

Identification of Growth and Increasing Factors the Competitiveness of Purun Agroindustry in Ogan Komering ILIR District

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Abstract: *Purun is a superior local commodity typical on peat land which has economic value if processed into mats. The business of woven purun has become a hereditary tradition for women until children who can make woven purun to old age. This research uses descriptive qualitative analysis with purposive sampling technique. The samples taken were craftsmen who were active in woven and related community. Based on the results of the study were to identification of growth and factors increasing the competitiveness of purun agroindustry in Ogan Komering Ilir district by considering the development of palm oil plantations with an average score 4.83, competition of purun and palm oil with an average score 4.97 and increasing investment and capital with an average score 4.20.*

Keywords: growth, competitiveness, purun agroindustry, craftsmen

1. Introduction

Indonesia is a country who have diversity of natural products which can be used for fulfill the needs of human life. One of the benefits is by processing the results into craft items to increase their economic value. The development of society causes products to be needed, this can be seen from the need for good changing or barter (Ria, 2012). Therefore, currently in various regions in Indonesia has appeared agroindustries that utilize the natural potential belongsto the regions to increase peoples income and aim to maintain their respective regions.

The agroindustry sector is not sector standing by itself, but it is part of a complex of agribusiness systems. Basically, the role of agroindustry in the national economy of a country is: a) able to increase the income of agribusiness stakeholders in particular and income of community in general, b) able to providejobs to unemployment, c) able to increase foreign exchange earnings, d) able to grow other industries, especially rural industries (Soekartawi , 2005).

In the past, community in ogan komering ilir district have used purun to become various woven handicraft products, most of which are purun mats. The purun woven business is the local wisdom of female farmers in the region. Most of the community, especially women, have expertise as woven craftsmen of purun. Purun weaving mat craft has begun sincethe ancestors in other words were done from generation to generation, even fromchildren can make woven mats until old age. So far, woven mats of purun only appear and exist in the form of mats and cannot be modified or diversified with other shapes and designs (Adriani and Mulyana, 2017). In addition, on shallow peatlands, which have river boundaries, they are used as rice fields and purun sources are used as raw material for mats (Mailiana and Hayati, 2017; Yoesran et al., 2014).

In order to prevent the recurrence of land and forest fires in 2015, as local commodity on peatlands, it is appropriate time

for giving attention to the purun. Various policies compiled for the development of purun should be derived from the needs of local communities, not only based on the results of universal policies that are not locally-specific. Therefore, efforts to increase the competitiveness of purun on peatland need to be preceded by understanding the various economic and social conditions of the business that have existed in the community so far. Information about these alternatives is important not only in order to develop purun business opportunities, but also has an impact on increasing the income of households living in peatland areas (Adriani and Mulyana, 2017).

The aim of this study was to identify of growth and factors increasing the competitiveness of purun agroindustry in Ogan Komering Ilir district by considering at the factors that contribute to purun agroindustry, current conditions and growth of purun agroindustry competitiveness and the factors that increase the competitiveness of purun agroindustry.

Based on research conducted by Suhendra et al., (2017), the factors that most contribute to theindustry of fillet catfishwas strongly associated with low production costs (electricity, labor, transport) and government policies towards a conducive industrial climate. Political stability, access to raw materials, access to markets, proximity to other companies and population density contribute to the success of the industry reaching a moderate level. The low population density factor did not determine a significant contribution to the industry of fillet catfish. Factors such as political stability contribute to the industry to a moderate level which can be explained that political stability createcompetitiveness on the industry of fillet catfish. Access to markets and raw materials are factors that play an important role while still seeing lower production costs.

Another study conducted by Sidartha et al., (2016), factors that influence the competition of the processed food industry in Indonesia besides the role of the government that supports

healthy and open competition arrangements are 1) availability of quality and innovative products on the market, 2) market demand for products issued by the company, 3) clear decision making by company management, 4) value creation which supports the acquisition of added value that can maintain the level of business profits, and 5) the establishment of good working relationships between internal parts of the company between the fields of operations, marketing, finance and other supporting fields that help each other in a common goal. This also includes the relationship between internal and external, such as good relations with the surrounding environment, banking and other stakeholders towards the company.

2. Methods

This research has been carried out in Ogan Komering Ilir district. The location of this study was chosen purposively based on the consideration that the Village of Menang Raya was one of the centers of the mat industry of purun in Ogan Komering Ilir district. The method used in this study was survey. The method used to make observations as a whole to obtain facts from the conditions in the field and seek information in actual terms from the area to be studied. The sampling method used in this study was purposive sampling method. According to Sugiyono (2010) purposive sampling was a technique for determining research samples with certain considerations aimed at making the data obtained later more representative.

Data collected in the form of primary data and secondary data. Primary data obtained from direct observation in the field by interviewing respondents. Interviews were guided by a list of questions that have been prepared in advance. Secondary data is obtained from several libraries, other sources that support and relate to this research such as general regional conditions, general description of locations, previous research, articles, journals, Central Bureau of Statistics, institutions or other agencies related to research and data others considered necessary to support the results of the study.

Respondents were given a number of questions regarding the identification of growth and the factor increasing the competitiveness of purun agroindustry then given a choice of qualitative answers. The qualitative answer is then converted into values with a scale of 1-5 where 1 is very low, 2 is low, 3 is moderate, 4 is high and 5 is very high value or other statements are equivalent. Quantitative data were analyzed using descriptive statistics such as percentages,

mean and standard deviations to facilitate and enable comparisons through the use of statistical methods for social sciences.

3. Result and Discussion

3.1 Identification of growth and increasing factors the competitiveness of purun agroindustry in Ogan Komering Ilir district

The growth identification was related to the growth of the present conditions in the purun agroindustry in Ogan Komering Ilir district and how to increase the growth of purun craftsmen is by increasing competitiveness. Competitiveness is the ability of purun craftsmen to compete with other businesses. Considering from the indicators of the factors contributing to purun agroindustry, the current conditions and the growth of competitiveness of purun agroindustry and the factors increasing competitiveness of purun agroindustry.

3.1.1. Factors contributing on purun agroindustry

The most contributing factors are strongly associated with the development of palm oil plantations with an average score of 4.90. This question means negative. Because the palm oil plantation companies have taken peat land of purun which has resulting in reduced land size. Low production costs with an average score of 4.15. This shows that purun mat craftsmen need a considerable amount of money to make mats. One of them, the dyes purchased were quite expensive at a cost of IDR 80.000/ons. Government policy towards a conducive business climate with an average score of 3.11. As a form of attention from the government, equipment such as sewing machines have been given to the craftsmen of each group. Access to markets with an average score of 3.17. Access to the purun mat market has reached out even the province. Access to raw materials with an average score of 3.21. Purun grass is the main raw material in making mats. Access to trails that can be traversed through 2 routes, namely land and water lines. Population density with an average score of 2.45. The accuracy of this population has the lowest score. This is because most of the women there have been weaving long ago. Political stability with an average score of 2.85. Political stability contributes to the agro-industry to a moderate level which can be explained that political stability makes the purun mat business world competitive. The following are presented in the form of figure 3.1.

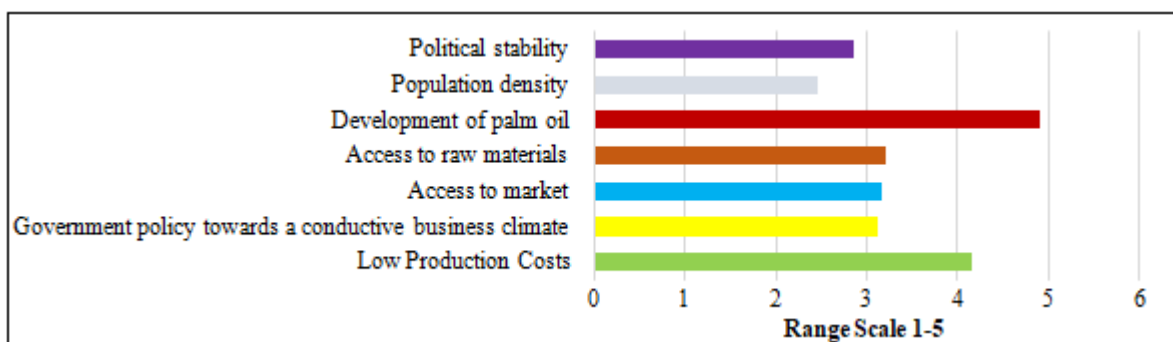


Figure 3.1: Factors contributing on purun agroindustry in ogan komering ilir, 2018

3.1.2. Current conditions and growth in competitiveness of purun agroindustry

Results of research on current and growth of purun agroindustry competitiveness where purun competition with palm oil had the highest average score of 4.53. The competitiveness of purun agroindustry has decreased this year due to the purun peat land that has been taken by palm oil companies. Current purun agroindustry growth with an average score of 3.19. The level of competitiveness of full-scale agroindustry with similar processed products with an average score of 3.31. The competitiveness of purun and

similar processed mats is often found by traders. Traders there who only carry purun mats meet many other traders who carried processed purun grass in addition to mats such as bags, wallets, caps and others. This condition is quite calculated that the competitiveness of purun agroindustry has begun to develop. This shows that the growth of this purun agroindustry needs to be fostered so that the craftsmen can compete with more varied preparations. The following is shown in figure 3.2.

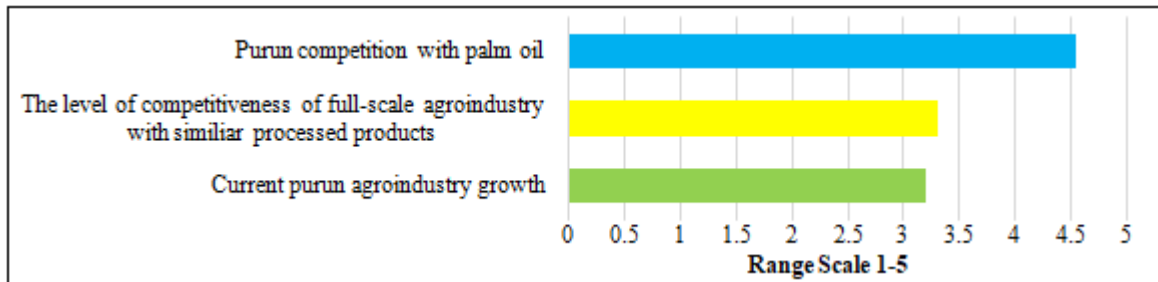


Figure 3.2: Current condition and growth in competitiveness of purun agroindustry in Ogan Komering Ilir, 2018

3.1.3. Factors increasing the competitiveness of purun agroindustry

The results of the study were about factors increasing the competitiveness of purun agroindustry that The most important thing for craftsmen to increase the competitiveness of purun agroindustry is the need for increased investment and capital which have an average score of 4.20. During this time craftsmen used their own capital to weave business. Therefore, the existence of financial institutions such as banks and cooperatives will facilitate craftsmen in this purun mat business. Improving the quality of human resources with an average score of 3.84. This factor needs to be taken into account because craftsmen need regular training to make preparations other than mats, so that they can compete with other industries. Improved

processing technology infrastructure with an average score of 3.58. This is related to the processing machinery technology used. Craftsmen weaving mats are still traditionally done. Improved information technology infrastructure with an average score of 3.04. Information is important for craftsmen to know about the industrial world mining, especially in purun matting. Government policy with an average score of 3.65. The government does not only issue policies on the protection of purun peatlands. The government can also issue other policies such as policies on prices, market policies, quality policies of these products and so on. Which policy can advance the competitiveness of purun agroindustry today. The following is shown in figure 3.2.

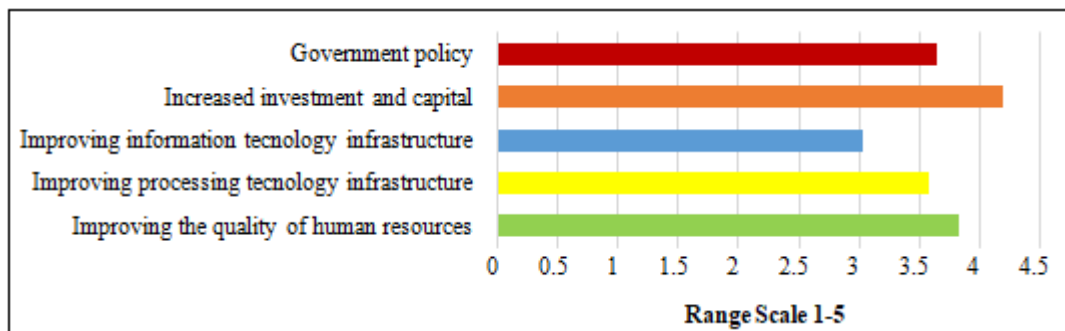


Figure 3.3: Factors increasing the competitiveness of purun agroindustry in Ogan Komering Ilir, 2018

4. Conclusion

Identification of growth and factors increasing the competitiveness of purun agroindustry in Ogan Komering Ilir district by considering 3 indicators, 1) factors contributing to purun agroindustry related to palm oil plantation development an average score of 4.83, 2) Current conditions and growth in competitiveness of purun agroindustry is purun competition with palm oil with an average score of 4.97, 3) factors increasing the

competitiveness of purun agroindustry to increase investment and capital with an average score of 4.20

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