



ABSTRACT

The agricultural sector is the backbone of a nation's existence. In many cases, even if a country or nation has experienced continued industrialization, but its agricultural sector not doomed. Indonesia, since the New Order until now, the development of the agricultural sector is not so encouraging. Compared with other countries, the agricultural sector in Indonesia is still far behind. In fact, Indonesia is an agrarian country, most people from farming livelihood. This condition seems to be getting worse when there is a great economic crisis in mid-1998. The condition was eventually require the government to ask for help the International Monetary Fund (IMF) to help resolve the crisis that ultimately put into Letter of Intent (LoI) that it actually contains three neoliberal mantra, namely privatization, liberalization, and deregulation are more often called Structural Adjustment Programs (SAPs), then with the condition begin running Agricultural Liberalization in Indonesia. With the liberalization of agriculture through the implementation of SAPs, the original pattern-oriented agriculture for food needs of everyone in the family become food for export purposes which are not ultimately oriented to improving the welfare of farmers and farm laborers in Indonesia because of the lack of state intervention.

As the most influential institution, the IMF has a lot of power to impose neo-liberal agenda of liberalization as a prerequisite for withdrawing loan funds, so that should be examined that whether the real implications of IMF SAPs encourage agricultural liberalization in the agricultural sector, undermining food sovereignty?, And the effort or what mechanisms Indonesia should be sought in order to strengthen the bargaining position of farmers to improve their welfare. Broad liberalization in the agricultural sector in the middle of unprepared institutional elements will destroy the farmers instead.

IMF SAPs are imposed instead of creating efficiencies, but rather the destruction of the agricultural sector, which can be seen from the decline in agricultural productivity and farmers' welfare decreasing. Liberalization will also create Indonesia food dependency to imported food, so in the long time will create food security crisis in Indonesia. Research carried out by relying on literature study, through a search of scientific publications, both in the form of journals, books, analysis of newspapers, magazines, as well as sources other relevant literature. The study is limited from the start LoI signed up to the era of SBY-JK government by using the analysis and the results will category presented in a descriptive analytical description based on a coherent research theme.

Keyword: *Letter of Intent, SAPs, Privatization, Deregulation and Liberalization, Liberalization of Agriculture, Food Sovereignty, Welfare Farmers.*