

DEVELOPMENT AND INVESTMENT PROFILE OF TRADITIONAL SHIPYARD SMALL MEDIUM ENTREPRENEURS (SME) IN EAST JAVA

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ABSTRACT

This research aims at identifying investment and development profile of Small Medium Entrepreneurs (SME) of traditional shipyard in East Java. Data gathering was carried out by community survey study and public opinion survey of traditional shipyard SME at 4 regencies, i.e. Lamongan, Sidoarjo, Banyuwangi, and Trenggalek. Data is then processed and analyzed using Analytical Hierarchy Process (AHP) and Strength, Weakness, Opportunity, and Threat (SWOT) methods. The result from this research is investment profile of East Java traditional shipyard SME that includes: hereditary technology of ship construction and maintenance, simple infrastructure and tools, un-continue production, small capital, and limited human resources, however the challenge is still wide. SWOT analysis is done for the aspects of: entrepreneurship, production activities, management, organization, empowerment, and capital. The obtained alternative strategy for the development of traditional shipyard SME contains: short term strategy (ST), medium term strategy (WT, SO), and long term strategy (WO). Model developed from AHP for selecting alternative strategies of traditional shipyard SME has three levels (hierarchies), that is level 1 (goal), level 2 (criterion), and level 3 (alternative strategies).

Keywords: SWOT, AHP, strategy

1. INTRODUCTION

Regional of East Java most representing region go out to sea broadly territorial water 110.000 km², owning very big natural resources to be developed. Though have very big potency to be developed, activity of economics still more focused at development of nature exist in land. Whereas, the exploitation of sea-based resources which have been executed so far concentration in tired north coastal sea 90.62 % (Naamin, 1998) in (Rosana, 2004). Level growth of regional fishery sector in south of East Java is relatively lower than that of middle and north region. The left behind because of existing fishery potency not yet been conducted in an optimal fashion, among others caused by the lack of infrastructure support, lack of armada arrest of fish, lack of information and data concerning potency and also its minim of technology processing of fishery result.

Armada arrest of fish is ship in concerned in activity of fishery; among others is activities arrest of fish in sea. Pursuant to appliance catch which is utilized in territorial water of East Java earn classification six very productive arrest appliance type consisting of payang, bagan tancap kelong, jaring, pukat cincin, sero dan pancing, while classification according to armada type arrest of fish is motor ship, boat with motor patch and boat without motor patch (on duty Fishery and Oceanic of Province East Java, 2004). On duty Fishery and

Oceanic of Province East Java (2007) expressing from everlasting potency of territorial water of East Java south coast equal to 590.620 tons, the capturer fish equal to 381.762 tons or 65% from everlasting potency with amount of armada arrest of fish equal to 55.038 units

To fulfill requirement of armada arrest of fish in East Java needed by shipyard to producing it. During the time armada arrest of fishing boat or fish produced by managed people traditional shipyardly in the form of SME. This object research represents continuation of research which have been conducted by Balitbangda East Java (Aruan, 2005) and Baso (2007). SME becoming object research of Balitbangda East Java is common SME by taking location in four sub-province / town that is Surabaya, Pasuruan, and Bangkalan. In this research of its research object more specific that is traditional shipyard SME in four regencies which consist of Lamongan, Sidoarjo, Banyuwangi and Trenggalek. Baso (2007) also study about development of traditional wood shipyard in Area East of Indonesia (KTI) and chosen location in storey; level of province is East Java. Of potency facet, this is research object very relevant with requirement on duty Fishery and Oceanic of Government of Province East Java to continue to improve role of traditional shipyard SME in supporting the make-up of result of fishery catch especially in territorial water of strait Bali and coast South East Java.

2. METHOD

This Research is conducted with study of public survey opinion to get opinion in conducting wight with various perception to macro policy, sectoral, potency, problems, suggestion, internal analysis and externals in development of traditional shipyard SME. study of Community survey is also conducted to get data concerning everlasting potency of fishery, production capacities, amount of and armada projection arrest of fish, expense of investment, and also labor in traditional shipyard of Lamongan, Sidoarjo, Banyuwangi and Trenggalek. The Primary and secondary data is then processed by using analysis of SWOT and AHP. Method of SWOT utilized to determine development potency with analyzing factor of externals and internal which influence investment of traditional shipyard SME in East Java. Method of SWOT early with data collecting of internal data and externals, and model wearied by at this phase consist of Matrix Factor Strategy of Externals and of Matrix Internal Factor Strategy. Phase here in after is analysis by exploiting all the information in quantitative models of formulation of model and strategy able to be utilized by is TOWS Matrix or SWOT Matrix. Method of AHP utilized to make model determination of priority development of shipyard traditional in East Java. This Activity is conducted with decomposition that is breaking intact problem become its elements, is conducted until not possible to be done by furthermore resolving is so that got by some level.

3. RESULT

3.1. Method of SWOT

This data collecting phase basically do not just activity of data collecting, but also represent an activity of and classification of pra-analysis. At this phase, data can be differentiated in to two, that is external data and internal data. Externals data can be obtained from environment outside traditional shipyard, and internal data can be obtained in traditional shipyard. Model wearied by at this phase consist of Matrix Factor Strategy of Externals (EFAS) and Matrix Factor Strategy of Internal (IFAS) (tables 1 and 2).

After collecting all information having an effect on to continuity of traditional shipyard, phase here in after is to exploit all the information in quantitative models of formulation of strategy. Model able to be utilized by Matrix TOWS or of Matrix SWOT (tables 3).

3.2. Case Study of Traditional Shipyard in Lamongan Regency

Case study development of traditional shipyard SME conducted by in Lamongan. This Matter pursuant to study of Santoso (2006) expressing biggest priority contribution location choice of fishing boat investment is PPN Brondong - Lamongan. Baso (2007) also study about development of traditional wood shipyard in KTI and choice location in storey; level of province is East Java and in sub-province storey; level is Lamongan.

Table 1. Matrix EFAS

Factors Strategy of Externals	Wight	Rating	Wight X Rating
OPPORTUNITY			
• Attention of central government to SME	0,20	4	0,8
• Business opportunity is bigger	0,10	4	0,40
• Priority national development	0,10	3	0,30
• Priority Development of Lamongan Regency	0,10	4	0,40
• Potency of Maritime is still big enough	0,10	3	0,3
Sub Total	0,60		2,20
THREAT			
• Difficult to get and costly wood Raw material	0,05	2	0,10
	0,05	2	0,10
• The increasing of business competition	0,20	1	0,20
• Fluctuation of world crude oil increase of price	0,05	2	0,10
	0,05	2	0,10

• Modern shipyard			
• Policy of ex- fishing boat import			
Total Sub	0,40		0,60
TOTAL	1,00		3,90

Note:

Opportunity

Wight Scale 0, 0-1, 0 is (insignificant - vital importance); Scale rating 1-4 is (small - very big)

Threat

Wight Scale 0, 0-1, 0 is (insignificant - vital importance); Scale Rating 1-4 (very big - small)

Tables 2. Matrix IFAS

Factors Strategy of Internals	Wight	Rating	Wight X Rating
STRENGTH			
• Cheaper human resources	0,15	4	0,60
• Own capital	0,15	4	0,60
• Labor has consanguinity tying	0,10	4	0,40
• Mostly can market product go out area	0,05	3	0,15
• Availability of labor	0,15	3	0,45
Sub Total	0,60		2,20
WEAKNESS			
• Difficult to make cooperation with banking	0,05	2	0,10
• Weak of business management	0,05	2	0,10
• Limitation of capital	0,15	1	0,30
• Traditional technology	0,10	1	0,10
• Simple infrastucture	0,05	1	0,05
Total Sub	0,40		0,65
TOTAL	1,00		2,85

Note :

Strength

Wight Scale 0,0 - 1,0 is (insignificant – vital importance); Scale rating 1-4 is (weak - very strong)

Weakness

Wight Scale 0,0 - 1,0 is (insignificant - vital importance); Scale Rating 1-4 (very weak - weak)

Having completed strategic factors analysis of externals (threat and opportunity), he also have to analyze strategically of internal factors externals (weakness and strength). Appliance wearied to compile strategy factors is SWOT matrix. This Matrix can depict clearly how threat and

opportunity of externals faced by Sub-Province traditional shipyard of Lamongan can be adapted for owned weakness and strength it. This Matrix can yield four setting possibility of strategic alternatives.

Tabel 3. Matrik SWOT

IFAS EFAS	STRENGTHS (S) 2,20 Internal Strength factors	WEAKNESSES (W) 0,65 Internal Weakness factors
OPPORTUNIES (O) 2,20 Factor opportunity of externals	STRATEGI SO (4,40) Strategy using strength to exploit Opportunity (short term – middle)	STRATEGI WO (2,85) Strategy which is Minimization weakness to exploit Opportunity (Long term)
TREATHS (T) 0,6 Threat factor of externals	STRATEGI ST (2,80) Strategy using strength to overcome threat (Short term)	STRATEGI WT (1,25) Strategy which is Minimization weakness and avoid threat (middle term-long)

Strategy Development of Sub-Province traditional shipyard of Lamongan consist of :

- Short-Range

Strategy: absolute is immediately conducted to push strength in overcoming existing threat (ST)

1. Make-up of the quality of SDM in the field of designing to wake up wooden ship modernly
2. Make-up of ability of area marketing of good ship of new building or repair and treatment of wooden ship

- Middle Range

Strategy: exploiting opportunity by optimizing strength (SO)

1. Make-up of opportunity of marketing diversified by wooden ship type
2. Sector synchronization of traditional shipyard SME with other sector in framework development of industry of maritime

Strategy: depressing weakness by avoiding threat (WT)

1. Make-Up of ability design to wake up modern wooden ship
2. Make-Up of ability of management of entrepreneur effective and efficient
3. Make-Up of the amount of the percentage of local component in development or treatment of wooden ship

- Long-Range

Strategy: depressing weakness fixed exploit

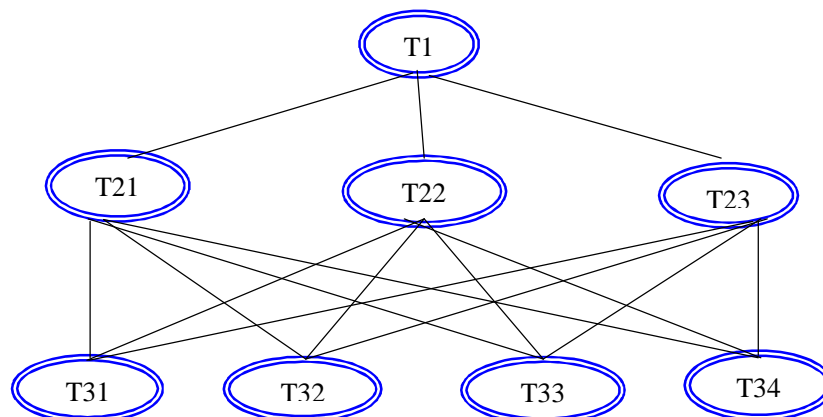
existing opportunity (WO)

1. Making of policy about usage of coastal area region
2. Make-Up of national budget allocation or area relate to construction of traditional shipyard SME
3. Moderation of licensing process and gift of incentive to traditional shipyard SME

3.3. Method of AHP

Developed model hierarchy with Method of AHP for strategic alternative of development of traditional shipyard SME of three storey; level (picture 1)

- First level (focus / T1), representing target to reach by that is election of strategic alternative [of] development of traditional shipyard SME
- Second Level both (actor / T2), representing relevant criterions to election of strategic alternative of development of traditional shipyard SME. The criterion consist of: T21 = Social culture; T22 = Economic; T23 = Technological and Ecology
- Thrid Level (alternative / T3), representing alternative election of strategic alternative of development of traditional shipyard SME. The alternative consist of: T31 = SO; T32 = WO; T33 = ST; T34 = WT



Picture 1. Model Hierarchy Selection of Strategic Alternative of Development of traditional shipyard SME

4. DISCUSSION

Investment Profile of traditional shipyard SME with research location in four sub-province / town that is Sub-Province of Lamongan, Sub-Province of Sidoarjo, Sub-Province of Banyuwangi and Sub-Province of Trenggalek. Determination of sub-province location in coastal area of East Java relied on study of ancient forum dividing economic corridor contribution of East Java become 4 corridor that is: South North, Southwest, East and North (Daily of Surya, 13 November 2006). In general the amount of traditional shipyard labor varies among 2-35 peoples and depended order. For capital employed wearied to vary among Rp 15 million to Rp 500 million. This matter is caused by traditional shipyard characteristic is shipbuilding technology having the character of is hereditary, medium of simple, production do not continue depended order and its of limited him with few amount of labor.

Result of analysis of SWOT of traditional shipyard SME in four regencies obtained by strength, weakness, threat and opportunity is to relating to aspect of entrepreneurship, aspect activity of production, management aspect, institute aspect, enableness aspect and capital aspect. All the him have estuary to requirement with will the importance of licensing deregulation, advocacy institute financial, cooperation of SME develop; build information center presenting potency of SME, opportunity of SME, marketing with, etc... Special for the traditional shipyard SME of governmental to have very big will political, because investment characteristic in industry of maritime very its challenge weight and complex.

Result of analysis with SWOT matrix about strategy alternative development of traditional shipyard SME equip result of study of Kartikasari and of Widjaja (2004) which have done development of SME maritime centre as center economics of fisherman society in Indonesia, and

this study find that concept idea of analyze, technology, innovative, empowering, feasibility study and sustainability suited for development of SME maritime centre

Analyze AHP in determining development priority sectors and make strategy recommendation development of traditional shipyard SME in East Java. Analysis conducted by making hierarchy model election of strategic alternative of development of traditional shipyard SME (SO, WO, ST and WT). Calculation done by giving judgment preference of each perpetrator of traditional shipyard SME which compose government as regulator, financial institution and investor as owner of traditional shipyard SME. This Hierarchy model can be made as reference in selection strategy development of traditional shipyard SME integrally is comprehensive.

Special for the Sub-Province of Lamongan becoming one of the pilot of project special economic area (KEK) in Indonesia. Stipulating 7 the KEK aim to stimulate growth of economics so that stepping faster again in province area. While for the East Java of, selected Lamongan as KEK. Besides an pride, the indicative represent form attention of central government to Lamongan, because this area even is during the time assumed by impecunious area but have big resource potency. So that KEK very is supporting of program forming of industrial cluster of shipping in Paciran-Lamongan

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