

Where:

H = Social profits

E = Revenue in social price

F = Cost of traded inputs in social price

G = Cost of non traded inputs in social price

If $H > 0$, means the commodity system to profit at the expense of normal in the social price and can be prioritized in development.

3. Results And Discussion

3.1. Price and Cost Components

Input output prices used for Policy Analysis Matrix (PAM) is the private prices and social prices. According to Gray, et al [9] private price is the market price for the resources used in the production process as well as for production, while the social price is the price that is adjusted in such a way to describe the actual economic value of goods and services. Private prices are due to the government policy while social price occurs in the absence of government policy. Private and social prices for the input-output are described in Table 2.

According to Gray, C., [9] that the goods or services are not traded when the input without any government intervention, domestic demand can be fulfilled by local production (domestic) at a price below its value c.i.f (cost, insurance, freight) while the price f.o.b (free on board) is too low to stimulate exports. In contrast to traded inputs, in case of shortage demand fulfilled of supply in the international market (see Table 3.)

Table 2: Average of Private and Social Prices of Input-Output Weaving of non Binding Silk Cloth Respondents per month in the Pakkana Village in Wajo Region, Indonesia.

Description	Components	Units	Producing of Non Binding Silk Cloth	
			Privat Price	Social Price
Input Traded	Raw Material			
	- Warp Yarn	Rp/Kg	412.667	375.000
	Supporting Material			
	- Silk Dyes	Rp/Gram	500	398
Input Non Traded	Raw Material			
	- Weft Yarn	Rp/Kg	260.333	260.333
	Supporting Materials			
	- Soap	Rp/Batang	2.500	2.500
	- Ash Soda	Rp/Kg	10.000	10.000
	- Kanji	Rp/Kg	50.000	50.000
	- Fuel	Rp/Liter	8.000	8.000
	Labor for:			
	1. Warp Yarn			
	- Spools/Pali	Rp/Meter	200	160
	- Hani/Sau	Rp/Meter	300	240
	- Cucuk/Apparisi	Rp/Bum	20.000	16.000
	2. Weft Yarn			
	- Spools/Pali	Rp/Meter	200	160
	- Palet	Rp/Kg	10.000	8.000
	3. Weaving			

	- Polos Weaving	Rp/Meter	3.600	2.880
	- Crystals Weaving	Rp/Meter	3.885	3.108
	Equipment :			
	Depreciation of equipment			
	- ATBM/handloom	Rp/Unit	12.500	12.500
	- Cooking Pot	Rp/Unit	1.146	1.146
	- Stove	Rp/Unit	917	917
	- Basin	Rp/Unit	1.042	1.042
	- Tool Spools	Rp/Unit	1.250	1.250
	Work Capital	%	1,25	-
	Trading System Cost		-	-
Output	Silk Cloth			
	- Polos Weaving	Rp/Meter	35.100	35.100
	- Crystals Weaving	Rp/Meter	39.625	39.625
	- Binding Weaving	Rp/Meter	-	-

Table 3: Average of Private and Social Cost of Input-Output Weaving of non Binding Silk Cloth Respondents per month in the Pakkana Village in Wajo Region, Indonesia

Description	Components	Producing of Non Binding Silk Cloth	
		Privat Costs (Rp.)	Social Costs (Rp.)
Input Tradable	Raw Material		
	- Warp Yarn	7.015.339	6.375.000
	Supporting Material		
	- Silk Dyes	234.000	186.264
Input Non Tradable	Raw Material		
	- Weft Yarn	9.892.654	9.892.654
	Supporting Materials		
	- Soap	70.000	70.000
	- Ash Soda	28.000	28.000
	- Kanji	55.000	55.000
	- Fuel	56.000	56.000
	Labor for:		
	1. Warp Yarn		
	- Spools/Pali	138.000	110.400
	- Hani/Sau	207.000	165.600
	- Cucuk/Apparisi	80.000	64.000
	2. Weft Yarn		
	- Spools/Pali	138.000	110.400
	- Palet	380.000	304.000
	3. Weaving		
	- Polos Weaving	936.000	748.800
	- Crystals Weaving	2.929.290	2.343.432
	Equipment :		
	Depreciation of equipment		
	- ATBM/handloom	50.000	50.000
	- Cooking Pot	2.292	2.292
	- Stove	1.834	1.834
	- Basin	2.084	2.084
	- Tool Spools	1.250	1.250
	Work Capital	264.790	-
	Trading System Cost	347.600	347.600

Output	Silk Cloth		
	- Polos Weaving	9.126.000	9.126.000
	- Crystals Weaving	29.877.250	29.877.250
	-		

Source: Primary data after processing.

4. Private and Social Profits of Silk Cloth

Policy Analysis Matrix (PAM) describes the state of revenue, traded and non-traded inputs and profit per meter binding and non binding silk cloth. To detail can be seen in Table 4.

Table 4: Policy Analysis Matrix (PAM) Business of non Binding Silk Cloth Weaving in Pakkana Village in Wajo Region, Indonesia

Producing of Non Binding Silk Cloth	Revenue (Rp./meter)	Costs (Rp./meter)		Profit (Rp./meter)
		Input Traded	Input Non Traded	
	A	B	C	D
Private Price	38.465	7.267	15.362	15.835
	E	F	G	H
Social Price	38.465	6.471	14.153	17.841
	I	J	K	L
Divergence Effect	0	796	1.210	-2.006

Source: Primary data after processing.

Table 4, shows that there is private and social profits of non binding silk cloth weaving business in which private and social profits value is > 0 . The value of private profits of Rp.15.835,- and social profits of Rp. 17.841,-. When an attempt to obtain private profits is positive, meaning that businesses are able to compete at the level of the actual price, which includes no impact on policy and market failures. And if a business makes a positive social profit, meaning that business can compete on the international price levels without the help of any government policy [10].

This fact shows that the social profit is greater than private profit. In other words that the profit received businessmen weaving non binding silk cloth with private profit a smaller than to the price should be. This means that there is a policy that is applied to silk cloth weaving business in Wajo region not stimulate an increase in income businessmen, because of the policy of profit received by businessmen to be lower than the social profit or cost of production of non binding silk cloth weaving incurred by businessmen greater than costs should be incurred.

It is indicated because of government policies that permit the inclusion of silk yarn imported from China (warp yarns) because of the needs of the local yarns is not sufficient. However, the government did the imposition of import duties are quite high at 15%, 10% PPN and import PPN of 2.5%, so that businesses silk cloth bought at a high price in the market. This factor is indicated because low of private profits earned of non binding silk cloth businessmen.

Related to it, Pearson, S, et al [10] stated that private profits will vary with social profits, caused due to the divergence as a result of policies that distorted or market failure. In other

words, the current market is not perfect and failed to create an efficient market because of the monopoly, externalities or market development of domestic resources.

Other factors can be seen in the pattern of input traded like warp yarns. Wholesalers provide silk yarn to businessmen of non binding silk cloth weaving, usually they increase the price of the goods that they sell (silk yarn) and the yarns price paid by businessmen (craftsmen) at the time of selling its products to wholesalers, but traders are usually lower the price of the goods they buy (product silk cloth) of businessmen (craftsmen). For example, if a businessman (craftsman) submits woven worth Rp.5.000.000, then he will receive a silk yarn with value Rp.3.000.000, and receive cash as much as Rp. 2.000.000. Yarns and cloth prices based on the time of the transaction price is determined by the traders itself.

When viewed government intervention in terms of marketing (the restrictions on imports of silk cloth) will greatly assist businessmen of silk cloth weaving. This condition is reflected in the value of social and private profits are relatively large, but on the contrary, if restrictions on imports of silk cloth there is no and duty free would be very detrimental to businessmen of silk cloth weaving, because of silk cloth price in the international market is cheaper than domestic prices. However, this value remains that the presence and absence of government policy on the business of silk cloth weaving in Wajo region, businesses could be benefit.

5. Conclusion and Suggestion

5.1. Conclusion

Weaving businesses of non binding silk cloth in Wajo given private and social profits. Social profits of binding silk cloth greater than private profits.. Private profits of Rp. 15.835, - per meter while the social profits of Rp.17.841, - per meter.

5.2. Suggestion

Because of the higher social profits than private profits earned businessmen silk cloth in Wajo region, so need for government policies that apply to the business of weaving silk cloth which stimulates an increase in revenue as restrictions on imports of silk cloth in order to increase the price of domestic silk cloth, especially silk cloth production Wajo region, Indonesia.

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