

BUILDING A WORKER CRAFT WOOD INDUSTRY THROUGH THE INSTITUTIONAL PARTNERSHIP PATTERN OF AGRIBUSINESS CLUSTER OF WOOD AFFAIRS

Agoes Thony A.K.

Teaching power (Chief Lector) in Postgraduate Program, Agribusiness system Study Program, Sjakhyakirti University, Palembang

ABSTRACT. *The development of industry plantation forestry (FTI) having done in Indonesia has shown the real result but also has some problem. It is not only management of plantation forestry that also gives the success. The group of society has been directed to produce the wood and the group of industry community in wood handicraft which initially when the activity is done individually it has not organization to build the wood factory for investment and to make the institution so he owner of capital is easy to have the partnership to build the wood factory with industry plantation forestry timer as raw materials. Involvement in the factory is expected directly or indirectly to help and need a technical counseling. The group of society and other wood craft can be supported to make cooperation in wood business.*

KEYWORDS: HTI, Institution, Partnership, worker wood, worker of worker wood.

INTRODUCTION

The industrial cluster policy has basically an objective to encourage the development of small and middle enterprise groups by placing the industries that are similar or intertwined in a certain area and it is a policy of small industrial development that is sufficiently effective for reducing the poverty. The industrial cluster policy is expected to be able to give a multiple effect on local economy, and in return, it will be able to create a secondary work, attracting a service provider's interest, which all will encourage the local economic growth, so that an employment has been created, enhancing the society's income and welfare. As proposed by Adjid (1985), that in a spreading effort managed in one dynamic unity having a positive impact on the enhancement of farmer's profit, as a result of the farmer's increased capacity in an institutional cooperation with other parties.

Problems

With regard to the basic study in this study its is only directed to seek the form or pattern of multiple business partnership that is most possible to realize in the field level such that it will be obtained a pattern of cohesiveness as the need of a craft wood managing industry through the management of institutional partnership system. Hence, the main problem in this study is to seek and determine how the pattern of wood-craft agribusiness cluster institutional partnership that is more specific for a craft wood managing industry.

RATIONALE OF THEORY

The business world and wood affairs industry, in this case a processing industry, will play a more important role as compared with the government that is only as facilitator and dynamic actor. It is a business world and industry will be able to make real for realizing a forest's economic benefit, that is a part to be distributed to a wide society in various forms, among other things the employment and common management. Furthermore, the wood processing industry has a large role in the utilization of forest outcome because it can enhance the value-added of wood itself and the industrial and forest preserving. The wood processing industry has a close relatedness to the forest, there will be no wood industry if there is no forest. The investment in a permanent wood processing factory usually needs a supply guarantee of continuous raw materials. This has a meaning as a forest management eternally. If the wood processing industry (factory) desires the continuity of raw materials, then the cultivation industrial forest manager will regard, keep and externalize the forest by implementing the planting, maintenance and utilization of forest outcomes. Otherwise, in order that the forest can be eternal, so it is required an eternal wood managing factory. On the other hand, the societies and colleges will become supervisors such that in taking the economic benefit, the forest function in protecting the environment is not neglected.

When the industry has developed after the occurrence of industrial revolution, the most firms still focused on itself as an organization looking for profit only, viewing that the contribution to the society is adequately given in the form of employment providing, the fulfillment of society's need through its products, the tax payment to the government. In line with the time passes, the society not only claims the firm to provide the goods and services required, but also it claims for social responsibility. The firm has really not only an economic responsibility, such as how to obtain the profit and to increase the share price or other responsibilities to the government, but also if the firm wants to exist and to be acceptable in managing the firm, then in its operation its must be also accompanied with social responsibility.

The firm's effort in enhancing its role in the development of social welfare and environmental eternity, according to Wibisono (2007) needs a solid multi parties synergy, both from the government and communities (society). It is impossible that this nation's problems can be only resolved by one of the parties. The most expected synergy is that there is a partnership of the firm, government and community (society) around called as a tripartite partnership. Furthermore, Sjarkowi (2004) proposed that the complexity of problems must has been answered by the tripartite cooperation reliability of businessmen, people and local government (URP) through the feasible forest business strategy.

In line with the rolled discourse about the environmental care and the firm's social responsibility, so it has emerged a concept known as *Corporate Social Responsibility* abbreviated as CSR. When the issue of CSR underwent a sufficiently rapid development, that was previously a marginal issue but currently it has manifested into a central issue and increasingly popular. One of boosters is a change of business world paradigm for not merely seeking a profit, but also it must has also an ethic attitude and plays a role in the creation of social investment (Wibisono 2007). Furthermore, Schwab (2003) proposed in Siahaan (2007), that the role of business world has been confused and in the era of slow economic growth it has been necessarily conducted a restudying on the business world's involvement in the non-business activities such as eliminating the poverty, assuring the

society's health and preserving the environment. In the spite it is the government's responsibility (Ari, 2005), but it needs to increasingly become the business world's attention.

RESULTS AND DISCUSSION

As the research's objective wishing to seek and to determine one pattern of wood-affairs agribusiness cluster institutional partnership such that it will be realized a pattern of more specific integrity for the interest of a craft wood processing industry.

A. Actualization of Society Entity Without Formal Institution

The form of the existing empirically institution is the form of a private firm's institution with the centralized management's decision, where the units existing in both the inside and outside of the firm (the society yielding wood raw materials) are simply subjected to the management's decision. Whereas for the society entity has that not yet produced the standardized materials or the entity of craft wood craftsmen (the raw materials depend on the raw materials from the natural forest not from the industrialized plant forest), which the existence has not yet institutionalized, but still in the form of the groups that have been not yet unified into a business unit's umbrella organization in the scope of certain organization. The business unit has an institutional form functioning as a relationship adhesive in a business activity will grow by belonging it accompanied with a responsibility for developing the business unit that has been built mutually. The institutions, according to Syahyuti (2003), like as organs in a man's body, so that it is the institution brining into the society as wholly. According to Soekanto (1999), the functions of institution are 1) to provide a guideline of how it must behave and attitude in facing the problem in life; 2) to keep the wholeness of society, and 3) to give a hand-grip to the society in a frame of social control or become a behavioral controlling system. Furthermore, Garcia (1994) proposed that the institution is not only a *group of people*. Without the institution, there would not exist a society with any its culture. An institution can has a responsibility for a man's need and a society's survival. If it is seen from the economic viewpoint, the main function of institution is to achieve the efficiency in action. An action will become economic, because there has been existed a guideline in action. The economic actor will not act randomly, but he or she acts according to the pattern that has been existed and has been agreed.

On the other hand, the institution will can be also used as an umbrella organization for fostering a collective action at the local level such that it can afford to create a change of rural economic structural direction toward industrial economy. This can occurs because of the role of institution in the resource management, mobilization and at a time as an umbrella organization for communication. Even according to Pranadji (2003), the progress of a society's economy, including the rural community will much determined by the factor of *non-productive resources*, primarily the institutional system developed by the society. Thus, it can be concluded that the success in building a sound institutional system is a key for the progress of a society's economy. Therefore, if a society's institutional system is leaved to be brittle, then there will no a chance for the society to promote or to make its economy to be autonomous, as proposed by Pranadji (2003), the brittleness of a rural society's economic organizational structure has been reflected from the position of a rural economic actor having no sufficient power to do a *bargaining position* with the economic actor outside the rural area. The weak bargaining position is caused by many factors

among other things: the weakness in the farmer group's organizing, business capital mastering, interdependency that is very unbalanced between the rural economic actor and the outside of the rural area.

B. The Wood Processing Business in The pattern of Institutional Partnership

In order to realize the strong rights and responsibilities among each party, it is necessarily related morally into an institutional form having the game rule that is clear and has been agreed by all members, and what more important is the game rule made by the institution can afford to encourage the autonomy of all members. The game rule formulated for an institution is an institutional form whose its activity operating is by the pattern of institutional partnership (Thony and Fachurrozie, 2008).

In order that this can be realized, the entity of the craft wood raw material yielding society and the wood craftsmanship society must accommodate its group into one formal organizational institution, and furthermore it will be in cooperation with the private parties to form one business unit of wood mill as a common business unit and to meet the common need. An ideal form of partnership mutually consolidate, mutual favorable and it can mutually activate the group of partners, so that it can be achieved the objective of partnership: to enhance the income, business continuity, to increase the partners' group resources, to increase business scale, as well as to grow and increase the capacity of autonomous business group.

The awareness in building an institution of partnership, both economically and institutional, requires to develop a new paradigm about the partnership based on the equivalence of role and benefit in a synergic cooperation nuance. If the relationship of cooperation between the raw material yielding society and the wood craftsmen community using the raw materials with the private through the pattern of institutional partnership with the wood-affairs agribusiness cluster system, then it will be created the binding and relatedness in the business, even it will become a key in overcoming the problems that will occur. Only with through it is this institutional partnership various problems that will emerge between the parties that will has a partnership will can be resolved (Thony, 2008). Hence, the partnership is really a need currently (Sulistyani, 2004), because with the partnership there will be many energy savings and it will be achieved many results and benefits if the parties having orientation similarity to do the partnership. Even the partnership model can be considered as new pattern in creating an equivalent role of firm, government and society, called by Syarkowi (2004) as a tripartite cooperation of businessmen, people and local governments (URP).

If we consider the meaning of description mentioned above, it can be described that the form of institution that can conduct such pattern of partnership is the institutional form of Cooperative. Meeting the life need autonomously, through an firm established, owned, and controlled mutually among the people requiring them, is a shape of a cooperative. The cooperative institution is an appropriate institutional form with a partnership pattern. The partnership highly needs a cooperative in order that its business can continuously develop. The partnership is conducted because it can't afford objectively to manage and finance all of its activities autonomously. Therefore the cooperative must be in partnership with other parties without sacrificing the values and principles being inherent on the cooperative, but in order that it can be carried out properly, the established partnership must be based on business discipline and business feasibility, so that this partnership is not only based by spirit that a work will give the best results if it is conducted mutually, but also it must be based by a business calculation closely and it can be responsible.

The form of this institution is a partnership between the cooperative of wood craftsmanship society and the cooperative of raw material yielding society. The existence of these two cooperatives must be established,

and for the next in the frame of investment of wood mill business, then the two parties need to form a secondary cooperative unifying the aspiration of the two parties and at a time to open the door of trust for the third party (private firm) that will give an assistance of financial capital in the form of soft loan or grant (Thony, 2008).

In addition to the private role giving a helping in the form of loan capital, what more important is the need of policy support at the level of Local Government which, in this case, assist in order to the role of the related instance as a technical implementer: Small and Middle Business Cooperative Service, Trade Industrial Service as well as a financial institution (banking) to be involved in building the society's entity.

In this policy what we can say as a revitalization of society-level institution being a target of policy in a frame of spurring the realized agribusiness cluster of wood processing industry through the institutional partnership, then it can be proposed that this pattern has a potential excesses for the two parties involved in the established partnership. As for the potential excesses intended are:

1. The two parties of course mutually assist each other (raw materials supplier and user for finished goods) so that it is easily agreed.
2. Each party can set the capital according to the economic capacity of the members of cooperative, so that the portion of association's profit sharing to be simply identified.
3. The established formal institution will can set the two parties and it will strengthen the bidding power as well as to easily convince the third party (partner firm)

With this pattern the issue of financial capital affairs will be more easily overcome, and also each risk threat potential and negative impact possibly emerging will be more easily sought its solution such that it will not damage any party.

In determining an ideal pattern in the institutional partnership business of private, raw material yielding society and wood craftsmanship society, it is necessarily underlined that the pattern applied ideally must be conditioned as the following points: 1) the raw material yielding society and wood craftsmanship society or other parties engaged in the partnership are the owners of shares in the entire agribusiness cluster business network, so that the party being in partnership collectively is the master of agribusiness cluster; 2) the status of the party's organizing being in partnership is not restricted only in the activities of raw material production (raw material yielding society), and as the users of raw materials (wood craftsmanship society), but the entire network of agribusiness cluster business, which in this condition collectively building (organization) a common market, including to build a wood mill unit, so that it has been created a business in the network of partnership horizontally and vertically; 3) the output of partnership business is not unstable raw material, but in the form of processed (finished) material having high value, with the networks of local, regional and even national markets; 4) it has been validated for the principles of openness and democracy in a frame of determining a decision in the deliberation and consensus manners (Thony, 2008).

With the pattern of partnership, the position of institution will be stronger, and it can afford to give a model how so benefit of autonomous attitude in the life. The institutional pioneering to build the autonomy can be done, such as the institution can provide various opportunities to its members for savings, capital investment and to make the institution as facilities for the members or the public.

From the aspects of institution, the institutional partnership at a time can be associated with the business central program being in the present era is being developed in many areas. The business central program being an activity center in the certain areas or locations there are small businesses using the same raw material/facilities, yielding the same/similar products as well as having a potential to be developed into a cluster form. With this established partner institution (primary institution), so automatically the group of wood craftsmanship society and the raw material yielding society, and then it can be realized as an autonomous business group and the accumulated corporation in one unity of integrated wood affairs

agribusiness clusters (secondary institution), so that in its business activities this group can certainly easily conduct a consolidation in the management area (*Corporate Management*). If individually the two groups although it has been in a formal organization (such as primary and secondary cooperatives), but it has been constantly in the weak bidding position: as a price acceptor. For that, in building an institution that can afford to enhance its bidding position, then these two groups certainly need a guide and building originated from the partner (private) firm party.

If using the term the core and plasma, according to Thony (2008) then the group of wood craftsmanship society and the raw material yielding society as plasma, through the formal institution (cooperative) that has been established, being in partnership with the private (through the employees' cooperative) acting as the core playing a role not only as the input supplier and the output marketer, but also acting as a guarantee to the parties associated with the cooperative business area, such as the banking institution party. For the future development it is not impossible for the cooperative business will be better, so that the corporation in the certain points may has a direct access to the capital resources (banking) without the guarantee of private party, but there must be an intervention of local government party. For that it is claimed the role of local government that can assist as the guarantor. It is this solution to build the partnership pattern of society (farmers), craftsmen, firms and banking in an organization in the form of farmer-owned corporation facilitated by the local government.

The partnership model of this institution is a model being a new pattern providing an equivalent and balanced role among three implementing actors in the partnership pattern: local government, the private company and the raw material yielding society and the processed material users. The position of local government will be better if it is more transparent and to develop a participative leadership. Whereas in the private party it should be able to give some contributions in providing an energy to implement the empowerment together with local government to the society, and the society should be able to utilize the chance for giving an active role through a real participation. The role of local government being in the facility position against the course of institutional partnership process, as much role in the determination of the signs and game rule generally, it can be in the form of political policy, public policy, sector policy and other normative restrictions. The role of the private in the operating position or the position of policy implementation or the step determination (policy action) together with the society, the contributions of experts, skilled manpower as well as the fund donation/loan, tools or technology. Whereas the role of society generally is realized in the form of participation at the levels of formulation, implementation, monitoring as well as evaluation.

CONCLUSIONS AND SUGGESTIONS

1. The partnership pattern of wood-affairs agribusiness cluster institution that is more specific for the interest of wood craftsmanship processing industry is the institutional partnership of three entities: wood raw material yielding society and the processed material users society as well as the private company that have agreed to establish the wood mill unit.
2. In order to be more developing for the institutional partnership of raw material yielding society, craftsmanship society and the company, for the long-term it needs to involve the banking party such that it can establish one umbrella organization in the form of the Farmer-Owned Corporation (BUMP) facilitated by the local government party. For the future development it is not impossible the corporation business will be better and has a direct access to the financial capital resources without the guarantee of private party but it is the local government as the guarantor.

REFERENCES

- Adjid, Dudung Abdul. 1998. Bunga Rampai Agribisnis. Kebangkitan, Kemandirian dan Keberdayaan Masyarakat Pedesaan. Menuju Abad 21. Surat kabar Sinar Tani, Jakarta.
- Ari, Margiono. 2005. Menakar Keterlibatan Pemerintah Dalam Corporate Social Responsibility. <http://csrarticles.blogspot.com/>. diakses Selasa 6 Maret 2007.
- Garcia. Manuel. B. 1994. Introductory Sociology: A Unified Approach with Accompanying Work Book. National Book Store, Inc. Metro Manila, Philippines.
- Pranadji, Tri. 2003. Menuju Transformasi Kelembagaan dalam Pembangunan Pertanian dan Pedesaan. Pusat Penelitian dan Pengembangan Sosial Ekonomi Pertanian. Badan Penelitian dan Pengembangan Pertanian.
- Schwab, Klaus 2003. Get Back to Business. Newsweek. Dalam Siahaan, N. H. T. 2007. Hutan, Lingkungan dan Paradigma Pembangunan. Penerbit Pancuran Alam, Jakarta.
- Sjarkowi, Fachrurrozie. 2004. Quo Vadis Pengelolaan Hutan Propinsi Sumatera Selatan. Makalah Lokakarya Sertifikasi Hutan dan Pengelolaan Hutan Lestari.
- Soekanto, Soerjono. 1999. Sosiologi: Suatu Pengantar. Edisi Baru. Penerbit PT. Raja Grafindo Persada, Jakarta. Sulistyani, Ambar Teguh. 2004. Kemitraan dan Model-Model Pemberdayaan. Gaya Media, Yogyakarta
- Syahyuti. 2003. Bedah Konsep Kelembagaan. Strategi Pengembangan dan Penerapannya Dalam Penelitian Pertanian. Pusat Penelitian dan Pengembangan Sosial Ekonomi Pertanian. Badan Penelitian dan Pengembangan Pertanian, Bogor.
- Thony, Agoes Ak. 2007. Mamahami Pengertian Sistem Agribisnis. Kumpulan Makalah Pelatihan Peningkatan Kualitas Sumberdaya Manusia dalam Mengelola Usaha Agribisnis. Lembaga Konsultasi Manajemen Agribisnis, Palembang.
- Thony, Agoes Ak., dan Fachrurrozie Sjarkowi. 2007. Agribisnis *Acasia mangium* Kayu Pertukangan Berbasis Satuan Kelola Hutan Kerakyatan Program Binaan PT.MHP di Kabupaten Muara Enim Sumatera Selatan. Jurnal Satuan Usaha Perhutanan Kerakyatan. Jaringan Komunikasi Pasak Bumi. Palembang.
- thciny, Agoes Ak 2008. Revitalisasi Klaster Agribisnis Perkayuan Dalam Perspektif Keberlanjutan Ekologis, Ekonomis, Sosial Hutan Tanaman Industri *Acasia mangium*, Wild. Disertasi (Tidak Dipublikasikan). Program Studi Doktor Bidang Ilmu-ilmu Pertanian. Program Pasca Sarjana Universitas Sriwijaya. 2008.
- Thony, Agoes Ak. 2009. Revitalisasi Klaster Agribisnis Perkayuan Berbasis Kayu *Acasia mangium* Hutan Tanaman Industri di PT.Musi Hutan Persada Sumatera Selatan. Agritek. Jurnal Ilmu-ilmu Pertanian, Teknologi Pertanian, Kehutanan Volume 16 No.5 ; 797 - 804.
- .Wibisono, Yusuf. 2007. Membedah Konsep dan Aplilcasi Corporate Social Responsibility. Penerbit. CV. ASHKAF Media Grafika, Surabaya.