

ACCES TO FINANCE AMONG THE DETERMINANTS OF THE DEVELOPMENT OF RATTAN INDUSTRY PADANG CITY

Rika Desiyanti¹, Novia Rahmawati²

^{1,2} Universitas Bung Hatta Padang

Email: ¹Rikadyanti@yahoo.com, ² novirahma_titi@yahoo.com

ABSTRACT

Rattan commodity in Padang, including commodity most likely to be developed, with its potential industrial development aimed at strengthening competitiveness. The strategy used to develop the Small Industry Rattan city of Padang in order to have competitiveness cluster strategy. Industry cluster is a group activity that consists of a core industry, related industries, supporting industries that support each other so as to create innovations increase efficiency and competitiveness. Industrial cluster policy is government policy that is useful to develop small industries in order to become a good industry and market competitiveness both locally and globally. Research on the factors affecting the cluster strategy development of the industry. These factors, among others: core industry, related industries, industries supporting mutual support increased efficiency. Some factors cluster affecting the development of the industry is internal network and partner, entrepreneurship, skill of management, availability of infrastructure physical, quality of support local government, quality of big company support, research into and development, quality of industrial support association and commerce, access to financial business, availability of transportation service, and access marketing of output. Furthermore, giving more attention to the variables that are considered influential.

The result showed that among 11 cluster variables having an effect on significant only one variable, that is access to financial business variable. So the need to emphasis on this variable Furthermore, analyze access to financing. Need to do analysis of the dimensions of access finance. These dimensions are: venture capital, resources and special financing, funding research and development of private and government, business support services, and network investments.

Keywords: cluster, access to finance, successful rattan development

INTRODUCTION

Rattan has come to be the one source of production in society and it makes rattan most wrestled by small society. This small industry has important role in creating work field in society especially in Padang. Through excellence of competitive, strategy able to be used to develop rattan Kota Padang to be owning competitiveness is strategy of cluster. Industrial clusters are group of work which consist of

industry of core, related industry, supported industry which is supporting each other to make-up of efficiency that create competitiveness and innovation. The Policy of industrial cluster is a policy of government that developed small industry in order to make taft industry and have good competition in global and local market as well. The factors that can create this small industry are internal network and partner, entrepreneurship, skill of management, availability of physical infrastructure, quality of support local government, quality of big company support, research and development, quality of industrial support association and commerce, access to financial business, availability of transportation service, and access marketing of ouput. Furthermore among 11 variables, giving more attention to the variables that are considered influential.

The aim of this policy basically to push for expanding middle and small industrial groups. Related to industrial cluster, particular factors which influence efficacy of development of small industrial cluster of rattan, so that can be conducted by emphasis of priority assumed variable have an effect on in development of rattan. Tambunan (2006) said there are some facts that make them develop quickly: they expand at full speed. For example: In sentra there are supplier of raw material, production appliances, machine, finished goods producer and components. Besides lessening production fare, one another sinergy, related accelerate their business. Existence tight emulation combination one party and good cooperation other party, between fellow entrepreneur. In cluster there are service centers especially.

In the face of stiff competition today is a threat to small rattan industry, especially with the opening of the domestic market. Small rattan industry squeezed by the constraints that are not growing as big industry that dominates the national economy. Constraints that include efforts related to financial issues.

LITERATURE REVIEW

Small Industry

Small Industry is industry owning equipments invesment below Rp 70 million, amount of labour below 20 people and have company asset at the most Rp 100 million (Dinas Perindustrian dan Perdagangan Provinsi Sumatera Barat 2001). While according to Bappenas (2004) small industry represent done by economic activity is household or civil or a person aim to produce service and goods for commercial having net worth at most Rp 200 million and have sale value every year equal to Rp 1 Billion or less. Small industry show its resilience energy, seen from existence of ability of stay to change of environment and run its function in permeating additional labour every year around 1,8 % (BPS Indonesia, 2006). For that small industry as effort people should be able to be defended and improved again and also given attention by all holder stake.

Cluster And Determinant Efficacy Of Its Development

Cluster represent woke up specialization asset by through years representing geographic

concentration among related company and work along among others supplier of goods, supplier of related industry and service and also some special institution like college institute, standardization institute, functioning commerce association and others as complement (Bappenas, 2004).

Industrial cluster is activity group which consist of group core and supporter. Activity group which consist of industry core, related industry, supporter industry which is supporting each other the make-up efficiency that created competitiveness and innovation. Policy of industrial cluster represent policy of government which good for small industrial develop in order to be a taft industry and have good competitiveness global and also local market to be development of small industry with format of cluster. Can succeed to be felt important to know and comprehend factors any kind of able to determine its efficacy of factors determinant of efficacy of development of small Industrial cluster in Indonesia is: (Bappenas,2004)

1. Internal network and partner

Internal network and partner needed so the development of small industrial of cluster succeed in supported industry (supplier), industrial related industry and nucleus;core (distribution channel) must have good relation, interaction, working along, and equipping each other.

2. Entrepreneurship

Entrepreneurship had will be able to see opportunity of business and useful ideas which relative have never there is, developing and improving it through creation of innovation able to improve value utilize product so that have global and local market competitiveness

3. Skill of management

So that succeed hence performer of small industrial cluster (especially internal network) must have skill and ability which related to various management science area. To increase mount ability and skill of small industrial performer is management area, performer of industrial cluster have to be active follow courses training of performed management by governmental and also professional circle.

4. Availability of physical infrastructure

Availability of physical infrastructure like electrics, water, transportation medium and infrastructure and communications by adequate will very is determining efficacy of development of small industrial cluster, because this matter of expedite operate it of cluster small industrial physical infrastructure which relative goodness will be able to improve to access at raw material, and also water down to access at labour.

5. Quality of support local government

Role of government needed in supporting small industry of rattan especially local government. Local government require to release by law which arrange everything that related to development of small industrial cluster.

6. Quality of big company support

Big company can share active assist small industrial performer by providing people train able to be rented, providing promotion facility like exhibition, and support development of human being resource through trainings.

7. Research into and development

Research and development very needed in developing small industry cluster. Research which applicative in technology produce and relevant management to small industry can be provided by college, institute research into & development.

8. Quality of industrial support association and commerce

The needing of active support of industrial association and commerce. Through commerce association can be brought into contact all performer of small industrial cluster so that created to be dialogued, cooperation and communications among them, so that can depress the expense of facility and transaction learn with in the field of marketing, purchasing, training, usage of technology and facility.

9. Access to financial business

Limitation access and inability to fulfill formal condition related to business proposal, collateral, and a number of other administrative equipment make small industry unable to continue its effort. Hence needed role of banking financial institution and non banking (conventional and moslem law) to responds requirement of small industrial performer especially concerning requirement of working capital.

Access business financing and dimensions are:

Access to finance is the ability to access finance that contributed to the successful development of cluster by supporting the growth and expansion of the activity-related cluster. This includes access to venture capital, The availability of venture capital is critical because it can reshape the role of public risk financing syndicate to build a new type of investment in the public sector which carries a risk of technological and commercial risk of the venture capitalist firm (Paija, 2000). Close to intermediaries such as banks, venture capital firms, trading companies and other financial institutions seen as positive benefits for cluster development.

a. Venture capital

in Businesses, many efforts have been made by the government. One of the government programs in order to empower small businesses are in the presence of venture capital companies, as venture capital firms in providing assistance to small businesses are not in the form of capital alone but also aid in the form of good management marketing management, production management and resource management. Venture capital company formed by the government to carry out the mission of helping small businesses with equity shares. Besides equity venture

capital firms also help develop small businesses. According to Wardoyo (2003) Venture Capital is a financing in the form of equity participation in a Partnership Company which wants to expand its business for a certain period of time (temporary).

b. Resources and special financing

Problems facing small businesses one of which involves the ability to access financing and governance of small business management and information access. The difficulty small businesses access to sources of capital because of limited information and the ability to penetrate the capital source. Whereas the choice of capital sources are many and varied. Financial Bank institutions are the largest source of capital that can be utilized by small businesses. But to partner with banks, small businesses are required to present a business proposal feasible or viable and profitable business. Besides, the bank financial institutions require small businesses to be able to meet the requirements of banks. The small industries can also borrow to cooperation. Cooperation is one form of loans to help people with the installment every period on the cash cooperative, flexible with affordable installments. These loans are given at low interest that will be used built cooperative and will be fostered, both in management and marketing to its business independently, the loan was given as a tangible cooperative to help people.

c. Funding research and development of private and government.

Research and development is needed to encourage and produce superior research that can be implemented to provide added value and innovations in the field of small industries and other related fields. Research and development is also necessary to establish cooperation among the cluster of researchers, academics and activists research in the field of small industries and other related fields.

d. Investment

Investing in a broad sense is the sacrifice of a number of current resources with the hope to obtain some compensation or benefits in the form of future investment; Real investment and financial investment. Investment aims to get return or to get some money. The broader goal is to improve the welfare of investors. investors to invest in order to obtain a better life in the future is to improve living standards, reducing inflationary pressures, the urge to save on taxes. (Desiyanti, 2008). Real investment can be tangible land, buildings, while the financial investment could be saving money in the bank in the form of savings and deposits, stocks and bonds products.

10. Availability of transportation service

Supplier of service transportation also can become determinant efficacy of development of small industrial cluster. They earn to provide transportation service to small industrial performer which do not have transportation medium. Availability of adequate transportation medium will water down to access at raw material, contiguity with market and supplier

11. Accessing marketing of output

For the efficacy of development of small industrial cluster, small industry must have ability in the case of marketing strategy. For that small industry must have access to accurate market information, objective, adequate and well-balanced so that industrial performer can market its product better.

RESEARCH METHOD

Using analysis multiple regression. Beforehand interview and spreading of questionnaire. After passing multiple regression hence got by determinant factors influencing development of cluster. Giving circumstantial emphasis and attention at determinant factors having an effect on to development of rattan industry so that industrial cluster can expand goodness. Research executed in Tanah Sirah kelurahan Pitameh kecamatan Lubuk Begalung kota Padang. This Research use primary data and secondary data. Primary data obtaining through spaciousness survey, passing interview and use questionnaire. This research have population all entrepreneur of rattan which is have location in Padang City. Sample selected to use method of purposive sampling. This sample selected has two consideration, (1) sampel have permit effort and enlist Dinas Perindag kota Padang. (2) sampel have location in Sentra Alam Lestari Tanah Sirah kelurahan Pitameh kecamatan Lubuk Begalung kota Padang.

RESULT AND DISCUSSION

Result

Table 1 Profile respondents of gender, age and education ladder.

	Profile of respondents	Frequensy (People)	Persentase
	Gender		
	1. Male	5	45,5
	2. Female	6	54,5
	Age		
	1. 17-22 years	1	9,1
	2. 23-28 years	3	27,3
	3. 29-34 years	1	9,1
	4. 35-40years	1	9,1
	5. > 40years	5	45,5
	Education		
	1. Junior high school	7	63,6
	2. Senior high school	3	27,3
	3. Graduates	1	9,1

Tabel 2. Test of Multiple Regression

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.318	.960		.332	.754
	X2	.093	.310	.076	.300	.777
	X5	-.280	.399	-.204	.701	.515
	X6	.056	.317	.040	.177	.866
	X7	.086	.245	.099	.351	.740
	X9	.924	.266	.875	3.469	.018

a. Dependent Variable: Y

Variable of X1,X3,X4,X8 there is which is not valid and realible so that input do not in test of multiple regression .Meanwhile X2, X5,X6,X7 have an effect on do not significant, X9 variable have an effect on significant. Among 11 industry cluster having an effect on significant and have to become especial attention variable access to financial business.

Discussion

A. Cluster

1. Internal Network and partner / cooperation entrepreneur of rattan with supplier (X1)

Raw material come from Mentawai have very good quality. After exportation of raw rattan prohibited hence worker of rattan get raw material quality of goodness. Prohibition order government to export rattan raw material go out country very effective to overcome the rare of domestic raw material. Worker of rattan to in this time not lack of raw material. So that entrepreneur of difficulty rattan do not in getting raw material. But that way raw material to be exported to to have the quality of good at the price of costly also.

Not all worker of rattan of pitameh use raw material of quality of exporting, because in the end price sell which come up with costly consumer relative. Consumer do not want to buy furniture of rattan if its compared to costlier price furniture of wood. Most entrepreneur of rattan do purchasing of raw material only at the time of there is ordering of rattan product of consumer. Entrepreneur of rattan

do not dare to do depositoryly raw material stock if not there is order of consumer. Entrepreneur of rattan fear if product they is not saleable, whereas capital they have been embeded.

2. Entrepreneurship (X2)

Entrepreneur of rattan shall have competitiveness sell in market and also make product which is inovative and creative. Lack of creative idea and inovative of entrepreneur of rattan. Entrepreneur of rattan accept order as according to desire of consumer. Consumer bring representative of then worker of rattan make product pursuant to picture form given by consumer. Matter this means in the case of product design entrepreneur of rattan tend to to follow what consumer appetite and entrepreneur of rattan behave passive with product model, its meaning buyer wishing model remain to show its picture and entrepreneur of rattan make asked model

Entrepreneur of rattan only furniture display which is its model do not vary, otherwise there is request of consumer bringing picture model furniture of rattan. Entrepreneur of very rare rattan give created design by himself which is inovative to buyer. This matter of course make entrepreneur of difficult rattan compete between their humanity and also with product of substitution other like furniture of wood which serve newest design which not left behind mode which in demand in market.

Technological which used still modestly (manual). Needed new membership specially worker of usage of nail; axis shoot and compressor, knowledge concerning more modern product design and recognition of new matting form and more is varying. Production process which still manual because of lack of labour applying process technology. Usage of nail; axis shoot and time efficiency compressor will in course of production and make the quality of good product.

3. Skill of management (X3)

Ability and skill of management pertained to lower. Management of effort having the character of familiarity. Membership of management only degraded hereditarily. There is generation entrepreneur of rattan which do not want to work as entrepreneur and or worker of rattan. The importance of training for the development of rattan effort and repair of design. progressively its goodness made by design all worker expected can compete in national market and international market

In developing small industrial cluster of Kota Padang rattan, entrepreneur of rattan have to have skill and ability. A little entrepreneur of rattan making financial statement. There is no record-keeping of company transaction clearly. With existence of skill and ability in the field of management. Entrepreneur of rattan will be able to overcome threat of newcomer potential, strength drive a bargain consumer and supplier, goods threat of substitution To overcome emulation between entrepreneur of rattan, require to do product differesiansi, interesting product design. Also improve the quality of product become better again.

Each worker of rattan have 1 worker which remain to at area forming of frame, and some worker of weaver, and 1 worker at painting area, what generally represent family. If worker of rattan have order which eating many to earn reciprocally lend – borrowing worker of worker rattan. Generally worker of area weaver. So that labour still limited. In general yielded product all worker of rattan : rocking chair, chair set, desk, constrictor of room, baby oscillation, crate.

4. Availability of physical infrastructure (X4)

Though all activities of production process depend on human being resource, a production process will walk eminently if supported by availability of physical infrastructure and facility and also adequate equipments. Uliginous facility, electrics, wide activity area and support and also machines more is facilitating not a production. Availability of electrics and water enough. Activity area which must be extended. Area work entrepreneur of rattan also represent their place sell goods. Become place sale of goods for them also represent production process place. So that less natty and clean if placed as sale place. Machines like nail;axis shoot and automatic painting also needed to maximize activity of rattan production

5. Support Local Government (X5)

Governmental support in this case in the form of passed to aid entrepreneur of rattan, good aid in the form of morale support and also monetary support aid. Governmental aid which have there is, have lifted a hand machine peel of rattan husk and patrick machine give training of development of product furniture design (handycraft) rattan. Policy of government supporting will improve sale of rattan product

Suggestion and wanted solution worker and entrepreneur of rattan to government is worker of rattan hope government form the place of like co-operation able to give raw material or capital to worker of rattan and accomodate again its result according to crosscut marketing price given raw material or debt rattan to ctaftman so that worker of rattan can produce more without fearing capital embeded. And marketing done by co-operation run by people of governance. Entrepreneur of rattan also wish their to rattan product weared by local government at office, like guest chair or flowerpot. According to them, if the mentioned done by government, hence have assisted them in the case of sale. for that needed intertwining of better cooperation again on duty and related institution and other industrial cluster

6. Quality of big company support (X6)

Big Support Company to small industry rattan still lower. Only small number of entrepreneur of rattan which work along with small number of big company in the case of finishing. Some from them sell their product to Silungkang. Skill had rattan labour still spelled out members to

lower because most of them only learned self-educationally and entrepreneurs of rattan do not also suggest to give training to their labour because of the limited time and expense.

In effort to support development of small industrial cluster Kota Padang rattan, big company can assist entrepreneurs of rattan provide past master facility or people who train, providing exhibition facility, supporting development of marketing management and finance and production and also labour through training. Doing training and development of membership to rattan labour in the form of technical training, design etcetera. Hereinafter local government of facility can meet, communications, dialogued and interaction and also collaboration among company of rattan with big company.

7. Research into and development / technological (X7)

Research into and development/technological still pertained to lower in supporting development of small industrial cluster rattan. Though institution research into to have role in providing result research into which applicable in the case of technology produce and also management which related to small industry rattan. Beside that institution research into like college can also give training facility and work along with entrepreneurs of rattan. Institution research into to do research about rattan industry along with its him and give suggestion and input for the sake of efficacy of development of rattan industry.

There is no institution research into doing research which related to cluster. This matter can be caused by there is no communications him among institution research into with entrepreneurs of rattan. Research into and development of product / technological of vital importance in fulfilling requirement and desire of consumer. The importance of creation of efficiency produce to through machines technology weared economical energy, extension of market through creation of new product and have excellence of competitive. In the case of improving to research into and development of technology entrepreneurs of rattan can work along with research institute and college perform research of technology which is applicable.

8. Industrial Association support and commerce (X8)

Role of commerce association in supporting growth of industrial cluster rattan is lowering. Commerce association ought to as place meet him entrepreneurs of rattan with other supporter like institution research into, financial and others. Through commerce association all performer of small industrial cluster so that created to be dialogued, cooperation and communications. With formed his industrial association activity in depressing costs of transaction facility and learn with in the case of marketing management, monetary, training etcetera. Through association commerce of government of Kota Padang can bring into contact all performer of small industrial cluster Kota Padang rattan so that created to be dialogued, good cooperation and communications among performer of cluster. Small Industrial cluster Kota Padang rattan have so called commerce association rattan.

sentra alam lestari . Worker and entrepreneur of rattan residing in area of Kelurahan Pitameh Kota Padang progressively. The mentioned say okay by entrepreneur of itself rattan saying that worker of rattan of pitameh from year to year on the wane, Many from them close down with various problems.

9. Access to financial business (X9)

Result of this research supported by research of Bappenas (2004) at industrial cluster batik of Pekalongan, finding that efficacy of development of industrial cluster influenced by support of financial. Entrepreneur of rattan require big capital for its activity. Monetary capital which they have limitedly. Done invesment limited still modern machine and equipments. Small entrepreneur rattan still fear to owe at financial institution for fear of not be paid. Ought to monetary institution provide fund for the entrepreneur of rattan. Even so entrepreneur of rattan borrow money to banking institution, they asked to give guarantee of their loan that. Besides loan to bank the borrowed big in number also result payment of flower which big also. Though credit done with low interest rate. Inflation rate which knock over national economy situation also make excelsior credit rate of interest. Hereinafter such situation affect to redemption of debt or obligation paid by entrepreneur of rattan along with its flower. Whereas rotation of tardy existing sale. Its meaning there's only one sold goods then entrepreneur of rattan must await weekly few days even so that furniture of its saleable rattan.

Ability access defrayal of have contribution at efficacy of development of rattan industry. Cooperation among entrepreneur of rattan with monetary institution like other financial institution and bank very is assisting entrepreneur of rattan in developing its effort. As for institution of financial which have given fund aid or credit at entrepreneur of rattan is bank of BRI, Bank Syariah, loan of Jasa Raharja

10. Availability of Service Transportation (X10)

Availability of transportation service have an effect that do not significant to efficacy of development of small industrial cluster. Transportation used by entrepreneur is personal transportation. Amount of the expense of charged upon by transportation is entrepreneur to once transport raw material is Rp 50.000. For a while for the delivery expense of finished goods product to be sold by them account himself. There is also worker and entrepreneur of rattan selling its product to Silungkang, its transportation fare of them bisect. To avoid the expense of transportation, entrepreneur of rattan more tend to to sell their rattan product with only display in themselves shop or shop which do not need transportation fare.

11. Marketing of output (X11)

Worker of rattan cannot produce too much resulting capital embeded. Promotion which have been done by exhibition. Have there is exhibition to introduce worker industry but many

among they do not hanker to follow because rent of costly place. Have there is bargain which giving government for the exportation of result worker of rattan but there no its follow-up. Consumer of Kota Padang rattan consist of hotel sector, salon, crafting shop and household society. Area product marketing of rattan only is limited just domestic market

Price sell which still costly make to fail to emulate in market so that failed to emulate in national market. rattan product in marketing Kota Padang, Silungkang, Bengkulu, Jambi and Pekan Baru. Market export there is no because there is no request him and is difficult for him to access rattan product distribution go out country. Consumer society chosen furniture of rattan as choice both. Society prefer product of furniture of wood. Besides emulation of price sell indisposed rattan product of humanity entrepreneur of rattan. There is entrepreneur of rattan sell its rattan product below sold market mean price humanity entrepreneur of rattan. That thing make atmosphere emulation of indisposed industry.

b. Model of access to finance / business finance

Hence, among 11 cluster variables having an effect on significant only one variable, that is access to financial business variable. So the need to emphasis on this variable Furthermore, analyze access to financing. Need to do analysis of the dimensions of access finance. These dimensions are: venture capital, resources and special financing, funding research and development of private and government, business support services, and network investments. The model is below:

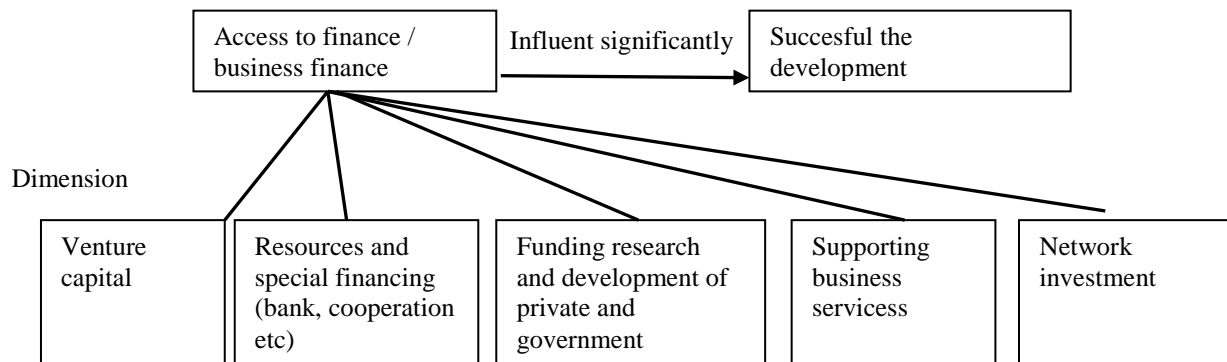


Figure 1. model of acces finance

CONCLUSION

Industrial cluster consisting of internal network and partner, entrepreneurship, skill of management, availability of physical infrastructure, quality of support local government, quality of big company support, research into and development, quality of industrial support association and commerce, access to financial business, availability of transportation service, and access marketing of ouput influence growth of rattan industry. Among industrial clusters, access to financial business

have effect on significant to growth of Kota Padang rattan industry. Among eleven factors of cluster the access to financial business factor become important emphasis. Hence make a model acces to financial business.

ACKNOWLEDGEMENT

The author is grateful to the Pendidikan Tinggi (DIKTI) and Lembaga Penelitian dan Pengabdian Masyarakat (LPPM) Bung Hatta University for providing the facilities to carry out the research. Special thank-you to the authors family who always provide encouragement, support, and inspiration in the making of this research.

REFERENCES

- Bappenas, 2004, Direktorat Pengembangan Kawasan Khusus dan Tertinggal, *Kajian Strategi Pengembangan Kawasan Dalam Rangka Mendukung Akselerasi Peningkatan Daya Saing Daerah*, Jakarta
- Biro Pusat Statistik (BPS), 2006, *Statistik Indonesia*.
- Dinas Perindustrian dan Perdagangan Provinsi Sumatera Barat, 2001, *Strategi Pengembangan Industri dan Perdagangan Sumatera Barat*, Sumatera Barat.
- Desiyanti, Rika, 2008, *Manajemen Investasi*, University Press, Padang
- Paija, Laura, 2000, *ICT Cluster - The Engine of Knowledge - Driven Growth in Finland. Keskusteluaiheita - Discussion Papers (The Research Institute of the Finnish Economy)*.
- Tambunan T, 2006, *Perkembangan Industri Skala Kecil di Indonesia*, PT. Mutiara Sumber Widya, Jakarta
- Wardoyo (2003), *Modal Ventura Salah Satu Alternatif Pembiayaan UKMK*, Harian Republika, Jakarta.