X1), Smart (X2), Decency (X3), firmness (X4), persistence (X5), Shame/self-esteem (X6) to variable Y (accessibility of financing).

F test is done by comparing the value of F calculated by the value of F table. The value of F calculated in Table 3 is known at 123.230 while in F Table is 2.246408. This indicates that the value of F calculated >

(greater than) the value of F Table. This shows that honesty, smart, decency, firmness, persistence, shame/Self-esteem effect simultaneously with the accessibility of financing farmers. In each partial effect of variable X to a variable, Y is Partial (Test T) as the results in Table 4.

Table 4: T Test Result Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-2,138	,240		-8,901	,000
X1	,078	,019	,265	4,179	,000
X2	,069	,031	,155	2,270	,027
X3	,071	,026	,176	2,724	,008
X4	,097	,027	,229	3,545	,001
X5	,092	,025	,179	3,721	,000
X6	,048	,026	,108	1,835	,071

a. Dependent Variable: Y

Effect of Honesty to Funding accessibility

Based on T test results in Table 4 that the effect of variable Honesty to the accessibility of financing (Y) with the value of T calculated is 4.179 with a significance level of 0.000. This shows that honesty variables significantly influence the accessibility of financing. This is shown in the significant value T X1 variable count is lower than the probability value in this study ($0.000 < 0.05$). This is consistent with information from several informants that farmers are always honest and never in arrears and not treasonous it will be easier to get financing for the concerned trustworthy. Schwartz [11] divide into the cluster of behaviors: tolerance being close to the helpful, forgiving, loyal, and responsible. The role of honesty could be summarised by Svensson [13], in which he treats honesty as a part of a conceptual framework perceived as a vulnerability in business relationships, defining it in terms of three elements: fairness, motivation to lie, and openness of management.

Values of honesty are needed especially for farmers who apply profit sharing. An honest breeder in raising livestock will easily gain the trust of the owner of capital. If this can be maintained then cooperation between breeders and owners of capital can be sustainable. Revenue sharing system is mostly done by breeders proven to help increase the income of family farmers by Sirajuddin et al. [13] so that honesty during raising livestock is very necessary.

Effect of Smart on Funding accessibility:

The smart influence the accessibility of financing are shown in Table 4. T Value calculated in Table 4 for the variable X2 is 2.270 with a significance level of 0.027. It is explained that the smart of variables significantly influences the frequency of obtaining financing. This is also shown on the significance value T count is smaller than the probability value in this study ($0.027 < 0.05$). Farmers who have the ability to make decisions and solve problems encountered will likely have the ability to maintain their animals well. Cows are well maintained with good management will eventually produce a good beef performance. Besides versatility in selecting the source of financing enabling it easier to obtain loans.

Effect of Decency on Funding accessibility:

Table 4 shows the effect of variable decency to the variable accessibility of financing. T test results showed the value of T calculated at 2.724 with a significance level of 0.008. These test results show that in partial propriety significant effect on the financing of accessibility. This is shown at a significance level value T count is much smaller than the probability value ($0.008 < 0.05$). Propriety in relation to the ability of farmers to access funding is related to whether the farmer deserves a loan or not. If appropriate, it will be accepted, however, if it does not deserve to be a loan, it will be rejected. Someone in obtaining financing is determined by many things such as: the person never perfidious and never perform payment arrears in the payment history; The proposed amount in accordance with its business capacity. Farmers who have relatively sufficient number of animals tend to more easily obtain loans from banks for its consideration that in terms of capital ownership is greater. This indicates that farmers have seriousness in carrying out its activities. Also from the lower risk because there is no guarantee that if things happen that are not desired then the farmer can sell his cow to pay its debts. Similarly, financing sourced from informal financing, lenders such as family and friends more easily believe that farmers have a greater number of cattle than the cattle breeder smaller. This means that both the formal and informal financial financing, the level of debt remains a risk provision into consideration.

Effect of Firmness on Funding accessibility:

In Table 4 shows the value T calculated at 3.545 with a significance level of 0.01. These results indicate that the effect of variable firmness on the accessibility of financing is significant. This is indicated by the value of the significance level T count is much smaller than the probability value ($0.01 < 0.05$). People steadfast and

persistent in the work will not stop until obtaining the desired results. The desire that this monkey would normally motivate farmers to seek and adopt information technology. If this is done then it will have an impact on its business capacity and ultimately the lender will believe that a potential debtor is a person who actually committed in the attempt.

Effect of Persistence on Funding accessibility:

Persistence in trying to influence the accessibility of financing are shown in Table 4. The results of T test showed the value of T calculated at 3.721 with a significance level of 0.000. The results of T test showed that persistence in running the cattle business for accessibility of financing significantly. It is based on the value of the significance level T count is much smaller than the probability value ($0.000 < 0.05$). The diligent and do not like lazing more easily gain the trust of the lender than people who are not resilient. It is easily observed because usually that is reflected in the performance of cattle that are. Healthy cattle will have an impact on good prices that affect the acceptance of breeders and vice versa. This is largely determined by the harshness of hard krja from ranchers in the care of their cows. Fluctuating selling prices will affect farmers' revenue Sirajuddin et al. [14]. Resilient people trying to tend to have healthy cows, large and not susceptible to disease. This one has related to managerial competency for the farmers. Entrepreneurial characteristics include the managerial competency and confirm research by Fatoki and Asah [5] that entrepreneurial characteristics include entrepreneurial competency impact on access to debt finance by SMEs.

Hard effort owned by farmers is very supportive of the farm business that is run. This is one of them can be seen from the level of technology adoption in a rural area. Capability and desire to increase knowledge and information are strongly influenced by the characteristics of the breeders themselves: age, education, the number of family dependents, number of livestock ownership and work experience (Sirajuddin *et al.* [15])

Effect of Shame/Self-Esteem on the Funding accessibility:

In Table 4. shows that self-esteem and shame towards the financing of accessibility. In contrast to the five independent variables, on these variables to get the T count of 1,835 with significant level was 0.71. These results indicate that self-esteem and shame not significantly affect the accessibility of financing. This is indicated by the value of the significance level T count is much smaller than the probability value ($0.071 < 0.05$). Self-esteem prevents someone from doing things that are contrary to law, moral values, religion, customs and other actions that can harm humans.

Conclusion:

Cultural values such as honesty, scholarship, decency, firmness, effort or perseverance and self-esteem significant effect on the financing accessibility in the financing of formal and informal financing. Accessibility of financing the farmers will increase if the values of the local culture that has developed in the community and farmers can be maintained and developed.

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