

INTERNATIONAL SOCIAL SCIENCE CONFERENCE



**“CONSTRUCTING COHERENT AND SUSTAINABLE
SOCIAL DEVELOPMENT”**

Mataram, 24-26 November 2015



SUB-THEMES:

- LAW AND GOVERNANCE | ECONOMICS | TOURISM | SOCIAL ENVIRONMENT
- LINGUISTIC | SOCIAL SCIENCE | SOCIAL POLITICS | EDUCATION
- CULTURAL STUDIES | SOCIAL ECONOMIC FISHERY AND MARINE
- SOCIAL ECONOMIC FORESTRY,
AGRICULTURE AND ANIMAL SCIENCE | CONFLICT MANAGEMENT



Mataram University



**International Social Science Conference, Mataram
University, Lombok, Indonesia (24 - 26 November,
2015) “Constructing Coherent and Sustainable
Social Development”
Proceeding**

Editors:

**Prof. H. Taufik Fauzi, Ph.D., Dr. Hj. Sitti Latifah, H. Akhmad Saufi, Ph.D.,
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M.Sc. Ak., CA.**

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Mataram University

PREFACE

Celebrating The 53rd Anniversary of Mataram University, we organised an international conference on social science entitled: *“Constructing Coherence and Sustainable Social Development”*. The main event of the conference conducted on 24 - 26 November 2015 in Mataram University, Lombok Indonesia.

Firstly, we would like to thank the Rector of Mataram University and other university officials who have given tremendous support to the success of the conference programs. We certainly hope that this event can bring new ideas and insights into developing social sciences in the Mataram University.

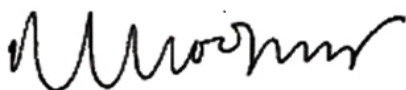
In this occasion, also we would like to thank the Dean of the Faculty of Economics and Business, Mataram University, who has honoured us through his continuous support, care and supervision.

We also would like to thank the prominent scholars that are Associate Prof. Dr. Azlizam Aziz and Prof. Hashim of Universiti Putra Malaysia, John Suprihanto Ph.D. of Gadjah Mada University, Yogyakarta Indonesia, and Husni Muadz Ph.D. of Mataram University, who have supported the conference by becoming keynote speaker of this conference. Thank you for your friendship and cooperation.

In addition, we also would like to honour and thank the committee members, our colleagues and students who supported this conference by attending and presenting in this conference.

Finally, we would like to give grateful thanks to all those who have actively supported this international research conference since the preparation stage to its completion. Without you this event won't take place.

Thank you,



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CONTENTS

PREFACE.....	iii
COMMITTEE.....	iv
CONTENTS.....	vii
KEYNOTE FULL PAPER LIST	viii
ABSTRACTS LIST	ix
ORAL PRESENTER PAPERS LIST.....	xi
POSTER PRESENTER PAPER LIST	xiv
KEYNOTE SPEAKER PAPERS SECTION.....	I
ABSTRACTS SECTION.....	II
ORAL PRESENTER PAPERS SECTION	III
POSTER PRESENTER PAPERS SECTION	IV

KEYNOTE FULL PAPER LIST

DEVELOPING CREATIVE TOURISM AS BUSINESS MODEL FOR SMALL ECOTOURISM ENTERPRISES.....	1
Azlizam Aziz" Mazni Aznan and Zamru Ajuhari	
POVERTY ALLEVIATION THROUGH EDUCATION MANAGEMENT BASED CREATIVE ECONOMY EXTRACURRICULAR	7
John Suprihanto and Agusta Ika Prihanti Nugraheni	

ABSTRACTS LIST

ADVENTURE TOURISM PRODUCTS AND INDUSTRIAL DEVELOPMENT IN MALAYSIA.....	16
Mohamad Khairi Alwi, Azlizam Aziz and Zamru Ajuhari	
COMPETITION AMONGST JAKARTA'S PARANORMALS IN THE TRADE IN MAGIC: SOCIOLOGY OF RELIGION VIEWPOINT	17
Bangun Sentosa D. Haryanto	
CHALLENGES ENCOUNTERED BY SCHOOL PRINCIPAL AND TEACHERS TO ENHANCE THE LEARNING OUTCOMES IN A PRIVATE-OWNED VOCATIONAL SCHOOL (SMK) IN EASTERN INDONESIA.....	18
Marham Jupri Hadi and Ahmad Farijan	
FASHION, FEMALE GAZE AND CAPITALISM: TURKISH WAVE EFFECTS IN INDONESIA.....	19
Sajjatul Hidzqy	
FOREST RESOURCES MANAGEMENT BASED COLLABORATION BETWEEN THE COMMUNITY AS A CONFLICT RESOLUTION WITH THE GOVERNMENT (STUDY OF FOREST RESOURCES MANAGEMENT ON THE ISLAND OF LOMBOK WEST NUSA TENGGARA)	20
Muhammad Mabror Haslan	
ANALYSIS OF STUNTING CASES IN SASAKNESE INFANTS DERIVED FROM DIETARY BEHAVIOUR FACTORS.....	21
Lina Nurbaiti	
FEASIBILITY OF THE DEVELOPMENT OF SOCIAL CAPITAL-BASED ECOTOURISM IN WEST LOMBOK.....	22
Wildan, Sukardi, and M. Zulfikar Syaib	
STUDY OF SOCIO ECONOMIC IN THE RENGGUNG WATERSHED CENTRAL LOMBOK DISTRICT	23
Budhy Setiawan, Markum, and Alfian Pujian Hadi	
INFLUENCE OF LEADERSHIP STYLE AND INTERNAL CONTROL SYSTEMS BASED ON BUDGET PERFORMANCE IN BLU MATARAM UNIVERSITY.....	24
Sri Wahyulina, Hermanto, and Biana Adha Inapty	
TEACHING MATERIAL DEVELOPMENT IN THEMATIC APPROACH FOR LEARNERS OF LITERACY LEARNING LEARNERS IN COMMUNITY LEARNING CENTER IN WEST LOMBOK	25
I Nyoman Sudika, H. Khairul Paridi and Baharuddin	
ALI SYARI'ATI HUMANISM VALUE PERSPECTIVE IN FOOTNOTES OF LENA MARIA'S WORK.....	26
Himatul Istiqomah	
CHANGES OF LIVELIHOOD STATUS OF SEAWEED FARMERS UNDER PIJAR PROGRAM OF WEST NUSA TENGGARA PROVINCE	27
Addinul Yakin	
THE PREVALENCE OF ANAEMIA OF EXCLUSIVELY BREASTFED BABIES IN LOMBOK BARAT, WEST NUSA TENGGARA	28

Rifana Cholidah, Ima Arum Lestarini, Ardiana Ekawanti, and Siti Rahmatul Aini	
NUTRITIONAL STATUS OF SCHOOL-AGED CHILDREN IN TELAGA LEBUR ELEMENTARY PUBLIC SCHOOL , SEKOTONG WEST NUSA TENGGARA 2014-2015	29
Seto Priyambodo, Ardiana Ekawanti, Lina Nurbaiti, Rifana C, and Ima Arum L	
PATIENT KNOWLEDGE OF ACUTE PAIN AFTER SURGERY OPERATIONS IN BHAYANGKARA HOSPITAL	30
Erwin Kresnoadi, Arif Zuhan, Marie Yuni, and Akhada Maulana	
MINING SOCIAL CONFLICT AND VIOLENCE IN WEST NUSA TENGGARA (NTB)	31
Syafruddin et al	

ORAL PRESENTER PAPERS LIST

POPULISM AND FOREIGN POLICY IN INDONESIA.....	33
Imelda Masni Juniaty Sianipar	
THE EXISTENCE OF SOYBEAN FARMERS AND MARKET IN SOLOK REGENCY	40
Hasdi Aimon, Melti Roza Adry, and Elida	
REQUIRED DOCUMENTS OF HAZARD ANALYSIS AND CRITICAL CONTROL POINTS (HACCP) OF GREEN TEA POWDER PRODUCT OF PT PERKEBUNAN TAMBI TO INCREASE MARKET SHARE.....	50
Bambang Purwanggono, Arfan Bakhtiar, and Dyah Priamsari	
THE PROMISING ETHICS AND COMPETITIVE ADVANTAGE ON HIGHER EDUCATION AS A PART OF INTERNATIONAL COLLABORATION PROGRAMS.....	59
K. Prihartono A.H	
IMAGE ANALYSIS OF HINDU WOMAN	71
Putri Anggreni	
THE MEANING OF CULTURE ON ZONING SYSTEM IN <i>PURI KABA-KABA</i> , TABANAN, BALL.....	76
Ni Putu Suda Nurjani	
STRATEGY OF BUSINESS MANAGEMENT AND AGRIBUSINESS SYSTEM OF BALI CATTLE BREEDING TO IMPROVE FARMERS INCOME.....	85
Putri,B.R.T., I N. Suparta, I.W. Sukanata, and Suciani	
THE INFLUENCE OF LOCAL GOVERNMENT FINANCIAL ACCOUNTING SYSTEM AND FINANCIAL ADMINISTRATION UNDERSTANDING TOWARD THE REGIONAL WORKING UNITS (SKPD) PERFORMANCE (CASE STUDY ON THE GOVERNMENT OF EAST LOMBOK REGENCY).....	92
Gia Sul Hatmi, Baiq Anggun Hilendri Lestari and Baiq Rosyida Dwi Astuti	
THE LIVELIHOOD STRATEGY OF DRY LAND FARMERS A CASE STUDY OF AGROFORESTRY COMMUNITIES IN BATUDULANG VILLAGE, SUMBAWA DISTRICT, NUSA TENGGARA BARAT PROVINCE, INDONESIA	99
I Ketut Budastra, Taslim Sjah, IGL Parta Tanaya and Syafrudin Safi'i	
ANALYSIS ON THE CALCULATION OF BUSINESS ZAKAT : MULTIPLE APPROACHES (A CASE STUDY IN BANK MUAMALAT INDONESIA).....	105
Nur Fitriyah and Nina Karina Karim	
FEASIBILITY ASESMENT OF LOBSTER (<i>PANULIRUS HOMARUS</i>) AND ABALONE (<i>HALIOTIS SP.</i>) CULTIVATION WITH IMTA (INTEGRATED MULTI-TROPHIC AQUACULTURE) IN EKAS BAY, LOMBOK INDONESIA	116
Dewi Nur'aeni Setyowati, Saptono Waspodo and Nanda Diniarti	
THE SUCCESS OF RASKIN PROGRAM IN CENTRAL LOMBOK REGENCY USING PATH ANALYSIS DECOMPOSITION.....	121
Desy Komalasari , Mustika Hadijati, Lailia Awalushaumi and Nurul Fitriyani	
MULTICULTURAL EDUCATION AS AN ATTEMPT TO REINFORCE STUDENT'S CHARACTER (THE ANALYSIS OF POTENCIES AND OBSTACLES IN SOCIAL SCIENCE SUBJECT IN JUNIOR HIGH SCHOOL)	128
Masyhuri and Ni Made Novi Suryanti	

PROBLEMS IN DEVELOPING THE LOCAL POTENCY-BASED LEARNING IN CIVIC EDUCATION SUBJECT.....	136
Yuliatin, Dahlan, and Muh. Zubair	
THE PHILOSOPHY OF DISPUTE SETTLEMENT IN CUSTOMARY LAW SOCIETY	144
Wayan Resmi	
THE IMPACT OF CORPORATE GOVERNANCE AND FIRM SIZE ON AGGRESSIVE TAX AVOIDANCE IN THE LQ-45 INDEX.....	151
Nurabiah	
ACTUALIZATION MAJLIS TA'LIM ROLE IN ENHANCING THE EFFECTIVENESS OF ISLAMIC CAPITAL MARKET SOCIALIZATION	162
Popon Srisusilawati	
POTENTIAL AND UTILIZATION OF SAGO IN RIAU PROVINCE	175
Winda Syafitri, Sri Swastika, Viona Zulfia, and Rachmiwati Yusuf	
THE ROLES OF SOCIETY LIBRARY AS A MEDIA OF CHILDREN'S LEARNING IN NORTH LOMBOK.....	181
Dedy Iswanto, Iskandar and Lalu Adi Permadi	
TRI HITA KARANA AND ITS IMPLEMENTATION IN HOTELS: A COMPARATIVE STUDY IN BULELENG, BALI.....	189
Trianasari and Putu Yurika Selly Novia	
QUALITY IMPROVEMENT EFFORTS OF ANDROID-BASED PRODUCT TOWARDS CONSUMER PERCEPTION AND BRAND POSITION USING MULTIDIMENSIONAL SCALING AND QUALITY FUNCTION DEPLOYMENT	
Arfan Bakhtiar, Diana Puspita Sari, and M. Fakhruzami Kusuma Putra	
IMPROVING TEACHING AND LEARNING IN NATURAL PRODUCT CHEMISTRY COURSE THROUGH LABORATORY ACTIVITY.....	209
Aliefman Hakim	
THE EFFECT OF INVESTMENT OPPORTUNITY SET (IOS), LIQUIDITY, LEVERAGE, AND ACCOUNTING CONSERVATISM ON THE QUALITY OF PROFIT AT MANUFACTURING COMPANY IN INDONESIA (THE ANALYSIS OF BEFORE AND AFTER THE ADOPTION OF IFRS)	213
Agus Khazin Fauzi, Endar Pituringsih and Biana Adha Inapty	
A STUDY OF AWIG-AWIG, A LOCAL WISDOM USED AS MANAGEMENT STRATEGY OF MARINE RESOURCES IN EKAS BAY, EAST LOMBOK, WEST NUSA TENGGARA PROVINCE, INDONESIA.....	225
Muhammad Junaidi, Baiq Hilda Astriana, and Muhammad Masyarul Rusdani	
PARTICIPATORY PLANNING AND BUDGETING ALTERNATIVE STRATEGIES (AN EFFORT TO FIND ALTERNATIVE POLICY)	228
Evi Sukmayeti	
REGULATION MODEL OF SYARI'AH INSURANCE AND LEGAL ISSUES ACCORDING TO POSITIVE LAW	237
Muhaimin	
FOREST DEGRADATION AND FOREST ENCROACHMENT; DRIVER AND SOCIAL-ECONOMIC INFLUENCING FACTORS	249
Sitti Latifah	

POSTER PRESENTER PAPER LIST

SEAWEED FARMING AS AN ALTERNATIVE INCOME FOR LOCAL COMMUNITY IN KAUNG ISLAND VILLAGE, BUER SUB-DISTRICT, SUMBAWA REGENCY.....258

Nunik Cokrowati, Aluh Nikmatullah, Sunarpi and Zaenal Abidin

MADAK; THE INFLUENCE OF MADAK ON COMMUNITY STRUCTURE OF GASTROPOD-PELECYPOD IN BATUNAMPAR VILLAGE BEACH, EAST LOMBOK.....262

Nanda Diniarti

**KEYNOTE
SPEAKER
PAPERS
SECTION**

DEVELOPING CREATIVE TOURISM AS BUSINESS MODEL FOR SMALL ECOTOURISM ENTERPRISES

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Abstract

Two previous studies were conducted in Kuala Tahan National Park (KTNP) in 1993 and 2004 to examine the progress (or regress) the community made in ecotourism and changes in their business profiles. One of the critical findings was that most of the locals are still operating in the 'traditional types' of business (restaurant, lodging, boating and guiding), although some had explored new ventures and ecotourism products thus has raise the lack of business differentiation among locals in delivering their products and services. Other problems of which could impede the local business growth and its sustainability was also noted and these include social discontent among the locals, their displeasure with the current tourism situation and also highly competitive business they felt in the area primarily due to the lack of innovation and creativity in product development for ecotourism market in the park. With such in mind, this study called for a business model for the locals that could enhance the variety of ecotourism products and services where it could ensure the sustainability of their businesses which is in line with the Malaysian Government Transformation Program as outlined in the National Key Result Area as well as maintaining the relevancy of KTNP as the prominent ecotourism destination in the world. Integrating creative tourism as business model for small ecotourism business can break the saturated market through the reinvention of the creative products where it offer more fulfilling and meaningful experiences, allows more positive competition between small ecotourism businesses and creates unique and authenticity between each products offered. Therefore, this current research focuses on examining how creative tourism can be applied into ecotourism businesses in TNPP. In doing so, this study is geared toward identifying the process of creative experience, finding new creative products, and proposing a business model for the locals based on the concept of creative tourism.

1. Objective

This study is primarily interested in developing a creative small ecotourism business model with emphasis on product development and rejuvenations at the Kuala Tahan National Park. In doing so, this study is designed to:

1. To identify process of construction of creative experience among the tourists at Kuala Tahan National Park.
2. To identify and evaluate potential new creative tourism experience at the national park.
3. To identify creative ecotourists by examining their distinctive profiles for market segmentation purposes.
4. Assessing the local resident involvement in ecotourism small businesses at the national park and how creative experience has been incorporated into their services.

2. Literature review

In the 1970s, the area was rapidly developed into a new tourist attraction as more and more people became aware of its vast resources. The trend was greatly enhanced after the privatization

of the park's services to the Taman Negara Resort in 1989. These services include accommodation, food outlets, souvenir and convenience shops, transportation into and out of the park, boating within the park, and provision of tourist guides. The privatization helps to increase the number of visitors into the area. An exploratory study in 1993 had ascertained this period as a time where local businesses had started to flourish in Kuala Tahan (Azlizam, Ramlan, Tasci & Johari, 2012). It was reported that most of the locals involve in 'traditional type' of tourism businesses including food and beverage (restaurant, stalls), accommodation (campsite, chalet, and small-size resorts), transportation (boating around the park's area) and guiding services (Azlizam et al., 2012). In explaining this phenomenon which is not uncommon in many ecotourism destinations, Victurine (2000) and Matthews (2011) stated that '[local community] businesses operate in isolation and is uninformed about trends and issue related to the industry and had little opportunity to receive informal preparation' (p.222).

While ecotourism businesses in KTNP continue to look flourishing, however a recent finding by the author (Azlizam et al., 2012) found that locals begin to feel displeasure with the current ecotourism situation due to high competitive business as they felt in the area primarily because of the lack of innovation and creativity in product development that can create variation, positive competitive advantages and offering a unique experience in the park. Moreover, some of the locals were found to voice their disappointment as they felt the area was no longer offering visitors with unique experience as it did years ago. Moreover, from the visitors' point of view, Chui, Rahim, Hassan, Musa, Yusof & Hashim (2010) found that products (activities) in KTNP were concentrated in the canopy walkway and jungle trekking activities, which had shown that others activities needs to be improved or rejuvenation is needed to maintain the sustainability of the ecotourism business in TNPP. Since the previous studies (Azlizam & Za'aba, 2006, Azlizam et al., 2012), no other empirical research had been conducted to evaluate the socio-economic impacts of ecotourism activities and specifically to monitor changes of the businesses in Kuala Tahan and how the concept of creative product development can help the businesses to prosper.

The limited understanding of how the ecotourism businesses and local participation are structured and how its stand in the ever changing market over time poses as a key impediment for offering sustainable and competitive ecotourism services at the national park. Creative tourism experiences have implications for sustainable tourism due to creativity resources being more sustainable than tangible products, and further, creativity allows suppliers to innovate their products relatively rapidly (Tan, Luh and Kung, 2013). Considered as participatory experience, creative tourism offers visitors the opportunity to develop their creative potential through active participation in learning experiences, which are characteristics of the holiday destination where they are undertaken (Yozcu & Icoz, 2010). Further, as noted also by Yozcu and Icoz (2010), creative tourism can be developed through a commercial business model by featuring tourism experiences as another tourism product.

3. Related project

This study adopts the definition of ecotourism provided by The Ecotourism Society (cited in Sirakaya & McLellan, 1998) as "purposeful travel to natural areas to understand the culture and natural history of the environment, taking care not to alter the integrity of the ecosystem while producing economic opportunities that make the conservation of natural resources beneficial to local people". Local participation, along with the conservation of cultural and natural resources and educational programs are the three principle dimensions of ecotourism model (Blamey, 1997; Victurine, 2000; Lawton, 2002; Azlizam et al., 2012) with the end goal of ensuring the sustainability

of tourism industry in protected areas. Therefore, the adoption of these ecotourism principles underlines the imperative roles of local residents in ensuring the sustainability of ecotourism industry.

Literature in local participation in ecotourism activities in Malaysia has been remarkably slow in emerging. The limited understanding of how the ecotourism businesses and local participation are structured and how its characteristics are changing over time poses as a key impediment for offering sustainable and competitive ecotourism services. An earlier exploratory study on local participation was conducted in 1993 and repeated in 2004 and found that since the privatization of the Park's services in 1989, local businesses has started to flourish in Kuala Tahan (Azlizam & Za'aba, 2006). The study also reported that most of the locals involve in 'traditional type' of tourism businesses including food and beverage (restaurant, stalls), accommodation (campsite, chalet, small-size resorts), transportation (boating around the Park's area) and guiding services.

The longitudinal study also found that most of the local entrepreneurs in Kuala Tahan have neither the experience nor the skills to market their businesses or provide quality services as expected by ecotourists. In explaining this phenomenon which is not uncommon in many ecotourism destinations, Victurine (2000) stated that '[local community] businesses operate in isolation and is uninformed about trends and issue related to the industry and had little opportunity to receive informal preparation' (p.222). Therefore, to support the current ecotourism growth in Kuala Tahan, and to manage it in a sustainable fashion, an ecotourism participation model should be developed for the local residents in the National Park. This will enable the responsible agencies such as the Department of Wildlife and National Park (DWNP) to understand the different types or changes in the local business structure, and to develop strategies to assist and create new business opportunities for the locals.

Small ecotourism business sustainability is key factor for ecotourism support at any protected area. A progressive business environment can help the locals to foster greater appreciation for ecotourism activities and enhance their sense of ownership of the industry. In Taman Negara however, since 1993 there was an apparent lack of coordinate efforts to boost the small business at institutional level (Azlizam et. al., 2012). Although there were some evident of government support as found in the 2004 survey, it was done without consulting the local businesses. One particular example was when the authority (Jerantut Land Office) decided to relocate local business premises a few kilometers further inland and away from the popular riverbank at the park. The decision was made necessary by the authority as the unplanned and haphazard nature of their setups posed as a blot on the otherwise serene and green landscape. Regarding this issue, the locals are really in the losing end, since the new business location is quite far from the hustle and bustle of the park centre.

Challenges in operating small ecotourism businesses in Taman Negara was further compounded by the lack of business differentiation among the locals as mentioned in the previous paragraph. In the end they are offering similar type of business without much rate of success. Such 'tunnel vision' approach in business could impeding their progress and create unnecessary highly competitive business environment. Such was the case with nature guide service, which is the largest type of employment as noted by both surveys in 1993 and 2004. This was made even worse with the existing of illegal nature guides in the area. This illegal business, while creating competition which can be considered unhealthy, has turned into nuisance and remains as a thorny issue among the locals in Kuala Tahan.

Study on creative tourism, although fairly new in Malaysia, has received a lot of attention among practitioners and academicians alike for its potential in ensuring business sustainability by

encouraging product re-development and rejuvenations (Yozcu and Icoz, 2010; Tan et.al., 2013; Tan, Kuh and Lung, 2014; Richards and Wilson, 2006). In today's highly competitive tourism business environment, the increasing employment of creativity in tourism products, as in many other areas, seems to stem from a desire to innovate distinctive products to meet specific consumer needs. Innovation, as mentioned earlier is what truly missing from small business operation in Kuala Tahan and adding to heightened the competitive environment in the area.

Therefore, this study was designed with the intention to examining how creative tourism can be applied into ecotourism businesses at KTNP. Considering several contemporary issues facing small businesses there, it is vital for us to identify those who can be categorized as creative tourists, the process of creative experience, finding new creative products, and finally to propose a new business model at the national park based on the concept of creative tourism.

4. Research Approach

In order to achieve the primary objective of this study, several specific objectives have been drawn; (1)to identify and evaluate potential new creative tourism experience at the national park, and (2)to identify creative ecotourists by examining their distinctive profiles for market segmentation purposes. Identification of the creative tourism products and evaluation of the potential new creative tourism product can be done by using Outdoor recreation resource inventory (ORRI) and existing and potential activities assessment that will be done by the expert panels in recreation and tourism field. Result from the assessment will be constructed to self - administered questionnaire involving four sections (A- Demographic background, B- Importance of the activities and C - performance of the activities, D- perception on the new activities). Importance and Performance Analysis (IPA) will be adopted to analyse the data where it is suitable to be used in identifying which activities that needed to be prioritized in the management actions.

The third objective of the study is, (3) to identify process of construction of creative experience among the tourists at KTNP. Drawing from the facts that construction of one's experience is not necessarily the same as those that appeal to another (Andereck & Caldwell, 1994; Falk et al., 2008; Fraser & Sikler, 2009 and Turley, 2001), this study sought to identify the process of the construction of creative experience underlined by the visitors' perspectives on the creative experiences of ecotourism products in TNPP. Since researches on creative tourism are quite new, this research will be using a qualitative or exploratory approach to identify the insights of visitors' cognitive and affective functions with regard to the topic of the study. With that in mind, Grounded Theory method (GT) will be employed in this study to catch the essence of creative experience in KTNP. The basic idea of the GT approach is to read (and re-read) a textual database and discover or label variables (called categories, concepts and properties) and their interrelationships.

The ability to perceive variables and relationships is termed "theoretical sensitivity" and is affected by a number of things including one's reading of the literature and one's use of techniques designed to enhance sensitivity. It involved three processes in analysing the data; open coding, axial coding and selective coding. Open coding aims to identify the discrete concepts or the building blocks of the data, with a focus on the nouns and verbs used to describe a specific conceptual world (Bakir and Baxter, 2011 and Daengbuppa, Hemmington, & Wilkes (2006). After every interview and observation, the field notes were analysed and open coded before moving to the next interview (Bakir & Baxter, 2011). The feature of analysis can be a sentence, paragraph, an episode or an observation (Daengbuppa et al., 2006). Axial coding refers to process of grouping the open codes to tentative statements of relationships among phenomena (Daengbuppa et al.,

2006). Selective coding was used to integrate and develop the theory in this work. Purposive sampling will be adopted in this study which it enables selection of information-rich and relevant sources that provide informed empirical materials (Patton, 2002). Purposive sampling does not attempt to generate a representative sample set, but involves the selection of informed participants who have had active involvement in experience-type activities. Therefore, respondents will be chosen purposively on site involving every activity provided in the park.

Respondents will be first asked with informal interviews respondents who are willing to share their experiences, since much of the richest data that can be captured comes from such informal talk (Daengbuppa et al., 2006). Next, in-depth interviews and observations will be conducted at the above mentioned sites. In depth interview will be involving questions such as “What motivated you to come here and to participate in this activity?”, “what do you think about this activity?” “Do you think this activity is creative? If yes/no, why and how?” and “Please define creativity from your viewpoint” were asked in order to explore the meaning of ‘creative/creativity’ from tourist’s viewpoints. Each statements or answer will be recorded and analysed according to the method that will be employed. Moreover, respondent will be asked about their overall experience while participating in the activities, questions that will be asked will be like “Please identify the factors which you felt contributed to your experience” and “Please provide your own definition of what you think a creative experience entails”. When the respondent mentions an important attribute, he/she will be asked to give examples and illustrate how the attribute contributed to his/her creative experience.

Besides, the respondents will ask to clarify the differences among the various attributes/components mentioned. The last objective of the study is (4) assessing the local resident involvement in ecotourism small businesses at the national park and how creative experience has been incorporated into their services. This involves primary data collection will be carried out in Kuala Tahan by employing two methods; field survey (face-to-face interview) and focus group sessions. A research questionnaire will be designed and used to guide field enumerators in interview sessions and elicit details from the locals regarding their background and business operation. The face-to-face interview technique ensures the quality of information obtained and at the same time address the problem of missing information in field surveys. The research questionnaire is divided into three sections; Section A contains questions consist relate to local residents that have been in ecotourism business. Section B elicits information on the type of businesses and the creative business profile measurement. Their socio-demographics were identified in Section C. Small focus group sessions will be administered in Kuala Tahan with the main purpose of gathering key players in the development of local business to share experience, information and expertise. Key players include the Park Superintendent, District Officers, Head of Jawatankuasa Kemajuan dan Keselamatan Kampung, representatives from DWNP, and Kuala Tahan Guide and Boat Association.

5. Conclusion

It is an established fact that most of the locals in Kuala Tahan involved in small ‘traditional type’ of tourism businesses including food and beverages, accommodation (camp-site, chalet, small-size resort), transportation (boating) and guiding services thus has raise the lack of bussiness differentiation among locals in delivering their products and services. Hence, creative tourism is a form of tourism based on experience itself more than on the service providers and tourists themselves. By intergrating creative tourism as new business model for small ecotourism bussiness can:

1. Work as the key development option in the saturated market through the reinvention of the creative products that offered more fulfilling and meaningful experiences.
2. Allows more positive competition between small ecotourism businesses where it creates uniqueness and authenticity between each products offered.

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POVERTY ALLEVIATION THROUGH EDUCATION MANAGEMENT BASED CREATIVE ECONOMY EXTRACURRICULAR

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Abstract

Objective: to identify the advantage potential of the natural resources surround the elementary and junior high school (SDN Plaosan & SMPN 2 Kokap, Kulon Progo); to rank (in terms of to describe, to analyze, and to compare) the advantage potential of the natural resources in order to get the best two or three alternatives; and then to merge and to combine those alternatives in order to create a social product (a bundle of activities) which consist of a bundle of values for shaping habits and emerging positive (productive) behavior step by step, especially for children through a 12-year compulsory education. Finally, based on those objectives, it has been designed management patterns or model in poverty easing through education based on creative economy extracurricular (elementary- second school) and through an integrated partnership strategy (stakeholders). *Theoretical Framework:* This action research based on the strategic management and social marketing theoretical framework. *Research Method:* Through in depth-interview and Focus Group Discussion (FGD) accommodated in grounded action research. For analyzing the data and information, the Analytical Hierarchy Process (AHP) was implemented to select and determine the social product. This study was researched at SDN Plaosan, SMPN 2 and SMKN Kokap district, Kulon Progo, Jogjakarta. *Result:* One way to overcome poverty is through character education, especially in schools and as early as possible. Teachers as agents of change should be creative, innovative, adaptive, skilled and responsive to changes in its environment that can be turbulent and latent. Teachers as agents of development has a role to build the nation's character that started as early as possible through the children (PAUD, TK, SD, SMP, and SMK). Teachers play a strategic role, especially in shaping the national character & developing the ability of students. The implementation of character building at primary schools is done through several groups of activities, namely: teaching- learning activities, development of school culture and learning centers, extracurricular activities, and daily activities at home and in the society. All those group activities are blended, managed, and implemented as early as possible, step by step, continuous improvement and consistent to build children's character. This can be achieved through good cooperation and shared responsibility between government, business, universities and a harmonious and unified society (stakeholders). *Conclusion:* Study and the implementation on poverty alleviation through education management based extra-curricular creative economy held in Kokap was chosen as the study site because it is the district's poorest in Kulon Progo. In the process of mutual communication between teachers and students (children), the creative economy behavior of the children will be directed and developed from an early age and based on sufficient and adequate education that is elementary school, junior high school and vocational high school education along with economy creative extracurricular and are tiered according to the situational level. Extracurricular preferred among others are catfish pond, red ginger cultivation, and craft of bamboo baskets. It was in accordance with the advantages they have.

Keyword: poverty alleviation, extracurricular, creative economics, FGD and AHP.

1. Introduction

In general it cannot be denied that poverty is a challenge that tends to be extremes and are strongly related with the character of the nation. The overall quality of the all environment to live comfortably in Indonesia is likely to be low and very worrying and is closely related to poverty.

On the other hand, poverty, which recently tends to be snowballing, was caused by human activities in government, business and community with a variety of reasons. Another cause is the imbalance contribution from the family or household. From a lot of experience in the field, the role of the family and also school as a foundation in shaping the character has not been able to pass down to the children a productive character or behavior.

It mentioned before that poverty is an important issue that needs attention, mainly associated with the still relatively many efforts have been made in alleviation, either through funding by the central government and the regional administration. However, many such efforts have not been significantly alleviate poverty. This is presented from the number of poor people. Some studies have also found that very substantial financial support has not been able to significantly reduce poverty. Poverty alleviation programs undertaken by various agencies or sectoral institutions that exist, most have not been integrated optimization of the implementation of poverty reduction programs need to be reviewed. These agencies authorized to issue sectoral poverty alleviation program each running on their own and have a weak coordination and ultimately on the one hand often overlapping programs that lead to the conflict of interest.

Moreover, with the number of poverty reduction programs, there are still some poor people who are not touched by the program. Furthermore, in the context of the cycle of poverty, the main problem that we often face is the denial of school-age children from poor families to school despite free on the grounds that they should 'work'. If they go to school, it means they will lose the chance or opportunity to contribute the additional family income by 'work' any (revenue opportunity). On the contrary, if they does not go school, it means they face a big problem in muddling through and supporting themselves for not being poor. Finally, they will lose the opportunity for having primary and secondary education and will be trapped in poverty in a broad sense (Suprihanto, Giyarsih, & Nugraheni, 2014). Additionally, some previous studies found that poverty occurred partially derived from nature and human character who even with poverty alleviation programs were provided; they still reluctant to change (Suprihanto, Ruslanjari, Giyarsih, & Luknanto, 2013; Suprihanto, Giyarsih, & Nugraheni, 2014). Therefore, it is necessary review of the poverty reduction programs in order to obtain new approach.

In general, the poverty cycle will always repeat itself if we do not break up. Most the poor people will certainly have poor offspring as well, although not absolute. If a pair of poor parents had 4 children, and if the children are not educated productive and creative and also they do not have adequate education, then in the future they will be poor as well. Thus, from one pair of parents are poor, with 4 children in the future it will result in four poor families. Generally every poor family comprising father, mother and children, and the children are most vulnerable. It is expected that by touching and upbringing the children (through primary and secondary education) it will be a great strength (addressing for not being poor) for themselves, their family and their environment. They are expected to change their mindset and mental toward productive and creative behavior of the poverty cycle will be broken up and interrupted. So that even they have poor parents, the children grow into productive and creative and not being poor. The inability of poor people (especially children) can be reduced by being forced to be able to do something. Their ability will be repeated then it will become an ordered in a habit and behavior. Shaped behavior from the community will emerging the culture (Suprihanto, Giyarsih, & Nugraheni, 2015).

A reality and generally anyone who has a relatively better education tend to have better income. Relatively high educated people have a better chance to get a job with a higher wage levels compared to those with low education. Thus the community members who have a good level of education will likely smaller to be poor than those with low education (Suprihanto, Giyarsih, & Nugraheni, 2015).

In the Preamble of the 1945 Constitution mandated, among others, the state of Indonesia

shall protect all the people of Indonesia and all the independence and the land that has been struggled for, and to improve public welfare, to educate the life of the people and to participate toward the establishment of a world order based on freedom, perpetual peace and social justice. To protect all the people of Indonesia and the entire country of Indonesia, we need individuals with good moral, who has a positive character or personality that as a group will become the foundation of a conducive social order. To overcome various problems in Indonesia, particularly poverty, it needs an excellence and positive community, which has the capital (social capital) to alleviate poverty.

One way to overcome poverty is through character building or education, especially in schools and as early as possible. Teachers as agents of change should be creative, innovative, adaptive, skilled and responsive to changes in its environment that can be turbulent and latent. Similarly, teachers also as agents of development has a role to build the nation's character that started as early as possible through the children (elementary level or SD and if possible since playgroup and or kindergarten), junior high school (SMP) and vocational high school (SMK). The teachers play a very strategic role, especially in shaping the national character and develop the ability of students. Therefore, due to changes in era, several challenges occurs which lessening the role of the teacher as an agent of change as well as an agent of development.

The implementation of character education in primary schools is done through several groups of activities, namely in learning activities, development of school culture and learning centers, extracurricular activities, and daily activities at home and in the society. All those group activities are blend, managed, and implemented as early as possible, step by step, continuous and consistent to build children's character. This can be achieved with good cooperation and shared responsibility between government, business, universities and a harmonious and unified society (stakeholders). For that, it needs to be researched and developed management practices to alleviate poverty through free (tuition) education based extracurricular creative economy and based on partnership with the government, business and society.

This action research based on the strategic management and social marketing theoretical framework. The final goal of the strategic management learning is a strategic thinking model or pattern. In the context of strategic planning and management, strategy is a response or initiative from an individual or organization to the opportunities or threats that come from the external environment by using their strengths/weaknesses to achieve its goals. The assumptions are that the data can be collected with fairly complete, and based on a SWOT analysis (at least 4 quadrants) of the situation and the conditions of education in Indonesia is likely to generate in the quadrant that have a high opportunity (poverty alleviation) and weaknesses (resources very limited). In that quadrant position, the relatively suitable grand strategy is partnership strategy (joint strategic).

Furthermore, in the context of social marketing, this study explain how to design a social product that is less tangible or intangible such a way that would be appropriate and suited to the needs and wants of the target market group or adopter that students either elementary, junior high and vocational high schools. On the other hand, there are described at least four situations of the alternatives delivery of a social product.

The process used the delivery principles and methods developed in marketing management. In this case, the old behavior of the children (i.e. not able to behave productively) is expected to be shifted to have the new behavior (productive habit). Education in both elementary, junior high, and vocational high school very much based on communication process that consists of a reciprocal sender - receiver - media. In the process of mutual communication between teachers and students (children), the creative economy (productive) behavior of the children will be directed and developed from an early age (golden age) and based on sufficient and adequate education that is elementary school, junior high school and vocational

high school education along with economy creative (productive) extracurricular and are tiered according to the situational level.

In the process of mutual communication between teachers and students: the creative economy (productive) habits and behavior of the children will be emerged, engaged and shaped from an early age (golden age); and based on sufficient and adequate education (from elementary school - vocational high school education), along with economy creative (productive) extracurricular and are tiered according to the situational level. In order to change children habits and behavior towards productive habits and behavior; it can be started by 'forcing' the children. A bundle of 'forced' good activities have to be repeated and will shape a habit. Finally, the habits will be adapted and shaped to emerge their behavior and then become the culture. In other words, that in order to change children behavior towards productive behavior it can started by forcing the children and thus forced behaviors are to be repeated and will become a habit, and finally will be adapted and shaped to become their culture.

2. Research Method

2.1. Data Collection

In collecting the data or information have done by several methods. First with a depth interview conducted at several selected informants from both the local government related to the program and principals of elementary schools, junior high schools and vocational. Second, the data collection is done through several Focus Group Discussion (FGD) both classroom teachers and teachers facilitator extracurricular. Third, in addition to data collection using secondary data (data statistiuk area), also done well site surveys around the elementary, secondary and vocational, Kokap, Kulon Progo.

Through 8 sub-survey and Focus Group Discussion either through depth interview accommodated in grounded action research and Participation Action Research (PAR) it has been expected to design management patterns or model in poverty alleviating trougheducation based on creative economy extracurricular (elementary, junior high, and vocational high school) and through an integrated partnership strategy (stakeholders).

This study was researched at Plaosan State Elementary School, Second State Junior High School and State Vocational High School of Kokap district di Kabupaten Kulon Progo, Jogjakarta.

In support of stakeholders, the implementation of this program in addition to a partner who has been mentioned earlier; would very much involve Research and Community Service University/Institute (LPPM PTN/S), especially students who are doing community development program with elementary, junior high, and vocational education-themed.

2.2. Research Location

Implementation of the management pattern of poverty through education-based extracurricular creative economy (productive), the research will be carried out in Kulon Progo. Selection of study sites based on the consideration that according to statistics, the Kokap a district with the highest number of poor people in Kulon Progo. The number of poor families in Kokap in 2014 reached 7991 families or 6.5% of the total population of Kulon Progo (BPS Kulon Progo Year 2014-10-24). Thus the election Kokap as a research location is very appropriate. The second argument relating to the site selection study is under the direction of the Coordinating Team for Poverty Kulon Progo.

2.3. Analysis Method

Analytical Hierarchy Process (AHP) is one of the decision-making model that is often used. For example the use of AHP, for instance OPEC to choose strategies in an effort to realize its objectives (Permadi, 1992); Bayazit and Karpak (2005) to select a supplier for the modern market;

Teknomo (1999) to choose a variety of means of transportation; and Bourgeois (2005) to prioritize research topics that will be proposed by UNCAPSA (in Susila, WR & Munadi, E, 2007). In this action research, AHP method is used to select the type of extracurricular social product that corresponds to the level of elementary and junior high students. Creative and productive extracurricular type is determined by using AHP is a decision support models that describes the problem of multi factor or a complex multi-criteria into a hierarchy. A complex problem can be decomposed into their groups were then organized into a hierarchical form so that the problem seemed more structured and systematic. Hierarchy here is a representation of a complex problem in a multi-level structure, where the first level is a goal, followed by level factors, criteria, sub-criteria, and so on down to the last level of the alternatives.

Originally from several alternative social products screened and selected with several criteria such as the values of the game, education, discipline, and rigor contained therein. Egextracurricular social product is in the form of activities raising earthworms, red ants (*ngangrang*), rabbits, guinea pigs, hamsters, and fish farming groups. It also developed a social product in crafts and farming groups. Through a long process through several stages of FGD and further data / information processed by the AHP finally bringing forth extracurricular social product as follows: 1. Raising catfish buis-based concrete; 2. Craft of weaving baskets and making the fan (for a wedding); 3. Maintain a red ginger plant for each student.

2.4. Implementation Methods

Methods and approaches used in the implementation of extracurricular creative economy is Participation Approach (PA), which combines a mobile visualization approach (MVA) with learning by doing (LBD); both of which were adopted before the first adapted to the conditions and the situation of children. The participatory approach is characterized among other things the importance of reflection, has a purpose for the change / improvement of social or immediate impact on the system / social structure, have a high appreciation of the human potential, and problem solving, as well as the creation of knowledge that is beneficial to society. Delivery of content extracurricular creative and productive use of one of the participatory approach is quite familiar, namely mobile visualization approach (InWEnt, 2010). Mobile visualization is the visualization approach that learning topics can be seen more real. Visualization moves using techniques that encourage participants (students) to express their ideas about a topic through a variety of activities. However, in this program need for adaptation to the MVA approach because learning objective (elementary and junior high school students) still need guidance and mentoring. The golden rule for MVA, which has a share of 10%: 60%: 30%; will not change the combination of the portions, which is 10% giving the concept will be repeated by the facilitators whenever needed by the student (as the target market); 60% of practices carried out by students in groups with more emphasis on the activities that went on to write the book development; and 30% not only summed together facilitator, but the emphasis is more on the guidance and assistance to students. Changes and adaptations made to all portions of MVA, but especially in the last part of the 30% which in turn is combined with learning by doing (learning by doing activities).

3. Results and Discussion

a. Elementary and Secondary Education Based on Creative Economics Extracurricular

It has been argued earlier that one of the alternatives to provide solutions mitigate and alleviate poverty in Indonesia can be done through primary and secondary education. One way to overcome poverty is through character education, especially in schools and as early as possible. In the educational process, instilled the values of the creative economy to change the mindset and mental children toward productive and creative behavior. In research-action developed primary and secondary education programs based extracurricular creative economy.

In developing the program and on-blended adopted the basic concepts that have been developed in strategic management and social marketing.

Teachers as agents of change should be creative, innovative, adaptive, skilled and responsive to changes in its environment that can be turbulent and latent. Teachers as agents of development has a role to build the nation's character that started as early as possible through the children (PAUD, TK, SD, SMP, and SMK). Teachers play a strategic role, especially in shaping the national character & developing the ability of students.

The implementation of character building at primary schools is done through several groups of activities, namely: teaching- learning activities, development of school culture and learning centers, extracurricular activities, and daily activities at home and in the society. All those group activities are blended, managed, and implemented as early as possible, step by step, continuous improvement and consistent to build children's character.

This can be achieved through good cooperation and shared responsibility between government, business, universities and a harmonious and unified society (stakeholders). It has been argued earlier also that strategists besides being able to take advantage of opportunities by using force, he is also able to transform weaknesses into strengths and turn the threat into an opportunity. In the context of the smallest organizations, children are the most vulnerable members and weak in a family. In this program, children who gathered in schools (especially primary and secondary) sharpened or polished, cared and fostered through education-based extracurricular creative economy

According to Kotler and Roberto (1989), Social Marketing is a strategy for changing behavior. Social marketing (social marketing) is a course that teaches about the delivery process of values (values delivery) or the social product to the target market in such a way there is a change in habit and behavior (old habit & behavior change to the new habit & behavior). Social products can be divided into three, namely the idea, practice, and a tangible objects. It includes education that has been translated into the curriculum and extracurricular creative economy. In the context of action research, developed social product is productive extracurricular creative economy. In particular, in providing a solution for students in conditions of weak paced, productive extracurricular creative economy is adapted to the needs and desires of children at different levels (elementary, junior high, and vocational). As described earlier, the products chosen are social extracurricular catfish farming based buis concrete; handicraft weaving 'baskets' and make the fan; and maintaining red ginger plants for each student. By touching the child (through educational programs based creative economy) then it will be a great strength (addressing for not being poor) for themselves, their families and communities.

b. Case: SD Plaosan and SMPN 2, Hargotirto, Kokap, Kulon Progo, DIY

In research-action FGD was conducted by the research team along with representatives from Bappeda, Department of Education and the Department of Social and Regional Poverty Measures Team Kulon Progo district. Selection of study sites based on the consideration that, based on statistical data from four counties and one city in the province, then the Kulon Progo district has the highest poverty rate. Furthermore, it turns Kokap districts are districts with the highest number of poor people in Kulon Progo. The number of poor families in Kokap in 2014 reached 7991 families or 6.5% of the total population of Kulon Progo (BPS Kulon Progo Year 2014-10-24). Furthermore, it is supported by the advice of the results of focus group discussions and depth interviews of Bappeda. For the selection of schools, in accordance with the recommendations of the Department of Basic Education, the three schools that were targeted implementation of activities is Plaosan Kokap elementary, junior 2 Kokap and SMK 1 Kokap. Principals and teachers at the three schools agree and support this activity. Approximately 90% of elementary school students Plaosan Kokap will continue in the Junior 2 Junior Kokap makes it ideal to continue the program to be implemented in elementary PlaosanKokap. Students of

primary school graduates can continue extracurricular PlaosanKokap already received in elementary school at junior high school. So that the values instilled since elementary school does not just stop there but still can proceed at their junior high school.

FGD, depth interviews and AHP method is applied to determine anything about extracurricular activities that can be carried in three schools. According to the location and availability of abundant water, fisheries will be the main target, then touch capabilities one of the teachers, availability of raw materials abundant bamboo in the area Kokap and the needs of the surrounding area will 'baskets' make craft 'baskets' and a fan as an option in extracurricular creative economy.

There are abundant water availability. Fisheries sector will be the first target in elementary and junior school creative economic extracurricular. Catfish pond activities have been chosen with consideration of adequate water availability in the region. Each school was built 6 fish ponds. For SMPN 2, the location of fish ponds were built near-below the school mosque, for utilizing ablution water.

In front of the Plaosan elementary school flows a small river, so the abundant water availability, especially in the rainy season and enough in the dry season. fisheries sector will be the main target in Plaosan elementary and 2 Kokap junior high. Catfish farming activities are also chosen with consideration of adequate water availability in the region. Under an agreement with the school then has determined the location of fish swimming in a pond that has existed which has not been utilized which is located in front of or under the porch mosque. For SMP 2 Kokap, the location of the fish pond is also planned near and below the small mosque. So with that, the former ablution water can also be used with streamed into the pond.

The third is agriculture activity; Red Ginger was chosen to be planted in those schools. If it should be successful it will market the research team to one of the herbal medicine industry, namely PT. Sido Muncul or to the brown sugar home industry in Kokap. Each child will be given a red ginger polybag with notebook that must be filled by children, guided by the teacher.

Extracurricular for Plaosan elementary and 2 Kokap junior high associated with agriculture is in the form of red ginger planting. Red Ginger chosen as a commodity to be developed in this school with the assumption that if successful it will market the research team to one of the herbal medicine industry, namely PT. Sido Appears or to the sugar industry which is also contained in KokapKulon Progo Regency. In addition, red ginger assumed to be easily cultivated because of resistant pests. Each child will be given a polybag with notebook development of plants that must be filled by children, guided by the teacher. At the time of the field survey have also determined the location of the red ginger planting in areas that are located behind the Plaosan Elementary School building. Additionally, SMP 2 Kokap which has a wide area; they have started planting trees in the school culture, which asks students graduated to give a memento to the school in the form of tree seedlings. It can be collaborated with productive economic extracurricular activities in addition to its main agricultural and plantation red ginger plant maintenance.

The second, handicrafts bamboo baskets that will be implemented in grade 1,2, and 3 only weave baskets activities only, while for grades 4, 5 and 6 include raw material preparation (knives) and weaving baskets. Handicraft weaving baskets will be guided by the teacher SDN Plaosan itself is Mrs. Parinem which incidentally also has the business of making & selling baskets. Crafting baskets will also be applied in the SMPN 2 Kokap.

According to the location and availability of raw materials of bamboo are also abundant in the region Segajih hamlet, village and surrounding Hargotirto. On the other hand, happens to be one first grade teacher (Mrs. Parinem) have the ability and skills to make 'baskets', and in the discussion of the teacher is willing to train and assist students. Extracurricular handicrafts bamboo baskets that will be implemented in grade 1,2, and 3 only weave baskets activities only,

while for grades 4, 5 and 6 include raw material preparation (knives) and weaving baskets. Handicraft weaving baskets will be guided by the teacher SDN Plaosan itself is Mrs. Parinem which incidentally also has the business of making baskets. Manufacture baskets will also be applied in the Junior 2 Kokap. It is also coupled with the fan craft (kind souvenirs for Wedding). Parinem mother is still willing to assist and accommodate the work of junior high school kids 2 Kokap.

4. Conclusion and Recommendation

4.1. Conclusion

Study and the implementation on poverty alleviation through education management based extra-curricular creative economy held in Kokap was chosen as the study site because it is the district's poorest in Kulon Progo. In the process of mutual communication between teachers and students (children); the creative economy behavior of the children will be directed and developed from an early age and based on sufficient and adequate education that is elementary school, junior high school and vocational high school education along with economy creative extracurricular and are tiered according to the situational level. Extracurricular preferred among others are catfish pond, red ginger cultivation, and craft of bamboo baskets. It was in accordance with the advantages they have.

Pattern of the extracurricular offers creative economy that is applied in elementary and junior applied simultaneously period. Results of action research is the implementation pattern of management education through the development of extra-curricular creative economy (elected) in accordance with the level of education (elementary, secondary, vocational) in accordance with local needs (compulsory twelve years) in Plaosan elementary, and SMPN 2 Kokap , Kulon Progo Regency, Yogyakarta.

4.2. Recommendation

Management patterns of poverty reduction is expected to be disseminated to various universities in Indonesia, so that each LPPM can implement throughout elementary and secondary need. This value investment process is a process of mental evolution to build the basics of intra or entrepreneurship character for future generations which are themselves free from the vicious cycle of poverty.

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ABSTRACTS SECTION

ADVENTURE TOURISM PRODUCTS AND INDUSTRIAL DEVELOPMENT IN MALAYSIA

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Abstract

The growth of adventure tourism as an industry has been accompanied by an enormous variety and availability of adventure-based products. Although can be regarded as a relatively new form of alternative tourism in Malaysia, adventure tourism is beginning to gain its momentum in terms of popularity among domestic as well as international tourists. This exploratory study attempts to highlight common and recognizable characteristics of adventure tourism products in Malaysia based on several criteria namely : type, price, duration, operators' competency certification, prior skill requirements, operation venues, group size, client-to-operator ratios, marketing approaches and economic contribution to local community. There is an enormous variation of existing adventure tourism products and these products can be further summarized on a scale from high price, high difficulty and low volume to low price, low difficulty and high volume.

Keywords: adventure tourism, adventure products, product characteristics

COMPETITION AMONGST JAKARTA'S PARANORMALS IN THE TRADE IN MAGIC: SOCIOLOGY OF RELIGION VIEWPOINT

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Abstract

As Indonesia has become a more pious society, officially, the practice of magic is not (or no longer) considered to contain the answers to life's problems in the way that the various sanctioned religions do. Magic is condemned as something taboo (a morally-irrational practice) as well as being religiously profane and secular. Many modern Indonesians in Jakarta practice the unsanctioned activities of magic as well as the publicly-sanctioned religious beliefs and rituals. Some of them use magic to attain material resources, careers, political or business goals and for other social purposes. A trade in magic arises because of the demand for magical services by all these consumers and the offers from paranormals. During 2010-2012, I met with and interviewed chosen informants (paranormals) to reveal the answers to the questions pertaining: how paranormals practice their religion beliefs and in the same time, trade magical services in Jakarta.

Keywords : Magic, Trade in Magic, Competition, Paranormals, Religion, Jakarta

CHALLENGES ENCOUNTERED BY SCHOOL PRINCIPAL AND TEACHERS TO ENHANCE THE LEARNING OUTCOMES IN A PRIVATE-OWNED VOCATIONAL SCHOOL (SMK) IN EASTERN INDONESIA.

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Abstract

Indonesian Government recently has paid considerable attention to develop both state and private vocational schools (SMKs), for instance, by allocating a large amount of fundings to support them. This is due the vital roles that SMKs carry out to reduce the rate of unemployment. Despite this, most of private SMKs in Eastern Indonesia, in particular in West Nusa Tenggara have yet to perform better as expected. The overarching question investigated in this study was to identify the challenges that school principal and teachers to improve the learning outcomes at a private owned vocational school (SMK). A case study was employed to conduct this research with purposive and snowball as the sampling technique. Data were collected by doing interviews, participant observation and documentation. Data were analyzed descriptively by following the inductive paradigm and by employing the interactive model. Findings of this study revealed that teachers and school principal expressed varied views concerning the school overall quality, yet all respondents agreed that there were still many other aspects requiring improvement to improve the school performance. The findings of this study also suggested some factors becoming the challenges to reach quality education in a private owned vocational school, which included: 1) Teachers' professionalism; 2) Demotivated students 3) Limited Education Fundings, 4) School Development Orientation, 5) Minimum Support from Parents and Community, 6) Different perspective on learning outcome among teachers, principal and school owners, 7) Ineffective Principal management and leadership, 8) Internal conflict

Keywords: Challenges, Private SMK, learning outcomes, Improvement, Case Study.

FASHION, FEMALE GAZE AND CAPITALISM: TURKISH WAVE EFFECTS IN INDONESIA

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Abstract

Adopting the Korean Wave term, it seems Indonesia have implicated the phenomenon of "Turkish Wave", a phenomenon in which people like to follow everything that was related to Turkish culture, for example Turkey fashion style. This phenomenon emergence was followed by the development of "Female Gaze". This phenomenon was characterized by many women who show an action that leads to hysteria when they saw the Turkish actors. Implications of Turkish wave presence also affects the Indonesian capitalism that was television business, where it had been able to achieve the highest audience share. But it feared this success was exploited by certain parties as the beginning of the exploitation of Turkish series thus shifting the local series production.

Keywords: Media, Turkish Wave, Capitalism

FOREST RESOURCES MANAGEMENT BASED COLLABORATION BETWEEN THE COMMUNITY AS A CONFLICT RESOLUTION WITH THE GOVERNMENT (STUDY OF FOREST RESOURCES MANAGEMENT ON THE ISLAND OF LOMBOK WEST NUSA TENGGARA)

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Abstract

Naturally forest is a source of conflict, because in it there are various interests that are often conflicting, the conflict was partly due to the distortion recognition of ownership of resources. The government distortively treats the forest resources as "government property" whereas it is a public forest or even a community property. The distortions have exposed the government to an attitude that enforces the forest as an individual property. Furthermore the government that felt to be the only representation of the country, thinks it has a right to set the forest as its wish. Other parties such as private and public, is seen as a follower which should be subject to the regulations and rules drawn up unilaterally. The problem in this research was the government has marginalized the rights of local community in forest resource management even the local communities is considered as the victimization which not only about the sources of life but also the wealth and social culture in the management of forest resources. The government has also not been admitted to the fullest existence of the rights of local community in forest resource management so that local community are not welfare economically. This study aims to empower local community around forests through forest resource management community based on the island of Lombok NTB. The government is no longer branding the local community as an encroachment or forest destroyers and then acknowledging the existence of the rights of local community in forest resource management so that local community around forest areas can improve their welfare by using forest resources. Mabror (2015) indicated that the cause of conflict management of forest resources, among others: the government rarely involved of local people in forest resource management instead of local society was viewed as external party that do encroachment, in the determination of forest boundaries was done unilaterally by the government, the neglect of superior knowledge that possessed by local communities, and the marginalization of the local community rights

Keywords : Forest, Resources, Management, Community, Conflict, Resolution, Government

ANALYSIS OF STUNTING CASES IN SASAKNESE INFANTS DERIVED FROM DIETARY BEHAVIOUR FACTORS

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Abstract

It was revealed that the prevalence of stunting infant growth in District of Pujut were 84.8% respectively, which are far exceeding the average in West Nusa Tenggara Province reported by Basic Health Research in 2010. This study aimed to analyze dietary behavior factors to the prevalence of stunting. The study was a qualitative approach, with a phenomenology design. Data was collected from observation, in depth interview and FGD. The research results showed factors that significantly lead to stunting cases were: care-taking, dietary behavior, and misunderstanding in breast milk and weaning foods. Patrilineal system as well as permissive care-taking behavior among Sasaknese collectively incomplete 'betengari' eating behavior and eating frequency less than three times a day which in turn results in infants stunting. Conclusion: specific nutrition cases among Sasaknese are unbalancing nutrition and misunderstanding in breast milk and weaning foods to the prevalence of stunting cases.

Key words : Care-taking, dietary behavior, Sasaknese, stunting

FEASIBILITY OF THE DEVELOPMENT OF SOCIAL CAPITAL-BASED ECOTOURISM IN WEST LOMBOK

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Abstract

The purpose of this study is to determine the eligible conditions for tourism in West Lombok for the development of social capital based on ecotourism, which include: the development of tourism; identification of possible conflicts; identification of market segments; West Lombok value of local knowledge relevant to the development of ecotourism; and identification of the needs of the development of ecotourism. Feasibility studies conducted through surveys in District Sekotong involving all tourism players are determined by purposive sampling. Data was collected using interview guides, focus group discussions, observation, questionnaires, and a review of documents analyzed qualitatively. The results showed that the development of tourism in the Sekotong region are not developed yet due to government programs being unclear. The development of tourism businesses is delayed due to the lack of synergy with the community or local residents. Additionally, the reaction of tourists have not been encouraging, because of the safety factor, the environment, and attitudes and behavior of some people against travellers. Economic impact on the local population is still limited because of poor access to tourism development. FGD directs the attention to the importance of tourism development principles of sustainable development, such as social capital-based development by involving local communities. Some elements of social capital that have been owned and can be actualized, among others: participation in social networking, exchange of kindness, mutual trust, social norms, social values, and proactive action.

Key Word: Feasibility, Ecotourism, Social Capital

STUDY OF SOCIO ECONOMIC IN THE RENGUNG WATERSHED CENTRAL LOMBOK DISTRICT

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Abstract

This study aims to identify and analyze the economic, social and institutional conditions, in the Rengung Watershed, in order to create action and development plans of agroforestry and Biodiversity Ecosystem Services (BES). The study was conducted in 6 (six) villages in the Rengung watershed. Methods of data collection used in-depth interview techniques and Focus Group Discussion (FGD). The results showed that the revenue from the agroforestry management in state forests is IDR 204.573/Ha/month while the revenue from the mixed garden system outside the forest area is IDR 517.311/Ha/month. The revenue from agroforestry management in the middle and downstream regions with alley cropping system of land management is IDR 1.681.042/Ha/month. Based on revenue proportion, the biggest revenue is received from food crops, while revenue from MPTS crop is IDR 213.550/Ha/year and annual crops is IDR 165.815/Ha/year. Studies of the social and institutional conditions of farmers showed that practices of collective mutual assistance have started to decrease, especially in land management. Farmer groups are not yet well-organized as a result of lack of activeness in the farmer management structure. Social and institutional conditions of farmers in the middle and downstream regions are fairly well, indicated by the relations of cooperation between farmers in land management.

Key words: Socio-economic, Ecosystem, Agroforestry

INFLUENCE OF LEADERSHIP STYLE AND INTERNAL CONTROL SYSTEMS BASED ON BUDGET PERFORMANCE IN BLU MATARAM UNIVERSITY

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Abstract

This study aimed to examine the influence of leadership style and internal control system to the implementation of Performance-based budgeting. The study population were administrative officers who work at the Public Service Agency (BLU) Mataram University. The sampling technique in this research using purposive sampling method, the which was only the employees associated with the implementation of performance-based budgeting, starting from preparation to budget accountability. Data were obtained by distributing questionnaires to 50 respondents who fit into the criteria of the samples. The data were analysed by using Multiple Linear Regression Analysis. The results showed that the style of leadership and internal control system had a positive influence on the implementation of performance-based budgeting. The better the leadership style accepted by subordinates, and the better the internal control system implemented in the management of financial institutions, the better the application of performance-based budgeting at the BLU Mataram University. The implications of this study was the BLU Mataram University should aware to importance of leadership style factor and internal control system factor in supporting the implementation of performance-based budgeting. As explained in the Theory X and Y.

Keywords: performance-based budgeting, leadership style, internal control system, public service agency.

TEACHING MATERIAL DEVELOPMENT IN THEMATIC APPROACH FOR LEARNERS OF LITERACY LEARNING LEARNERS IN COMMUNITY LEARNING CENTER IN WEST LOMBOK

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Abstract

Literacy learning for illiterate learners is one the activities in the Community Learning Center. Many teaching approaches and methods had been applied, but the learning still face some constraints related to the capacity and spirit of the learners. This research, in relation to that, is expected to contribute in the alternative solution. This is expected to improve the quality of learning in the Community Learning Center through the theme-based teaching material development. To achieve that, some stages are conducted as relevant material collection and competence mapping in each material and language function. The data were collected through observation, documentation, interview and Focus Group Discussion (FGD). The data were analysed qualitatively by describing phenomena happening during the data collection through inductive analysis. Based on the survey during the interview and FGD of the respondents, it recommended that 25 themes are relevant to be used in the literacy learning in Community Learning Center. The recommended themes are distributed based on (a) closeness to the learners, (b) complexity of language use appearing during the language function analysis, (c) complexity of vocabulary appearing from the themes. This is to be used in planning teaching materials through thematic approach. In basic literacy teaching, learners competences include: (a) reading the theme correctly, (b) writing thematic ideas related to daily life, (c) calculating thematic basic math/calculation both oral and written, and (d) communicating in oral and written Indonesian correctly based on necessities.

Keywords: material development, thematic approach, literacy.

ALI SYARI'ATI HUMANISM VALUE PERSPECTIVE IN FOOTNOTES OF LENA MARIA'S WORK

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Abstract

Among the many interpretations and claims humanism of ideologies, Islam provides a more comprehensive view. Man on earth is seen as a caliph (Al-Baqarah: 30), without losing the aspect of divinity. Based on the understanding of humanism Ali, researcher seeks to uncover the values of humanism contained in Footnotes (the work of professional artist and multitalented singer, Lena Maria) translated into Indonesian by Endang Sulistiyowati and explained how its delivery. That purpose was realized through a descriptive qualitative approach, with qualitative content analysis of the latest version of Mayring. The results of this study indicated that in the analyzed Footnotes laden with the values of humanism, among them: religious values, values optimistic, creative value, which was supported by the moral values, the value of awareness, the value of freedom, and social values. The delivery tend to use simple language and metaphors. Posts in this Footnotes were departed from the true story of the author. As a multitalented, her writing was full with religious values, optimistic and creative, that able to motivate and inspire its reader, that physical disability is not the reason that prevents a person to be a figure of humanist.

Keywords: the values of humanism. humanism Ali, Lena Maria, and Footnotes.

CHANGES OF LIVELIHOOD STATUS OF SEAWEED FARMERS UNDER PIJAR PROGRAM OF WEST NUSA TENGGARA PROVINCE

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Abstract

Coastal areas are vulnerable to climate change that would affect the wellbeing of seaweed farmers. The important step to face the problem is how to improve the understanding of adaptive capacity of farmers and adaptation strategies to cope with it. Livelihood enhancement and diversification has been recognized as a mechanism to promote livelihood development and encourage people to move away from the harmful exploitation and degradation of natural resources. The government of NTB has introduced PIJAR program which one of them is revitalizing seaweed farming through technical, economic, and institutional assistances. This survey has identified changes of livelihood status of seaweed farmers after introduction of PIJAR. The study was conducted in Jerowaru of East Lombok (Lombok Island) and Taliwang of West Sumbawa (Sumbawa Island) with total of 40 respondents. Result of study shows that livelihood status of seaweed farmers has positively changed in last five years indicating better social and economic wellbeing. The existence of special seaweed program from NTB government has also helped farmers to cope with coastal environmental problem due to climate change impacts.

Keywords: economic wellbeing, coastal areas, livelihood status, seaweed farmers.

THE PREVALENCE OF ANAEMIA OF EXCLUSIVELY BREASTFED BABIES IN LOMBOK BARAT, WEST NUSA TENGGARA

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Abstract

Background: Iron deficiency anaemia is the most common nutritional disorder among infants and young children in both developed and developing country particularly in the period of rapid growth during the first year of life, due to a high demand for iron supply for the synthesis of blood, muscle, and other tissues. Moreover, iron deficiency is a common contributor to many cases in anaemia, although some other factors may result in anaemia. A study shows that an estimated of more than 25% infants and young children aged 6-24 months in developing countries and around 3% infants in industrialised countries have iron deficiency anaemia. No detrimental outcomes on growth have been reported for breastfeeding babies exclusively for six month. However, a lower level of iron has been identified in some developing country settings.

Aims: To determine the incidence of anaemia in breastfed babies in Narmada Health Center, Lombok Barat, NTB

Methods: This was an analytic observational research with a cross sectional design. A hundred babies aged 0 – 18 months and mothers are involved. Breastfeeding records were taken from the questionnaire. Haemoglobin was measured using Hb meter.

Results: Ninety one babies were exclusively breastfed for six month, and nine babies were not. The exclusively breastfed babies had a lower Hb (11,3 g/dL) compared to those who were not exclusively breastfed (13,1 g/dL). Among exclusively breastfed babies aged 0-6 months, 32% was anaemia and in babies aged ≥ 6 months 56,1 % was anemia. Amongst non-exclusively breast babies aged 0-6 months 16,7% was anaemia and for aged ≥ 6 months 33,7% was anaemia.

Conclusion: The exclusively breastfed babies had a lower Hb compared to those who were not exclusively breastfed. The incidence of anaemia in exclusively breastfed babies were higher than those who were not exclusively breastfed in all different age group.

Keywords: Exclusive breastfeeding, anaemia, haemoglobin, incidence

NUTRITIONAL STATUS OF SCHOOL-AGED CHILDREN IN TELAGA LEBUR ELEMENTARY PUBLIC SCHOOL , SEKOTONG WEST NUSA TENGGARA 2014-2015

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Abstract

Sekotong, West Lombok, West Nusa Tenggara is a region rich in gold resource potential. One of the vulnerable populations affected by the negative impacts of artisanal small scale gold mining (use of mercury which can reduce the thyroid hormone functions) are elementary school-age children in the area around the gold mining .The aim of this study was to describe the nutritional status of children in Telaga Lebur elementary public school Sekotong. We used descriptive study, analysis of the results using the standard deviation units / Z-score WHO / NCHS according to the index Height/Age and BMI/Age to determine stunting and underweight as an indicator of chronic malnutrition and the current energy deficit. This research was conducted in July - October 2015. From the total of 90 samples we conclude that there are high prevalence of stunting and underweight, with a prevalence of stunting and underweight are respectively 44.45% and 27.78%.

Keywords: nutritional status , Elementary public school Telaga Lebur Sekotong, Artisanal Goldmine

PATIENT KNOWLEDGE OF ACUTE PAIN AFTER SURGERY OPERATIONS IN BHAYANGKARA HOSPITAL

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Abstract

Background: An understanding of pain as well as efforts to control or reduce postoperative pain become one of the important aspects of medical therapy . Postoperative pain management were inadequate cause harm physically, psychologically and financially. The basic mechanisms of pain through four processes, transduction, transmission, modulation and perception. Pharmacological intervention using drugs that work primarily provide analgesic.

Methods: Education in the form of counseling to patients who will undergo surgery in September and October 2015. The counseling methods used include explanations using leaflets and discussion about the degree and scale of pain with qualitative and quantitative assessment. Initial evaluation of the patient's pain using the characteristic " PQRST " so that patients can report the degree of pain at rest or moving to the nurse. Patients report pain scale using the VAS scale pain scale 0-10 where 0 no pain and 10 the heaviest pains to nurse every 8 hours so that the nurse can evaluate the effects of pharmacological therapy given by the doctor .

Result: One hundred and nine patients undergoing surgical operations have been counseling on how to manage pain after surgery through pharmacological intervention, so that the patient can report a degree of postoperative pain at rest or moving to nurses and nurses can perform pain assessment before and after the intervention to evaluate the effects treatment given by doctors .

Conclusion: Education in the form of counseling about pain relief to patients who will undergo surgery can reduce patient discomfort and anxiety of patients will be able to reduce postoperative pain feelings that have been undertaken.

Keywords: Postoperative pain, VAS scale, pharmacological therapy

MINING SOCIAL CONFLICT AND VIOLENCE IN WEST NUSA TENGGARA (NTB)

Syafruddin et al

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Abstract

Initial impression about the people at the mine on Sumbawa island communities namely Bima and Sumbawa were impressive and surprising to an outsider (out group) in the last 2 years. This was because of the frequent occurrence of violent conflict either horizontally or vertically social conflict. It should be recognized that after the fall of the authoritarian New Order regime, evidently the people are not like general belief that they were helpless and did not care about the environment. It turned out that this assumption was wrong because in some places in Bima and Sumbawa, community dared to counter the hegemony of the corporate's strong dominance that framed deeply into the legal system, political and state power. This paper would be raised around the issue of mining which has triggered many severe problems, ranging from violation of rules and laws, social conflicts horizontal and vertical, uncontrolled environmental damage, until the edges of crime and violence. Violent and social conflicts in mining communities in several regions of NTB at this moment is considered by the people as very worrying problem due to it that has caused many human lives wounded or death. For that, the next question will be discussed in this paper is how the social factors that lead to violent conflict and how the impact on the mining industry and encouraged community to the lips of marginality, and how these problems can also lead to resistance from the local community.

Keywords: Conflict, Violence, Social Resistance

**ORAL
PRESENTER
PAPERS
SECTION**

POPULISM AND FOREIGN POLICY IN INDONESIA

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Abstract

On October 20, 2014, Joko Widodo (Jokowi) was sworn in as the Seventh President of the Republic of Indonesia. The majority of Indonesian society supports Jokowi because He is populist. The emergence of populist leaders in international politics often attracts the attention of Western countries, particularly America. Populist leaders are often considered as the authoritarian leaders, anti-democratic, anti-Western, anti-foreigner and anti-market. Hugo Chavez from Venezuela and Mahmoud Ahmadinejad from Iran are the examples. Both are considered as threats by America. They challenge America led regional and global order. This paper examines the direction of Jokowi's foreign policy. This paper argues Jokowi is a moderate populist leader. Jokowi is friendly to other countries including the West but still prioritize the national interests. Therefore, Indonesia under Jokowi is not a threat to other countries and the West. In fact, they can work together to achieve their common national interests.

Key words: populism, foreign policy, Indonesia, Jokowi, moderate populism

1. Background

On July 22, 2014, the general election commission announced Joko Widodo and Jusuf Kala as the President and Vice-President of the Republic of Indonesia for the period 2014-2019. Joko Widodo-Jusuf Kala won 53.5% votes while their rivals Prabowo-Hatta Rajasa got 46.85% (www.antaraneews.com). The majority of Indonesian people chose Joko Widodo because they believe that Joko Widodo is a populist leader (tempokini.com). He has promised He will give better social welfare for the poor.

The emergence of populist leader in political scene either at national or international scene have positive and negative effect. The positive effects are populist leader tends to be nationalist and struggle for national interest. They do not want to be intervened by foreign countries. Therefore, once in power, populist leaders often nationalize foreign companies in order to get money to fulfill their followers' needs. The negative effects are populist leaders tend to be authoritarian, anti-imperialism and anti-market. These cases are happened in Venezuela and Iran. When Hugo Chavez was elected as a president of Venezuela in 1998, His foreign policy tends to be aggressive and strictly confronted with the United Nation of America (US). He tried to challenge the US domination in Latin American and encouraged the developing countries in the world to act independently. This case is also happened in Iran. When Mahmoud Ahmadinejad is elected as a president in 2005, He adopted populism policy which is a trend in Iran revolution era. He has a confrontational political style, authoritarian, anti US and Israel. His government strictly promotes Pan Islamic agenda and tries to increase Iran influence in region. As a result, Chávez and Ahmadinejad have dominated Western media coverage as emerging leaders of the developing world, who are willing to challenge an US led regional and global order (Dodson & Dorraj, 2008: 71)

Based on the facts above, this article will analyze the foreign policy in Indonesia towards foreign countries. Will Joko Widodo as a populist leader cooperate or challenge the foreign

countries. It is important since Joko Widodo's foreign policy will determine the shape of relations between Indonesia and other countries especially with The United States of America.

2. Defining Populism

As a term in the social sciences, the definition of populism seems unclear and in fact is very much contested (Knight, 1998: 224). Most authors noted a personalistic, plebiscitarian style of political leadership as a defining characteristic of populism. A charismatic individual wins and exercises power by maintaining direct, unmediated contact to a largely unorganized mass of followers (Weyland, 2001:5).

Although there is no consensus on the definition of populism, the term continues to be used and remains a useful concept that merits further analysis. Margaret Canovan argues that populism in the developing world is closely associated with economic crisis. According to Paul Taggart, the crisis provides an opportunity for the nationalists to push some changes especially to break away from all forms of colonial dependence (Dodson & Dorraj: 72)

Allan Knight (1998: 226) argues that populism is a political "style" that implies a close bond between political leaders and led. Kenneth M. Roberts (2007: 5-6) states that populism is top-down political mobilization of mass constituencies by personalistic leaders who challenge the elite groups on Behalf of an ill-defined pueblo, or "the people". While Kurt Weyland (2001: 14) argues that populism is a political strategy through which a personalistic leader seeks or exercises government power based on direct, unmediated uninstitutionalized support from large numbers of mostly unorganized followers. Based on those three definitions, this paper defines populism as a strategy used by leaders to achieve power either as a political style or a model of mass mobilization.

3. Variants of Populism

Jorge Castaneda in his article entitled Latin America's Left Turn said that there are two lefts in Latin America (Castaneda, 2006: 1-5). They are moderate left and radical left / populist. Moderate left is modern, open-minded, reformist, and internationalist, and it springs, paradoxically, from the hard-core left of the past. This group seeks to break away from the legacy left ideology of the Communist International and the Bolshevik Revolution in the past and able to reconstruct themselves. They focus on social policies such as education, anti-poverty programs, health, housing. They are also trying to strengthen and expand democratic institutions. They do not necessarily agree with the United States but also are not willing to be confrontational towards the US. Castaneda involved Ricardo Lagos and Michele Bachelet of Chile, Tabare Vasquez of Uruguay and Luiz Ingancio De La Silva of Brazil into the category of moderate leftist leaders.

Radical left is a group that has been linked to the tradition of Latin American populism. They are nationalist, vocal and closed-minded. This group is less responsive to changes. For them, rhetoric is more important than substance. Power is more important than doing the responsibility. They use their followers who are poor and desperate as a tool to strengthen the power. They lack of attention to the improvement of the economic, democratic values and the achievement of policy programs. They also opposed US efforts to promote the country's interests worldwide. The Latin American leaders who are included in this group are Fidel Castro of Cuba, Hugo Chavez of Venezuela, Evo Morales of Bolivia, Nestor Krichner of Argentina and Lopez Obrador of Mexico.

Both leader of radical left and moderate left claimed they are populist and maintain close relationship with the people. They promised to struggle for the welfare of poor people and release them from suffering.

4. Crisis in Indonesia

As Margareth Canovan mentioned, populism in developing countries occurs because of the crisis. This is happening in Indonesia, too. The emergence of Joko Widodo at the national scene is

triggered by crisis. At least, there are four problems faced by Indonesian people. They are corruptions, poverty, social inequality and unemployment.

Nowadays, Indonesian people lost their trust to the government and also the political parties. There are so many high officials involved in corruptions. Susilo Bambang Yudhoyono (SBY) as a previous President did not handle the corruption well. Reports from Indonesia Police Watch (IPW) mentioned that many ministries are accused in corruption during SBY era (www.beritasatu.com). Neta S Pane, The IPW Chairman, said that ministries which are trapped in corruptions are Minister of Religious Affairs, Minister of Health, Minister of Social Services, Minister for Youth and Sports Affairs and Minister of Energy and Mineral Resources. According to Pane, Ministers who are born from political parties have a burden to help their party financial. For example, Minister of Energy and Mineral Resources, Jero Wacik, Minister for Youth and Sports Affairs, Andi Mallarangeng and Minister of Religious Affairs, Suryadharma Ali. They are trapped in corruptions because They have to collect money for the operational financial of party especially during the general election (www.nasional.kompas.com).

Second problem is the poverty reduction in Indonesia continues to slow down with only a reduction of 0.7 percentage points over the last two years. According to World Bank, this is the smallest decline in the last decade. Some 68 million Indonesians remain vulnerable of falling into poverty, earning incomes only marginally higher than families living below the official poverty line. Economic shocks such as illness, disasters or job loss can easily drive the vulnerable back into poverty (www.worldbank.com).

The third problem is the increasing of inequality. The income of low-income family is not increased while the rich are growing richer. According to the World Bank, 10% of the richest households in Indonesia have higher consumption rate than 10% of the poorest households by 2013. The World Bank's chief economist, Ndiame Diop said that the gap between the rich and the poor in Indonesia are widened compared to ten years ago. The consumption of 10% richest households 6.6 times more than 10% of the poorest households. It is quite alarming because the increasing of inequality reflects the limited access to good employment opportunities. All Indonesian people should have equal opportunities to have a better life. According to Diop, the increasing of social inequality can hamper economic growth and social cohesion (www.gatra.com). In addition, regional disparities persist. Eastern Indonesia lags behind other parts of the country, notably Java. Consequently, despite its progress in reducing poverty, Indonesia has one of the fastest rising rates of inequality in the East Asia region (www.worldbank.com).

The fourth is the increasing of unemployment. The economic growth cannot resolve the problem of unemployment in Indonesia. It is estimated that 55-65% of Indonesia's populations work in informal sector. 80% of these informal jobs are in rural areas, especially in construction and agriculture sectors. The World Bank estimates that every year about 2 million people of Indonesia will enter the workforce. Therefore, the government must find new jobs for the young workers (www.indonesia-investments.com).

4.1. Jokowi offering Alternative

Joko Widodo or popularly known as Jokowi is an ordinary people. He was not born into bureaucratic, military, or political clan as most other Indonesian politicians had been. Instead, He was part of a lower middle class family-his father was a carpenter and his mother is a house wife (Mietzner, 2015:24). He is just a furniture businessman from a small town, Solo who was elected as a mayor of Solo in 2005 and governor of Jakarta in 2014. While serving as a Mayor of Solo and Governor of Jakarta, Jokowi often talked to fishermen, farmers and merchants in traditional markets, fish markets, and villages. Through these dialogues, Jokowi knew the crucial issues currently faced by the government and people of Indonesia. With the spirit of nationalism, Jokowi offered an alternative to the government and people of Indonesia.

At least, there are two things that Jokowi wanted to fix. First, create clean government. Second, bring back the state or government into the middle of the society. In the first presidential debate on June 9, 2014, Jokowi explained that He wanted to build a clean government. There are two things needed to achieve that goal. First, develop e-budgeting systems, e-procurement, online tax, and IMB online. These systems should be nationalized. Second, improve the recruitment patterns. By implementing a true and fair recruitment, it can minimize the government corruption and break the chain of corruption, collusion and nepotism (www.gatra.com).

Besides promoting the establishment of clean governance, Jokowi also offered himself to serve the people. He likes to do blusukan into the middle of the people. He loves to listen to the public grievances such as from street vendors, fisherman, farmers and has dialogue with them to find solution. This activity has been conducted by Jokowi since He was a Mayor of Solo and Governor of Jakarta. Through dialogs, Jokowi found two important things that must be improved. They are health and education. Most poor people complaint about the high cost for health and education in Indonesian. Therefore, Jokowi promoted Indonesia Health Cards (Kartu Indonesia Sehat/KIS) and Indonesia Smart Cards (Kartu Indonesia Pintar/KIP). KIP program targets children who are disadvantaged in school funding. They will get help from elementary to high school either in public or private schools. In addition, Jokowi also prepared scholarships for outstanding students who cannot afford to continue their studies in higher education (www.thejakartapost.com).

5. Jokowi Foreign Policy

J.N. Rossenau (1979:27) in his book entitled *International Politics dan Foreign Policy: A Reader in Research and Theory* defines foreign Policy as all attitudes and activities through which organized nation societies seeks to cope and benefit from international environment).

From this definition, Jokowi as the new leader of Indonesia should determine the attitude and view towards international community and strive to benefit from the international environment to achieve the national interests of Indonesia. Jokowi's attitudes and view will determine the position and bargaining power of Indonesia. They will show the pattern of relationships between Indonesia and other countries.

On the third presidential debate on June 22, 2014, Jokowi explained that He will hold fast to the principles of Indonesia Free and Active Foreign Policy and strengthen Indonesia's identity as an independent maritime country, advanced, powerful, and based on national interests. He said there are four things as priorities, namely protecting Indonesian citizens especially the Indonesia workers (TKI), safeguarding natural and maritime resources, maintaining regional security and supporting Palestine to become a sovereign country and a United Nations (UN) member state. To achieve those goals, Jokowi's strategy is being cooperative to market and foreign countries and prioritizing diplomacy.

Jokowi promised to establish a pro-business government, which is able to create a more conducive business climate both for local and foreign investors. Jokowi acknowledged legal uncertainty which mostly occurred due to the excessive number of regulations, laws and bylaws that often contradicted each other, was one of the major complaints he received from both local and foreign companies. In addition complicated licensing procedures, as well as difficulty in conducting land acquisition, had become other major barriers to doing business in Indonesia. The complicated licensing procedures in government offices should be resolved through system simplification. There must be a one-stop service office for business permits at the Investment Coordinating Board (www.thejakartapost.com). Jokowi also have a plan to build a 1,250-mile highway, 10 new airports and 10 new ports (www.aseanaffairs.com).

Besides being friendly to investors, Jokowi also showed his cooperation toward foreign companies that have been operating in Indonesia. Jokowi said He would honor the contract that has been signed by Indonesian and foreign companies. This is an effort for confidence building.

But if the contract has expired, the government can do some recalculation. Jokowi will issue more flexible in the management of oil and gas to attract more investment to boost domestic production (Ibid).

Jokowi also concerned with the promoting diplomacy in order to achieve the national interest. According to Jokowi, everything can be achieved by dialogue and diplomacy; all problems can be resolved through diplomacy. Diplomacy can be done through Government to Government, Businessman to Businessman and People to People. Through diplomacy, Jokowi expects Indonesia may coexist with other countries in the world.

Although Jokowi is cooperative towards foreign countries, Jokowi has ambition to revive the national prestige of Indonesia. Jokowi aimed to transform Indonesia into a "global maritime axis". This ambition makes sense considering the strategic position of Indonesia. It is between the Indian Ocean and the Pacific Ocean (www.tribunnews.com).

This ambition can be realized if Jokowi succeeded in increasing economic growth. It should reach more than 7% per year. If the growth of economy increased, there will be funds to finance national defense and security. Jokowi plans to strengthen the Indonesian army, modernize equipment including defense, cyber and hybrid defence and modernize the defense industry. If Indonesia's defence increased, Indonesia will be able to compete, be a global maritime axis and then respected by other countries in the world.

6. International Response to the emergence of Jokowi

Jokowi's election as the new leader of Indonesia, which has populist leadership style received a positive response from international community. Once the General Election Commission announced Jokowi as an elected president, world leaders demonstrated their support.

President of the United States (US), Barack Obama expressed support for Jokowi and promised to talk to Jokowi at the APEC meeting in China in November 2014. The US saw the people of Indonesia have shown a strong commitment to the democratic process through free and fair elections. As the second and third largest democracy countries, US and Indonesia have provided an example to the world. According to Obama, Indonesia and US share many common values, including respect for human rights and the rule of law. Both nations have worked hard to build the US-Indonesia Comprehensive Partnership, which has strengthened bilateral ties so they can face the challenges together both in the regional and global level. In the future, the US will increase its partnership with Indonesia to promote and develop the relationship between the people of the two countries (www.beritasatu.com).

Besides Barack Obama, support for Jokowi also came from Australia. Australian Prime Minister, Tony Abbott said that in the eyes of Australia, Indonesia is a large country with a majority Muslim population that is successfully running a democracy well. Australia hopes Indonesia will emerge as a superpower in Asia and Australian foreign policy will always in need of Indonesia (www.news.liputan6.com).

Prime Minister of Japan, Shinzo Abe supported Jokowi and hoped that Japan and Indonesia will further strengthen strategic cooperation in order to achieve security, peace and prosperity in the region. The desire to strengthen cooperation with Indonesia is also addressed by President of the European Commission, José Manuel Durao Barroso. The European Union highly appreciated the active participation of the people of Indonesia in the general election and looked forward to collaborate more closely in the future (www.thejakartapost.com).

Minister of Industry and Trade of Russia, Genghis Manturov represented Russian President, Vladimir Putin expressed support for Jokowi. Putin was eager to meet Jokowi to discuss a number of important agenda of bilateral cooperation between the two countries. Prime Minister (PM) of Malaysia, Najib Razak also supports Jokowi. He is committed to improve the relations between Indonesia and Malaysia (www.pemilu.com)

7. Conclusions

Jokowi as a new populist leader of Indonesia has very different style with Chavez and Ahmadinejad. This article categorizes Jokowi as a moderate populist leader. The data presented in the article show that Jokowi is a democratic leader. He is friendly to the foreign investors and promoting diplomacy as a means of achieving national interests. This Jokowi's leadership style makes the United States, Australia and the European Union responded positively to the emergence of Jokowi.

Though Jokowi is friendly to foreign countries, He also expressed his ambition to transform Indonesia into global maritime axis. This ambition looked possible since Indonesia is located between two oceans- the Indian Ocean and the Pacific Ocean. If Jokowi really wants to realize this ambition, He should strengthen Indonesian economy growth to reach 7% per year. If the growth of economic increased, there will be money to fund national defense and security. Jokowi's doctrine would be meaningful if He is able to realize them. Therefore, He needs ministers who are able to describe Jokowi's doctrine into various programs.

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THE EXISTENCE OF SOYBEAN FARMERS AND MARKET IN SOLOK REGENCY

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Abstract

This study aims to look at the existence of soybean farmers and markets in Solok Regency. This study was conducted in Solok Regency to 200 households. This study was analyzed using descriptive analysis that aims to see the level of consumer preferences to processed soy products in Solok Regency. Furthermore, inductive analysis was analyzed using multiple linear regression analysis with OLS method that aims to look at the determinants of the demand for processed soy products in Solok Regency. The study shows that (1) the processed soy products most in demand by the society in Solok Regency are tofu and tempeh. (2) The number of household members, education of wife and job sector of husband affect significantly on the demand for tempeh in Solok Regency, while income, marital status, education of husband and job sector of wife do not affect significantly on the demand for tempeh in Solok Regency. (3). The number of household members and job sector of husband affect significantly on the demand for tofu in Solok Regency, while income, marital status, education of husband, education of wife and job sector of wife do not affect significantly on the demand for tofu in Solok Regency.

Keywords: Consumer Preferences, Demand, Soy

1. Foreword

Soybean is a plant that originated from Manchuria and parts of China where there are many types of wild soybean. Then, it spread to tropical and subtropical areas. After breeding, many types of superior soybeans produced were cultivated. The harvesting age of soybean plants varies depending on the variety but generally range between 75 and 105 days.

In terms of food and nutrition, soybean is the most inexpensive source of protein in the world, in addition to producing oils with good quality. The varieties of soybean that exist in Indonesia include Otau, Ringgit, Sumbing, Merapi, Shakti, Davros, Taiching, TK-5, Orba, Galunggung, Lokon, Guntur, and others, have a protein content of 30,53 until 44 percent while fat content of 7,5 until 20,9 percent.

Currently, the demand for soybean experiences an increase. This is because soybean has many benefits. Increase in the demand for soybean causes the producers to increase the number of soybean production. On the other hand, the production of local soybean has a decrease; this is caused by the lack of interest of farmers to grow soybeans in addition to the insufficient land to cultivate them. Therefore, to meet the uncontrollable demand for soybeans, the government imports soybeans. This is exactly what caused the dependence of imported soybean in Indonesia higher.

This is supported by the study of Aimon et al (2013) that showed that various problems were faced by soybean farmers in Solok Regency. The problems ranged from problems of capital, production process, harvest and post-harvest as well as government policy issues. Post-harvest problem faced by soybean farmers in Solok Regency was the relatively low selling price of soybean which caused the profit obtained by farmers relatively small. As a result, soybean farmers chose to grow other crops resulting in the decline of soybean production. Furthermore, the production of local soybean also could not meet the local demand, hence triggering the

increase of soybean import into the country. This condition is actually an opportunity to increase the production of soybean with better quality so it can meet local demand.

In addition, to resolve the problems of post-harvest it is necessary for creation of new home industries in order to increase added value of soybeans as well as increasing the economy of families of soybean farmers. Moreover, these activities can create soy product differentiation (product differentiation) so it has added value economically with a high quality of output with regards to downstream industries/home industries as user of soybean as raw material of the industry, as well as making them as new home industries. Furthermore, the market response on the demand for processed soy products in Solok Regency needs to be seen in advance.

This article aims to look at the consumer preferences to processed soy products in Solok Regency and the determinants of the household demand for processed soy products in Solok Regency.

2. Literature Review

According to Case and Fair (2007), demand is the quantity of goods/services that consumers are requesting or willing to purchase at a certain price level. The demand curve is a curve/graph that illustrates the relationship pattern between quantity of goods/services requested by consumers and the price level.

Demand Function is a function that states the relationship between price and quantity of goods/services requested or purchased by consumer, if the other variables remain constant [*ceteris paribus*].

$$\text{Formula: } Q_d = f(P_x, Y, P_y) \quad (1)$$

Where Q_d is the quantity of demand for goods, P_x is the price of the goods in question, Y is the income and P_y is the price of substitute goods.

Assumption: only the price variable of the goods is considered, while other variables are assumed constant [*ceteris paribus*], hence the above formula becomes: $Q_d = f(P)$ or $P = f(Q_d)$.

In the theory of demand, price affects negatively on demand, while price of other goods and income affect positively on the demand for goods and services. Graphically the influence of prices of other goods and income can be seen in Figure 1.

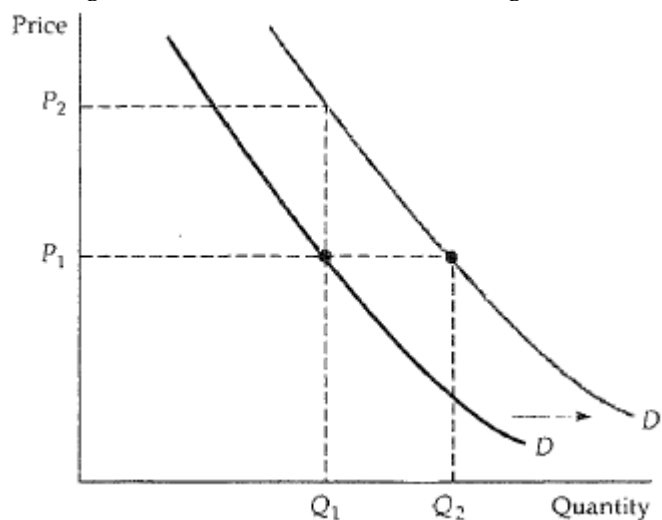


Figure 1. Shift of Demand Curve

Figure 1 shows that when income increases it will lead to the demand for goods and services, thereby causing the demand curve to move from D to D' . Meanwhile, if the income of the society decreases then the demand curve will shift to bottom left; so is the case with the prices of other goods.

3. Methods

3.1. Focus of Study

The study of economic empowerment of soybean farmers is focused on the development of new home industries that can accommodate production of soybean that can be used as raw material for the industries, thereby able to increase the added value of soybean and improve the welfare of soybean farmers in Solok Regency. Therefore, it is necessary to conduct study on how the consumer preferences to the processed soy products in Solok Regency.

3.2. Method and Location

This study used a survey method to the consumers of processed soy products that exist in Solok Regency and experimental method to the soybean farmers in the center of soybean production located in Solok Regency.

3.3. Population and Sample

This study is included in survey study method. The determination of sample in this study used purposive sampling technique where the determination of number of samples is adjusted with the purpose of the study. The number of consumers of soybean in Solok Regency could not be known with certainty. Therefore, the researchers determined a certain period of time to determine the number of samples taken in this study. Based on the study conducted, the researchers surveyed 200 households in Solok Regency.

3.4. Data and Source of Data

Data in this study consists of primary data and secondary data. The primary data was obtained directly from the main sources, namely the consumers of soybean and the households of soybean farmers in Solok Regency, as well as the home industries that use raw material of soybean as the main raw material of their products and the bureaucracy in Jorong, District and Regency. Meanwhile, the secondary data was obtained from literature review and related institutions that can support this study. The implementation of this study referred to the information of agricultural statistical data in Solok Regency, results of the previous studies, and data obtained in the field.

3.5. Technique of Data Analysis

Data analysis was performed by descriptive quantitative and qualitative through the approach of economic concepts from various aspects, and also adapted to the condition of physic and economic, as well as government policy. To see the demand of society for the processed soy products, multiple linear regression analysis was used by using several variables of demand function that can be seen from the consumer preferences in Solok Regency.

The demand model used is:

$$\text{Log } Q = b_0 + b_1 \log(\text{Inc}) + b_2 \text{Pop} + b_3 \text{Married} + b_4 \text{EDUH} + b_5 \text{EDUW} + b_6 \text{SPUH} + b_7 \text{SPUW} + e \quad (2)$$

Where Q is the demand for processed soy products, Inc is the income of the household, Pop is the number of household members, Married is the marital status of the household head, EDUH is the last education of the husband, EDUW is the last education of the wife, SPUH is the job sector of the husband and SPUW is the job sector of the wife.

More details can be seen in the following table:

Table 1. Operational Definition

Variable	Definition
1. Demand (Q)	Household demand for processed soy products measured in kg
2. Income (inc)	Total income obtained by household per month
3. Married	Marital status of the household head 1. Married 0. Others
4. EDUH	Last education of husband measured in years
5. EDUW	Last education of wife measured in years
6. SPUH	Job sector of husband with following category: 1. Formal 0. Others
7. SP UW	Job sector of wife with following category: 1. Formal 0. Others

4. Result And Discussion

4.1. Consumer Preferences

Consumer preference is a choice to like or dislike by someone to consumed products (goods or services). Consumer preference shows consumer liking from a wide variety of products available. This study looks at the consumer preferences to the processed soy products in Solok Regency.

Table 2. Consumer Preferences to Processed Soy Products in Solok Regency

Preference	TOFU				
	tempeh	Tauco	Soy Milk	Soy Flour	Beancurd
Dislike	-	0.50	1.01	1.51	1.09
Less likely	4.52	2.01	4.02	3.02	3.80
Moderate	57.29	30.65	31.16	12.56	10.33
Likely	30.65	50.75	49.75	56.78	47.83
More likely	7.54	16.08	14.07	26.13	36.96
Total	100.00	100.00	100.00	100.00	100.00
Average	3.40	3.78	3.70	4.01	3.83

Table 2 shows that there are no respondents who dislike tofu, 4,52 percent of respondents are less fond of tofu compared with tempeh. Respondents prefer tofu and tempeh compared with other processed soy products. Respondents equally like tofu and tempeh which can be seen from the consumer preference to tofu and tempeh of 57,29 percent. In addition, 30,65 percent of respondents like tofu more than tempeh, and only 7,54 percent of respondents who really like tofu compared with tempeh. Furthermore, this is also shown by the amount of budget spent by households to buy tofu and tempeh compared with other processed soy products. In average all households buy these two products for consumption. Additionally, based on the average answer of respondents, a value of 3,40 percent was obtained; this means that the respondents in Solok Regency equally like tofu and tempeh.

Moreover, judging from consumer preferences to the choice of tofu and tauco, only 0.50 percent of respondents who dislike tofu but really like tauco and 2.01 percent are less fond of tofu but like tauco, while 30,65 percent equally like tofu and tauco. Nevertheless, 50.75 percent of respondents like tofu and are less fond of tauco and only 16.08 percent of respondents really like tofu and dislike tauco. By looking at the average value of 3,78 this means that the respondents like tofu more than tauco.

Furthermore, judging from consumer preferences to the choice of tofu and liquid soy milk, soy flour and beancurd, the respondents like tofu more dominantly than liquid soy milk, soy flour and beancurd with an average value each of 4. Therefore, it can be concluded that in overall the consumers in Solok Regency equally like tofu and tempeh but prefer tofu compared with tauco, liquid soy milk, soy flour and beancurd.

Table 3. Consumer Preference to Processed Soy Products in Solok Regency

Preference	Tempeh			
	Tauco	Soy Milk	Soy Flour	beancurd
Dislike	2.03	1.52	2.04	2.76
Less likely	5.58	8.12	4.59	4.42
Moderate	34.01	28.93	17.35	13.81
Likely	48.22	50.76	59.18	50.28
More likely	10.15	10.66	16.84	28.73
Total	100.00	100.00	100.00	100.00
Average	3.54	3.56	3.77	3.60

In addition, when seen from Table 3 about the preference of society on tempeh compared with other products, it appears that the respondents prefer tempeh compared with tauco, soy milk, soy flour and beancurd. This proves that tempeh is the product more in demand by the society in Solok Regency. Out of the five processed soy products, tofu, tempeh and tauco are the more desirable products by the society compared with soy milk, soy flour and beancurd.

Table 4. Consumer Preference to Processed Soy Products in Solok Regency

Preference	Tauco			Soy Milk		Soy Flour
	Soy Milk	Soy Flour	Beancurd	Soy Flour	Beancurd	Beancurd
Dislike	14.05	13.19	12.21	14.79	16.46	20.49
Less likely	19.46	21.43	16.86	15.38	17.68	27.05
Moderate	24.86	15.93	16.28	16.57	11.59	18.85
Likely	38.38	41.21	39.53	43.79	37.80	31.15
More likely	3.24	8.24	15.12	9.47	16.46	2.46
Total	100.00	100.00	100.00	100.00	100.00	100.00
Average	2.75	2.82	2.83	2.69	2.63	1.64

Result of the study shows that the processed soy products most desirable by the society of Solok Regency are tofu and tempeh. The society prefers these two products compared with other processed soy products such as tauco, soy flour, soy milk and beancurd. This means that tofu and tempeh can be used as comestibles of society that are rich in vegetable protein. Additionally, tofu and tempeh can be used as side dishes that can be consumed with rice as staple food. On top of

that, the high demand of society for both of these products is due to the relatively low selling price so it can be affordable by the entire society.

This can be seen from the amount of budget spent by households for tofu and tempeh. From 200 respondents, more than 90 percent only allocate budget to buy tofu and tempeh without buying other processed soy products.

Nevertheless, the other processed soy product that is quite attractive to the society is tauco. The use of tauco is only as an ingredient in the making of curry/goulash. However, the use of this product is very small except for breakfast merchants or during religious holidays. Soy flour and soy milk are also food that is not regularly consumed by the society. This means that most of the society is less interested in these processed products; so is the case with beancurd which is very rarely consumed by society.

Based on the consumer preferences, it can be seen that tofu and tempeh are the products more in demand by the society. Thus, the derivation of processed soy products that needs to be developed in Solok Regency is the development of home industries that process soybeans into tofu and tempeh, thereby increasing the added value of soybeans produced by local farmers. Additionally, it can improve the welfare of farmers and resolve the post-harvest problems often faced by farmers. The development of home industry is also expected able to absorb workforce as well as reducing the unemployment rate in rural areas which is identical to the agricultural sector and also reducing poverty.

4.2. Utility of Processed Soy Products

Table 5 shows that in terms of utility, 57 percent of respondents in Solok Regency equally like tofu and tempeh. However, if seen from the amount of consumption of tofu and tempeh, the respondents consume in greater amount than the median value which is 3,6 kg per month for tofu and above 2 kg per month for tempeh with each value of 31,5 percent and 40,50 percent.

Table 5. Utility of Tofu and Tempeh

		q tahu		q tempe		Total
		<3.6	>=3.6	<2	>=2	
Utility	More Likely	3.0%	4.5%	3.50%	4.00%	7.50%
	Likely	15.5%	15.5%	22.00%	9.00%	31.00%
	Moderate	25.5%	31.5%	16.50%	40.50%	57.00%
	Less likely	4.0%	.5%	2.50%	2.00%	4.50%
Total		48.0%	52.0%	44.50%	55.50%	100.00%

4.3. Demand for Processed Soy Products

The following is the regression analysis result of the demand of the society for processed soy products in Solok Regency.

Table 6. Result of Regression Analysis of the Demand for Processed Soy Products

Variable	TEMPEH		TAHU	
	Coefficient	Prob.	Coefficient	Prob.
LOG(INCOME)	0.057	0.4769	0.121	0.1749
MARRIED	0.090	0.5650	0.045	0.7947
POP	0.101	0.0011**	0.163	0.0000*
EDUH	0.007	0.6952	-0.011	0.5845
EDUW	-0.042	0.0288**	-0.0002	0.9904
SPUH	-0.311	0.0115**	-0.265	0.0487**
SPUW	0.078	0.5150	0.054	0.6873
C	-1.545	0.1443	-2.526	0.0316
R-squared	0.1251		0.1575	
F-statistic	3.7184		5.0734	
Prob(F-statistic)	0.000873		0.000027	

Description:

* : significant on $\alpha = 0,01$

** : significant on $\alpha = 0,05$

4.4. Classic Assumption Test

Based on the classic assumption test, it was obtained that the equation model of multiple linear regression for the demand for tempeh and tofu is free from heteroscedasticity problem. For the regression analysis result for the demand for tofu, the value of Prob. Chi-Square = 0.6450 was obtained and Prob. Chi-Square = 0.4301 for the demand for tempeh. Thus, the model is free from the problem of heteroscedasticity.

4.5. Multiple Linear Regression Analysis and Hypotheses Testing on the Demand for Processed Soy Products

4.5.1. Demand for Tempeh

Based on the output from table 6, the regression equation of demand for tempeh is as following:

$$\text{Log } Q = -1,545 + 0,057 \log(\text{Inc}) + 0,101 \text{ Pop} + 0,090 \text{ Married} + 0,007 \text{ EDUH} - 0,042 \text{ EDUW} - 0,311 \text{ SPUH} + 0,078 \text{ SPUW} \quad (1)$$

$R^2 = 12,51 \%$

Based on equation 1, it is shown that the income of household affects positively but not significantly on the demand for tempeh in Solok Regency with a regression coefficient of 0,037, which means that an increase in the income of household of 1 percent will increase the demand for tempeh by 0,037 percent.

Moreover, the number of household members affects positively but insignificantly on the demand for tempeh in Solok Regency; if the number of household member increases by one person then it will increase the demand for tempeh by 0,101 percent.

So is the case with marital status; marital status affects positively and significantly on the demand for tempeh in Solok Regency. If a household is married then it will increase the demand for tempeh by 0.090 percent.

Furthermore, the education of husband affects positively but not significantly on the demand for tempeh; if the education of husband increases by 1 year then it will increase the demand for tempeh by 0.007 percent, while the education of wife affects negatively and significantly on the demand for tempeh in Solok Regency. If the education of wife increases by one year then it will decrease the demand for tempeh by 0,042 percent.

Next, the job sector of husband (formal/non formal) affects negatively and significantly on the demand for tempeh in Solok Regency; if the husband works in the formal sector then it will decrease the demand for tempeh by 0,311 percent. Meanwhile, the employment status of wife affects negatively but not significantly on the demand for tempeh in Solok Regency; this means if the wife works in the formal sector then it will increase the demand for tempeh by 0.078 percent.

4.5.2. Demand for Tofu

Based on the output from table 6, the regression equation of demand for tofu is as following:

$$\text{Log } Q = -2,526 + 0,121 \log(\text{Inc}) + 0,163 \text{ Pop} + 0,045 \text{ Married} - 0,011 \text{ EDUH} - 0,002 \text{ EDUW} - 0,265 \text{ SPUH} + 0,054 \text{ SPUW} \quad (2)$$

$$R^2 = 15,75 \%$$

Based on equation 2, it is shown that the income of household affects positively but not significantly on the demand for tofu in Solok Regency with a regression coefficient of 0,121, meaning that an increase in household income by 1 percent will increase the demand for tofu by 0,121 percent.

Furthermore, the number of household members affects positively and significantly on the demand for tofu in Solok Regency; if the household member increases by one person then it will increase the demand for tofu by 0,163 percent.

Marital status affects positively but not significantly on the demand for tofu in Solok Regency. If a household is married then it will increase the demand for tofu by 0.045 percent.

Moreover, the education of husband affects negatively but not significantly on the demand for tofu; if the education of husband increases by 1 year then it will decrease the demand for tofu by 0.011 percent, and the education of wife affects negatively but not significantly on the demand for tofu in Solok Regency. If the education of wife increases by one year then it will decrease the demand for tofu by 0,002 percent.

Next, the job sector of husband (formal/non formal) affects negatively and significantly on the demand for tofu in Solok Regency; if the husband works in the formal sector then it will decrease the demand for tofu by 0,265 percent. Meanwhile, the employment status of wife affects positively and insignificantly on the demand for tofu in Solok Regency; this means if the wife works in the formal sector then it will increase the demand for tofu by 0.054 percent.

5. Discussion

5.1. Analysis of Consumer Preferences to the Processed Soy Products in Solok Regency

The result of the study shows that the society in Solok Regency prefer tofu and tempeh compared with other processed soy products such as tauco, soy milk, soy milk flour and beancurd. This indicates that these products can be developed as downstream products of soybean in Solok Regency. Accordingly, this means that it is necessary for the development of home industries among the farmers that aims to increase added value of processed soy products in Solok Regency.

This is consistent with the theory of consumer behavior that the behavior of consumer demand for goods and services will be influenced by several factors, among others: income, consumer's taste, and price of the goods, when other conditions are not changed (*ceteris paribus*). This consumer behavior is based on the theory of consumer behavior that explains how a person

with earned income can buy a variety of goods and services in order to reach a certain satisfaction according to what is expected.

5.2. Analysis of Demand of Society for the Processed Soy Products in Solok Regency

The result of the study shows that the number of household members affects significantly and positively on the demand for tempeh and tofu in Solok Regency. This means that the greater number of household members, the greater the demand for tempeh and tofu in Solok Regency and vice versa; the smaller number of household members then the smaller demand for tempeh and tofu in Solok Regency with the assumption of *ceteris paribus*.

The education of wife affects significantly on the demand for tempeh in Solok Regency but the effect is not significant on the demand for tofu in Solok Regency.

The job sector of husband affects significantly on the demand for tempeh and tofu in Solok Regency. If the husband works in the formal sector, the demand for tempeh and tofu will decrease in Solok Regency. Job sector is closely related to the level of income received by a household so it will impact to the size of a person's demand for goods and services. This result is consistent with the views expressed by Kotler (2000) that states demand for goods and services is influenced by personal factors, namely job and economic environment. This means that the type of work will determine a person's decision in consuming goods and services available.

Nevertheless, income does not affect significantly on the demand for tempeh and tofu in Solok Regency. It means that the size of income level earned by a household will not give meaningful effect to changes in the society's demand for tempeh in Solok Regency. The insignificant effect of income on the demand for tempeh and tofu is caused by the relatively low selling price of tempeh and tofu so that it can be reached by the whole society in Solok Regency.

This result of study is not in accordance with the theory advanced by Case and Fair (2008) that the size of the demand is determined by income. If the goods are normal goods, the increase in society's income will cause the increase in society's demand for goods and services. But if the goods are inferior goods, the increase in society's income will decrease the demand for goods and services.

Furthermore, marital status, education of husband and job sector of wife do not affect significantly on the demand for tempeh and tofu in Solok Regency. The insignificant effect of marital status, education of husband and job sector of wife indicates that tempeh and tofu are products that are wellknown by the whole society so these products are in high demand by the society. Therefore, changes to these variables will not affect the consumer's decision to consume the goods and services available in the society.

6. Conclusion

The results of the study found that (1). The processed soy products most in demand by the society in Solok Regency are tofu and tempeh. (2) The number of household members, education of wife and job sector of husband affect significantly on the demand for tempeh in Solok Regency, while income, marital status, education of husband and job sector of wife do not affect significantly on the demand for tempeh in Solok Regency. (3). The number of household members and job sector of husband affect significantly on the demand for tofu in Solok Regency, while income, marital status, education of husband, education of wife and job sector of wife do not affect significantly on the demand for tofu in Solok Regency.

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REQUIRED DOCUMENTS OF HAZARD ANALYSIS AND CRITICAL CONTROL POINTS (HACCP) OF GREEN TEA POWDER PRODUCT OF PT PERKEBUNAN TAMBI TO INCREASE MARKET SHARE

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Summary

Green tea powder is a food product processed from fresh tea leaves without going through oxidation as of black tea. PT Perkebunan Tambi is one of the tea processing company located in Central Java. There are two types of products, black tea and green tea. Tanjungsari unit is specialized in processing green tea, as a company newly established, PT Perkebunan Tambi require assurance of food safety that complies with the applicable provisions. HACCP (Hazard Analysis and Critical Control Points) is a quality management system for food safety recommended by the Codex Alimentarius Commission (CAC). HACCP based on awareness or concern that hazards will arise at various points or stages in production, but this control can be used to manage these hazards. In this research HACCP documents required by the company to obtain certification will be drafted. So food safety against the resulting product of the company is ensured and the public will have more confidence to consume powdered green tea of PT Perkebunan Tambi. Documents drawn up in the form of HACCP Manuals, procedures, and Work Instructions. Each procedure created comes with a form that serves as a recording document so that the PT Perkebunan Tambi has tangible evidence that this company has implemented HACCP system properly.

Keywords: Green Tea, Food Safety, HACCP, Document, PT Perkebunan Tambi

1. Introduction

HACCP (Hazard Analysis and Critical Control Point) is a risk management that was developed to ensure food safety with preventive approach, which is considered to provide guarantees to produce food that is safe for consumers. The main key of HACCP is to anticipate the hazard dan identification hazards and the identification the control points that give priority to preventive action rather than rely on end product testing (Koswara, 2006).

The application of HACCP systems in food processing industry help the company to maintain the quality of food products produced. Based on research carried out on pig meat sauce packaging, decay that occurs in food can be reduced (Wang et al, 2010). The benefits from the implementation of HACCP (BSN, 2011) is [1] increase consumer confidence in the quality and safety of food products, [2] the destruction or withdrawal of the food products because of poor quality and harm can be avoided, [3] a waste or loss due to security issues the product can be prevented.

PT Perkebunan Tambi is one of the company's processing of black tea and green tea company in Indonesia which has 3 units of plantation estates unit Tambi, Bedakah, and Tanjungsari. Black tea processing conducted in units Tambi and Bedakah, both unit already has a guarantee of food security that is the certification of HACCP. The existence of the opportunities in the market makes PT. Perkebunan Tambi established Tanjungsari unit in 2013 especially to process green tea because black tea processing already have had the assurance of food safety

This research was conducted with purpose [1] implementing the HACCP principles at PT Perkebunan Tambi especially in Tanjungsari unit in order to guarantee food safety according to HACCP, [2] recommend improvements for PT Perkebunan Tambi in accordance with HACCP principles, [3] design documents related to HACCP that can be used by PT Perkebunan Tambi Tanjungsari unit in particular. However, this research does not include assignment procedures (principle 6) and verification and record-keeping procedures (principle 7) on the system of HACCP.

2. Methods

This study is done only to 10 stages and 5 principle of HACCP. In addition to the application of HACCP system, conducted observations of the Good Manufacturing Practices (GMP) (BPOM, 2012), and Sanitation Standard Operation Procedure (SSOP) (Susiwi, 2009). The documents compiled in this study include: HACCP manual; procedures; work instructions; and the form (Thaheer, 2005).

a) HACCP Manual

Describes the background of the company, its policies, objectives and a commitment to hold the system following the standards referenced SNI 01-4852-1998. In this section of the manual system typically contains only brief statements that became the reference in the implementation of all activities related to the implementation of HACCP.

b) Procedure

The procedure was devised to translate the policies outlined by the leaders in the HACCP manual. The procedures are generally issued and act as a work guideline for intermediate managerial level inside the company so that its substance was already leading to a technical compliance.

c) Work Instructions

Work instructions are detailed stages of an activity is needed as operational guidance of an activity. Instructions explain the details of the implementation of all activities in fulfilling the requirements of the standard.

d) Form

The form is one of the records of the company, a proof that HACCP has been applied by the company.

3. Results and discussion

Following is the application of 5 principles and 10 stages of HACCP in PT Perkebunan Tambi .

3.1. Stage 1: The HACCP team

HACCP team is the team that is responsible for the preparation and implementation of the HACCP plan. HACCP team is involving all the components in the industry related to the production of safe food products. Table 1 below is showing HACCP team in Tanjungsari unit.

Table 1: HACCP Team

No.	Name	Department	Position
1	Joko S.	Quality Control	Team Leader
2	Suratman	Administration	Secretary
3	Anton P.	Production	Member
4	Tan Yono	Engineering	Member
5	Setyono	Raw Materials	Member

3.2. Stage 2: Product description

The product description is a breakdown of products information containing about composition, physical or chemical nature, packaging, storage conditions, durability, how the distribution, even serving and consumption preparation (BSN, 2009C). Table 2 is the description of the product of powdered green tea.

Table 2: Product Description

Criteria	Description
Product Name	Powdered green tea
Raw Materials	Fresh tea leaves
Additional Materials	No
Method of Processing	Withering, scrolling, and drying
The characteristics of the product	This product has a grey green color, the scent of fresh cook tops, and when it is brewed with warm water will have a taste of the typical fresh green tea (osphronemidae, but not too bitter)
Storage conditions	Room temperature, not in direct sunlight and not humid
Method of Preservation	Not used preservative additives
How the product is used	Brewed by using boiled warm water
Packaging	Clear plastic polyvinyl chloride (PVC) for groceries and sacks
Storage time	2 years
Customer's requirements	General
Labeling	Food company name, company logo, the packaging volume, composition, expiration date, contact person.

3.3. Stage 3: Identify the intended use of the product

Each product that will be controlled by the application of HACCP system firstly must be determined plans for its used or in other words must be identified the customer target. In risk analysis, the level of danger of a product will be associated with the target customers (Thaheer, 2005).

Consumers of green tea powder products of PT Perkebunan Tambi are general, all ages can consume it and not limited to certain conditions. This is because green tea powder by PT Perkebunan Tambi does not contain ingredients or need special treatment that causes consumers by certain conditions to not allowed to consume it.

3.4. Stage 4: Construct the process flow diagram (PFD)

Flowchart below is a systematic description of the sequence of the phases or execution of the work that be used to produce a certain food (BSN, 2011). Figure 1 is a flow diagram in production process of powdered green tea in Tanjungsari units.

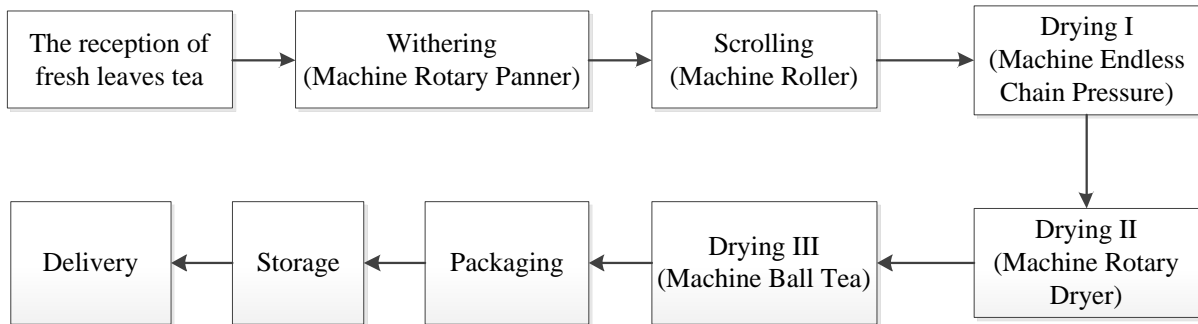


Figure 1: The process flow diagram green tea powder

3.5. Stage 5: On site confirmation of the flow diagram

This stage is conducted to verify that the flow chart has been made accordingly and can be applied in the field (Afrianto, 2008). Based on observation and implementation, flowchart has been made in accordance with the conditions in the field and can be applied properly.

3.6. Stage 6: Hazard identification (Principle 1)

At this stage the company is performing risk analysis consisting of two phases, there are hazard analysis and risk category assignment to determine preventive action. The identification of hazards and preventive action can be seen in table 3.

Table 3: The identification of hazards and preventive measures

Process	Danger	The Causes of Hazards	Category of Danger						Categories of Risk	Control Efforts
			A	B	C	D	E	F		
The reception of fresh leaves tea	Biology	Fresh shoots are already contaminated	-	+	+	+	+	-	IV	Maintain the cleanliness of the place and the fresh shoots of reception equipment Workers are required to wash their hands and are prohibited from using fragrances or other chemical substances
	Chemistry	Transport trucks or containers in circumstances less clean								
	Physical : stones, pieces of metal, plastic									
Withering	Biology	Floor cleaning machine and the withering of a less clean	-	+	-	+	+	-	III	Cleaning the machine's withering before and after the production process Make sure the production process tools in good condition and clean Workers in the clean condition and already wash your hands with SOAP and dried
	Physical : dust, plastic, gravel	Contamination of workers Spade used in less good condition								
Scrolling	Biology	Part of the engine and cart transport that direct contact with food is not clean	-	-	+	+	+	-	III	Clears the routing engine before and after the production process Make sure the production process tools in good condition and clean Workers in the clean condition and already wash your hands with SOAP and dried
	Physical : bamboo	Discounted parts in a basket used to transport Contamination of workers								
Drying I	Biology	Floor cleaning and drying machines are less clean	-	+	-	-	+	-	II	Clean the machine peneringan I and floor production before and after the production process Make sure the scope is used in good condition and clean Workers in the clean condition and already wash your hands with SOAP and dried
	Physical : wood, metal pieces	Contamination of workers Spade used in conditions less good and less clean								
Draining II	Biology	Floor cleaning and drying machines are less clean	-	-	-	-	+	-	I	Clean the machine peneringan II and production before and after the production process Make sure the scope is used in good condition and clean Workers in the clean condition and already wash your hands with SOAP and dried
	Physical : wood, plastic	Contamination of workers Spade used in conditions less good and less clean								

Draining III	Biology Physical : plastics, wood	Spade used in conditions less good and less clean Contamination of workers Floor cleaning and drying machines are less clean	- - - - + -	I	Clean the machine peneringan III and lanati production before and after the production process Make sure the scope is used in good condition and clean Workers in the clean condition and already wash your hands with SOAP and dried
Packaging	Biology Chemistry : impurities packaging Physical : stone	Contamination of workers or the tools used The packing conditions less clean A less sterile packaging materials	- - + - + -	II	Keep clean room workers, packaging and equipment used Check the condition of the packaging which visually will be used
Storage	Biology	Contamination from storage pallets Conditions of temperature and humidity of storage space is not good	- - + - + -	II	Keep the room temperature-26 ° C and humidity of the room is 65-70% rh Control the condition of the framers of the palette Maintain the cleanliness of the room storage Control the packaging conditions periodically
Delivery	Biology	Transport process errors Damaged packaging Environmental contamination during shipping	- - + - + -	II	Re-sort the product before it is sent Use means of transport that are clean and covered Keep an eye on the behaviour of workers in the process of transporting

3.7. Stage 7: Determine Critical Control Points (CCP) (Principle 2)

Critical control points (CCPs) is a step at which control can be applied to prevent food safety hazards to the acceptable limits. CCPs' identification can be seen in Table 4.

Table 4: Determine Critical Control Points

	Question on decision tree				Status of CCPs	Description
	P1	P2	P3	P4		
Raw Materials						
Fresh tea shoots	Yes	Yes	Not		Not	Processing undertaken can reduce the dangers that exist
Process						
The reception of fresh tea Shoots	Yes	Not	Yes	Yes	Not	unsanitary conditions of the equipment and machines used resolved by the application of SSOP Janitorial workers coped with the application of SSOP
Withering	Yes	Not	Not	-	Not	Clean condition of the equipment and machinery used can be overcome by the application of SSOP Biological impurities in the form of bacteria and others will die during the process of withering because the temperature required in the withering of 80 -95 ° C
Scrolling	Yes	Not	Yes	Yes	Not	Condition of the equipment used can be overcome by the application of SSOP Biological impurities will die in the next process
Drying I	Yes	Not	Not	-	Not	Condition of the equipment used can be overcome by the application of SSOP Biological impurities in the form of bacteria and others will die during the process of drying temperature because I used a 120 -140 ° C
Draining II	Yes	Not	Not	-	Not	Condition of the equipment used can be overcome by the application of SSOP Biological Impurities in the form of bacteria and others will die during the drying process II because the temperature of the used of 80-90 ° C
Draining III	Yes	Not	Not	-	Not	Condition of the equipment used can be overcome by the application of SSOP Biological Impurities in the form of bacteria and others will die during the drying process III because temperatures used a 120-140 ° C
Packaging	Yes	Not	Yes	Not	CCP 1	Contamination of the environment surrounding packaging because the tea will be packed only a on dilanati dietakkan tarp Impurities arising from a less sterile packaging materials
Storage	Yes	Not	Yes	Not	CCP 2	The storage room temperature can vary can lead to the growth of microbes that can grow at a certain temperature
Delivery	Yes	Not	Yes	Not	CCP 3	Contamination happens with material packaging during the process of storage The condition of the vehicle used for delivery and actions taken against workers products

3.8. Stage 8: Establish critical limits for each CCP (Principle 3)

Critical limit is a tolerance limit that must be met to ensure that CCPs are set to control effectively hazards that may occur. Critical limit on the processing of green tea powder in Tanjungsari unit can be seen in Table 5.

3.9. Stage9: Determination of Monitoring System for each Critical Control Point (Principle 4)

Monitoring is an act of observations or measurements to apply whether a CCP can be controlled or not. Determination of monitoring systems in Tanjungsari unit can be seen in table 5.

Table 5: The determination of Critical Limits and monitoring system

Process	Principle 3	Principle 4
	Critical Limits	Action Monitoring
Packaging	The equipment used must be ascertained and hygiene conditions The temperature of the tea when inserted into the < 30 packs °C Checking against the conditions and specifications and plastic sack must be safe to use for food Microbial content in accordance with the SNI (BSN, 2009B) The content of heavy metals in accordance with the SNI (BSN, 2009A)	Testing laboratory of microbial impurities content related (BSN, 1992). Do heavy metal impurities in testing laboratories (BSN, 1998).
Storage	Make sure the packaging is tightly closed The room temperature should not be < 25 °C The storage of the finished product using the system <i>First In First Out</i> (FIFO). Storage containers must not directly touch the floor or wall of the room	Ensure the implementation and supervision of well towards the implementation of the existing SSOP
Delivery	The packaging is tightly closed Vehicle transporters enclosed and protected from impurities	Make sure the packaging is tightly closed and monitoring against workers when raising the products to vehicle

3.10. Stage 10: Establish corrective action (Principle 5)

Corrective action conducted if the monitoring results show that the process was out of control. Deviations should be tolerated or can be reduced by any corrective action. Determination of corrective actions can be seen in Table 6.

Table 6: Determination Of Monitoring System

	Critical Control Point		
	Packaging	Storage	Delivery
<i>What</i>	Deposits of microbes and heavy metals in the food and packaging conditions	Product storage conditions	The conditions of hygiene of the vehicle for delivery
<i>Where</i>	Packing room	Storage space	Vehicle shipping
<i>How</i>	<i>Ceklist</i> packaging	<i>Ceklist</i> Storage	Checking by the warehouse Coordinator
<i>When</i>	Any packing done	During the stored in the warehouse	When the product will be sent to buyer
<i>The who</i>	Packaging Coordinator	Warehouse Coordinator	Warehouse Coordinator

4. Conclusion

Based on the application of HACCP system in processing of green tea powder in PT Perkebunan Tambi there are three processes that are included into the critical control points, they are:

1. packing process,
2. process of storing, and
3. delivery process.

The dangers that arise on the respective process caused by various things. Required seriousness by workers in the implementation of procedures that have been established, one of

which is the procedure of sanitation (SSOP). Because of the environment and the working equipment which is not clean and not corporate standards can lead to the onset of the dangers.

The recommendations can be given to the company during the packing process that the tea shelters' position should be higher than the floor. Palettes of compilers should be dried up at regular intervals and to give the storage room an exhaust fan so that the dust will not enter production process. On the process of deliveries a plastic base needs be placed on the loading base of the trucks because during the trip to the plant contamination may occur through the box.

The documents compiled in this study sre the HACCP manuals: [1] describes the application of HACCP system in PT Perkebunan Tambi and other things in the form of information about the company. [2] the procedure consists of a procedure of sanitation (SSOP), processing procedures, the procedures of delivery and acceptance testing procedures of raw materials, the quality of the green tea, and admission procedure of fuel. [3] a work instruction that is operating instructions measuring instrument Moisture Analyser XM, and analysis of the tip. [4] the form serves as one of the tools as the record of the company that must be filled in every day.

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THE PROMISING ETHICS AND COMPETITIVE ADVANTAGE ON HIGHER EDUCATION AS A PART OF INTERNATIONAL COLLABORATION PROGRAMS

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Abstract

Promises ethics in service triangle context on higher education can be met if performance improves superior performance and be given the implications for competitive advantage. The purpose of this study was to analyze and determine promising ethics in service marketing triangle and competitive advantage of higher education.

The research method used is survey method, namely descriptive and explanatory. The number of respondents in the study is 330 students of the polytechnic in West Java, which is determined by sampling technique, which is cluster proportional random sampling. The hypothesis testing was done using a multivariate statistical test of the Partial Least Square (PLS). The data processing was done with smartPLS 2.0 programs and Statistical Programs of Social Science (SPSS) for Windows. The results show that: The promising ethics in service triangle context and competitive advantage influence as well but not quite good.

The promising ethics in service marketing triangle context can be met also if performance improves international collaboration on higher education as well, so that promises ethics can be achieved optimally and be given the implications for competitive advantage of higher education.

The goal of internationalization of higher education are: (1) improve the quality of education (2) improve the quality of research (3) improve the competence and capacity of academic staff and researchers (4) improve the competence and capacity of graduates (5) enhance the college's reputation in the eyes of the international and financial gain (6) respond to the demands of the labor market of qualified internationally. There are five (5) general principles of corporate governance known as good corporate governance (GCG). Those are: Transparency, Accountability, Responsibility, Fairness and Independency.

Keywords: Promising ethics, competitive advantage, international collaboration

1. Introduction

The condition of higher education (PT) in Indonesia is currently facing competition not only local, but also regional and global competition. Globalization has led to competition for educational institutions that is not only local or regional, but also international. Global competition impacts in the education sector, one of the internationalization of higher education, which is manifested through the four forms, namely: (1) the opening of branches of universities in other countries (like the class extension), for example, American universities to open a branch in Asia; (2), the cooperation between the universities of the country with universities in other countries that offer degree programs, (3) lecture remotely through both print and virtual media over the internet. A number of leading universities in the United States, Europe, and Australia offers degree programs through this model, and (4), the comparative study of the quality of higher education that produces college ranking compared to some other college. The global competition will inevitably be faced by universities in Indonesia, both public and private.

Competition faced by the private universities will be heavier and tighter. Currently in Indonesia there are about 3147 colleges with 15,819 courses. Of these, as many as 15.6% or 491 colleges located in West Java. With that number, West Java has the highest number of colleges in

Indonesia. Recent data, in 2010, of 115 private college (PTS) in West Java nearly 40% of them in an unhealthy condition due to lack of students (Kopertis of Region IV, 2011).

Competitive advantage to be owned by polytechnics should be tailored to the potential and variety of its resources. The ability to generate superior value that is deemed worthy to polytechnic believed in vocational education. Vocational education programs believed to be an option to boost the skills and practical skills according to related field; benefits, quality, product-specific attributes, events product use, the position of the competitor's product and product class classification. Thus, referring to the need to know the position of ethics in service triangle context on higher education, the identification of empirical support for the general theory of marketing ethics and ethical phenomenon, competitive advantage can be a part of international collaboration programs.

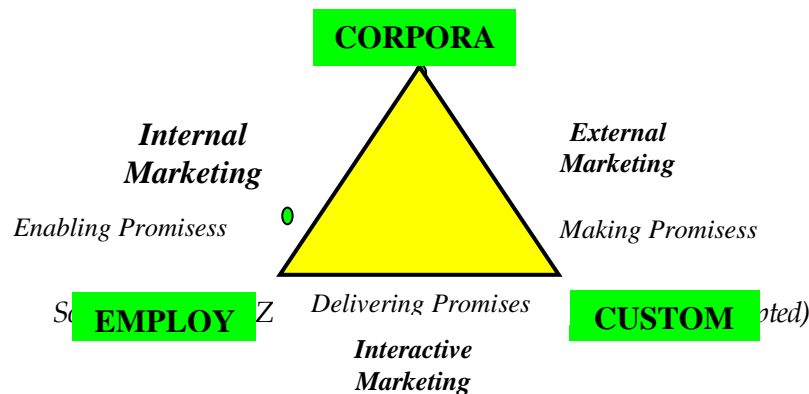
2. Theoretical Framework

Grand Theory used in this study is the theory of consumer behavior. Schiffman and Kanuk (2000) argue that consumer behavior is an individual activity in finding information, purchasing, using something, evaluating against products and services in the hope of satisfying his desire. The essence of consumer behavior includes two elements, namely (1) the decision making process (decision process) and (2) the act or physical activity. Everything involves individuals in assessing, acquiring and using goods and services.

Middle Range Theory or the theory used in this study is the theory of Strategic Marketing for educational services with the applicable theories (Applied Theory) relating to services marketing mix theory, the theory of competitive advantage, and the theory of marketing ethics. According to Kotler and Fox in Strategic Marketing for Educational Institutions (2000:5), educational institutions realize that they have a lot of marketing issues, ranging from the declining number of students who enroll, small grants for education and other sources of income, while operating costs continue to rise. It is reminded that the educational institutions are also thinking about the reliance on markets where they are. Many educational institutions are in the face of changing expectations and needs of students, while increasing competition to acquire new students and new funding sources.

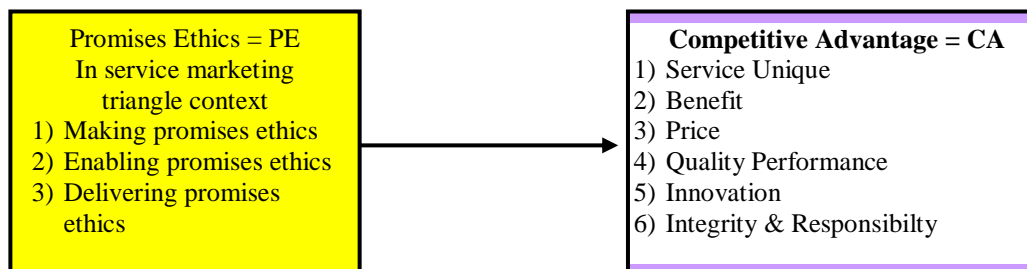
The results which are relevant to the performance of product attributes can be summarized as follows: (1) Iversen (2002) concludes that one way to achieve competitive advantage is by continuing to produce and elaborate synergies between the assets and facilities owned by the company, because the use of assets provides efficiency, when the company has different products with competitors' assets, it will be different, (2) Broun (2006), concludes that the differentiation of the packaging gives a unique impression on the product, (3) Raduan and Haslinda (2009) concludes that organizational capabilities include information, product development, relationship building associated with competitive advantage, (4) Yusuf Abdullah (2011), concludes that the product strategy and value creation affect competitive advantage.

Promises, in the view of the promises ethics, are a specific obligation that forms engagement with other parties who receive the promises. This engagement morally raises obligation that the promises made by others should be kept. Berry stressed that the basis for maintaining relationship in services is the promises that has been made to the customer. For service providers it has implications for the three activities namely make unrealistic promises, keep and fulfill the promises at the time of the delivery the services with an effort to allow the promises on the service system being built to meet those promises (Bitner, 1995). The three important marketing activities to do the efforts are external marketing, interactive marketing, and internal marketing. The concept shows a linkage group that work together to develop, promote and deliver services that are referred to as key actors.





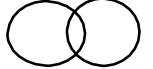
Various studies relevant to the promises ethics can be summarized as follows: (1) Binter (1995) concludes that the activities of the company to attempt to meet promises has been given to the customer has something to do with the skills, abilities, motivation and system, (2) AMA (2004) concludes that the commitment of providers ethics in delivering the promises and sense of responsibility effect on the willingness to fulfill the promises, (3) Schwepker, (2005) concludes that honesty is a part of fairness and openness, and communicating it properly with the aim of creating trust for the other party, (4) Bertland (2009) asserts that ethical policies relating to the development of ethics in the organization that enable organizations to carry out their responsibilities, (5) Taufani (2010) concludes that the most important ethical aspects that play a role in making promises is the clarity in the promises delivery. The most important ethical aspects that play a role in enabling the most promises is the seriousness and responsibility in providing the system for students.

Here is the compiled research paradigm:



International relations (IR) or international affairs, depending on academic institution, is either a field of political science or an interdisciplinary academic field similar to global studies, in which students take a variety of internationally focused courses in social science and humanities disciplines. International relations is an academic and a public policy field, and so can be positive and normative, because it analyzes and formulates the foreign policy of a given State.

From Cooperation Coordination to Collaboration

		
<p>Cooperation...</p> <p>Short term Informal Relations No clearly defined mission</p> <p>No defined structure</p> <p>No planning effort Partners share information about the project at hand Individuals retain authority</p> <p>Resources are maintained separately No Risk</p> <p>Lower intensity</p> <p>*****</p> <p>--informal, no goals are defined jointly, no planning together, information is shared as needed.</p>	<p>Coordination...</p> <ol style="list-style-type: none"> 1. Longer term 2. More formal relationships 3. Understand mission 4. Focus on a specific effort or program 5. Some Planning 6. Open communication channels 7. Authority still retained by individuals 8. Resources and rewards are shared 9. Power can be an issue 10. Some intensity <p>*****</p> <p>--some planning is required and more communication, thus, a closer working relationship is developed.</p>	<p>Collaboration...</p> <ol style="list-style-type: none"> 1. Long term 2. More pervasive relationship 3. Commitment to a common mission 4. Results in a new structure 5. Comprehensive planning 6. Well defined communication channels all levels 7. Collaborative structure determines authority 8. Resources are shared 9. Greater risk: power is an issue 10. Higher intensity <p>*****</p> <p>--working together, having shared commitment and goals, developed in partnership. Leadership, resources, risk, control and results are shared. More accomplished than could have been individually.</p>

adapted from the AASL "Collaboration" brochure, Fall 1996, Based on research done by Winer & Ray, 1994, Collaboration Handbook: Creating, Sustaining and Enjoying the Journey.

3. Research Methods

This research is descriptive and verification conducted in 2014 to students in polytechnics in West Java. The unit of analysis in this study was the students of the polytechnic. In this study, it was used a range of time (time horizon) which was one shoot with the type of cross-section data. The descriptive hypotheses test used Weighted Mean Score / WMS. In the verification study with the approach in modeling and solution techniques to be used as a tool of analysis was a method of Structural Equation Modeling (SEM) based on a variant or a component, namely the Partial Least Square (PLS).

3.1. Operationalisation and Measurement Variable

Latent Variable & the concept	Manifest Variable			Scale
	Dimension	Indicator	Measurement	
<p>PROMISES ETHICS IN SERVICE MARKETING TRIANGLE</p> <p>Commitment of the institutions in making promises (honesty, fairness, and openness, and also clarity), what enable the promises (system), and how to deliver the promise, also the ability to keep the promise based on the ethical code that has been agreed with the approach of Service Marketing Triangle.</p>	<p>1. Making Promises Ethics :</p> <p>External marketing efforts, where a company makes promises clearly and honestly to the consumers about what companies (polytechnic) can provide to the consumers.</p>	1. Honesty	<p>Conditions of physical lecture building</p> <p>Conditions of educational support facilities</p> <p>Conditions of classroom lectures</p> <p>Conditions of the library</p> <p>Condition of teaching and learning tools</p> <p>Learning Method</p> <p>Description</p>	O R D I N A L
		2. Clarity	<p>Information on the condition of education infrastructure</p> <p>Information about the condition of the classroom lecture</p> <p>Information about the condition of the library</p> <p>Information about the conditions of teaching and learning tool</p> <p>Information about the condition of the unit curriculum and lecture units</p> <p>Information about the conditions of learning methods</p>	
	<p>Enabling Promises ; the activity of the company to try to keep the promise that had been given to consumers with the ability, skills, tools, and motivation and also the availability of the system to deliver.</p>	1. Commitment	<p>1. The seriousness of the institutions in providing campus</p> <p>2. The seriousness of the institutions in providing college building facilities</p> <p>3. The seriousness of institutions in providing learning spaces</p> <p>4. The seriousness of the institutions in dealing with academic problem</p> <p>5. The responsibility for education institutions</p> <p>6. Responsibility of institutions to improve the quality of learning</p> <p>7. The seriousness of the education institutions in accordance with the plans</p>	O R D I N A L

		2. The System of Service Recovery	<p>The efforts of the institution to restore the service failures in the use of facilities</p> <p>The efforts of the institution to restore the service failure in the library</p> <p>The efforts of the institution to restore the institution service failures in the use of learning spaces</p> <p>The efforts of the institution to restore the institution service failures in academic service</p> <p>The efforts of the institution to restore the institution service failures in educational administration</p>	
	3. Delivering the Promise ; namely: activity of the company to fulfill what had been promised in the form of service encounter (Gronroos, 2005; Kotler and Keller, 2009)	1. Service Customer	<ol style="list-style-type: none"> 1. The eligibility physical condition of buildings 2. The conformity of the lecturer's educational background with the faculty courses Amnestied 3. The conformity of the lecture's material with the job requirements 4. The Conformity of lecture material with graduates and career development prospects 5. The conformity of lecture material with the adaptation of social environment (eg, Family & Society) 6. Lectures administrative services (such as lecture schedule, grades, payments, exam schedules, and supervizing schedule) 	O R D I N A L

		2. The Implementation of the Personal Ethics Code	<ol style="list-style-type: none"> 1. The willingness of the lecturers to give students the opportunity to ask, discuss and express an opinion 2. The objective attitude of the lecturer in treating students 3. The lecturer's speaking attitude 4. The attitude of the lecturers in addressing the academic issues 5. The attitude of the lecturers in addressing the issue of personal interests 6. Lecturers' efforts in motivating students 	
		The implementation of the ethics on the Ethics Code Program	Institutional respect on the students rights in obtaining learning process Institutional justice in viewing social status The attitudes of the institutions in maintaining the confidentiality of the student The openness of the institution in providing learning process	
		The implementation of the Code of Ethics in Customer Service	<ol style="list-style-type: none"> 1. The politeness of the customer service staff 2. The efforts of the staff to maintain the confidentiality of student academic information 	
Latent Variable & the Concept	Manifest Variable			Scale
	Dimension	Indicator	Measurement	
COMPETITIVE ADVANTAGE The existence of superiority of an organization or a company (polytechnic) that distinguishes one organization / company to the other organizations / company as the competitors.	1. <i>Service Unique</i>	<ol style="list-style-type: none"> 1. The variety of educational services products offered 2. Fee Waivers 3. <i>Acces to Service</i> 4. <i>Convenience</i> 5. <i>Experience</i> 	<ol style="list-style-type: none"> 1. The uniqueness of the educational service product variations offered by the institution 2. Payment of fees (eg can be paid on credit, if it is paid before the time, there will be waivers granted) 3. The easiness for the students to access services products offered 4. Students comfort in receiving services 5. Student experiences in receiving care 	O R D I N A L

	2. <i>Benefit</i>	<i>Facility</i> <i>Service</i> Personel <i>Prestige</i>	1. Learning facilities and a fully equipped lab equipment 2. Good service administration 3. The ability of a good lecturer 4. The pride of being in polytechnic students
	3. <i>Price</i>	1. Cost 2. Time 3. Power 4. Psychic	1. Tuition fees are relatively affordable 2. The period of study is relatively fast 3. Campus location within easy reach 4. Mentally student does not feel burdened
	4. <i>Performance Quality</i>	The quality of lecturers service The quality of administrative services	The quality of lecturer service received by the students 2. The quality of administrative services received by students
	5. <i>Innovation</i>	Creativity Responsiveness	1. The creativity of the institutions 2. The institutions speed in responding to changes in the student wishes to follow
	6. <i>Integrity & Responsibiliy</i>	1. Simplicity 2. Relationship	The responsibility of the institution to provide ease of service The responsibility of the institution in maintaining relationships with students

The population in this study is the overall characteristics of the study variables perceived by the students of the Polytechnic. The unit of analysis is 31 Polytechnics, while the unit of observation is the active students at the private polytechnic in West Java. The sample size was determined in accordance with the number of samples required for the variant or component-based structural equation model (Structural Equation Model / SEM), namely Partial Least Square (PLS). The sampling method used is proportional Simple Cluster Random Sampling Method (Cochran, 2010) to all students of a private polytechnic as the population unit. From the results of these calculations, the sample size in this study is 385 respondents.

The data obtained from the questionnaire spreading and the secondary data collection was carried out in 4 steps, namely coding, editing, processing the data and then analyzing the data. The data from the questionnaire spreading which is as a measure of the research variables was obtained from the answers score having ordinal level of measurement. For the descriptive analyzes, it was used Weighted Mean Score, with the aim to describe each respondent's answer to the question which is determined from each variable studied. Weighted mean scores was obtained from the following formula: $WMS = \frac{\sum AS}{\sum FS} \times 100\%$

(Source: Adoption of Murray & Stephens, 2007:49)

where

WMS = Weighted Mean Score, which is the average of value weighted results, obtained from the ratio of total actual score with the total ideal score.

ΣAS = Actual Score, which is the total score obtained from multiplying the number of respondents, the number of questions, and the scores achieved by respondents
 ΣIS = Ideal Score, which is the score obtained from multiplying the number of respondents, the number of questions, and the maximum score for each question

The results of Weighted Mean Score, and then it is interpreted by the established criteria, namely:

Table 3 The Interpretation of WMS (Weighted Mean Score)

WMS %	The Interpretation of WMS
80.99 - 100.00	Very Good
60.99 - 80.00	Good
40.99 - 60.00	Good Enough
20.99 - 40.00	Not Good
0.00 - 20.00	Bad

4. Findings And Discussions

Regarding to the right of refusal (the right not to respond on statements) of the respondents, then there should be 385 questionnaires collected, the fact is only 330 copies collected, so the number of questionnaires that can be processed is only 330 copies. Here are responses / perceptions of the respondents on Promises Ethics in service marketing triangle context and Competitive Advantage.

Recapitulation of Promises Ethics in service marketing triangle context

Dimention	Actual Score	Ideal Score	WMS (%)
Making Promises Ethics	12,150	18,000	67.5
Delivering Promises Ethics	12,000	18,000	66.7
Enabling Promises Ethics	18,410	27,000	68.19
Total	42,560	63,000	67.45

Recapitulation of Competitive Advantage Dimension

Dimention	Actual Score	Ideal Score	WMS (%)
1. Service Unique	5,004	7,500	66.72
2. Benefit	4,190	6,000	69.83
3. Scarifies	3,900	6,000	65.00
4. Quality Performance	1,880	3,000	62.67
5. Innovation	1,880	3,000	62.67
6. Integrity and Responsibility	2,054	3,000	68.47
Total	10,122	15,000	65.89

Description: PE1 = Making promises Ethics PE2 = Delivering promises Ethics PE3 = Enabling promises Ethics CA1 = Service Unique CA2 = Benefit CA3 = Price CA4 = Quality performance CA5 = Innovation CA6 = Integrity and Responsibility

4.1. The Influence of Promises Ethics in Service Marketing Triangle Context on Competitive Advantage

The fourth hypothesis testing, conducted to examine the influence of promises ethics in the service marketing triangle context on competitive advantage, is shown ;

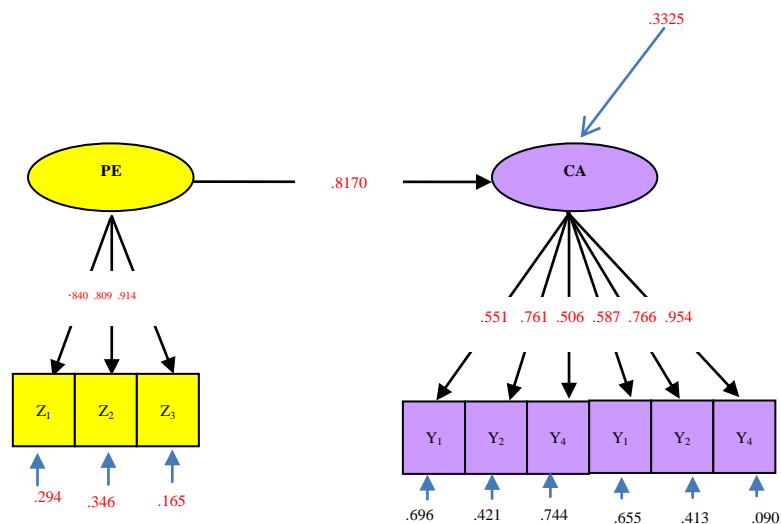


Figure
Line Diagram of the Influence of Promises Ethics on Competitive Advantage

The rest competitive advantage on the promises ethic in service marketing triangle context, in detail it can be seen as below;

Test Result of the Influence of Promises Ethics on Competitive Advantage

Variable	Coefficient of Influence	T _{observed}	α	Conclusion
Promises Ethics (PE)	0.6675	25.673	0.05	Significant
Direct Influence	Indirect Influence	Total Influence		
0.6675	0	0.6675		

According to researcher the positive value reflects that promises ethics actually has a positive and significant influence on competitive advantage.

To improve promises ethics as a part of competentitive advantage in higher education, it should make collaboration both national and international as well. In Indonesia, since 1999, the

National Committee on Corporate Governance (KNKCG) has issued guidance Good Corporate Governance (GCG) first and perfected in 2001. The principle of good corporate governance, namely: **Transparency, independence, accountability, responsibility, equality** and **fairness** .

1. **Transparency** ; The basic principle : to maintain objectivity in doing business, companies must provide material and relevant information in a way that is easily accessible and understood by stakeholders.
2. **Accountability** ; The basic principle: the company (including colleges) have to be accountable for its performance in a transparent and fair.
3. **Responsibility** ; The basic principle: the company (including colleges) have to comply with statutory regulations and fulfill its responsibility to society and the environment that can be maintained in the long-term sustainability of the business and gain recognition as a good corporate citizen.
4. **Independency** ; The basic principle : the company must be managed independently so that each organ of the company not dominate the other and can not be interfered with by other parties.
5. **Fairness** ; The basic principle: in carrying out its activities, the company must always consider the interests of shareholders and other stakeholders based on the principles of equality and fairness.

Application of the values of good corporate governance in higher education can be internalized into the college culture, so that it becomes a system that strengthen competitive advantage. The purpose of the policy of good corporate governance in higher education is that parties play a role in running the college management to understand and perform the functions and role of appropriate authority and responsibility. Parties whose role includes the Board of Trustees, the Board of Trustees, Senate, Rector and the Vice Rector, the Committee (if any), Bureau Chief, Dean and the Vice Dean, The Structural Officials, Faculty, Head of Unit and Employees.

5. Conclusion

Based on the explanation above, it can be concluded as follows ; Promises ethics in the context of service marketing service directly influence the competitive advantage (66.75 %). And to make more quality in organizing higher education, it should do any programs both nationally and internationally as well. The socio-cultural benefits, collaboration could be used to support the development efforts and the development of social and cultural values of the nation in the response to any form of threats, challenges, barriers, international interference, within the framework of the implementation of national development and also collaboration can be used to increase the role and image of the country in international forums and the relationship between the state and the confidence of the international community. To make collaboration, partnership and consortium also very important one to keep Promising Ethics in activities also can be used in higher education. Those are are external marketing, interactive marketing, and internal marketing. The concept shows a linkage group that work together to develop, promote and deliver services that are referred to as key actors.

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IMAGE ANALYSIS OF HINDU WOMAN

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Abstract

For Hindus, Sita Devi was a symbol of women intact, chaste, firm in suffering, always faithful, always pure in thought, word and deed, never uttered a negative word against her husband, Rama. For him the Hindu proverb "If you hurt someone, then you re-injure him, the wound first and second wound would not heal, but would add to the wound, and in turn add to the sleaze in this world", is a matter of life. When the girls were born in a Hindu family, the first prayer was: "Grow you as Devi Sita." If there are girls married off, a prayer for him: "Be thou Devi Sita." This is Jantra mantra, a prayer full of magical formulas, the Hindu for a women.

Keywords: Image, Women Hindu

1. Introduction

The world does not belong to men alone. The presence of women contribute to the world unique. With all the merits of women to color the world so that the world is becoming a world in balance. Indeed, the distinctness of each, men and women do not need to beat each other or even mutually exclusive but rather to co-exist and complement each other. With the uniqueness of each, should they feel proud and happy, because they can provide a valuable contribution to one another.

However, sayanglah that there are many among women who have not been aware of the actual image. There while women who want to sue him to become equal to men in all respects, without realizing the limitations kodratinya. There are also women who have difficulty finding their identity, because it follows the views of men. Many women have difficulty in finding a healthy image. They do not have a description of the personal self will they form.

Almost everything has changed in modern development. The emancipation of women swept like a flood, each wave brings new advances (or problems) that arise among the waves drowned it. Modern researchers studying women as they are, sebagaiman not been previously studied, and found that in every society, women are much more see himself in relation to others than do men. Even women emancipation persistent fighter, young and modern shows such tendencies. There is strong evidence that it does, to some extent, already a woman instinct. In a patriarchal system, women are educated to strengthen the instinct so while obviating the attitude to freely decide on their own. Women tend to focus on societal values (although almost always on a small scale), while men tend to focus on individual values.

History has proven that the Ramayana story always attracts millions of human beings from time to time in different countries. Stories or epic (epic) Ramayana has inspired artists, thinkers, politicians and clergy worldwide.

Furthermore, various versions flows from Valmiki's Ramayana Maharsi work. In India, in addition to the work of Valmiki also known as Tulsidas work with the title Ramacharit Manasa, Hindi literature, everyday language or national language of the Republic of India and this work is very popular among the public, in addition to others. In Indonesia, also known as a kakawin very old, the Old Javanese Ramayana kakawin drawn to the golden age of Hindu Central Java.

Kakawin very famous beauty is now scattered and stored neatly in homes Javanese literary art lovers else good shape and kakawin parwa like Bharatayuddha, Arjuna Wiwaha, and other in-depth attention to serve as role models for reflection and tokoh- Good figures.

Not only in the context of art, tradition and inspiration that have been submitted by the teachings contained in kakawin Ramayana, but also exemplary life Prabhu Dasaratha, Kausalya Goddess virtues, Sumitra, Trijata, Sita, Kakayi. To reveal the image of women contained in kakawin Ramayana, the Hindu community becomes a mirror of the woman behind the purpose of this writing.

2. Overview About *Citra* (image) of Women

2.1. Image Understanding Women

To understand the sense of the image of women in kakawin Ramayana, first discussed the sense of the word and the image of both lexical semantics. Said image is derived from Sanskrit, of uric cit word meaning conscious. This word turns into said Citta, Cinthya, images, and others. The word image means that interest, superior, excellent, which is disturbing, luminous, bright, and others (Williams, 1993: 396). In Indonesian, the word image means an image, appearance or figure (Poerwadarminta, 1976: 207).

Based on some of the above quote, it is the image of women in this paper are depictions of a woman, whether she is the ideal woman exemplary by the public or the woman whose reputation ugly ata because the behavior is not in accordance with the teachings of religion, morality and or decency. As mentioned in the background section, that the image of women in kakawin Ramayana is a reflection of the Hindu community perceptions about women. As understandable that, for the people of Bali are Hindu majority (more than 93% population of Hindus), believes that the teachings contained in the Ramayana that is part of Itihasa, believed to be a method for realizing the teachings of the Vedas.

Similarly, the image of the woman, then Hindus will always reflect and be guided by the scriptures of the Vedas and other Hindu literature.

2.2. Image Source Study of Women in Hinduism

Is the study of the sources of images of women in Hinduism? To discuss this in advance must be understood that the source of the highest teachings of Hinduism is the Vedic scriptures. As a Hindu religious scriptures and the teachings of the Vedas are believed to be guided by the Hindus as the sole source of guidance and information needed in everyday life or for a certain time. Believed to be the holy book because the nature of the content and the lower the (revealed) is the Lord of Almighty called Apauruseya. Whatever is revealed as his teachings to mankind is sacred teachings moreover, that it was giving instructions or teachings to live a holy life. As the scriptures, the Vedas are the source of the teachings of Hinduism because of Vedalah flow which is the truth of the teachings of Hinduism. Vedic teachings cited back and give vitality to the books of Hindu literature in later periods. From the Vedas (Sruti) flowed teachings and developed in the books Smriti, Itihasa, Puranas, tantric, Darsana and Tatwa-Tatwa we inherited in Indonesia.

Swami Sivananda, a great yogi in this modern century states: "Veda is the oldest book of the library of mankind. The truth contained in all religions originated from the Vedas and finally back to the Vedas. Veda is a source of religious teachings, the highest source of all religious literature, originated from the Almighty God, the Vedas was revealed at the beginning of the sense of time".

Veda contains teachings that provide safety in this world and in the hereafter. Veda guided actions of mankind from birth to the last breath. Vedic teachings not only as individual life guidance, but also in social life, state and nation.

How can a person or community should behave and act, individual tasks and general tasks as members of society, as well as how the clergy behaves, duties and obligations of the state or

government officials in carrying out their duties. All life guidance shown to us Samhita, Brahmana, Aranyaka and Upanishads, and described back in the books of Vedic literature or other Hindu literature.

Entire books mentioned above, in both Vedic and Vedic literature, both Sanskrit and Javanese can be studied as a source to explore images of women in Hinduism.

3. Image Analysis Women in Kakawin Ramayana

3.1. Grouping Type Women

Discuss grouping universal type of woman is also in line with the type or trends based on the nature or character. Sri Krsna in the holy book Bhagavadgita distinguish two tendencies present in the human beings themselves, the tendency divinity or Daivi Sampat, which causes people to be noble and tendency keraksasaan or asuri Sampat that causes those nasty character. The properties of noble are traits that leads a person to achieve happiness and deliverance (moksha), whereas the properties of an evil cause people bound by the shackles of misery, the cycle of birth and death, people are born with the properties of the giant, looking at the world without truth, without the principle of moral, without God, without coordination and only consisted of lust sheer heart is never satisfied to have possessions, kill his enemies with vile and satisfying lust with roads that are not permitted (Pendit, 1995: 389) ,

Based on the above description, the kind of woman by their nature or character can be divided into women who have a trait or tendency Daivi Sampat and women by nature or inclination asuri Sampat. The first type in kakawin Ramayana, among others, are represented by a depiction of the goddess properties Kausalya, Sumitra, Sita and Trijata, while the second type is represented by the properties of Kaikeyi and Surpanakha, in addition to other raksasi like Dakini (Kakawin Ramayana VIII, 5-6) and Vikataksini (Kakawin Ramayana VIII, 18-20).

3.2. Potential and Status of Women

In Manavadharmasastra (IX.33) stated that women according to Smriti is a land, men expressed as a seed, the results of the bodily remains of that life happens because through the relationship between soil and seed. Against the creation myths mentioned above give rise to two different interpretations. According to Kumari, the potential of women (symbolized by the land) is deemed to be creative and full of goodness, only if the potential that exists in harmony with man, when separated women with men it will cause harm and malice. In Hindu mythology, Goddess Kali role as a mother, not under the supervision of men, then the goddess Kali is a symbol of attractiveness that caused chaos and danger. In the mythical story explained that the Goddess Kali doing his victory dance after killing the demon great. In his rage, he killed and damage without control, even the gods can not stop it. When Lord Siva, who is none other than her husband was sent to suppress it, then he slumped at his feet, so that the world becomes safer. In this myth looks Kali is the power desdruktif if not controlled, but thanks to her husband's control, namely Siva, then he can ditundukkannya, therefore, with divine nature of women in Hinduism can only be obtained for those who are already married. Mating is the phase transformation of the form of harmful towards the beloved wife as a wealth and happiness.

According to Kumari who quote some poetry books Manavadharmasastra which ultimately concluded that women who protected men will fall into error, while Thampuran merely see the harmony of men and women when terjalin interaction and cooperation are good, without looking further weak point of women when alone, therefore Thampuran memndang woman in the same level

Thampuran interpretation further adjust the role of women in the development of the modern era. According to him, Hinduism is not a philosophical thought and religious practices are static systems. Hindu religious thought and practice changes and modifies itself in a period of history

since 5,000 years ago. During that period, some of the days there are times when the vitality of Hindu never subsided, but in the same moment not to miss Hinduism withdraw its totality in order to play an important role in the lives of Hindus. In addition, although the Hindu religion has a strong role on the life of his people, but the role is not in the form of exercises that have formal authority over institutions of social, political, and economic. This is because the Hindu religion has no legal structure and has no connection with the matters relating to the state. Religious authority in general there are two: (1) The power of influence of the thoughts in it, (2) The power and influence of the institution. Furthermore (Dahlan, 1992: 75), expressed the view Thampuran among others emphasize thoughts as interpretations of scripture besides the institutions that emerged in Hindu society, causing Hinduism trying to adjust to the atmosphere of the era, especially on women's affairs.

More about the potential and status of women, Oka (1992: 62) states that there is potential intellect that is so clear and sharp on someone or some woman, then the potential is there in all women, just manifestations of different rank, which is caused by "conditioning", opportunity and determination or willpower.

Panadangan of the above, if we examine the potential and status of women in kakawin Ramayana, it is clear that Kausalya, Sumitra, Kaikeyi, Sita and even Trijata (although otherwise he was a girl) have the potential when together and work together with men. Kausalya, Sumitra and Kaikeyi was the wife of Dasaratha, Sita is the wife of Rama and Trijata is the daughter of Vibhisana. The potential and status of each work the intertwined and Ramayana story goes that then give reflection to mankind throughout the world, particularly in India and in Indonesia and for the people of Bali.

3.3. Role of Women

Dahlan (1992: 76) discusses the various roles performed by women, among others: (1) Women in the household, (2) Women in the community with a variety of roles that can be done such as the executor of religious ceremonies, as a dancer, writer, a career woman, and others, (3) Women as mothers foundation of the state, (4) As a housewife. Besides, it also explained about the five types of mothers, namely: a mother who gave birth to (The Mother of the body), the mother cow (Mother cow that gives milk for our lives), Mother Earth (Mother Earth), the mother country (Mother Country), and mother Veda (Veda Mother).

More about the role of women, the role of women Wiratmadja divide into five types, namely: (1) The role of women as wives, husbands companion; (2) The role of women as mothers, educators and caregivers; (3) The role of women in the implementation of the religion, the main organization of religious ceremonies; (4) The role of women in public life, as a grower develop good values in the family and society; and (5) The role of women in development which highlights the active role of adult women as housewives or as a career woman.

Besides the study as mentioned above, the role of women is more emphasis on swadharmanya, the duties and responsibilities within the family, by Arwati described: (1) The role of the mother as a companion to her husband, (2) The role of the mother in the household, (3) The role of the mother as successor offspring, (4) The role of the mother as a child counselor, and (5) The role of the mother in organizing religious activities.

Based on various studies on women at the top, then if we further examine the role or image of women in kakawin Ramayana, it can be analyzed as follows: Kausalya, Sumitra and Kaikeyi was the wife of the emperor Dasaratha who once served as a wife, a companion a good husband, unless the wife Kaikeyi were regarded as poor, selfish resulting in wasted Rama, followed by his wife, namely Sita, and his half brother, the Admiral. Due to demand that Kaikeyi, Dasaratha Prabhu dirudung eventually died of grief. Kausalya and Sumitra can be seen as a good mother, educator and mother country, supervising the ideal society. Kausalya Special Goddess portrayed as a woman who diligently carry out religious ceremonies, prayer, praying and meditating. Dewi

confiscation portrayed as a woman who Patibrata, really loyal and honest and give good service to the father and mother-in-law, serving her husband Rama and guiding brother-Admiral. Sita apparently desired by the gods, because his words were emotional and spicy, and the vile accusations to Admiral cause suffering both for herself, her husband, in-laws and even entire reinforcements coming from Sugriva. Sita was praised as the ideal woman exemplary by the entire community and for the people of Bali, the example of the character in Ramayana kakawin always discussed, studied and imitated as well as a mirror for the people of Bali.

4. Conclusion

Although in times past teachings of the deity provides opportunities for women to self-actualization high potential, but with the history of a paternalistic culture that dominated human life, the women remained subordinate.

Now it is up to women themselves are able to learn the teachings of the holy returned in accordance with the conditions of the situation, the culture now that challenged progress in all fields. Women in some cultures associated with the condition of no power, does not have the power, and full of suffering, it turns to role model the history of women in times past, to train independence and creativity and perseverance and benevolence deep in the religious field, can achieve the highest level of sanctity that can Human achieved.

The nature of the woman who is full of motherhood, love, compassion and patience and wisdom can be directed to improve the conditions of a world filled with cruelty manhood. Provide a harmonious balance in the actualization of manhood and the nature of feminine and masculine woman or a challenge to get the culture that gives a happy future for all mankind. Only when a woman's self-actualization in full given the chance to develop, then the perfection of both sexes as a human being will be able to improve the welfare of the world of humankind.

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THE MEANING OF CULTURE ON ZONING SYSTEM IN PURI KABA-KABA, TABANAN, BALI

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Abstract

Buildings, like an individual, can also tell a lot about the future. Not verbally, but through history and architecture. Royal palace in Kaba-Kaba do not have a great story. Its existence is so small compared to the history of the formation of the system of government in Bali. However, the existence of Puri Kaba-Kaba, and activities that have occurred in them has a meaning that is so great for the area around it. The existence of royal palace was caused by the designation of Mengwi and Tabanan earning as a Rural Satellite (Manca Agung). Many buildings in Puri Kaba-Kaba have their own meanings (palebahan means zoning) contains a meaning that is very closely linked to the cultural and religious life of Hindu religion. To that required an in-depth study to find out the meanings that are stored behind zoning of Puri Kaba-Kaba, a symbol of power, the dignity of his time. The theory of "surface and deep structure" proposed by Noam Chomsky is used as a benchmark to get the meaning of culture on zoning system in Kaba-Kaba royal palace. The analysis showed that in the zoning of royal palace there is the concept of Tri Mandala on each palebahan and sanga mandala concept when seen as a whole zoning there.

Key words: culture meaning, puri, zoning system

1. Preliminary

Spatial management as a result of acculturation between culture and logic is reflected in the placement process of building positions. Basic culture is a factor of the prevailing custom in the community (Gelebet, 2002). Differences in topography of region into a review that considered by the community in the positioning of the building (Sahriyadi, 2011). Besides the function of the building is also influenced with positioning of buildings. The state of mountainous areas will vary with the state of the area around the beach. Although not much difference, but in terms of culture and customs, that require attention in terms of determining the study. For mountain areas, the position of the placement of the building where the cooking is made closer to the position of bedroom, even fused. This is done so that residents do not have to exit the building if it is to prepare the dishes, so that the cold weather is not interfere with the activity of cooking. Cultural factors are still valued by the culture elsewhere. Although in fact there are rules in the traditional Balinese architecture that is used to determine the position of the kitchen similar buildings. For logic aspect, placement of buildings require the study of logic that is true acceptable logic, without a mystical element. Such as the placement of the facade (small wall barrier). Shelter placed behind *kori* (the entrance area of the house) to provide privacy to the homeowners. The small wall built to block the view directly into the house from the road or outside the home environment.

Universally, the concept of Balinese natural elements are used as the framework of the runway in the logic of symbolic classification such as the conflict between the direction of sunrise to sunset, the contradiction between the mountains to the sea, and other elements that have the principle of contradiction (Gelebet, 1982). Thus, in many aspects of culture which relied to a conception includes guidelines or provisions in the traditional architecture called "*Asta Kosala Kosali*" and "*Asta Bhumi*".

As the implementation of cultural studies and logic needed an object that can represent history. Royal palace becomes the first choice, because in terms of community groups occupants (*ksatria* class), the royal palace holds a huge responsibility in the effort to preserve the culture of real. The real action can be started on obedience in carrying out the teachings of religion, obedience royal palace arrangement adapted to local cultural wisdom. In addition to these reasons, also due to the historical aspect, where royal palace building is a heritage buildings. Although there has been a reduction even to the reshuffle of the building in accordance with the growth family in royal palace. However, some rules which are still in use can be seen in the positioning of some of the buildings in royal palace.

Puri is a complex of buildings in the yard owned by the holder of the power of government in the region. In this case, the power holders is King (Nordholt, 2006). *Puri* is the seat of government in historical times in Bali. Royal palace society is a family group authority over certain territorial earning greater respect from the community (Nordholt, 2006). Power over the royal palace is the power that is calculated from people are still devoted to the royal palace, rather than on the area owned there. In addition to being the center of government behavior, the royal palace complex is also used as a community shelter. Thus, according to the function *Puri* has two roles. Because of the duality of the role, then the existing buildings in the royal palace is also not only for residential buildings, but also the building to do the work of government, such as *loji* (office). But with the development and changes in the system of government in Bali, the royal palace building changed into a family residential and functional building for religious ceremonies. Royal family is growing up, cause that also need more residential for family. Residential building needs space to do the construction.

Building diversity in a royal palace form a pattern that is very closely related to religion and culture, and therefore required a more in-depth study to identify and find the meaning behind zoning system in royal palace is a symbol of the dignity of the knight in Bali.

2. Condition of *Puri* Kaba-Kaba

Kaba-Kaba is the name of one of the villages located in the district of Kediri, Tabanan, Bali. Geographically, *Puri* Kaba-Kaba in the position coordinates between 8 ° 34'30 " - 8 ° 36'00" south latitude and 115 ° 07'30 " - 115 ° 09'00" East Longitude (RUTRK Tabanan, 2007). Countryside Kaba-Kaba is located in the tropics the climate type AW which is a type of seasonal tropical rain climate. Daily temperatures range between 15-26°C and the rainfall of 100-200 mm / month. Kaba-Kaba village is located at an altitude of 115 M from the sea, and kinds of slope is 0 to 3%. Referring to the review the soil maps published by research institutions Bogor, soil type in Tabanan district can be grouped into Regosol Grey, gray brown Andosol, latosols yellowish brown, gray brown litosol and alluvial.

Kaba-Kaba village used to be a kingdom that historically traces can still be seen clearly in the form of *Puri* Kaba-Kaba, which is still preserved to this day. In the book "The Spell Of Power" by Nordholt, we are told that the presence of *Puri* Kaba-Kaba are intimately associated with *Puri* Mengwi. King of Mengwi Agung Anom an Arya Belog from Kaba-Kaba. Agung Anom at the time of death, the throne was taken over by his son named Agung Anom Alangkajeng who is the son of a lower-caste woman. For 4 years, Agung Anom Alangkajeng struggle to be recognized power. Like his father, he was always on the move. From the year 1722 - 1726 he was constantly trying to expand the area of his authority so that he managed to secure recognition as a royal.

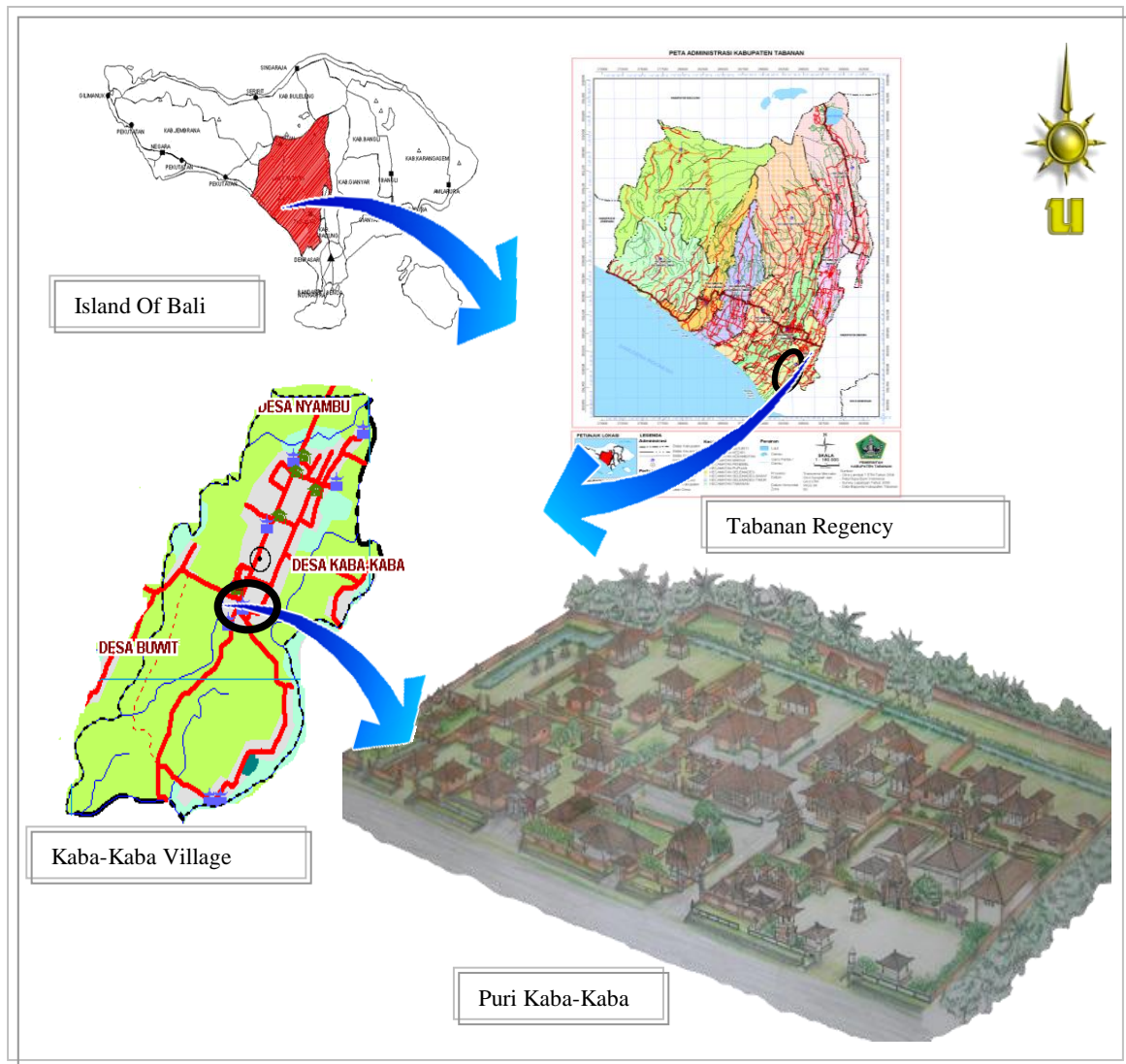
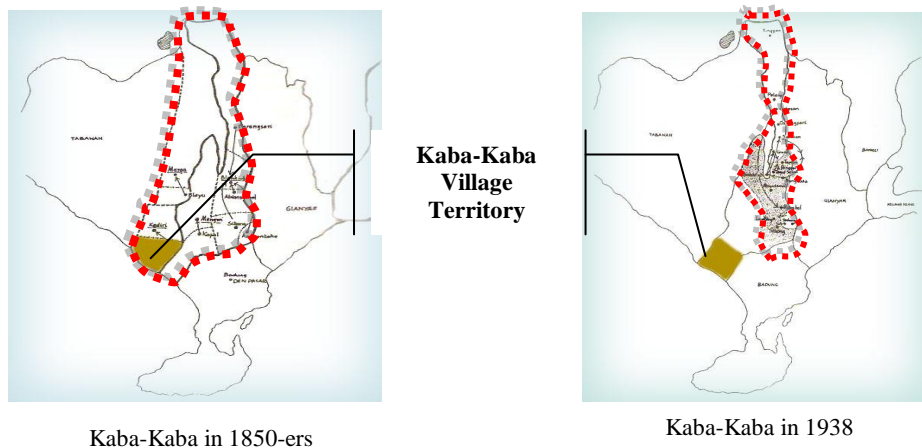


Figure 1. Kaba-Kaba Village and Location of *Puri* Kaba-Kaba
Source: RTRUK Kab.Tabanan, 2007

Since the government Agung Anom, the Kingdom of Mengwi always trying to conquer the Kaba-Kaba area, but never succeeded. Kaba-Kaba considered strategic because it has both large farms and a strategic bulwark against for kingdom of Badung. King of Mengwi only able to get a little bit area in Kaba-Kaba Village. Therefore, the relationship between Mengwi and Kaba-Kaba is parallel ruler, unlike a king relationship with *vassal* (important area in the royal palace). Formally, the ruler of Kaba-Kaba acknowledge the king as a person who has a level of power higher than himself, and when the fight he had to be on his side. One of the concessions made by the authorities Kaba-Kaba is that they allow the establishment of satellite for Mengwi kingdom in Kaba-Kaba region. Then *Puri* Kaba-Kaba become as Satellite (foreign of Mengwi kingdom) in the 1850s. To strengthen the alliance of King Mengwi with Kaba-Kaba, King Mengwi (Alangkajeng) take *Padmi* (wife) of Kaba-Kaba named Ayu Oka. Marriage is a preferred way to realize an alliance or a relationship of trust. *Padmi* position in *Puri* environment is very special and a son who will be born will be more important than a child of *penawing* or concubine of the king.

At the beginning of its formation in the 1850s, Kaba-Kaba still including with Kingdom of Mengwi. Until the restoration of the State in 1938 in Besakih, Kaba-Kaba then put in Tabanan.



Kaba-Kaba in 1850-ers

Kaba-Kaba in 1938

Figure 2. Growth of Kaba-Kaba village from 1850-1938

Source: *The Spell Of Power; Sejarah Politik Bali 1650-1940*

Puri Kaba-Kaba has some of *palebahan* (zone) as shown in Figure 3 below:

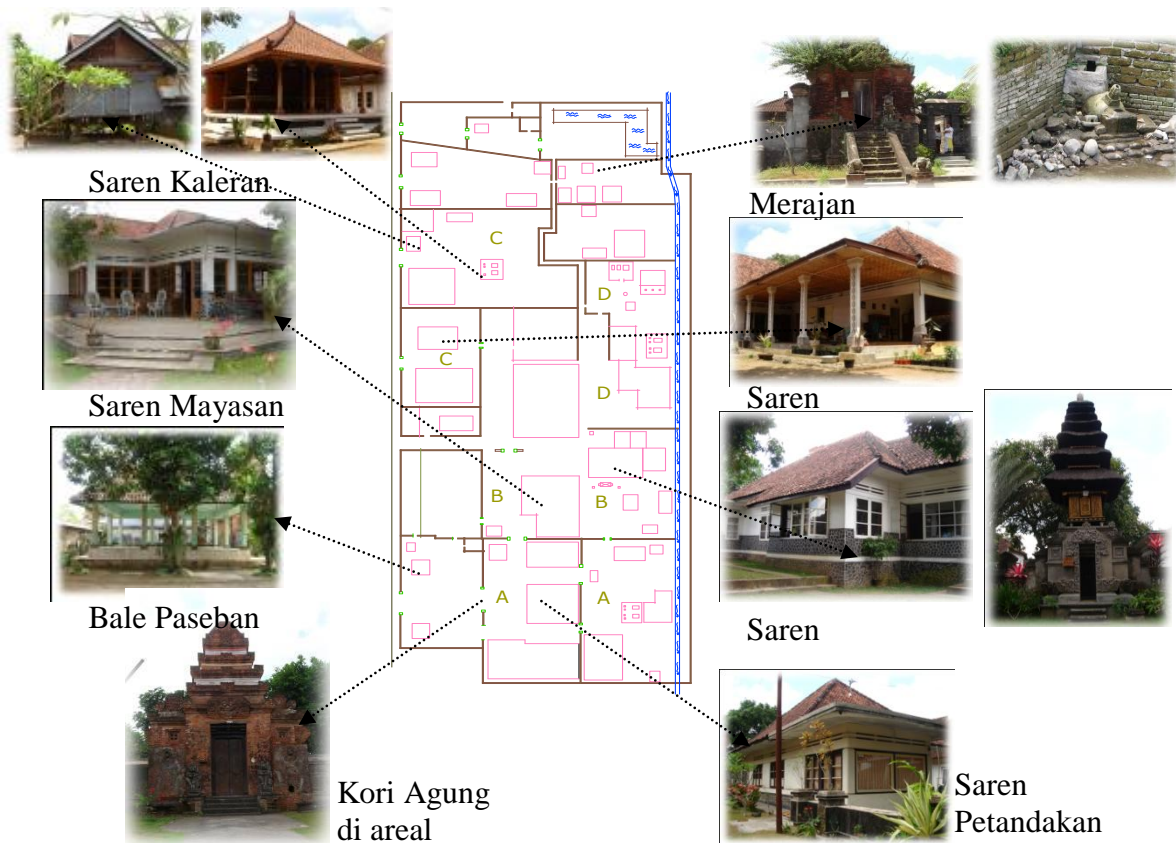


Figure 3. *Palebahan Puri Kaba-Kaba*

Source: Author, 2015

The concept of the nine levels (*sanga mandala*) determine the value of space in nine zones of the earth or zoning system footprint. Nine of these zones based upon the development of *Tri Angga* (head, body and foot in human body) conception of a linear pattern of sectoral guided also by the sense of direction of conception *catuspatha* (Artadi, 2015).

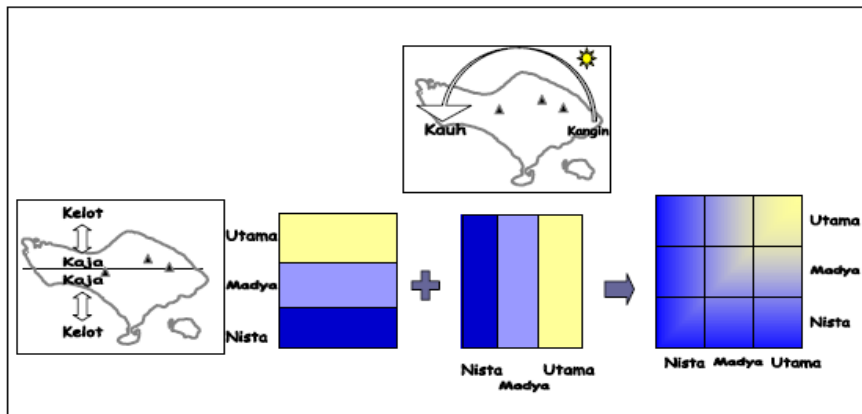


Figure 4. Sanga mandala concept in Balinese architecture

Tri Angga values the concept of primary, middle and harsh values in the direction of the axis of religion *kangin-kauh* / east-west as the direction of sunrise-sunset; and the direction of the Earth's axis *kaja-kelod* / mountain-sea, when assembled will form nine zones with levels of their respective values. Namely: main direction *utamaning utama* oriented for *kaja-kangin*, *madyaning madya* oriented for *tengah* (middle), *nistaning nista* oriented for *kelod-kauh*, *utamaning madya* oriented for *kaja* (north), *madyaning utama* oriented for *kangin* (east), *nistaning madya* oriented for *kelod* (south), *madyaning nista* oriented for *kauh* (west), *utamaning nista* oriented for *kaja-kauh*, and *nistaning utama* oriented for *kelod-kangin*. *Sangamandala* concept can also be said to be born from concept development to the center crosses *catuspatha* middle zone and four other zones are zones *kaja*, *kangin* zone, zone *kelod* and *kauh*. The next zone is the four corner castings corals from the great *pempatan*: *kaja-kangin*, *kelod-kangin*, *kelod-kauh*, and *kaja-kauh*. Of which there are nine zones so by giving her value system of each will be formed *sangamandala* well.

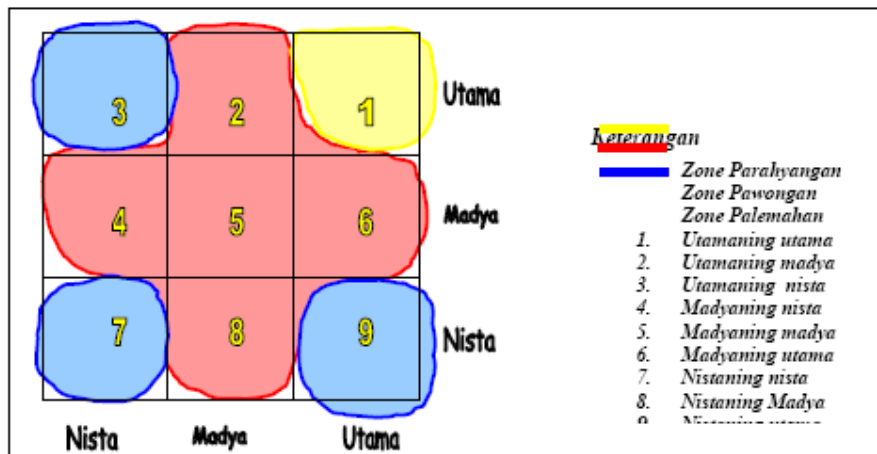


Figure 5. Name of zone in Balinese architecture according to *sanga mandala* concept

Pattern layout of the building mass in *Puri* (ꦥꦸꦂꦶ) are generally also follow the pattern of "*sanga mandala*", is terraced nine to take the measure on the main level, consists of: 1). *Ancak Saji*, is the first zone of the and serves to prepare for the people who would go to the king, 2). *Semanggen*, where the bodies and funerals, 3). *Pewaregan*, is a kitchen and supplies, 4). *Saren Kangin* as home for the king, 5). *Paseban*, is a place for judge, 6). *Rangki*, is place for meeting, 7). *Jaba sisi pemerajan agung*, 8). *Jaba tengah pemerajan agung* 9) *Jeroan pemerajan agung*, where the worship of God and the

ancestors. Ninth plot is surrounded by thick walls like a fortress and between plots of one another each contacted by a door (Artadi, 2015). Like we can see in figure number 6;

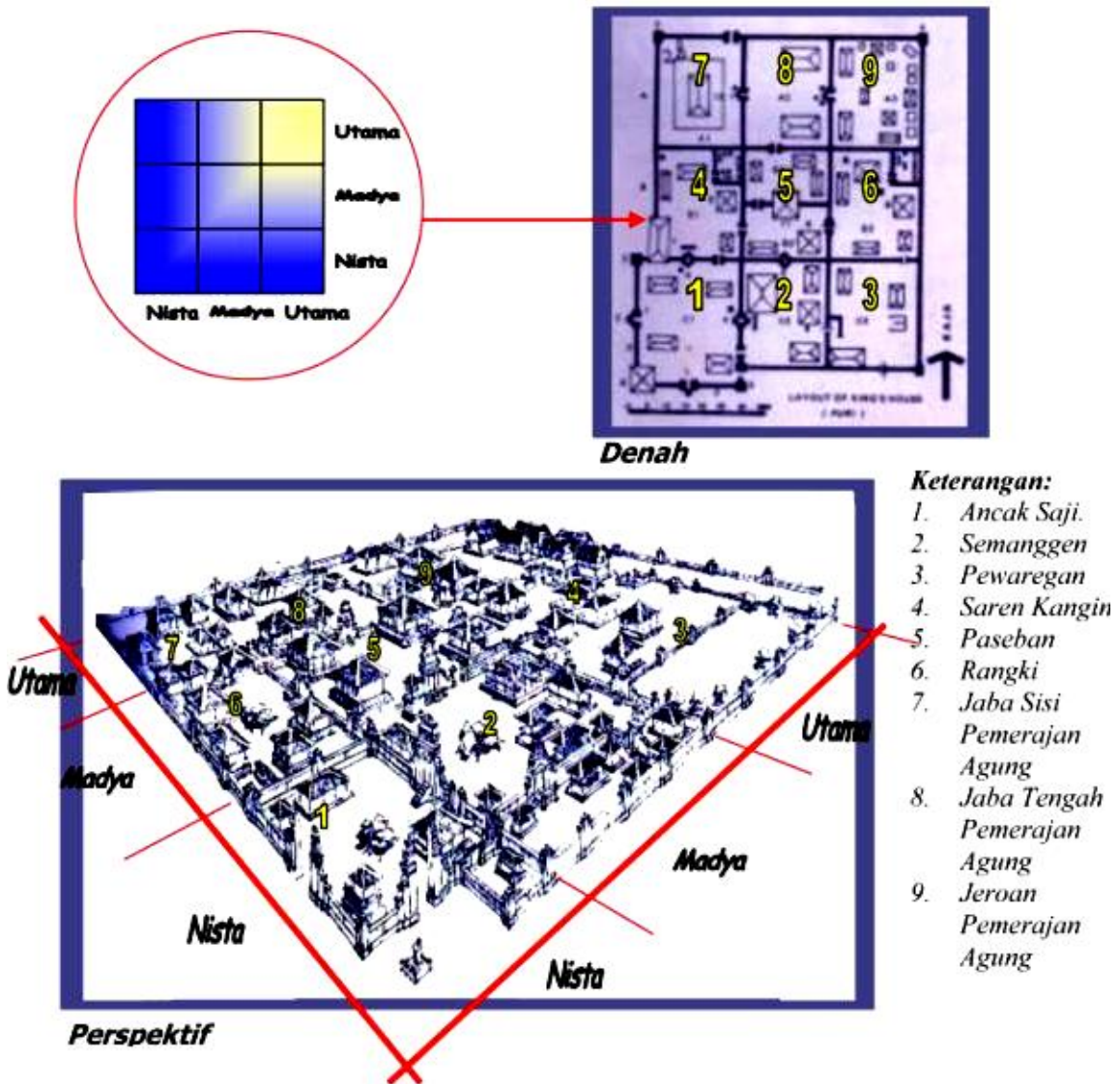


Figure 6. *Sanga mandala* concept for royal palace in Bali
 Source: *Kompendium sejarah arsitektur*

3. Implementation "Surface and Deep Structure" Theory on Zoning Building in Royal Palace Kaba-Kaba

Theory of the structure / arrangement proposed by Noam Chomsky surface and deep structure that is actually a theory of the linguist or so-called chomskian (generative grammar). However, because it has a broad meaning theory, this theory can be used in the world of architecture to examine or uncover meaning in architecture. Chomsky argued that the structure of the theoretical reasoning, in any grammatical analyzing an entity (in accordance with the basic grammar), there are two structures, namely: 1). Reviewing the structure of a sentence (something that can be seen, felt, measured, and palpable), known as surface structure. 2). Assessing the significance of a sentence (part of a sentence) that is commonly called the deep structure. Chomsky gives examples of two sentences as follows:

1. John is a friendly guy

S P O

2. Jhon is a person who is not friendly

S P O

If viewed from the surface structure, the two are the same sentence, which consists of a subject, predicate and object (surface structure). However, the sentence clearly has a different meaning when seen from the theory of deep structure. Friendly and unfriendly, very clearly is something different personalities. According to Chomsky, is the surface structure are the elements that make up the structure of the sentence, while the deep structure is an abstract structure that is not visible, which usually refers to the meaning of a speech, writing or any other sentence. Deep structure is the meaning of the background for the formation of the elements in the architecture of Bali. In this case it refers to the foundation philosophy of creation of architectural elements in the building.

If the zoning of royal palace then linked with the theory of surface structure and deep structure that zoning *Puri Kaba-Kaba* can be seen in Figure 7 below:

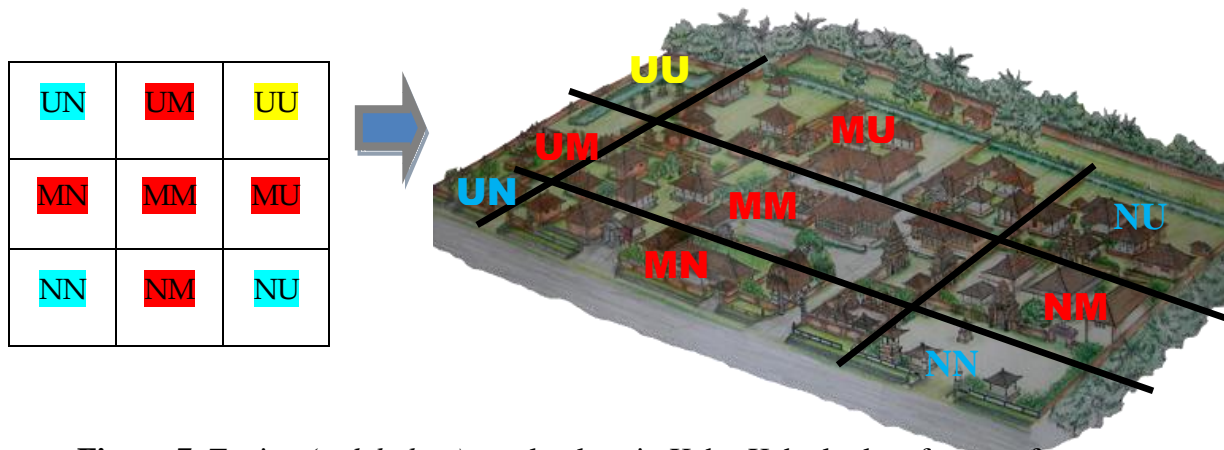


Figure 7. Zoning (*palebahan*) royal palace in Kaba-Kaba look at from surface structure theory

Surface structure elements contained in the *palebahan Puri Kaba-Kaba* in correlated with elements of its deep structure, it can be seen in Table 1 below:

Table 1. Relation of surface structure and deep structure theory in Royal Palace Kaba-Kaba

Values Zoning	The Name of <i>Palebahan</i> (zoning) in Royal Palace	Function	Locations in Figure 7	The Meaning on Culture
Utamaning Utama	Merajan Dadia	Holy place (parhyangan)	UU	Sacred
Utamaning Madya	Jaba tengah Merajan Dadia	Place for prepare ceremony	UM	Sacred
Utamaning Nista	Jaba sisi Merajan Dadia	A place of socialization among residents of the royal palace during the ceremony in <i>Merajan Dadia</i>	UN	<i>Nista/profane</i>
Madyaning Utama	Saren Kangin	The resting place of kings Kaba-Kaba	MU	Madya Mandala(palemahan)
Madyaning madya	Saren Tengah (Mayasan)	The resting place of royal family	MM	Madya Mandala(palemahan)
Madyaning Nista	Jaba Sisi Saren Mayasan	<i>Genok</i> location (royal granaly)	MN	Madya Mandala(palemahan)
Nistaning Utama	Saren Petandakan	Where the king received a royal guest	NU	<i>Nista/profane</i>
Nistaning Madya	Petandakan	Royal meeting place	NM	Madya Mandala(palemahan)
Nistaning Nista	Ancak Saji	Place the retainer kingdom (entrance to the royal palace)	NN	<i>Nista/profane</i>

Source: Author, 2015

Table 1 above illustrates that the main area occupies the most northern zone, which is an area filled with tranquility (place of worship of the family). The most fundamental thing to determine is the *utamaning utama* zone sunrise position and orientation of the majestic mountains as a symbol of virtue. Area middle meaningful as plains (*palemahan*) which serves as a residence. While the area *nista* (profane) tend to be placed at the lowest position in accordance with the direction of orientation of the sunset and to the sea. All the meanings set forth in the zoning is a form of implementation *Bhuana Agung* balance and *Bhuana alit*.

4. Conclusion

In the zoning system in royal palace of Kaba-Kaba are the cultural meanings embodied in the philosophy of *sanga mandala* concept that balancing of *bhuana agung* and *bhuana alit*. The main area occupies the most northern zone, which is an area filled with tranquility (place of worship of the family). The most fundamental thing to determine is the *utamaning utama* zone sunrise position and orientation of the majestic mountains as a symbol of virtue. Area middle meaningful as plains (*palemahan*) which serves as a residence. While the insult area (profane) tend to be placed at the lowest position in accordance with the direction of orientation of the sunset and to the sea. All the meanings set forth in the zoning is a form of implementation *Bhuana Agung* and *Bhuana alit*. This zoning is still maintained by descendants of royal palace family until today, as a form of respect for ancestors and tradition that has been inherited from generation to generation.

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STRATEGY OF BUSINESS MANAGEMENT AND AGRIBUSINESS SYSTEM OF BALI CATTLE BREEDING TO IMPROVE FARMERS INCOME

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Summary

A Survey was carried out using questionnaires as data collection tools in the Village Breeding Centres (VBC) at 5 regencies in Bali. These VBCs were supervised by Bali Cattle Breeding Centre (BPTU). Locations of this study were selected using purposive random sampling and respondents were selected by stratified random sampling. The respondents consisted of 90 farmers and 10 experts who were chosen from BPTU, Department of Livestock and Animal Health, and Udayana University. Quantitative and qualitative data were derived from primary and secondary data. The data were collected by interview using structured questionnaires, indepth interviews, observation, study of literature and documents. The data were analyzed using internal and external analysis, Strengths-Weaknesses-Opportunities-Threats (SWOT) analysis, Quantitative Strategic Planning Matrix (QSPM) analysis, and Interpretative Structural Modeling (ISM) analysis. The aims of this study were to find out the strategy of business manajemen and agribusiness system of Bali cattle breeding in order to improve farmers income. The results showed that eight strategies were found in bali cattle breeding consisted of improvement of calf quality by continous selection and breeding system, certification of selected calves, to built animal feed industry, improving Bali cattle breeding business efficiency, developing one village one product program, built a farmers cooperation, intensifying the extension program, and increasing farmer's entrepreneurship. The strategy of increasing the entrepreneurship spirit of the farmers was the first priority to create bali cattle breeding enterprise more efficient and improve farmers income. These strategies should be followed by cluster system in business of Bali cattle breeding which is supported by the Cluster Agribusiness Management Communication Forum (CAMCF) as facilitator in relationship between farmers and other industries and institutions in the cluster with other industries and institutions in the cluster.

Keywords: strategy, agribusiness system, bali cattle breeding, farmer's income.

1. Introduction

Business growth of Bali cattle breeding in Bali is still very low. An average number of cows kept by farmers in Bali and Village Breeding Centre of BPTU averaged between 1-6 cows per farmer. The farmers kept their cows with simple management well coordination and implementation of breeding program which is consist of selection, culling and replacement of the cattle. Breeding program needs a large number of cattle to be managed in order to apply selection , culling, and replacement of the cattle. According to UU No. 18 in 2009, animal seed stock must have superior genetik potential to inherited and have specific requirements as breed stock.

With this Bali cattle management system in Bali and more specifically in VBC at present, it might be hard to improve income of the farmers. Therefore to enhance business of Bali Cattle breeding and increase farmers, paradigm of Bali cattle breeding should be changed to be a comprehensive agribusiness system. The business should be managed in a holistic manner which is more advance, efficient, resilient, and satisfy market demand in term of its continuous quantity and quality (Department of Agriculture, 2001). On farm business which is struggling in production sectors only might not increase the farmers income and their welfare (Suparta, et al.

2010). Based on the above background, it is necessary to study the strategy of management business and agribusiness systems of Bali cattle breeding to improve farmers income in Bali.

The results of this study hopefully could provide an appropriate information on business strategy and agribusiness system for breeding Bali cattle in Bali, and supported the local government of Bali in formulating an appropriate policy accelerating the growth of Bali cattle population and finally increase the income of the farmers.

2. Research Methods

Village Breeding Centres which were supervised by Bali Cattle Breeding Center (BPTU), from June to October 2013. A survey using mixed qualitative and quantitative methods was carried out in this study was used in collecting data in economic analysis of Bali cattle breeding business in Bali.

Fifty group of cattle farmers in five regencies of Bali were supervised by BPTU up to 2012. Respondents of this survey were determined by stratified random sampling method. The respondents were stratified into three strata namely: group leader and secretaries (strata 1), other officials (strata 2), and members (strata 3). Samples were taken at random from each stratum. Under these provisions, there is 90 respondents are chosen.

Internal and external factors were evaluated from tabulated data as matrix Internal Factor Evaluation (IFE), External Factor Evaluation (EFE), and Internal and External (IE) to answer the objective of the research. The importance level of each factor was determined by Paired Comparison method (Kinnear and Taylor, 1996). Each factor was rated from 1-4 by the formula $A_i = X_i / \sum X_i$. The internal factors were 1 (major weaknesses), 2 (minor weaknesses), 3 (minor strength), and 4 (major strength) while the external factors were 1 (poor), 2 (average), 3 (above average), and 4 (superior). Strategic alternatives were analyzed using SWOT analysis (strengths weaknesses opportunities and threats) (Rangkuti, 2002); Quantitative Strategic Planning Matrix (QSPM) were used in determining of the strategy (David, 2002); and agribusiness cluster model was determined by Interpretative Structural Modeling (ISM) (Eriyatno, 1999).

3. Results and Discussion

The IE matrix shows that the values of IFE and EFE were 2.39 and 3.03 respectively if that the cluster breeding business in the VBC felt in the second cell which was categorized as grew and supervised (Figure 1). According to David (2002) the appropriate strategy for in the second cell is an intensive strategy (market penetration, market development, and product development) or integrative strategies (backward integration, forward integration, and horizontal integration). This business should conduct an evaluation in its market approach which has been done so far.

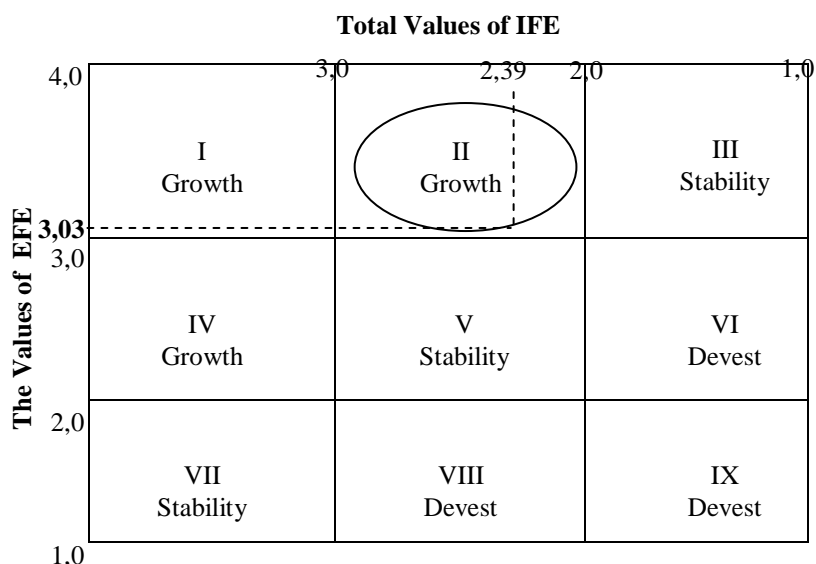


Figure 1. External and Internal Matrix

Bali cattle breeding businesses are in industries with rapid market growth. However, farmers do not have the ability to enter the market and compete effectively, so that the necessary remediation attempts the market approach and the increasing competitiveness of farmers. Intensive strategy is the main option that can be used in an effort to increase income of farmers and improve the growth and sustainability of the business. The company is located on the second cell can create a strategy that aims to expand the market, production facilities, and technology through internal development and acquisition or joint ventures with other companies in the same industry (Rangkuti, 1997).

Based on the results of the SWOT analysis has been done, it could be formulated eight strategies in Business of Bali cattle breeding in order to increase the income of farmers as follows:

1. Calves clasification and certification

Classification calves followed by are needed to improve the quality of livestock and their price. Business of cattle breeding may produced three clasification of calves i.e: foundation stock, parent stock and commercial stock which has different price in the market. Classification of the product and might be followed by certification could be expected in increasing the profit margin of the business and motivated the farmers to keep the breeding cows.

2. Buliding animal feed industry

Availability of animal feed throughout the year is important in running cattle breeding business, because of 60-70% of invorenment consist of feed which influence cattle performance. Decreasing of land as forage resources of the human settlement and other purpose, feed industry particularry in processing agricultural waste is needed. This industry might produce more efficient feed for cattle production. This industri might help the farmers in provding animal feed with lower price besides grass and other forage as usual feed they give to their animal.

3. Improving efficiency of Bali cattle breeding business

There are several factors may improve the efficiency of cattle breeding businesses, uch as: increasing the number of cows be kept, application of new livestock reproductive technologies, and improve the management of livestock marketing.

4. Improving of calf quality by continous selection and breeding system

Continues selection and breeding in cattle population could improved calves quality. However farmers in Bali kept a small number of cows (1-6 cows per farmer). Therefore, local government should in volve in Bali cattle breeding program because this program is imposible to

be run by the farmers. The local government thought *BPTU* produce seed stock and distribute them to the farmers with contract system with any other agreements. By this program, the seed stock could be developed traditionally by farmers in the village. The better genetic cattle may increase their price and the farmer income.

5. Implementing one village one product program

A number of farmers in one village could organized themselves as a group of farmers who keep Bali cows for breeding purposes. If every farmers keep an average of two cows, so the organization of 50 farmers in the village manage 100 cows for breeding. The organization could manage genetic improvement of their cattle population through selection, culling, replacement and breeding continuously. The village will produce seed stock with improve genetic potential and their price might be better than the previous calves.

6. Building a farmers cooperation

Cooperation of cattle breeders is important since this organization could organized the farmers need such as feed supplement, vaccine, medicine, marketing the product (calves), discussing new technology, etc.

7. Intensifying the extension program

The objectives of livestock extension program are to introduce new innovations to farmers, motivate the farmers to implement the innovations and any other information and tasks to solve the problems in the field particularly related to cattle breeding management.

8. Increasing the entrepreneurship of the farmers

Entrepreneurship is a creative and innovative capabilities to look for opportunities to be success. The essence of entrepreneurship is the ability to create something new and different through creative thinking and innovative action to create market opportunities, as well as the courage the challenges and risks that may be faced in order to seize the opportunities (Suryana, 2003). Entrepreneurial training was intended to improve the ethos and spirit of farmers entrepreneurship in managing their superior potency, as well as to develop and improve their business either individually or in groups.

Based on QSPM analysis, the first priority was increasing the entrepreneurial spirit of the farmers; followed by implementing one village one product program; calves classification and certification; improving efficiency of Bali cattle breeding business; intensifying the extension programs; 6) building a farmers cooperation; 7) improving of calf quality by continuous selection and breeding system; and 8) building animal feed industry.

4. Agribusiness Cluster Model of Bali Cattle Breeding

Increasing of farmers income could not be done by improving one sector only but should be organized in overall agribusiness system of Bali cattle breeding. This system should include on farm and off farm activities, livestock feed industries, supporting agencies (government, private and independent institutions) which merge into one cluster of Bali cattle breeding program.

The strengthening of linkage between elements in intra and inter sectoral are essential to enhance the growth of business and increase farmers income of cattle breeders.

A cluster model of Bali cattle breeding suggested in this study is shown in Figure 2. The model shows a complex linkages between upstream, middle stream (on farm), down stream industries and supporting institutions Krova, et.al. (2013) and Udayana (2010) also reported that agribusiness cluster was really very complex with many stakeholders involved in it. Farmers as cattle breeders in the central of the cluster should have the spirit of

entrepreneurship in business of cattle breeding. However nowadays Balinese farmers still lack of this spirit. Consequently, all institutions in the cluster should support the farmers in developing their business.

It could be concluded that there were eight strategies in managing business of Bali cattle breeding include increasing the entrepreneurship spirit of the farmers, developing one village one

product, selection and certification of calves, improvement of business efficiency, increasing the extension program, building farmers cooperation, improvement of calves quality through continuous selection and breeding program and building animal feed industry, and intensifying a cluster system in business of Bali cattle breeding in order to improve farmers income in Bali.

5. Acknowledgement

The authors would like to thank the farmers of the Village Breeding Centre for their cooperation during the survey. Our grateful acknowledgement to the respondents from Bali Cattle Breeding Centre (*BPTU*), Department of Livestock and Animal Health, and Udayana University for their cooperation, information and suggestion, during the research.

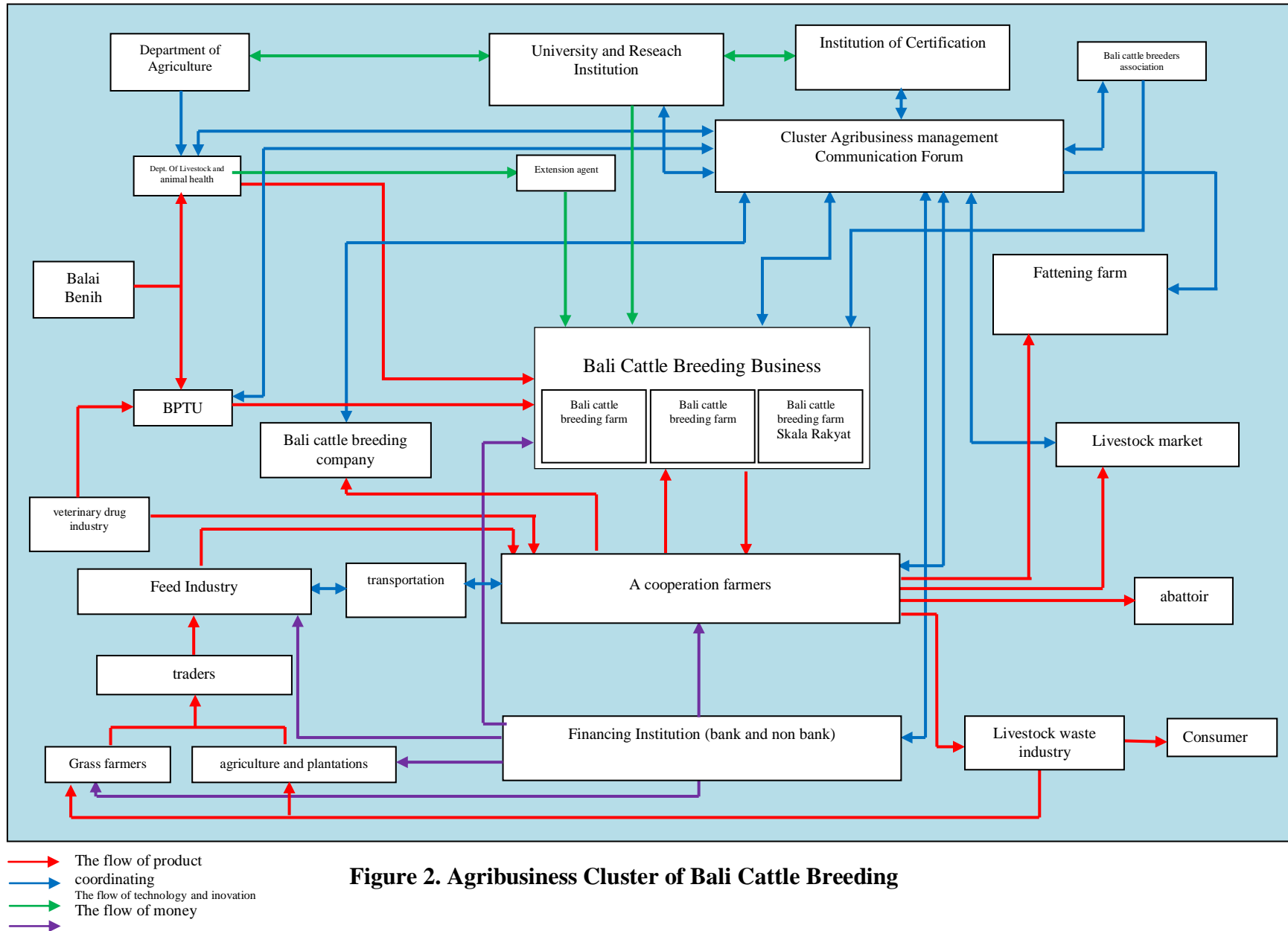


Figure 2. Agribusiness Cluster of Bali Cattle Breeding

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THE INFLUENCE OF LOCAL GOVERNMENT FINANCIAL ACCOUNTING SYSTEM AND FINANCIAL ADMINISTRATION UNDERSTANDING TOWARD THE REGIONAL WORKING UNITS (SKPD) PERFORMANCE (CASE STUDY ON THE GOVERNMENT OF EAST LOMBOK REGENCY)

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Abstract

This research was conducted on the basis of the audit results of Supreme Audit Agency of the Republic of Indonesia (BPK-RI) on the financial statements of the Government of East Lombok Regency which obtained qualified opinion since 2008 to 2012. This is partly due to the lack quality of the performance of the government of East Lombok associated with weakness in accounting controls and reporting systems. This reporting is related to the area of local government financial accounting systems and financial administration area. The objective of this study is to examine the influence of officer understanding on financial accounting systems and financial administration toward the performance of Regional Working Units (SKPD) of the Government of East Lombok Regency. The population in this study is all agency officials in East Lombok Regency. The sample of this study is the local government finance administration officer and its staffs, which in total consisted of 122 people. Data in this study were collected through the distribution of questionnaire to the respondent determined based on purposive sampling. Hypothesis testing based on multiple regression analysis showed that the officer understanding on the local government financial accounting system has no significant influence toward the performance of SKPD, while officer understanding on the financial administration has significant and positive influence toward the performance of SKPD.

Keywords: financial accounting sistem, financial administration, performance of regional working unit

1. Introduction

The success of a local government could not be separated from the role undertaken by government officials. The success is largely determined by the performance of officials who run the government. According to the Regulation No. 21/2011, performance is the output or result of the activities/programs that will be or have been achieved concerning to the use of the budget, with a measured quantity and quality. The performance of government officials can be measured in terms of how financial management is executed. Financial management of local government is set in a variety of regulations including Regulation No. 58/2005 and Regulation No. 13/2006 which has been transformed into Regulation No. 21/2011 regarding Local Government Financial Management Guidelines. The regulation states that financial management is closely related to how the financial accounting systems and financial administration of local government should be run. In addition, the accounting system and financial administration of local government are part of the internal processes of government agencies in which an assessment of the organization internal processes effectiveness is one aspect of organizational performance

The government financial accounting system includes a series of processes or procedures in terms of budget accountability, which starts from recording, classifying, and summarizing transactions and/or financial events and financial reporting (Darise, 2008: 41). The accounting system process should be preceded by a good understanding on the accounting system by those who run it, which ultimately help determine the performance of the organization. Ruth (2012) and Nugroho (2013) suggested that an understanding of local financial accounting systems has affect

the performance of the regional working unit. However, study by Sari et al (2013) suggested otherwise that understanding the local government financial accounting system does not affect the performance of financial management in local government agencies.

Another part of the local government financial management is the local government financial administration. Financial administration of local government is a series of technical activities of recording, storage, and deposit of revenues, expenditures, financing, assets and liabilities. Since accounting system understanding by the local finance officials is important, a good grasp on the financial administration of the passage area becomes the basis of the financial administration process and help determine the performance of the organization. Accountability of the organization's performance is determined by the running series of events of recording, storage and transfer of rights and obligations of the organization. Ruth (2012) and Sari et al (2013) showed that the understanding of local government financial administration has positive influence on the performance of local government financial management.

The government of East Lombok regency is one of the regent administrations in West Nusa Tenggara Province. This regent still has many shortcomings especially in terms of local government financial administration, which influence the financial statements prepared. In accordance with the Examination Results Summary of First Half Year 2013 (IHPS 2013), East Lombok regency has obtained audit opinion of Fair With Exception (WDP) from the Supreme Audit Agency (BPK) for 5 consecutive years, from the years 2008 to 2012. According to the IHPS 2013, East Lombok Government obtained WDP opinion is caused by two things: the weakness of internal control systems and non-compliance with statutory provisions. The weakness of the internal control system includes three aspects, namely the weakness of the control system of accounting and reporting, the weakness of the control system of the revenue and expenditure budget implementation, and the weakness of the internal control structure.

The phenomena as described before has motivate authors to further examine the effect of local government financial accounting systems and financial administration understanding to performance of regional working units in East Lombok Regency. The research problem proposed in this study is "whether the understanding of local government financial accounting systems and financial administration has positive effect on the performance of Regional Working Units in East Lombok Regency Government"

2. Literature Review and Hypotheses Development

2.1. Literature Review

2.1.1. Previous Studies

A study by Ruth (2012) showed that the effect of the understanding on local government financial accounting system, financial administration and asset management have influence on the Regional Working Units' (SKPD) performance. The sample in this study is the proxy of budget users, activities technical implementation officials (PPTK), and Commitment Making Official (PPK-SKPD). Sari et al (2013) conducted a study on the influence of understanding of the local government accounting system and financial administration on the performance of financial administrator. The sample is 52 financial management bureau staff. The results showed that the understanding of the accounting system has no influence on the performance of financial administrator, while understanding of the financial administration was found to have positive influence on the performance of financial administrator. Nugroho (2013) who studied the influence of supervision, understanding the financial accounting system and financial management on the performance of the regional working units showed that all independent variables affect the dependent variable.

2.1.2. Regional Working Units (SKPD) Performance

Performance is one factor that can determine the success of an organization or institution in achieving the desired objectives. Performance is defined as how a person or institution in doing the work and results of the work, which involves about what the job is and how to do the job. Performance is a multidimensional construct and its measurement also varies depending on the complexity of the factors that make up the performance (Mahmudi, 2005: 6). According to Munir (2003: 57) there are some aspects of performance measurement including the financial aspects, customer satisfaction, internal business operations, employee satisfaction, community and stakeholder satisfaction and time.

The purpose of local government performance measurement is to motivate local governments to improve its performance, especially in the realization of good governance and to provide public services. In the context of local government organizations, SKPD performance measurement conducted to assess SKPD in performing basic tasks and functions delegated for a certain period. SKPD performance measurement is a form of vertical accountability, which evaluating the performance of subordinates by their superiors, and as a government horizontal accountability material to the public on the mandate given by the public.

2.1.3. Understanding of Local Government Financial Accounting System and Financial Administration

Local government financial accounting is the process of identifying, measuring, recording, and reporting of economic transactions (financial) of local government entities (counties, cities, or provinces), which are used as information in the context of economic decision making required by external parties of local government entities (Halim, 2013: 43). Meanwhile, local government financial accounting system is a set of procedures ranging from data collection, recording, summarizing, to financial reporting in the context of accountability of the budget that can be done manually or by computer applications (Regulation No. 59/2007). The end result is the local government financial statements which is the accountability report of local government. Local government financial accounting system is an instrument that is used to run internal financial operations of the government. Both of these concepts are the measure of performance.

The financial administration of local government is the administration on the income, expenditure, financing, assets and liabilities of the local government with various regulations, procedures, and other (Sari et al, 2013). As determined by the Head of SKPD, the financial administration at each SKPD is carried out by the Commitment Making Official (PPK-SKPD). PPK-SKPD is carried out by head of sub financial and whenever the organization did not have one, then an official who will carry out these functions could be appointed.

The understanding of financial administrator on the local government financial accounting system is defined as their understanding of the series of procedures in the accounting system. While the understanding on the financial administration is defined as their understanding of a series of technical activities of recording, storing, depositing on revenue, expenditure, assets and liabilities, which are the responsibility of the SKPD. A good understanding of the accounting system and financial administration will have an impact on the performance of SKPD, both in terms of internal processes and accountability of financial reports.

2.2. Hypotheses Development

The local government financial accounting systems and financial accounting administration are two concepts that are closely related to one another. Included in financial accounting administration are the management of income, expenditure, financing, assets and liabilities. Financial accounting administration is one part of financial accounting system, which is the recording procedure. PPK-SKPD assisted by revenue and expenditure treasurer shall administer the process that began with the activities of recording, preserving, deposit, spend

income or expenditures that are within the administration of SKPD. The recording is conducted through a series of specific documents that have been predetermined.

Assessment of the effectiveness and adherence to accounting systems, as well as the validity of documents produced from the financial administration, can be used as a basis for assessing an organization's internal processes. A good understanding on accounting system and financial administration by officials, who manage local government finance, will have an impact on the effective and valid technical implementation of the procedures (system) of local government accounting and finance administration. An effective and valid implementation of accounting procedures and financial administration procedures will have an impact on the internal operations of the organization. Internal operation of the organization is one measure of organizational performance. Thus, good understanding of accounting systems and financial administration will improve organizational performance. Therefore, we proposed two hypotheses on this matter, which are:

H1: Understanding on the local government accounting system positively affects the performance of SKPD.

H2: Understanding on the local government financial administration positively affects the performance of SKPD.

3. Research Methods

3.1. Respondent and Data Collection

The population of this study is the entire financial administrator of local government in East Lombok. The sample is determined by purposive sampling technique with certain deliberation (Sugiyono, 2008: 122). The criteria to determine the respondent including in the sample of this study is those directly involved in the financial administration of SKPD, which is Commitment Making Official (PPK) and their staff of all SKPD in East Lombok Regency. Based on these criteria, the study obtained 147 respondents to be included as the sample of the study. Data were obtained through the distribution of questionnaires, which is measured by ordinal scale based on 4 points Likert scale. From 147 questionnaires distributed, there were only 122 questionnaires returned and processed or in other word the rate return is only 82.9%.

3.2. Operational Definition and Questionnaire Development

a. SKPD Performance

SKPD performance (PERFORMANCE) is measured by the result achieved by each SKPD assessed based on their planning, coordination, assessment, coaching and supervision of employees at the SKPD. This measurement of SKPD performance was adopted from Ruth (2012), who measured performance with four indicators, namely: planning, organizing, evaluation and supervision. There were 7 (seven) questions addressed in the questionnaire for this variables.

b. Understanding of Local Government Financial Accounting System

Understanding of the local government financial accounting system (PSAKD) is the understanding of the accounting system implementation of cash receipts and payments and fixed asset accounting at SKPD. The questionnaire is developed based on the principles and procedures in the local government financial accounting system as stated in Regulation No. 13/2006. The indicator used is the understanding of the accounting systems and procedures for cash receipts, cash disbursements and fixed assets. There were 12 (twelve) questions addressed in the questionnaires for this variable.

c. Understanding of Local Government Financial Administration

Understanding of the local government financial administration (PPKD) is an understanding of the administration on the income, expenditure, financing, asset/wealth

and liability with various provisions of the procedures, documents and others to provide good management of local finance (Sari et al, 2013). The questionnaire is developed based on the principles and procedures as stated in the Regulation No. 13/2006 and Government Regulation No. 58/2005. The indicator used is the scope of the financial administration of the region; duties and authority of the PPK-SKPD; and the documents administration. There were 7 (seven) questions addressed in the questionnaire for this variables.

3.3. Data Analysis

Validity and reliability test of the questionnaire were performed before the questionnaires were given to respondents. Validity test was performed by using product moment correlation by comparing r-table and r-count. Meanwhile the reliability test was performed by Cronbach alpha statistic test.

Data were analyzed by multiple linear regression analysis. The value of adjusted R-square is used to assess the goodness of fit, while the acceptance or rejection of the hypothesis was based on the comparison of t-table and t-count.

4. Result Analysis and Interpretation

4.1. Validity and Reliability Test

Validity test showed that the r-count > r-table on all question of the three variables. The r-table of 0.149 shows that the questionnaire can be used to measure the variables studied. While the reliability test results showed the Cronbach alpha values > 0.6 for all variables. Thus it can be said that all of the questions are good indicator of the study variables. The following table shows the results of validity and reliability test.

Table 1. Validity and Reliability Test Results

No	Variable	Validity Test		Reliability Test	
		Correlation	Conclusion	<i>Cronbach Alpha</i>	Conclusion
1	Performance	0.523 - 0.750	Valid	0.739	Reliable
2	PSAKD	0.397 - 0.725	Valid	0.823	Reliable
3	PPKD	0.590 - 0.724	Valid	0.762	Reliable

4.2. Descriptive Statistics

The following table shows the result of descriptive statistics of the data obtained for the study.

Table 2. Descriptive Statistics

Variable	Min	Max	Mean	Std. Deviation
PSAKD	27	47	37,11	3,47
PPKD	17	28	22,03	2,09
Performance	14	28	23,86	2,88

Based on the table above, it is known that the lowest score of the respondents' answers for the PSAKD variable was 27 and the highest score was 47, so that the mean for the total number of respondents was 37.11. It shows that in average, respondent were having understanding on the local government financial accounting system. As for the PPKD variable, the lowest score was 17 and the highest score was 28, with an average value of 22.03. It shows that in average, respondents were having some understanding on the local government financial administration. Meanwhile, the lowest score of Performance variables was 14 and the highest score was 28 with an average of 23.86. It indicates that the SKPD performance is quite good or in above average level. Thus, the conclusions that could be drawn from the respondent's answers were the SKPD performance, understanding of the accounting system and financial administration of the region is at currently at the medium level.

4.3. Coefficient of Determination and Hypothesis Test

The coefficient of determination, as measured by square R-value, showed the value of 21.2%, which means that the 21.2% variability of SKPD performance could only be explained by the variable PSAKD and PPKD while the rest (78.8%) is explained by other variables not included in this study.

The results of hypothesis testing are shown in the following table.

Table 3. Hypotheses Result

Variable	t-count	t-table	Significance	Conclusion
PSAKD	0,913	1,979	0,363	Ha rejected
PPKD	3,157	1,979	0,002	Ha accepted

The test results showed that PSAKD has no influence on the performance of SKPD. This is indicated by the value of t-count, which is smaller than t-table and a level of significance > 0.05 . Meanwhile the PPKD variable were found to have influence on SKPD performance as indicated by the value of t-count, which is larger than t-table and a level of significance < 0.05 .

4.4. Result Interpretation

The result for the first hypothesis shows that understanding of the region's financial accounting systems has no positive influence on the performance of SKPD. This means that the sample used in this study is not strong enough to provide evidence for the hypothesis proposed. This result was different from the study conducted by Ruth (2012) and Nugroho (2013), but in line with the study results conducted by Sari et al (2013).

The result for the second hypothesis shows that understanding of the local government financial administration positively affects the performance of SKPD. Included in the local government financial administration were the management of revenues, expenditures, financing, assets and liabilities of the organization. Administration is part of the internal business processes and internal business processes is one of the performance indicators. Thus, a good understanding

of the local government financial administration will result in the increased organizational performance. Result of this study is consistent with the results of Sari et al (2013) and Ruth (2012).

An assessment of respondents' answers on the two independent variables can explain the rejection of the first hypothesis and the acceptance of the second hypothesis. Understanding of financial accounting system is composed of 12 (twelve-point questions). Respondent's answer to question number 3, 4, and 11 showed that most respondents did not answer correctly. Although the measurement of the variables is based on the Likert scale (strongly disagree, disagree, agree and strongly agree), the questions posed based on the principles and procedures so that their response to technical regulations can be assessed by the answers given. These results indicate that there are some parts of the accounting system that is not understood by the financial administrator. However, this result is different with the respondents' answers to the question for the local government financial administration. The whole questions in understanding the financial administration were answered correctly by most respondents.

5. Conclusion, Limitation, and Suggestion

5.1. Conclusion

Based on the results of the study, it can be concluded that the understanding of financial accounting system variable has no influence on the performance of SKPD in East Lombok. However, understanding of the financial administration variable was found to have positive influence on the SKPD performance of East Lombok regency.

5.2. Limitation and Suggestion

Limitations of this study lie in two things: the questionnaire used in this study and the scale of variables measurement. Although the questionnaire has adopted the principles and procedures in the Regulation No. 13/2006 and Government Regulation No. 58/2005, it only covers a small part of the regulation. Further research can develop a more complete questionnaire based on both regulations. The second limitation is that the study uses ordinal scale to measure the independent variables. Future studies may use interval scale to measure the understanding variables.

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**THE LIVELIHOOD STRATEGY OF DRY LAND FARMERS A CASE STUDY OF
AGROFORESTRY COMMUNITIES IN BATUDULANG VILLAGE, SUMBAWA
DISTRICT, NUSA TENGGARA BARAT PROVINCE, INDONESIA**

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Abstract

The provision of wealthy livelihood opportunities is important and strategic for households and equitable development purposes in every country, including in Indonesia. This needs effective and efficient programs, particularly for those living at the bottom of the socio-economic pyramid, such as dry land farmers. This could be cost-effectively materialized when the social development program is in accordance to the needs and the livelihood contexts of the target population. This paper aims to analyze the livelihood strategies of the dry land farmer households in relation to the livelihood opportunities available, the treats, and the asset portfolio capacities of the households. The analyses are mainly based on primary data collected through in-depth interviews of 20 randomly selected households during Sept-Nov 2015; and secondary data collected from local government institutions. The analysis found that the majority of the households attempt to maximize the utilization of their livelihood assets (such as labor force, farm land and skills to increase incomes; apply thrifty spending strategy to reduce expenditures; and employ income-expenditure balancing strategies to reduce vulnerabilities. Suitable capacity building programs are essential for the households to sustainably improve their livelihoods. Awareness of the households urgently needs to be enhanced regarding the potential benefits of the on-going social protection programs for reducing their incomes and vulnerabilities. In addition, further investigations to evaluate the effectiveness of the ongoing social protection programs; and the causes and the solutions are warranted.

Key words: livelihood strategy, livelihood assets, dry land farmer, Indonesia

1. Introduction

Poverty alleviation has become a major focus of socio-economic development programs and activities in every country worldwide, including Indonesia, since the introduction of the millennium development goals (MDGs). As a result, the proportion of population living in poverty declined substantially. In Indonesia, for example, the proportion of population living in poverty declined about 6 percent during 2006-2013 (TNP2K, 2014).

However, Asian Development Bank (ADB) reported that the proportion of population living in poverty in Indonesia in 2010 was relatively high (11,4%) as compared to Malaysia (1,7%) and Tiongkok (10,2%) (Asian Development Bank, 2014). In Indonesia, the poverty level was greatly different among regions, higher levels were found in eastern regions such as in Nusa Tenggara Barat (NTB) province (21.55% in 2010).

The situation (above) indicates the need of systematical search for improved poverty alleviation programs and activities in Indonesia by addressing weaknesses of the ongoing programs. For this intention, one of the strategic issues which become the focus attention of this paper is concerning the mismatch between the interventions given and the need of the target households. Indications of the mismatch (as reported in the media) include: misuse of cash transfer provided under the *Keluarga Harapan* Program (PKH) and delivery mechanism and low quality of the subsidized rice under RASKIN Program, and in-effective targeting of the people

creditprogram (KUR). The mismatch is potentially reduced by better understanding the livelihood context of the target population, the poor.

The objectives of this paper are to analyze (i) the opportunity and treat faced by the dry land agriculture households: (ii) the portfolio capacity of their livelihood assets; and (iii) their livelihood strategies. For the objectives this paper applied sustainable livelihood approach as the framework (Chambers & Conway, 1991, p. 6); took the agroforestry communities in *Batudulang Village*, Sumbawa District of NTB Province (as a case study); and in-depth interviewed 20 (randomly selected) household respondents, during September-November 2015.

The paper is organized into five Sections. Section one introduces the backgrounds, objectives and research methodology. Section two discusses the livelihood opportunities and threats of the households. Section three discusses the households' livelihood asset portfolio capacities. Section four analyses the households' livelihood strategies. Section five concludes the findings and provides several suggestions.

1.1. The Households' Livelihood Opportunities and Treats

Livelihood opportunities refer to available opportunities for the households to improve incomes, to reduce expenditures and to reduce vulnerabilities within their own livelihood contexts. As perceived by the households (themselves), the opportunities available are given in Table 1.

Table 1 shows that there are ten opportunities available for the households to increase incomes. Of these, one is farm productivity improvement, four are better utilizing household labor forces, and five are related to trading activities. While the farm productivity improvement is seen as an income increasing opportunity by all of the households, the others are only viewed by 5 to 25 percent of the households.

In regard to expenditure reduction, there are five opportunities identified by the respondents, including (Table 1): thrifty in consumption (food, electricity, etc.), self-sufficient in staple foods, getting social support (e.g., from relatives and groups), getting program benefits (e.g., family welfare, health insurance, education scholarship, and housing improvement programs), and not using paid farm laborers.

Table 1: Perceptions of the Respondents about Available Opportunities to Increase Income, to Reduce Expenditure and to Reduce Vulnerability

Increasing income		Reducing expenditure		Reducing vulnerability	
	Freq.		Freq.		Freq.
Farm productivity improv.	20	Thrifty	12	Noloans	8
Paid farm laborer	5	Self sufficient	6	Thrifty	1
Forest honey hunter	3	Social support	2	No trading intermediary	2
Formal sec. worker	2	Program benefits	1	More paid works	5
Collector trader	1			Migrant worker	1
Running conv. Shop	1			Group participation	1
Food processor & seller	1			Additional income source	1
Selling products directly to customers	1			Social program benefits	1
Construction worker	1				
Migrant worker	1				
Total*)	36		21		20

Note: *) One respondent might give more than one response and, hence, the total number of responses could be larger than the total number of respondents.

In terms of vulnerability reduction, the households identify eight opportunities. Of which, four opportunities are associated with increasing income activities and four are related to expenditure reduction activities (Table 1).

Interesting to note is that many of the majority of the households do not see 'social program benefits' as a mean to reduce vulnerability, and as well as to reduce expenditure; although there are, officially, various social protection programs ongoing since the last decade. This can be due to various reasons, and hence need a further investigation, which is beyond the scope of this paper.

A part from the livelihood environment factors, the available livelihood opportunities are strongly related to their individual asset portfolio capacities. For example, a household with limited financial capacity and business management skills may not consider collector trading and running convenient shop as potential activities. Similarly, paid farm laborer or formal sector worker is not suitable to a household with limited labor forces or a household with limited education backgrounds. This will be further discussed in Section 3.

Table 2 shows that the livelihood treats with high potential of occurrence faced by the households include high occurrence of monkey attack to coffee farm, long dry season, and low price of produce.

Table 2: Potential Treats to the Livelihoods of the Respondents

Category	Treat	Average Score*)
Farming	Monkey attacks to coffee farms	3.65
Climate	Long dry season	4.00
Economic	Low produce price	3.65
Natural disaster	Clean water shortage due to forest exploitation	1.4
Social conflict	None	n.a.

Notes: *) Using 5 scale score: 1 very low - 5 very high potential of occurrence

1.2. The Households' Livelihood Asset Portfolio Capacity

The households' livelihood Assets can be differentiated into five, namely; human, physical, financial, social and political capitals. For simplicity reason, this paper measured the capitals in 5 scale indices: 1 smallest - 5 largest (Table 3).

Table 3: Frequency Distribution of the Respondents by their Livelihood Asset Capacity Score

Score	Human	Physical	Financial	Natural	Social	Political
1	3	2	17	0	0	2
2	9	2	0	0	5	7
3	4	8	0	0	3	3
4	2	1	1	5	9	5
5	2	7	2	15	3	3

Notes: *) Using 5 scale score: 1 very low - 5 very high potential of occurrence

Table 3 shows that the majority of the households scored low to very low in human capital and financial capital; scored moderate to high in physical and social capital; and scored high to very high in natural capital. In terms of political capital, the households were fairly distributed: number of the households scored low about the same as number of households scored high.

They scored low in human capital as the majority of them had 9 years or lower of formal schooling backgrounds, and limited skills (other than agricultural one). They scored low in financial capital as almost all of them had very small possession of cash and other liquid assets. They scored moderate to high in physical capital since many of them owned 1 hectare or more agricultural lands. Similarly, many of them were good in social interaction, group membership, and team works. They scored high in natural capital as their surrounding nature was in good condition and supportive to their livelihoods. They scored high in political capital as they owned

better capacity (as compared to those scored low) to influence public decisions regarding services and access to natural resources.

The structure of the households' asset portfolio capacity can largely determine the opportunities available and 'best' livelihood strategy they can take. Since many of them do not have the required management skills and financial capitals, only a few of them consider running businesses as a potential opportunity. Contrarily, the majority of the households have the required agricultural skills and physical assets, many of them see improving farm productivity as a potential opportunity. The households' livelihood strategy is to be discussed in Section 4, below.

1.3. The Households' Livelihood Strategies

On income side, the households take 13 different strategies, each of them includes: increasing income through improving farm productivity (Table 4).

Table 4: Frequency Distribution of the Respondents by Their Increasing Income Strategies

No	Increasing income strategy	Frequency	
		Number	Percentage
1	Improving farm productivity (IFP)	4	20
2	IFP & farm labourer	4	20
3	IFP & forest honey hunter	2	10
4	IFP, cattle grower & formal sector worker	1	5
5	IFP & small shop trader	1	5
6	IFP & collector trader	1	5
7	IFP & migrant worker	1	5
8	IFP, forest honey hunter & group business	1	5
9	IFP & cattle grower	1	5
10	IFP, farm laborer & food processor/seller	1	5
11	IFP & direct selling own products	1	5
12	IFP, farm laborer & village nurse	1	5
13	IFP & formal sector worker	1	5
Total		20	100

This is as expected since the households are dry land farmers. In addition, the majority of the households also include one or more initiatives to increase their incomes, such as: farm laborer, forest honey hunter, small shop trader, local produce collector trader, migrant worker, cattle grower, own produce direct seller, and formal sector worker. While most of the households take one additional income generating initiative, some take two. Of those taking two additional initiatives, one combines cattle grower and formal sector worker; one combines honey hunter and group business; one combines farm laborer and food processor/seller; and one combines farm laborer and village nurse.

Thus, the majority of the households utilize their human laboring and agricultural skill capitals and physical dry land farm capitals to maximize incomes; while a few utilize their human (technical and business skill) capitals and financial capitals. None of the households include the benefits of the on-going empowerment programs into their increasing income strategies.

To reduce expenditure, on the other hand, thrift spending appears to be the most popular strategy which accounts for 85% of the households (Table 5). The thrift spending strategy consists of several components, such as: producing staple foods in own farms; limiting expenses

for electricity and clothes. The other strategies include: a combination of thrift spending and family supports; a combination of thrift spending and program benefits; and a reduction of farm cash costs by not using paid labor.

Table 5: The Household Strategy to Reduce Expenditure

No	Reducing expenditure strategy	Frequency	
		Number	Percentage
1	Thrift spending (self-sufficient in foods, and limiting expenses for clothes and electricity)	17	85
2	Thrift spending & family supports	1	5
3	Thrift spending & program benefits	1	5
4	Not using paid farm labor	1	5
Total		20	100

In regard to vulnerability reduction, the households take 8 different strategies (Table 6). The most popular strategy is balancing expenditure with income (BEI) which accounts for 40% of the households. This strategy seems to be in line with the well-known local saying: *"jangan hidup lebih besar pasak daripada tiang"* (people should not live in "greater pegs than the mast"). This local wisdom teaches that people should maintain their expenditures never exceeding their incomes. The second most popular strategy is increasing income of own labor (ILI), accounting for 25% of the households. The third is combining BEI and ILI, accounting for 10% of the households. Each of the remaining 5 strategies accounts for 5% of the households. These less popular strategies include: borrowing, program benefits, a combination of BEI and social support, a combination of ILI and group participation, and a combination of ILI and asset selling.

It is important to note that only a few of the households have actually included the benefits of the ongoing vast social protection programs into their vulnerability reduction strategies. Among the social programs are the health insurance for the poor (ASKIN), welfare family saving (PKH), and rice for the poor (RASKIN). This may indicate there is a problem with the effectiveness of the ongoing social programs, and hence a further investigation to identify the causes and solutions is warranted.

Table 6: The Household Strategy to Reduce Vulnerability

No	Reducing Vulnerability	Frequency	
		Number	Percentage
1	Balancing expenditure with income (BEI)	8	40
2	Increasing labor income (ILI)	5	25
3	BEI & ILI	2	5
5	Borrowing	1	5
4	Social program benefits	1	5
6	BEI & Social support	1	5
7	ILI & group participation	1	5
8	ILI & selling asset (land)	1	5
Total		20	100

2. Conclusions

- The livelihood strategies of the farmer households are largely determined by their own asset portfolio capacities, and their environment, such as: available opportunities, failure risks (due to existing treats). The majority of the households attempt to maximize the utilization of their livelihood assets (such as labor force, farm land and skills to increase incomes; take thrift-spending as their reducing expenditure strategies; and apply income-expenditure balancing as their reducing vulnerability strategies.
- A cost-effective empowerment program is necessary for the households to sustainably build their livelihood asset capacities, particularly, in terms of technical and business skills and financial assets.
- Awareness of the households regarding the potential benefits of the on-going social protection programs for reducing their incomes and vulnerabilities needs to be enhanced. Further investigations to evaluate the effectiveness of the ongoing social protection programs are also warranted.

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ANALYSIS ON THE CALCULATION OF BUSINESS ZAKAT : MULTIPLE APPROACHES (A CASE STUDY IN BANK MUAMALAT INDONESIA)

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Summary

The objective of this research is to calculate the amount of zakat that Bank Muamalat Indonesia has to pay based on different approaches, namely: nett current asset approach – Qardhawi, nett capital growth approach – El-Badawi, net asset approach – Saudi Arabian Fatwa Institution, AAOIFI net asset approach and AAOIFI invested fund approach, to find out which approach can yield the highest sum of zakat calculation. The research method applied here is a descriptive case study done on Bank Muamalat Indonesia for the year 2013. The results show that the Qardhawi and AAOIFI approaches yield the same amount of Rp11.025.714.000,-; while the Saudi Arabia Fatwa Institution, the El-Badawi and AAOIFI investment funds approaches yield the following sums Rp 402.579.796.000; Rp 204.453.284.000 and Rp 71.283.951.000 respectively. It is also found that the highest sum was yielded by using the El-Badawi approach.

Key words: Company Zakat, Nett current asset method-Qardhawi, Nett capital growth method-El-Badawi, Nett assets method- Saudi Arabia Fatwa Institution, Net assets method-AAOIFI, Invested fund method-AAOIFI

1. Introduction

1.1. Background

From the historical point of view, the first type of *zakat* that was imposed is the *zakat al-Fitr* or the *zakat* on self, then the second one to be imposed was the *zakat maal* or *zakat* of wealth. In its application, the Prophet Muhammad SAW gave boundaries on basic rules on forms of wealth that are liable for *zakat*, who should pay the *zakat* and who should receive it. Since then, *zakat* has become an obligation that has to be fulfilled by all Muslims whose wealth has reached its *nisab*.

One of the meaning conveyed in *zakat* is emancipation which symbolizes the freedom from economic, social and intellectual oppression for man as well as freedom from abuse and exploitation for the environment. Moreover, *zakat* is a bridge between human's profane and sacred or '*ukhrawi*' activities. (Tri, 2000 in Zaitun, 2001). Therefore, *zakat* is not only a form of *ibadah* (act of worship) to Allah SWT or *habluminallah*, but also to other human beings or *habluminannas*.

Syariah banking, as a *syariah*-based entity, surely will reflect *syariah* values and ethics. *Syariah* ethics in an Islamic business organization is a logical consequence of the *zakat* metafore in viewing an organization, besides it being an *amanah* metafore (Sudrajat, 2010). The obligation to pay company or enterprise *zakat* is based on, among other verses, was stated by Hasbi Ash-Shidiqi on the second year of *Hijriyah syara'* who confirmed the type of asset that is liable for *zakat*, such as gold, silver, business, farm, crop and acquired treasures. In order to ensure that a *syariah* entity operates according to *syariah* law, the *Syariah* Supervision Board was established. Bank Muamalat Indonesia (BMI) is the pioneer of the emergence of *syariah*-based banking. For that reason, BMI became the reference in viewing the compliance to pay company *zakat*.

After BMI began its operations in 1992, the development of *syariah* banking progressed quite significantly. Statistics from the Financial Services Authority (OJK) show that since 2009, the

number of *syariah* banks has doubled in 2015. In 2009, there were six *syariah* banks operating in 711 office unit. As per January 2015, the number of *syariah* banks has increased to twelve banks operating in 2.145 office units. (www.bi.go.id, 2015). The rise in *syariah*-based entities indicates that the potential income from *zakat* generated from companies or institutions will also increase. In general, the amount of *zakat* maintained by the state through the National Amil *Zakat* Board (BAZNAS) can be observed in Table 1.

Table 1. Annual Potential Amount of *Zakat* from Various Sources

No.	Annual <i>Zakat</i> Amount	Source
1.	Rp 217 billion	http://www.republika.co.id/
2.	Rp 217 billion	http://bisnis.news.viva.co.id/
3.	Rp 300 billion	http://www.voaindonesia.com/

As shown in Tabel 1, it can be concluded that the potential amount of *zakat* in Indonesia is quite huge. However, BAZNAS stated that from the Rp217 billion amount of *zakat* in Indonesia, the amount collected and maintained by the board is only Rp2,73 billion, which is only about 1% from the potential amount. This low amount is caused by several factors, such as awareness on the importance and benefit of *zakat* and people's trust on the *zakat* board. For this reason, BAZNAS is attempting to increase the collection of *zakat* by conducting socialization and providing education on *zakat* and its management. The board also made attempts to strengthen its institution so that it can be a clean institution that people can trust, also empower communities and create a synergy with various institutions. Besides that, BAZNAS tried to increase *zakat* collection from the industrial sector which can potentially contribute over 80% of the potential *zakat* amount. According to The Ministry of Economy, Rp20 billion of the *zakat* comes from household contribution while Rp100 billion comes from industries. (<http://www.republika.co.id/>).

During the era of the Prophet Muhammad, *zakat* has become an important source of income for the country as a means to develop Islam, education, knowledge, infrastructure and provide services to create welfare for the needy (Indonesian Ministry of Religion, 2007 through repository.usu.ac.id). In regards to that, the Indonesian government can make *zakat* as a source of income that can help contribute to generate the country's economy if its potential can be optimized.

One of the ways the government can optimize *zakat* income is by giving affect to the state law that governs the management of *Zakat* (UU No.38 Year 1999), which is amended by UU No.23 Year 2011. Besides that, the government also issued UU No.17 Year 2000 on the third amendment of UU No.7 Year 1983 regarding Income Tax. Article 4 verse 3 of this law regulates the payment of *zakat* which can be used to deduct tax exempted income. Therefore, the obligation to pay *zakat* is not intended to overly burden a business from paying double obligation, *zakat* and tax.

In calculating the amount of *zakat* a company has to pay, a company can choose from five of the following approaches: Qardhawi net current asset method, El-Badawi net capital growth method, Saudia Arabian *Fatwa* Institution's net asset method, AAOIFI net asset method and AAOIFI invested fund method.

1.2. Research Problem

Based on the arguments stated above, these are the following problems that will be discussed in this research:

1. How much *zakat* a company should pay using each of the five approaches: Qardhawi net current asset method, El-Badawi net capital growth method, Saudia Arabian *Fatwa* Institution's net asset method, AAOIFI net asset method and AAOIFI invested fund method?
2. Which method can yield the highest amount of company *zakat*?

1.3. Research Objective

In regards to the problems stated above, the objective of this research is to achieve the following:

Calculate the amount of *zakat* a company should pay using each of the five approaches: Qardhawi net current asset method, El-Badawi net capital growth method, Saudia Arabian *Fatwa* Institution's net asset method, AAOIFI net asset method and AAOIFI invested fund method.

Find out which method can yield the highest amount of company *zakat*.

1.4. Research Benefit

By conducting this research, we hope to gain the following benefits:

Theoretically, the results of this research is expected to be able to increase the awareness of Moslem people, particularly those in the business environment on their obligation to pay their company *zakat* according to what is instructed by the Holy Qurán and *Hadith*.

In practice, the results of this research can be used a a reference for Bank Muamalat *Syariah* in selecting a method to calculate company *zakat*.

In terms of policies, it is hoped that the results of this research can inspire BAZNAS to give some form of award for companies that have paid their *zakat* as a form of appreciation or recognition.

2. Theoretical Perspectives

2.1. Legal Standing for Zakat

The word *zakat* is mentioned 30 times in the Holy Qurán. One of the chapters that contain this word is At-Taubah verse 103 which is translated:

"Take, [O, Muhammad], from their wealth a charity by which you purify them and cause them increase, and invoke [Allah 's blessings] upon them. Indeed, your invocations are reassurance for them. And Allah is Hearing and Knowing."

One of the *hadith* that discussed the *zakat* is the *hadith* told by Bukhari, who cited the following:

As told by Abu Huraira, Allah's Messenger said, "Whoever is made wealthy by Allah and does not pay the Zakat of his wealth, then on the Day of Resurrection his wealth will be made like a baldheaded poisonous male snake with two black spots over the eyes. The snake will encircle his neck and bite his cheeks and say, 'I am your wealth, I am your treasure.'"

2.2. Definition and Types of Zakat

From an etimological perspective, the word '*zakat*' comes from the basic form of the word '*zaka*', which means blessing, growth, holy, pure and good. By terminology, the word *zakat* means the act of giving away a form of wealth instructed by Allah SWT at a certain amount and calculation for those who is eligible to receive such donation. *Zakat is an obligation that must be carried out by all Moslems. Zakat has clear regulations on what type of wealth is liable for zakat, as well as its calculation and its beneficiaries* (Nurhayati and Wasilah, 2013: 284).

According to its type, there are two types of *zakat*, namely:

Zakat on self or *zakat fitrah*, which is compulsory for every Muslim male and female individuals are capable of certain conditions that must be paid after the sun sets at the end of Ramadhan. This type of *zakat* must be paid before the Idul Fitri prayer. If not, it will be considered a general donation or *sadaqa*.

Zakat on wealth or *zakat mal*, which can be paid at any time, on all owned properties including business, farm produce, mined materials, livestock, treasures, gold, silver, as well as income. Each type of property has its separate calculation. Objects that are liable for *zakat* are as follows (Nurhayati and Wasilah, 2013):

1. *Zakat* of livestock
2. *Zakat* of gold and silver
3. *Zakat* of crops
4. *Zakat* of treasures
5. *Zakat* of trade
6. *Zakat* of animal produce
7. *Zakat* of investment
8. *Zakat* of income
9. *Zakat* of money
10. *Zakat* of business

Zakat of Business

Zakat of business is a *zakat* based on principles of fairness and is a product of *ijtihad* by the *Fiqh* experts. The obligation to pay *zakat* of business is only compulsory for companies owned by Moslems, at least a majority of Moslems (Syafei, 2008 in Nurhayati and Wasilah, 2013). Contemporary ulamas compared *zakat* of business to *zakat* of trade because from a legal and economic standpoint, the activities of a business is based on trade.

This statement is supported by the decision made on a seminar discussing *zakat* held in Kuwait on 3 April 1984. The requirements for a business to be liable for *zakat* are as follows:

1. Owned by Moslems
2. Halal business
3. Company asset can be valued
4. Company asset has the potential to grow
5. Minimum asset owned by the company is equal to 85 grams of gold

The technical terms that must be fulfilled are:

The presence of a regulation that mandates the payment of business *zakat*.

The company's articles of association must state about the payment of *zakat*.

The company's General Meeting of Shareholders has issued a decision regarding the payment of *zakat*.

Willingness from the shareholders to surrender the payment of *zakat* on their shares to the Board of Directors of the company.

The calculation of business or company *zakat* can be observed on Table 2. These calculations are derived from different approaches: three methods from *Fiqh* experts and two methods from AAOIFI (FAS No.9).

Table 2. Business *Zakat* Calculation Method

No.	Business <i>Zakat</i> Calculation Method	According To
1.	<i>Zakat</i> is charged on the company's nett current asset. Formula: (cash/ cash equivalent + short-term investment + inventory + nett receivables) - short-term liability	Qardhawi
2.	<i>Zakat</i> is charged on the growth of nett capital. Formula: (nett current asset + short-term debt used for long-term necessities - long-term debt used for funding current asset)	El-Badawi
3.	<i>Zakat</i> is charged on the company's nett asset. Formula: (paid in capital + profit balance + current profit - nett fixed asset + corporate investment - current loss)	Saudi Arabia <i>Fatwa</i> Institution
4.	Net Assets Method Formula: (cash/ cash equivalent + nett receivables + market value exchangeable asset) - (current liabilities + unlimited investment capital + minority equity + government owned equity + eternal equity + socially owned equity + equity owned by non-profit organization aside from individually owned equity)	AAOIFI
5.	Invested Fund Method Formula: (Paid in capital + allowances + non-asset deducting provision + retained earnings + nett profit + liabilities that is not due within one year since the financial position) - (nett fixed asset + non-exchangeable investment + accumulated loss)	AAOIFI

Source: Nurhayati and Wasilah (2013)

As long as the nisab of *zakat* that equals to 85 grams of gold is fulfilled within 1 *Qamariah* year, or equal to 2.5% of the stipulated total, any method used to calculate the *zakat* is acceptable. However, if the company uses the Roman calendar, the stipulated amount should be 2.575% (AAOIFI standard).

2.3. The Meaning of *Zakat* for a Business

For a business venture, *zakat* is a material reality that can represent a company's trademark as an organization. *Zakat* is said to be an imperative reality due to the following arguments:

Zakat is an essential Islamic philosophy and framework of a functional system.

Zakat is the higher organization objective that aims to "spread blessings". Therefore, it is clear that paying *zakat* is an imperative objective for an organization.

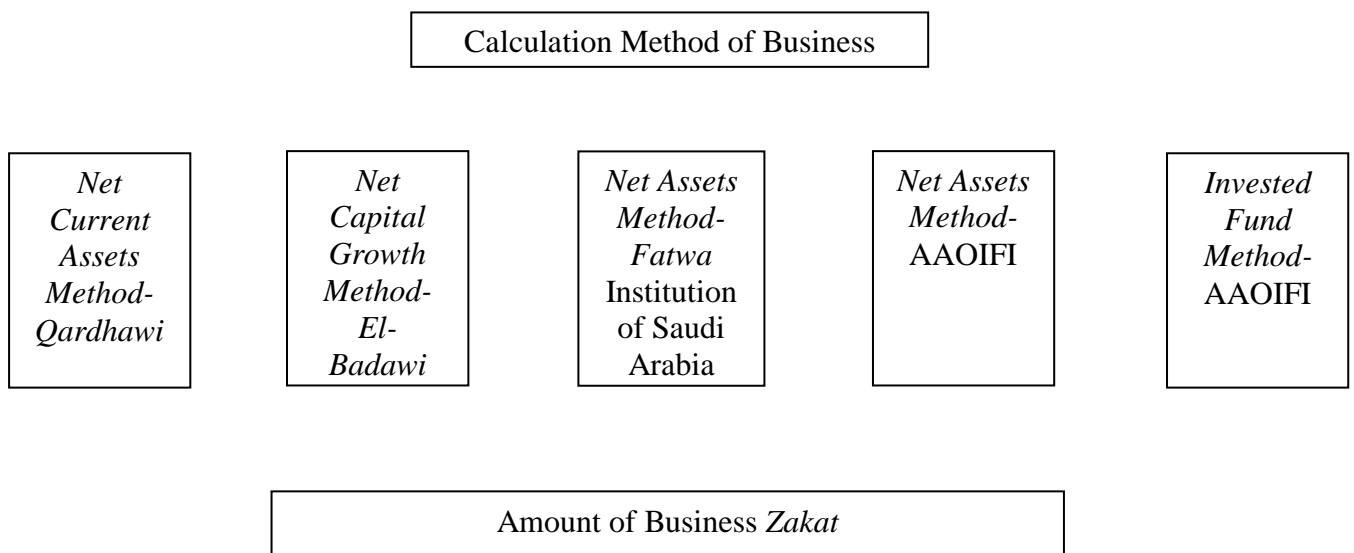
Zakat has two sides; it doesn't only relate to egotistical urges but also to altruistic urges.

In order to pay *zakat*, a company has to be able to earn wealth. This means that a business must try to acquire wealth, establish trade, gain insurance along with other benefits as long as it is still considered *syariah* (Sudrajat, 2010).

2.4. Conceptual Framework

Zakat is one of the five pillars of Islam that is compulsory for all Moslems, including business ventures, moreover if the business is *syariah*-based. *Zakat* is not only an alms as a form of worship to Allah SWT and the prophets, but it is also a form of social awareness for all human being. *Zakat* can be a source of income for a country, just as it was during the Prophet's era. *Zakat* can generate a country's economy because of its potential to be used as a means to develop Islam, develop education and science, improve infrastructure, and provide services for people's welfare, especially the poor and needy (Depag RI, 2007 a:1). In calculating the amount of *zakat* to be paid, a company can choose one among five methods. Figure 1 illustrates the methods of *zakat* calculation. Three of the calculation methods are derived from Fiqh experts, while two of them are from AAOIFI.

Figure 1. Conceptual Framework



3. Research Methodology

3.1. Method and Type of Research

This is descriptive research conducted on a case study of a company, namely Bank Muamalat Indonesia. A descriptive research is a form of research that aims to describe existing phenomena, both man-made and natural. The phenomena can be a form of activity, characteristics, changes, similarities, differences between phenomena (Sukmadinata, 2006:72).

3.2. Research Location

This research is conducted on Bank Muamalat Indonesia for the period of 2013 using information obtained from the company's official website. Bank Muamalat Indonesia (BMI) is a *syariah*-based business venture in Indonesia. This particular bank is chosen because it is the first *syariah*-based bank that operated in Indonesia and the only *syariah* bank that has expanded its operations to other countries such as Kuala Lumpur, Malaysia. BMI can be a reference for other newly established *syariah* banks.

3.3. Types and Source of Data

The type of data used in this research is a quantitative type. This secondary data is obtained from the financial report and annual report published in Bank Muamalat Indonesia's official website.

3.4. Data Collection Method

The data used in this research is collected by means of documentation through the use of the company's financial and annual report.

3.5. Operational Definition of Variables

Zakat, by terminology, means the act of giving a certain amount of wealth as instructed by Allah SWT and calculated as such to be surrendered to those entitled to receive it. Contemporary Moslem theologians (*ulema*) compare *zakat* of business to *zakat* of trade because viewed from legal and economic aspect, the activities of a company is hinged on trading activities. In calculating *zakat* for this research, the calculations and formula listed in Table 2 are applied.

3.6. Data Analysis

The data obtained is analyzed as such:

1. Calculating BMI's business *zakat* for 2013 using five methods: Qhardawi's nett current asset, El-Badawi growth of nett capital, Saudi Arabian *Fatwa* Institution's nett asset, AAOIFI's nett asset and AAOIFI's invested fund with each formula listed in Table 2.
2. Compare the results of *zakat* calculation using the five methods to see which method yields the highest amount of *zakat*.

4. Results and Discussion

4.1. Overview of Research Object

The idea to establish Bank Muamalat came up during a workshop on Bank Interest and Banking held by the Indonesian Council of *Ulema* (Majelis Ulama Indonesia, or MUI) on 18-20 August 1990 in Cisarua, Bogor. This idea is then taken into action in the fourth national meeting of MUI (*Musyawarah Nasional IV Majelis Ulama Indonesia*) in Hotel Sahid Jaya, Jakarta, on 22-25 August 1990 which led to the formation of a working group to establish the first purely *syariah* bank ever in Indonesia. The realization of this idea took place on 1 November 1991 marked by the signing of the establishment act of PT Bank Muamalat Indonesia, Tbk in Hotel Sahid Jaya which was officialized by Notary Act Number 1 dated 1 November drafted by Yudo Paripurno, S.H. consented by the Ministry of Justice Permit Number C2.2413. T.01.01 dated 21 March 1992/Republic of Indonesia State Gazette dated 28 April 1992 Number 34 (www.bankmuamalat.co.id/).

Currently, Bank Muamalat provides its services to 3.9 million customers through 456 offices scattered throughout 34 provinces in Indonesia and supported by a network of supporting systems operating in more than 4,000 *outlet System Online Payment Point* (SOPP) in PT. POS Indonesia and 1,483 Automated Teller Machines (ATMs). To increase customer accessibility, Bank Muamalat has launched Shar-e Gold which can be used to conduct free transactions with millions of merchants in 170 countries. Shar-e Gold achieved the predicate of the first debit card using chip technology in Indonesia by the Indonesian Record Museum (MURI). Bank Muamalat is the only Indonesian *syariah* bank that has expanded its operations overseas by opening its branch in Kuala Lumpur, Malaysia. Its customers can make use of the Malaysia *Electronic Payment System* (MEPS) network that provides access to over 2,000 ATMs in Malaysia. This pioneer in *syariah* banking in Indonesia is always committed to providing competitive *syariah* banking services that is accessible throughout the Indonesian archipelago, even beyond. This is proven by the bank's achievement

in gaining appreciation from the government, mass media, national even international community in the form of over 100 prestigious awards during the last 5 years. In 2012, right on its 20th anniversary, Bank Muamalat launched its new logo to rebrand itself as an Islamic, Modern, and Professional *syariah* bank. Bank Muamalat's transformation process has brought forth positive and significant results shown by its asset that has grown from Rp12.6 billion in 2008 to Rp54.6 billion in 2013. (www.bankmuamalat.co.id/).

4.2. Results and Discussion

The amount of business *Zakat* calculated with Qardhawi's Nett Current Asset method:

Formula	Amount (in thousands of Rp)
Cash/Cash Equivalent	998.945.042
Short-Term Investment	5.593.100.347
Inventory	12.742.766
Nett Receivables	773.547.750
(-)Short-Term Liability	(6.950.152.834)
= Amount of <i>Zakat</i> Liable Asset	428.183.071
x <i>zakat</i> tariff	2,575%
= Amount of Business <i>Zakat</i>	11.025.714

Based on that calculation, the yield of *zakat* amount for Bank Muamalat Indonesia for the year 2013 is Rp11.025.714.000,- assuming that the data uses figures from the bank's maturity profile disclosure which is less than one year. This assumption is made because the company's financial report does not differentiate its asset and liabilities based on whether or not it is current.

The amount of business *Zakat* calculated with El-Badawi's Growth of Nett Capital method:

Formula	Amount (in thousands of Rp)
Nett Current Asset	10.190.014.000
Short-Term Debt Used For Long-Term Necessities	6.950.152.834
(-) Long-Term Debt Used For Funding Current Asset	(1.506.000.000)
= Amount of <i>Zakat</i> Liable Asset	15.634.166.834
x <i>zakat</i> tariff	2,575%
= Amount of Business <i>Zakat</i>	402.579.796

Based on that calculation, the yield of *zakat* amount for Bank Muamalat Indonesia for the year 2013 is Rp402.579.796,- with the assumption that the Short-Term Debt Used For Long-Term Necessities is equal to the short-term debt. The Long-Term Debt Used For Funding Current Asset is also assumed to be equal to Long-Term Liability. These assumptions are made because the company's financial report did not explain the purpose of the company's debts, both in the long-term and the short-term.

The amount of business *Zakat* calculated with Saudi Arabian *Fatwa* Institution's Company Nett Asset method:

Formula	Amount (in thousands of Rp)
Paid In Capital	1.103.435.000
Profit Balance	1.596.741.000
Current Profit	475.847.000
(-) Nett Fixed Asset	868.255.000
Corporate Investment	5.632.165.347
(-) Current Loss	0
= Amount of <i>Zakat</i> Liable Asset	7.939.933.347
x <i>zakat</i> tariff	2,575%
= Amount of Business <i>Zakat</i>	204.453.284

Based on that calculation, the yield of *zakat* amount for Bank Muamalat Indonesia for the year 2013 is Rp204.453.284 assuming that the company investment comprises of long-term and short-term investments.

The amount of business *Zakat* calculated with AAOIFI's Nett Asset method:

Formula	Amount (in thousands of Rp)
Cash/ Cash Equivalent	998.945.042
Nett Receivables	773.547.750
Market Value Exchangeable Asset	5.605.843.113
(-) Current Liabilities	6.950.152.834
(-) Unlimited Investment Capital	0
(-) Minority Equity	0
(-) Government Owned Equity	0
(-) Eternal Equity	0
(-) Socially Owned Equity	0
(-) Equity Owned By Non-Profit Organization Aside From Individually Owned Equity	0
= Amount of <i>Zakat</i> Liable Asset	428.183.071
x <i>zakat</i> tariff	2,575%
= Amount of Business <i>Zakat</i>	11.025.714

Based on that calculation, the yield of *zakat* amount for Bank Muamalat Indonesia for the year 2013 is Rp11.025.714 assuming that the data for exchangeable asset consists of short-term investment and *ijarah* asset inventory.

The amount of business *Zakat* calculated with AAOIFI's Invested Fund method:

Formula	Amount (in thousands of Rp)
Paid In Capital	1.103.435.000
Allowances	0
Non-Asset Deducting Provision	0
Retained Earnings	1.596.741.000
Nett Profit	475.847.000
Liabilities That Is Not Due Within One Year Since The Financial Position	500.000.000
(-) Nett Fixed Asset	868.255.000
(-) Non-Exchangeable Investment	39.459.238
(-) Accumulated Loss	0
= Amount of <i>Zakat</i> Liable Asset	2.768.308.762
x <i>zakat</i> tariff	2,575%
= Amount of Business <i>Zakat</i>	71.283.951

Based on that calculation, the yield of *zakat* amount for Bank Muamalat Indonesia for the year 2013 is Rp. 71.283.951 assuming that the data for non-exchangeable investment is the amount of investment on associations.

After making the calculations using the five methods for Bank Muamalat Indonesia's business *zakat* in 2013, the lowest amount yielded was Rp11.025.714.000,- resulting from Qardhawi's Company Nett Current Asset method and AAOIFI's Nett Asset method; while the highest amount yielded was Rp402.579.796.000,- resulting from El-Badawi's Nett Capital Growth method followed by Rp204.453.284.000,- from Saudi Arabian *Fatwa* Institution's Nett Asset method and Rp71.283.951.000,- from AAOIFI's Invested Fund method.

Considering the amount of *zakat* paid by Bank Muamalat Indonesia in 2013 which reached Rp9.735.000.000,-; then, the method that yielded the closest amount to the *zakat* payment was the method by Qardhawi and AAOIFI.

5. Conclusion

In regards to the results of the calculation made and the discussion elaborated, it can be concluded that:

The amount of business *zakat* yielded from both the Qardhawi's Company Nett Current Asset method and the AAOIFI's Nett Asset method is Rp11.025.714.000,-; while the amounts yielded from El-Badawi's Nett Capital Growth method, Saudi Arabian *Fatwa* Institution's Company Nett Asset method and AAOIFI's Invested Fund method are Rp402.579.796.000, Rp204.453.284.000 and Rp 71.283.951.000 respectively.

The highest amount of business *zakat* yielded was the one calculated using El-Badawi's Nett Capital Growth method which was Rp402.579.796.000,-.

6. Limitations and Suggestions

The limitations of this research lie in the assumptions made by the researcher in attempting to synchronize the accounts from Bank Muamalat Indonesia's financial report with the elements required for each of the calculations. Besides that, the assumptions made by the researcher might not be the same ones applied by Bank Muamalat Indonesia in determining the amount of *zakat* paid by their company which yielded a totally different amount from the amounts yielded by the five methods.

The researchers suggest that the next research on this topic apply these calculations on different research objects from different industries either from the manufacturing industry or trade industry which might have more concurring accounts with the elements required for each of the

five methods so that the researchers' subjectivity issue can be minimized. Aside from that, next researches can attempt to calculate the amount of business zakat potentially managed by the state through Baznas by using the list of companies in the Jakarta Islamic Index (JII).

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FEASIBILITY ASESMENT OF LOBSTER (*PANULIRUS HOMARUS*) AND ABALONE (*HALIOTIS SP.*) CULTIVATION WITH IMTA (INTEGRATED MULTI-TROPHIC AQUACULTURE) IN EKAS BAY, LOMBOK INDONESIA

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Abstract

*Lobster is one of a high economic value commodities. Lobster cultivation in the sea must be balanced with environmental management to maintain the water environment. Abalone is one commodity that can be used to balance the water through Integrated Multi-Trophic Aquaculture (IMTA) with lobster. Abalone can use the biofouling that attaches to the cage as feed, particularly seaweed. Feasibility analysis of lobster and abalone cultivation with IMTA system based on the R/C ratio shows feasibility because the capital value of Rp. 1,00.00 invested will get result of Rp.3,92.00. The Break Even Point (BEP) for the product sale of lobster-abalone cultivation is Rp. 130,352.00. Value of Pay Back Period (PBP) is 5.1 indicating that the financial capital will be returned after 5.1 months. However, based on the Regulation of the Minister of Marine Affairs and Fisheries No: 1 /Permen-KP /2015 on catching lobster (*Panulirus spp.*), crab (*Scylla spp.*) and swimming crab (*Portunus pelagicus*), catching lobsters should not be less than 8 cm (carapace length). This means that the maintenance period of lobster should be 2 years. R/C ratio for the cultivation of lobster during 2 years is 3.3 so it is feasible because the R/C ratio > 1. Financial capital of Rp. 1,00.00 invested will get result Rp. 3,30.00. The Break Even Point (BEP) for the product sale of lobster cultivation for 2 years is Rp. 130,352.00*

Keywords: abalone, feasibility asesment, IMTA, lobster

1. Introduction

Lobster (*Panulirus homarus*) is a commercial species that spreads in the Indo-Pacific region with a high number in East Africa and Indonesia (Kulmiye and Mavuti, 2004; Senevirathna and Munasinghe, 2014). Cultivation of lobster in the sea must be balanced with environmental management for the maintenance of water environment. Abalone is one of commodities that has high economic value (Setyowati, 2014). Abalone can be used to balance the water environment through cultivation with lobster, abalone can use the biofouling that attaches to the cage aquaculture as feed, particularly seaweed. Cultivation system with regard to the principles of ecosystem balance is also called integrated multi-trophic aquaculture (IMTA) (Chopin and Robinson, 2004).

Feasibility of lobster cultivation integrated with IMTA needs to be analyzed. Regulation of the Minister of Marine Affairs and Fisheries No: 1/Permen - KP/2015 on catching Lobster (*Panulirus spp.*), crab (*Scylla spp.*) and swimming crab (*Portunus pelagicus*), which requires the lobster being caught and sold if the size of the carapace length of 8 cm makes lobster cultivation time periode becomes longer (2 years). Feasibility analysis of lobster cultivation is also important. The study aims to determine the feasibility of losbter - abalone cultivation with IMTA system, and aims to determine the feasibility of lobster cultivation for 2 years .

2. Methodology

The experiment was conducted in Ekas Bay, Batunampar, Jerowaru, East Lombok. The time needed for the implementation of the maintenance of lobster and abalone are 49 days starting on 5 October 2013 to 23 November 2013 .

The cultivation of lobster and abalone was conducted by using floating net cages. Lobster seed obtained from existing collectors around the site, as many as 150 animals for the 3 plots of cages. The abalone seeds were obtained from the Institute for Marine Aquaculture Sekotong which were 300 animals for 3 plots of cages.

Lobster density was 50 animals/net, and abalone seeds shell length was about 4 cm with density which was 30 /m³ or 100 animals /net. Feeds given to lobster were trash fish and seaweed was given to abalone once a day with satiation system.

The analysis used to assess the feasibility of the development of lobster-abalone cultivation in Ekas bay were :

- R/C Ratio

According to Saporinto and Susiana (2011), the R/C ratio is the ratio between sales revenue and total cost.

$$R / C \text{ ratio} = \text{sales revenue} : \text{total costs}$$

BEP (Break Even Point)

According to Saporinto and Susiana (2011), BEP is a measurement to determine volume/minimum production capacity so that the investment will not suffer a loss and can profit from the activity.

$$BEP = \frac{\text{Fixed cost}}{1 - \text{variable cost: sale}}$$

- Pay Back Period (PBP)

According to Khairuman and Amri (2012), the formula of PBP = Total investment cost : benefit x 1 month

3. Results and Discussion

Calculation of business analysis for manufacturing floating net cages and seeds are as follows

:

Table 1. Financial Capital

No.	Description	Number	Price (Rp.)	Total Price (Rp.)	Depreciation
1.	Bamboo	16	160000	2560000	23,800
3.	Anchor	1	130000	130000	5,000
6.	Anchor rope (20 mm)	10	45000	450000	6,750
8.	Fee of cage construction	1	500000	500000	0
9.	Net	1	750000	750000	11,250
10.	Net rope (6mm)	10	40000	400000	6,000
12.	Net	1	650000	650000	11,250
13.	Fee of net construction	1	500000	500000	0
14.	Float	2	290000	580000	13,050
15.	Float	2	290000	580000	13,050
16.	Float	2	290000	580000	13,050
17.	Lobster seed	150	5000	750000	0
18.	Abalone seed	300	2000	600000	0
	Total Amount			9,030,000	103,200

Thus, the financial capital required for the manufacture of floating net cages and the purchase of seed is Rp. 9,030,000.00. The depreciation for the tool is Rp. 103,200.00. Fixed cost for maintenance which includes depreciation is Rp.103,200.00. Variable cost per month which includes labor and feed is Rp. 500,000.00 .

Sales of lobster for 1 month Rp 1,500,000.00. The product sale for abalone cultivation is Rp. 900,000.00. Total product sale for lobster and abalone cultivation is Rp. 2,400,000.00 . Total cost (fixed costs + variable costs) is Rp. 603,200.00. Net income is Rp. 1,796,800.00.

R/C ratio is the ratio between the sale and the total cost. R/C ratio for lobster and abalone cultivation is 3.97. So, the business was feasible because R/C Ratio > 1, wherein Rp. 1,00.00 invested will get result of Rp. 3,97.00. BEP value for lobster and abalone cultivation is Rp.130,352.00, wherein with the sale of Rp. 130,352.00, the result of lobster and abalone cultivation does not get any profit/loss. Pay Back Period (PBP) is 5,1 months. Thus, the financial capital will be returned after 5,1 months.

Result of business analysis shows that the cultivation of abalone lobster with integrated system is feasible. This can be seen from the value of R /C ratio which is greater than 1. The payback period for lobster and abalone cultivation is also quite short, because it only takes 5.1 months for the return of financial capital (did not take many years).

However, based on the Regulation of the Minister of Marine Affairs and Fisheries No: 1 / Permen- KP /2015 on catching lobster (*Panulirus* spp.), crab (*Scylla* spp.) and swimming crab (*Portunus pelagicus*), catching of lobsters should not be less than 8 cm (length of carapace), so the cultivation ideally produce the size according to the regulation. Producing a lobster with a carapace length of 8 cm above needs lobster weight more than 300 grams (Anonymous, 2015).

Raising sand lobster with 150 grams in weight and 2 cm in size takes 1 year. Sand lobster prices for export reaches Rp. 300,000.00 per kg (Jones, 2008). The period of cultivation of lobster in Batunampar, Ekas Bay needed to achieve 300 grams takes 2-3 years. The survival rate for cultivation according to Jones (2008) reaches 20-40 % .

If fixed assets (cages) estimated can be use for 2 years, the depreciation of assets according to Widowati *et al* . (2011) with the straight-line method are $100\% : 2 = 50\%$ per year. Then, maintaining lobsters needs additional financial capital Rp. 9.030.000, -. In order to anticipate depreciation of cages, the total cost needed is Rp. 18,060,000.00. Therefore, the fixed cost for 2 years of maintenance is Rp. 9,030,000.00 with variable cost for labor and feed is Rp. 12,000,000.00.

With the initial stocking of 150 animals and with a survival rate of 40% for 2 years of maintenance, there are 60 sand lobsters with a size of 300 grams. The price of total lobster with a size of 300 grams for maintenance for 2 years is Rp. 59,999,999, -. Assuming that the price of cages was fixed and lobster cultivation is secure, the natural factors (pests and diseases, damage of nets) are secure too. Net income for 2 years of maintenance is Rp. 38,969,999.00. R/C ratio for the cultivation of lobster during the 2 years is 3.3 which shows the feasibility because the R/C ratio > 1. While the BEP is Rp. 11,287,500.00, so that the lobster did not get any profit/loss .

Table 2. Analysis of lobster - abalone cultivation for 49 days with lobster cultivation for 2 years

No.	Description	Lobster-abalone cultivation (49 days)	Lobster cultivation (2 years)
1	Cost	Rp. 9,633,200.00	Rp. 18,060,000.00
2	Net income	Rp. 1,796,800.00	Rp. 38,969,999.00
3	R/C ratio	3.97	3,3
4	BEP	Rp. 130,352.00	Rp. 11,287,500.00

Table 2 shows that the lobster - abalone cultivation for 49 days and lobster cultivation for 2 years are profitable for farmers. However, the community is unwilling to cultivate the lobster for 2 years due to the long term harvest time, they have to wait for two years before harvesting the lobsters. This type of community of farmers wants instant results, minimal risk and minimal operating costs. In addition, the reluctance of the community is due to some factors that threaten the security of lobster cultivation. Besides both cases, natural factors such as pests and disease and damage of nets in the cage cause lobster cultivation for 2 years until it reaches the size of 300 grams is not common.

4. Conclusions and Implications

In conclusion, lobster and abalone cultivations are feasible. Lobster cultivation with 2 years of maintenance (to get 300 g) of lobster based on The Regulation of Ministry of Marine Affairs and Fisheries Republic of Indonesia No: 1/Permen-KP/2015 is also feasible. However, in order to profit from this cultivation, the community has to wait for a long time (about 2 years). In addition, security factors are also the causes of community's reluctance to do lobster cultivation for 2 years.

5. Acknowledgment

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THE SUCCESS OF RASKIN PROGRAM IN CENTRAL LOMBOK REGENCY USING PATH ANALYSIS DECOMPOSITION

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Abstract

The aims of this research were to determine the path model decomposition and the variables that impact the granting rice program for poor households (Raskin) in Central Lombok Regency, West Nusa Tenggara Province, Indonesia. The methods used were path decomposition and regression analysis. The primary data were collected in 16 villages using questionnaire. The endogenous variable was the success of the program, and the six exogenous variables involved the Precise of Time, the Precise of Quality, the Precise of Administration, the Precise of Price, the Precise of Quantity, and the Precise of Households. The variable that impacted the success of Raskin program in Central Lombok Regency was the Precise of Rice Quality.

Keywords: Path Analysis Decomposition, Regression Analysis, Raskin Program Central Lombok.

1. Introduction

Central Lombok Regency is one of the regency in West Nusa Tenggara Province, are always implement the Raskin Program (granting rice program for poor households). The number of households Raskin recipient determined based on an integrated data base for the Social Protection Program in the data by BPS (Central Bureau of Statistics) and managed by TNP2K (National Teams Acceleration of Poverty Reduction) Indonesia. During the year, each of households received 15 kilograms of rice for each month, and they were paid the price of Rp. 1.600,- per kilograms. The number of households Raskin recipient is 94.745, consist of 12 of districts, there is Pujut (11.417 households), Praya Barat (8.855 households), Praya Barat Daya (7.001 households), Praya Tengah (5.280 households), Praya (8.098 households), Praya Timur (7.465 households), Janapria (7.696 households), Kopang (8.176 households), Batukliang (6.776 households), Batukliang Utara (6.191 households), Pringgarata (7.975 households) and Jonggat district (9.815 households).

Raskin is a form of public policy of the Indonesian government to distribute special rice for poor households (Hastuti et al, 2012). The objectives of Raskin are to strengthen the food security of poor families, improve the quality of Human Resources (HR), support rice farming and increase the economic empowerment of the region. In addition, Raskin has direct impact on the stability of rice prices, which also play a role in the stability of the national economy. The factors influencing the success of the Raskin program include "Six Criteria ", Precise of Time, Precise of Quality, Precise of Administration, Precise of Price, Precise of Quantity, and the Precise of Households (Hastuti et al, 2012).

Path analysis decomposition is a statistical method that can be used to analyze the success of the Raskin program in Central Lombok Regency. It can be used for development of regression models to test the suitability of the correlation matrix on two or more models (Matjick and Sumertajaya, 2011). The Path model in the path analysis diagram illustrates the relationship between independent variables (exogenous variables), mediation variables (intervening variables), and dependent variables (endogenous variables).

This study aims to determine the model and variables that influence the success of Raskin program using path decomposition and regression analysis in Central Lombok Regency.

2. Path Analysis

Path analysis is usually performed for continuous variables by using linear regression equations, and the basic idea is applied to the analysis of causal systems (Eshima *et al*, 2001). Path analysis is one of the statistical methods that used to measure the direct and indirect relationships between variables in a model. The causality in path analysis model usually indicated with circles and arrows. The predicted value obtained by regression models compared with the correlation matrix of observation variables (Mattjick and Sumertajaya, 2011). Decomposition is one of the Path analysis methods. This method determine the coefficients of the variables.

Sudaryono (2010) said that path analysis can be formulated as a coefficients estimate of a set of structural linear equation that describes the relationship (cause and effect relationships). The pattern of causal relationships between variables displays by images, known as the path diagram. There are a lot of models in the path analysis that can be used, such as Multiple Regression Model, Mediation Model, Combination Model of Multiple Regression and Mediation, Complex Models, Recursive Model and Non Recursive Model (Sarwono, 2007).

2.1. Path Coefficient

Path coefficient is the regression model coefficient that can be obtained after all variables, both exogenous and endogenous variable, are standardized by transformation. The coefficient also called by weighted beta or standardized beta coefficients (Ahn, 2002). Path coefficient between exogenous and endogenous variables denoted by gamma (γ), whereas the path coefficient between endogenous variables and another endogenous variables denoted by Beta (β) (Roflin, 2009).

The other formula to calculate of path coefficients with least squares method (Lumenta, et al, 2012). There are several stages in the path analysis determination are as follows.

- a. Draw the complete track diagram with structural equation and explain the research hypothesis, from the exogenous and endogenous variables.
- b. Identify the structure that will calculate the coefficients track. Suppose that there are k exogenous variables (X) and one endogenous variable (Y) that expressed by the equation:

$$Y = P_{yx_1}X_1 + P_{yx_2}X_2 + \dots + P_{yx_k}X_k + P_y\varepsilon \quad (1)$$

- c. Calculate the inverse correlation matrix of exogenous variables.

$$R^{-1} = \begin{bmatrix} C_{11} & C_{12} & \dots & C_{1k} \\ C_{21} & C_{22} & \dots & C_{2k} \\ \dots & \dots & \dots & \dots \\ C_{k1} & C_{k2} & \dots & C_{kk} \end{bmatrix} \quad (2)$$

- d. Calculate the path coefficient P_{yx_i} .

$$\begin{bmatrix} P_{yx_1} \\ P_{yx_2} \\ \dots \\ P_{yx_k} \end{bmatrix} = \begin{bmatrix} C_{11} & C_{12} & \dots & C_{1k} \\ C_{21} & C_{22} & \dots & C_{2k} \\ \dots & \dots & \dots & \dots \\ C_{k1} & C_{k2} & \dots & C_{kk} \end{bmatrix} \begin{bmatrix} r_{yx_1} \\ r_{yx_2} \\ \dots \\ r_{yx_k} \end{bmatrix} \quad (3)$$

2.2. Examining the path coefficient

Examining the path coefficient with two testing significance, either partially or simultaneously. The steps for examining are as follows:

Determine the statistical hypothesis

$$H_0 : \rho_{yx_i} = 0$$

$$H_1 : \rho_{yx_i} \neq 0, i = 1, 2, 3, \dots, k$$

Examine the partially testing of each path coefficient with *t*-test.

$$t = \frac{\rho_{yx_i}}{\sqrt{\frac{(1-R^2) y(x_1, x_2, x_3, \dots, x_k) R^{-1}}{n-k-1}}} \quad (4)$$

which *k* is a number of exogenous variables, ρ_{yx_i} is the path coefficients, R^2 is the determination coefficient, R^{-1} is the inverse correlation matrix of exogenous variables and $n-k-1$ is the number of degrees.

Examine the simultaneously testing of all path coefficient with *F*-test.

$$F_{test} = \frac{(n-k-1)R^2 y(x_1, x_2, x_3, \dots, x_k)}{k(1-R^2 y(x_1, x_2, x_3, \dots, x_k))} \quad (5)$$

Reject the hypothesis if $F_{test} \geq F_{table}$, where $F_{table} = F_{(k, n-k-1)}$.

2.3. Regression Analysis

Regression analysis is concerned with predicting the mean value of dependent variable *Y* from known values of one or more independent variable X_i . The *k* variable model with a dependent variable *Y*, and *k* independent variables $X_1, X_2, X_3, \dots, X_k$ can be written as:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k + \varepsilon_i \quad (6)$$

In equation (9), β_0 denotes the intercept, while β_1, \dots, β_k the slope coefficients (partial regression), and ε_i is the residual term (Mishra and Min, 2010).

3. Research Method

The sampling method used Stratified Random Sampling, and the number of sample households using Slovin technique with alpha 5%. Primary data for this study were collected using questionnaires and interviews. Questionnaires were distributed to 404 households in 16 villages and personal interviews were conducted, from May to July 2015. The 16 villages involved Aik Darek, Mantang, Mekar Bersatu, Kopang Raya, Darmaji, Muncan, Semparu, Ubung, Jelantik, Puyung, Nyerot, Tanak Awu, Ketare, Sengkol, Rembitan, and Kuta Villages.

The procedure used by decomposition of path analysis, and determined the significant variables using regression analysis. The completely procedure involves a) determining the correlation matrix, such as exogenous variables, intervening variables and endogenous variables; b) Calculating the path coefficients; c) Calculating the residual or error term; d) Determining the model; e) Examining the simultaneously and partially model; f) Determining the affected variables; g) Give the interpretation of the model.

4. Results and Discussion

The path decomposition diagram from six exogenous variables and one endogenous variable of granting rice program for poor households (Raskin) in Central Lombok Regency are represented in this section. It diagram has been showed by Figure 1.

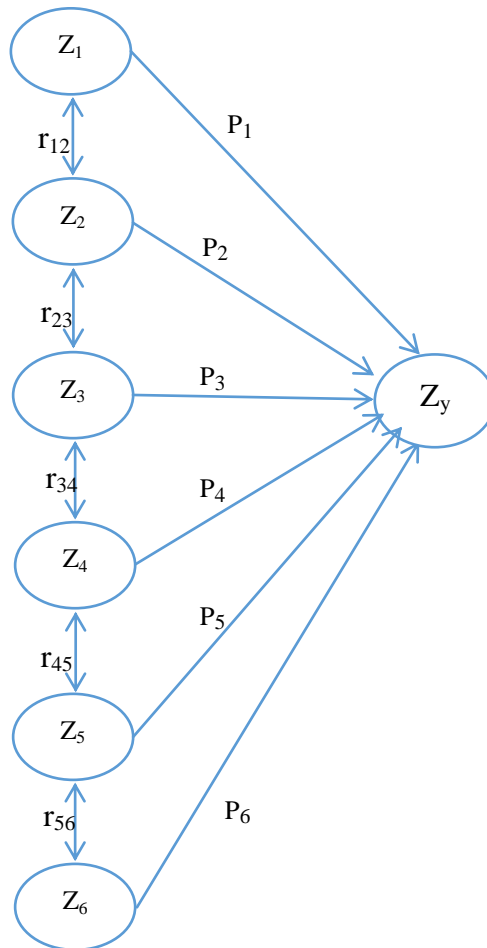


Figure 1. Path diagram for Raskin Program

Path analysis decomposition model in Central Lombok Regency composed from six exogenous variables (six precise) and one endogenous variable (success program) was represented by:

$$zy_i = p_1z_{1i} + p_2z_{2i} + p_3z_{3i} + p_4z_{4i} + p_5z_{5i} + p_6z_{6i} + e$$

where z was the standardized variable, and $p_1, p_2, p_3, p_4, p_5, p_6$ were the path coefficients of each exogenous variable, while $r_{12}, r_{23}, r_{34}, r_{45}, r_{56}$ is the correlations matrix's. The whole process summaries described in each of the following sub-sections.

- a. Pearson correlation values obtained between the exogenous variables summarized in Table 1.

Table 1. Correlations Coefficients

	X1 Precise of Time	X2 Precise of Quality	X3 Precise of Administrati on	X4 Precise of Price	X5 Precise of Quantity	X6 Precise of Household s
X1_Precise of Time	1	.087	.037	.052	.183	.000
X2_Precise of Quality	.087	1	.322	-.034	.218	.035
X3_Precise of Administration	.037	.322	1	.070	.344	.114
X4_Precise of Price	.052	-.034	.070	1	.265	.005
X5_Precise of Quantity	.183	.218	.344	.265	1	.126
X6_Precise of Households	.000	.035	.114	.005	.126	1

b. Path coefficients of each exogenous variable summarized in Table 2.

Table 2. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.515	.214		7.069	.000
	X1_Precise of Time	.046	.038	.057	1.222	.222
	X2_Precise of Quality	.456	.065	.342	6.971	.000
	X3_Precise of Administration	.083	.045	.095	1.862	.063
	X4_Precise of Price	.040	.027	.072	1.507	.133
	X5_Precise of Quantity	.026	.047	.029	.550	.582
	X6_Precise of Households	.050	.074	.032	.684	.494

Dependent Variable: Y_The Success Program

The path analysis decomposition value described by the *Standardized Coefficients Beta*. Thus, the path coefficient values obtained were $p_1 = 0.057$, $p_2 = 0.342$, $p_3 = 0.095$, $p_4 = 0.072$, $p_5 = 0.029$, and $p_6 = 0.032$.

c. Residual Value

The residual value obtained from the 0.171 value of determination coefficient (R Square) of the model. The residual value of the model was:

$$e = \sqrt{1 - 0.171} = 0.910$$

therefore model equation represented by:

$$zy_i = 0.057 z_{1i} + 0.342 z_{2i} + 0.095 z_{3i} + 0.072 z_{4i} + 0.029 z_{5i} + 0.032 z_{6i} + 0.910$$

d. Path Decomposition Test

Model testing simultaneously conducted by the *F*-test analysis of variance (ANOVA) while the partial test conducted by the *t*-test. Table 3 showed the test results.

Table 3. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	68.309	6	11.385	13.515	.000 ^a
	Residual	331.905	394	.842		
	Total	400.214	400			

a. Predictors: (Constant), X6_Precise of Households, X1_Precise of Time, X4_Precise of Price, X2_Precise of Quality, X3_Precise of Administration, X5_Precise of Quantity
 Dependent Variable: Y_The Success Program

Based on the Table 3, we can be obtained 13.515 value of *F*-test, and 0.000 value of the probability. Due to the probability value that smaller than alpha (0.05), it could be done to reject the null hypothesis. It could be concluded that the model was obtained significant. So that the exogenous variables (X_1 , X_2 , X_3 , X_4 , X_5 , and X_6) jointly affected significantly to the endogenous variable (Raskin program was success in Central Lombok Regency).

The partial test were used the *t*-test. The partial test of each coefficient showed in Table 2. The Precise of Time Variable (X_1) had no effect to the endogenous variable, because the significant value (0.222) was greater than alpha (0.05). The Precise of Quality Variable (X_2) significantly effected the endogenous variable, because the significant value (0.000) was less than alpha (0.05). The Precise of Administration Variable (X_3) had no effect to the endogenous variable, because the significant value (0.063) was greater than alpha (0.05). The Precise of Price Variable (X_4) had no effect to the endogenous variable, because the significant value (0.133) was greater than alpha (0.05). The Precise of Quantity Variable (X_5) had no effect to the endogenous variable, because the significant value (0.582) was greater than alpha (0.05). The Precise of Households Variable (X_6) had no effect to the endogenous variable, because the significant value (0.582) was greater than alpha (0.05). It could be concluded that the only variable that significantly affect the successful of Raskin program in Central Lombok was X_2 (Precise of Quality Variable).

The direct, indirect, and total effect of each variables were calculated after the test were summarized in Table 4.

Table 4. The effected of exogenous variables on endogenous variable

Variables	Direct effect	Indirect effect						Total Indirect	Total effect	% of Total effect
		Z ₁	Z ₂	Z ₃	Z ₄	Z ₅	Z ₆			
Z ₁	0.057	0.000	0.013	0.004	0.004	0.005	0.000	0.026	0.083	8.30
Z ₂	0.342	0.005	0.000	0.031	-0.002	0.006	0.001	0.041	0.383	38.30
Z ₃	0.095	0.002	0.110	0.000	0.005	0.010	0.004	0.131	0.226	22.60
Z ₄	0.072	0.003	-	0.007	0.000	0.008	0.001	0.007	0.079	7.90
Z ₅	0.029	0.010	0.075	0.033	0.019	0.000	0.004	0.141	0.170	17.00
Z ₆	0.032	0.000	0.012	0.011	0.000	0.004	0.000	0.027	0.059	5.90

Table 4 represented the influence of direct, indirect, and total effect on each variable. From Tabel 4, the direct effect from X₁ was 0.057, and the indirect effect 0.026, hence the total effect from X₁ was 0.083 (8.3 %). The direct effect from X₂ was 0.342, and the indirect effect 0.041, hence the total effect from X₂ was 0.383 (38.3 %). The direct effect from X₃ was 0.095, and the indirect effect 0.131, hence the total effect from X₃ was 0.226 (22.6 %). The direct effect from X₄ was 0.072, and the indirect effect 0.007, hence the total effect from X₄ was 0.079 (7.9 %). The direct effect from X₅ was 0.029, and the indirect effect 0.141, hence the total effect from X₅ was 0.170 (17.0 %). The direct effect from X₆ was 0.032, and the indirect effect 0.027, hence the total effect from X₆ was 0.059 (5.9 %).

5. Conclusions

Based on the result, it can be concluded that the exogenous variable that influence the success of Raskin program in Central Lombok Regency was the precise of rice quality variable, with the 0.383 (38.3 %) path coefficient value.

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MULTICULTURAL EDUCATION AS AN ATTEMPT TO REINFORCE STUDENT'S CHARACTER (THE ANALYSIS OF POTENCIES AND OBSTACLES IN SOCIAL SCIENCE SUBJECT IN JUNIOR HIGH SCHOOL)

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Abstract

Indonesian society is multicultural society. In multicultural society, there is a higher chance that social conflict will arise if the members of the society fail to build society with tolerant, democratic, peaceable, caring, friendly and responsible characters. Thus, concerning this, educational institutions, especially those of formal education should try to seek a solution in order to prepare the students to become a member of society with decent characters within multicultural society. One of the efforts to achieve this is through multicultural education. Multicultural education in Junior High School level is not taught as separate subject, but is integrated within the other subjects, including social science subject. Concerning this, the paper will explain about various potencies and obstacles in the implementation of multicultural education in social science subject in Junior High School. The potencies can be seen from curriculum, teachers, students, learning materials, and tools and infrastructure. Meanwhile, the obstacles can be seen from teachers, students and tools and infrastructure. This is very important so that social science teachers in Junior High School can implement multicultural education in the subject they teach effectively and efficiently. Thus, social science in Junior High Schools can contribute in preparing the students to become a member of society with decent character within a multicultural society.

Key words: Multicultural education, Students' character

1. Introduction

Indonesian society is a multicultural society. According to Sutherland (2000), in a multicultural society, there is a higher chance that social conflict will arise if social integration fails to be concretized. The truth of this opinion takes the forms of various conflict concerning ethnicity, religion, and race in various regions in Indonesia, namely, conflict in Ambon in 1998, conflict in Poso in 1998, conflict in North Maluku in 2000, and conflict in Mataram in 2001.

The conflicts stated above are the reflection of the failure in developing the character of a tolerant, democratic, peaceable, caring, friendly, and responsible nation, in multicultural society. Thus, concerning this condition, educational institution, especially formal education must attempt a solution to prepare the learners to become a part of a society with the decent characters in the multicultural society. Among several attempts that can be conducted, one of which is through multicultural education.

In various level of education, including in Junior High School and Senior High School level, multicultural education doesn't form a separate subject, but is integrated with various other subjects. This can be seen from the existence of various basic competences that are oriented towards the construction of characters of multicultural society. As for example, those basic competences can be found in social science subject for 1st semester of Grade VII: (1) Basic competence 1.2: to appreciate dogmas in thinking and behaving as Indonesian citizens by considering social, cultural, and political institutions in society, (2) KD 2.2: to show curiosity, as well as overt and critical attitude towards a simple social problem, (3) basic competence 3.3: to understand types of social, cultural, economic and political institutions in society, (4) Basic

competence 4.2: to generate creative ideas for understanding types of social, cultural, economic, and political institutions in society (attachment for The Regulation of National Education and Culture Minister No. 68 Year 2013).

The existence of basic competences as stated above provides space for social science teachers to integrate learning materials and effective learning strategies in order to impose multicultural value so as to be able to generate students with decent characters in multicultural society. Nevertheless, in reality, not all teachers are able to implement multicultural educations in the subject they are teaching as the enforcement for students' character construction. Thus, the research result regarding various potencies and obstacles of multicultural education in various subjects in schools stated in this paper is important to be known by teachers in order to be able to enhance the contributions of the subject they teach in constructing the students' characters. That is, to prepare the students as a part of society with decent characters within multicultural society.

2. Methods

This paper explains about various potencies and obstacles in conducting multicultural education, especially in social science subject in Junior High School. The paper is developed from a previous first-year research of two-year competitive grant project entitled 'The Development of Multicultural Education model in Social Science Subject as an Attempt to Enhance the Construction of Students' Characters in Junior High Schools in Mataram'. In the second year, the development of model based on the output of qualitative research of the first year will be conducted. The research is conducted in Junior High School 2 Mataram, Junior High School 6 Mataram, and Junior High School 9 Mataram. The location in which the research is conducted is determined based on these considerations: the school has multicultural students, and has applied Curriculum 2013.

The subject of research includes school principals, social science teachers, and also students in those schools. Data are collected through interviews, observations, and documentation. Furthermore, the data are analyzed qualitatively using steps stated by Milles and Huberman (1984), namely: (1) reducing data, (2) presenting data, (3) drawing a conclusion.

3. Discussion

3.1. Various Concept of Multicultural Education

Some opinions regarding the definitions of multicultural education from several experts are as follows:

1. Sleeter, Grant (2007, 2009), and Smith (1998), as stated in Zamroni (2011), define multicultural education as a progressive approach in conducting educational transformation which holistically provides critics and shows weaknesses, failures, and discriminations in education.
2. Hernandez (1989) implied that multicultural education is a perspective which acknowledges social, political, and economical reality an individual experiences in their encounter with others that is culturally complex and diverse. This perspective also reflects the importance of culture, race, sexuality, and gender, ethnicity, social status, economical status and some exceptions in education process.
3. Nieto (1992) states that multicultural education is the education that concerns about skills and basic knowledge for all people in the world. Apart from that, it is also important for all students, and able to span for all aspect of education system, as well as to develop attitude, knowledge, and skills that enable the students to serve for social justice. That is a process whereby both teachers and students learn about the importance of cultural variable for academic achievement and establish

education that critically gives attention to social knowledge and helps students to develop their skills (sobatbaru.blogspot.com).

4. Prudence Crandall mentions that multicultural education is education that really considers the students background, both from ethnic diversity, as well as racial, religious, and cultural diversity. In addition, Andersen and Custer briefly state multicultural education is education regarding cultural diversity (Hartono and Hasyim, 2003).
5. James (1993) implies that multicultural education is a concept or an idea as a series of beliefs and explanations that acknowledge and assert the importance of cultural and ethnical diversity in constructing lifestyle, social experience, personal identity, and education opportunity of individual, groups, or nation.
6. Azra (2000) defines multicultural education as the education for, or education about cultural diversity in responding change in specific demography and environmental culture of one group of society, as well as those of a whole group.
7. Musa (2004) states that multicultural education is a process of implanting respect, sincere, and tolerant way of life towards the various cultures that exist within plural society.

Multicultural education, especially in school, aims at:

1. Implanting attitude for respecting people, culture, religion, and other beliefs to learners (Mahfud, 2011)
2. Clarifying values and attitudes. That is, multicultural education should promote core values that are originated from the principle of human dignity, justice, equality, freedom, and democracy (Sutarno, 2007)
3. Students being able to understand the connection between their actions and various problems of living in the nations (Zamroni, 2011).

Arianto (2011) in <http://sobatbaru.blogspot.com> states that multicultural education is a very important thing for Indonesia in this multicultural society (having various cultures). Thus, every educational institution should be thrust to develop multicultural education. This is due to many advantages of multicultural education, as stated below:

1. Multicultural education can minimalize and prevent conflicts in some regions
2. Multicultural education can build between ethnical, racial, religious, and cultural diversity
3. Multicultural education can create equality for educational opportunity for all students with different race, ethnic, social class, and culture.

Basically, according to Gosrky (2010) in (<http://www.teknologipendidikan.net>), to be able to apply multicultural education in schools 3-stage transformations are needed:

- a. Transformation of self
- b. Transformation of school and schooling
 - i. Content integration
 - ii. Knowledge construction process
 - iii. Prejudice reduction
 - iv. Equity pedagogy
 - v. Empowering school culture and social culture
- c. Transformation of society

3.2. Potency of Multicultural Educations in Social Science Education in Junior High School

Potencies of multicultural education in social science subject in Junior High School can be seen from several aspects:

A. Potencies of Multicultural Education from Curriculum Aspect

From curriculum aspect, potencies of multicultural education in social science subject in Junior High School can be seen from the existence of basic competences of the subject as stated in the table:

No.	Class/ Semester	Basic Competence
1	VII/1	3.3. To understand types of social, cultural, economic, and political institution in society 3.4. To understand the definitions of the dynamics of human interactions with natural, social, cultural, and economic environment
		4.2. To produce creative ideas to understand types of social, cultural, and economic institutions 4.3. To observe and present types of the dynamics of human interactions with natural, social, cultural, and economic environment in surrounding communities
2	VIII/2	To describe functions and roles of social, cultural, economic and political institutions in society To describe types and the dynamics' nature of human interactions with natural, social, cultural, and economic environment.

Source: attachment of the Regulations of National Education and Culture Minister no. 68 Year 2013.

B. Potencies of Multicultural Education from The Learners Aspect

Students in Junior High Schools in Mataram, especially those who become the subject of research show multicultural condition. This is shown by the diversity of the students in many aspects, namely, gender, religion, and ethnic. These are the description of the students' multicultural conditions in each school in which the research is conducted in school year 2014/2015:

In Junior High School 2 Mataram, there are 964 students. From that number, 432 (44,81%) are males and 532 (55,19%) are females. Based on the religion, 80% of the students are Moslems. Furthermore, 15% of the students are Hindus, 2,5% are Christians, and the other 2,5% are Buddhist. From the ethnicity, the data shows that 60% of the students are Sasaknese, whereas Balinese, Javanese, Mbojo, and Samawa people reach 20%, 10%, 5%, and 5% respectively.

In Junior High School 6 Mataram, there are 1039 students. Out of all, 905 students (87%) are Moslems with 412 males and 439 females. In addition, 106 students (10,2%) are Hindus with 48 males and 58 females. Furthermore, 21 students (2%) are Christians which consist of 15 males and 6 females. Catholics reach the percentage of 0,38% (4 students) with 3 males and 1 female. Last, 3 students (0,29) are Buddhist, which consist of 2 males and 1 female.

In junior high school 9 Mataram, there are 810 students. from the total number of students, 489 students (60,37%) are Moslem, 310 students (38,27) are Hindus, 10 students (1,23%) are Christians, and 1 student (0,12%) are Buddhist.

Based on the students' multicultural condition as stated above, thus, the potency for developing multicultural education from the student aspect is very wide. This potency is the base for developing multicultural education as the students' need, motivation to propel the learner's interest in multicultural education, and as the base for developing various learning resources that suit the multicultural education.

Based on the need, it can be understood that the students' multicultural conditions need multicultural education. This is very important in building students' insight and awareness that they live in diversity and that toleration is very important. Thus, by multicultural education, they are able to accept the diversity as grace from God that they must be grateful of by having a good relation to each other regardless of the different ethnic and religions.

Furthermore, from the realization of the importance of multicultural education by the students, the students can build their interest, that is, great desire in multicultural education. Thus, strong interest will help the students achieve the desirable outputs, especially those related to multicultural educations, that is, the embedding of sympathetic, respectful, appreciative and empathetic attitude towards the follower of other religion and culture.

C. Potency of Multicultural From Learning Materials Aspect

Potency of multicultural education from learning materials aspect is shown by the existence of multicultural education-based local potency which can be developed as learning materials. Local potencies are resources or power owned by each region that is to be used in certain events. Local potencies is closely related to environmental input in educational component which have contribution in supporting the learning process (Sudjana, 2000). Clifford (Hatimah, 2005) asserts that basically, local potencies are resources in a certain region. Local potencies are every type of resources that exist in a certain society or region, which is useful for enhancing living standards.

Local potencies consist of various different types. BPPLS and UNISCO (2001) divide local potencies into 7 types, namely: (1) natural potency, (2) human potency, (3) cultural potency, (4) technological potency, (5) market potency, (6) financial institutions potency, and (7) partnership potency.

Thus, considering various types of local potencies as stated above, types of local potency which can be used as learning materials related to multicultural education in social science subject is cultural potency. This is possible by considering the research result from Masyhuri and Yuliatin (2008) that shows that people in Lombok have a tradition named *PerangTopat* and *Pujawali* in which social interactions as well as solidarity in religion diversity between Hindus and Moslem, ethnical diversity between Sasaknese and Balinese, and language diversity between language of Sasak people and Balinese can be seen.

The existence of Lombok society's tradition as the research result stated above is a potency which can be used as learning materials in multicultural education. This potency can be included in various types of learning materials, namely, printed learning materials in the form of pictures, and also audio visual learning materials in the form of movies. These learning materials can in turn be used in helping the students to achieve the basic competences, that is: (1) basic competence 3.3: to

understand types of social, cultural, economic, and political institution in society, (2) basic competence 3.4: to understand the definitions of the dynamics of human interactions with natural, social, cultural, and economic environment.

3.3. Obstacles in the Implementation of Multicultural Education

From teacher aspect, the obstacles in the implementation of multicultural education in social science subject can be seen in the lack of teachers' professional and pedagogic competences. From professional point of view, ideally, a social science teacher should be able to master materials from various disciplines of social science that construct the subject. Nevertheless, the fact doesn't support this. Most of social science teachers in Junior High Schools in which the research is conducted shows that the teacher only extensively and deeply masters specific discipline of social science which conforms to their education qualifications. For example, social science teacher whose education qualifications is geography will only master materials related to geography extensively and deeply, but not with another disciplines.

The conditions stated above forms a part of obstacles in conducting multicultural education in social science subject in Junior High Schools. This is because the implementation of multicultural education in social science subject in Junior High School is done by integration of materials. That is, the teacher attempts to integrate various cultural diversities to illustrate basic concepts, principles, generalizations, theories, etc. in teaching about a certain theme, sub-theme, and sub-sub theme in social science subject. For example, when the class is learning atheme about the dynamics of human interactions, sub-theme about the cultural diversity as the output of the dynamics of human interactions, and sub-sub theme about nation diversity, teacher can give examples of cultural diversity that every ethnic has. In this case, teachers can give examples about the cultural diversity between Sasak, Samawa, and Mbojo ethnic with all their differences so that the students can build the awareness about the cultural diversity in society, as well as the importance of tolerance.

To be able to bring it into realization, teachers are expected to have wide knowledge regarding culture, including that of his own, that of local community, or that of his students. This has become another difficulty for social science teachers, especially with the mastery of one certain discipline of social science.

Furthermore, from pedagogical point of view, the obstacles in the implementation of multicultural education are shown from the lack of teachers' ability to manage various potencies of multicultural education development. This can be seen from: (a) Lesson Plans made by teachers, especially those of the basic competences having the potencies for the development of multicultural education, which nevertheless still show no attempt for it, (b) learning strategies used by teachers, which are still conventional and haven't utilized the potencies from students' diversity, (c) the evaluation developed by teachers, which are not oriented towards multicultural education-based evaluation.

4. Conclusion and Suggestion

4.1. Conclusion

1. Potencies in developing multicultural education in social science subject in Junior High School as an attempt to enforce the construction of students' characters are very wide. These potencies can be seen from various aspects, namely, curriculum, learners and learning materials. From curriculum aspect, the potency can be seen from the existence of some basic competences for social science subject which are oriented towards multicultural education. From the learner aspect, the potency is

shown through the objective condition of the learners; the learners are multicultural, and thus, multicultural education becomes a need. In addition, from learning materials aspect, it can be seen from the existence of local potencies which can be used in developing multicultural education.

2. Some obstacles in developing multicultural education in social science subject in Junior High School as an attempt to enforce the construction of learners' characters can be in the form of: (1) the lack of teachers' professional competence. This can be seen from the condition of the majority of social science teachers in Junior High School in which the research is conducted; in contrast to the character of social science subject, that is, integrated, the teachers only extensively and deeply master one specific discipline of social science which conform to the teachers' educational background; (2) the lack of teachers' pedagogical competence, which is shown by the lack of teachers' ability in managing various potencies in developing multicultural education. This can be seen from: (a) Lesson Plans made by teachers, especially those of the basic competences having the potencies for the development of multicultural education, which nevertheless still show no attempt for it, (b) learning strategies used by teachers, which are still conventional and haven't utilized the potencies from students' diversity, (c) the evaluation developed by teachers, which are not oriented towards multicultural education-based evaluation.

4.2. Suggestion

1. The school must prompt and facilitate social science teachers to share or to collaborate with the other social science teacher, both with those within the school or with those from another school through teachers of subjects' conference (MGMP), in order to increase the teachers' knowledge regarding social science with the integration of various social science disciplines (geography, sociology, history, and economy) as its base.
2. Research Institute of Mataram University shall facilitate continuation of the current research for generating an effective multicultural education model for social science subject as an attempt to enhance the construction of students' characters in Junior High Schools in Mataram. This is to increase the effectivity and contribution of social science subject in Junior High School in preparing learners with decent characters in multicultural society.

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PROBLEMS IN DEVELOPING THE LOCAL POTENCY-BASED LEARNING IN CIVIC EDUCATION SUBJECT

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Abstract

The existence of basic competence for civic education subject in Junior High School reveals the potencies in developing local potency-based learning. Nevertheless, the fact shows that not all civic education teachers have the ability to develop the learning indicated. The learning activities evolved is more oriented towards the mastery of the concept from the materials written in the textbook instead of integrating the potencies surrounding the students (local potencies). This condition indicates a problem in the development of local potency-based learning in civic education subject. Thus, research concerning the issue is necessary to conduct.

This research employs qualitative approach with descriptive method, for the main concern of this research is to analyze a social phenomenon, that is, problem in the development of local potency-based learning in civic education subject. The output expected from the research is a scientific paper for national and international seminar, as well as learning materials. The subject of the research includes civic education teacher in one of Junior High Schools in Mataram. The data are collected through interviews, observation, and documentation. Furthermore, the data obtained will be analyzed qualitatively following some steps, namely reducing data, presenting data, and drawing a conclusion. The result shows that the problems in the development of local potency-based civic education learning include: (1) problems concerning teachers' competence, especially those related to professional and pedagogic competencies. From professional point of view, civic education teachers have not comprehended the materials extensively and deeply. This is indicated by the lack of teacher's ability in developing the materials by integrating it with various local potencies. The mastery of materials for civic education is still limited to those in students' textbook and teacher's textbook. Furthermore, from pedagogic point of view, teachers have not been able to design a contextual learning by integrating various local potencies in the lesson, (2) problems concerning school support, including: lack of the number of media required in the learning process, and lack of school's support in facilitating the procurement and utilization of local potency-based teaching materials effectively and efficiently.

Keywords: civic education learning, local potencies.

1. Introduction

Learning as a process comprises at least 3 components which cannot be separated, namely, competencies being obtained, learning process, and evaluation (Djamarah, 2002). Concerning this, civic education as one of the subject taught in Junior High School has basic competence, namely 'to apply norms, conventions, customs and rules regulated in society, nation and state' (Depdiknas, 2006). Apart from that, regulation from Minister of Education and Culture number 28 year 2013 also reveals the existence of basic competence of civic education subject 3.6 for VII Grade, that is, 'to understand the diversity in ethnicity, religion, race, culture, and gender'.

The presence of basic competence of civic education subject as stated before reveals the potencies in developing civic education subject as to be based on local potencies. Local potencies in here could be in the form of culture resource, as stated in Masyhuri and Yuliatin (2008). Masyhuri and Yuliatin (2008) show that *PerangTopatand Pujawali* ceremony are traditions in Lombok society

which exemplify solidarity in religious diversity between Hindunese and Moslem, as well as solidarity in ethnic diversity between Sasaknese and Balinese.

Nevertheless, there is a mismatch between the conditions expected with that in reality. Civic education teachers in schools being researched show that the learning process developed in the school is more oriented towards the mastery of concept in materials written in the textbook, and not towards the integrations between potencies surrounding the students (local potencies). This situation reveals the problem in the development of local potency-based learning in civic education subject. Thus, the paper is aimed at explaining various problems in the development of local potency-based learning in civic education developed from the result of research conducted in one of Junior High Schools in Mataram.

2. Methods

This paper will explain about various problems in the development of local potency-based learning in civic education subject. The paper is developed from a previous research entitled 'The Analysis of Problems in Developing Local Potency-Based Learning in Civic Education Subject in Junior High School 6 Mataram'. The research was funded by PNBPN Mataram University in 2015. Since the main concern of the research is to analyze a social phenomenon, that is, the problems in the development of local potency-based learning in civic education subject in Junior High School 6 Mataram, the research utilizes qualitative approach with descriptive method. Some outcomes expected from the research are a scientific paper for national and international seminars, as well as learning materials for groups of subjects on work behavior, which include the subjects: (1) Material Development, (2) Designing Civic Education Learning, and (3) Learning Materials for Civic Education. The subject of research includes civic education teachers in Junior High School 6 Mataram. The data are collected through interviews, observation, and documentation. Furthermore, the data collected will be analyzed qualitatively following several steps as stated by Milles and Huberman (1984), namely, reducing data, presenting data, and drawing a conclusion.

3. Discussion

3.1. Civic Education Learning And Local Potencies

Learning is an interaction process between the learners with their educators and learning resources in a certain learning environment (Act No. 2 year 2003). According to Hamalik (2003), learning is a combination involving human, material, facility or equipment, and procedural elements that influence each other in achieving an objective.

Meanwhile, Usman (2000) states that learning is a process containing a series of action done by teacher and students based on a mutual relationship occurred in educative situation for achieving a certain objective. Sudjana (2001) clarifies that learning components include objectives, materials, strategies, tools, and evaluations. Djamarah (2002) explains that learning as a process contains at least 3 inseparable components, namely, competencies being obtained, learning process, and evaluation.

Based on those views, it can be concluded that the development of leaning process is determined by the characteristics of the subject. Thus, concerning this, the development of civic education learning is determined mostly by the characteristics of civic education subject itself.

Civic education is a subject focusing on generating citizens who can understand and perform their rights and duties in being an intelligent and competent Indonesian citizens who also have characters, as instructed by Pancasila and UUD 1945 (Depdiknas, 2006).

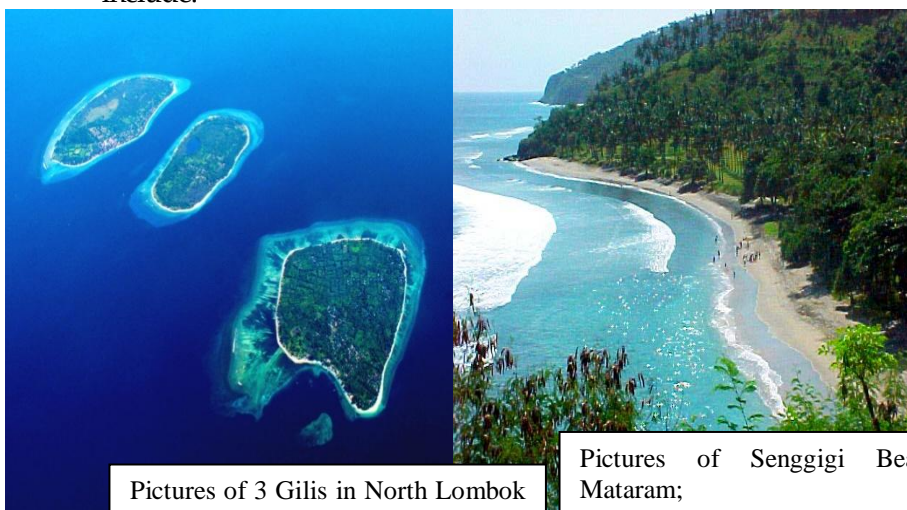
Furthermore, Djahiri (2007) states that civic education learning is defined as provisioning political and legal knowledge, building the identity of Indonesian citizens as to have Indonesian personalities, and training to live as Indonesian citizens who are

literate in politics and laws as well as having the understanding of Indonesian culture in the order of society, nation, and country.

Local potency is all types of resources in environment that are scientifically useful for enhancing life standard. Local potencies can also be defined as resources or power possessed by each region that can be exploited in certain events. These local potencies can be in the form of natural resources, human resources, and technology resources (Sudjana, 2001).

As a part of Indonesia, West Nusa Tenggara has considerable amounts of local potencies which can be integrated in civic education learning in Junior High School. A wide variety of local potencies and the potencies of civic education being integrated with those local potencies can be inferred from the connection between basic competencies of civic education subject in Junior High School with various existing local potencies.

As an example, basic competence 3.5 for grade VII states; 'to understand the characteristics of the region in which one lives in the framework of United Nationality of Indonesia Republic (NKRI)'. In order to achieve this basic competence, local potency-based learning can be developed by making use of various natural resources which become the uniqueness and special quality of West Nusa Tenggara to develop students' knowledge about the characteristics of the region in which they live in the framework of United Nationality of Indonesia Republic (NKRI). Some examples of natural resources in West Nusa Tenggara which can be used as learning materials for that basic competency include:



Pictures of 3 Gilis in North Lombok

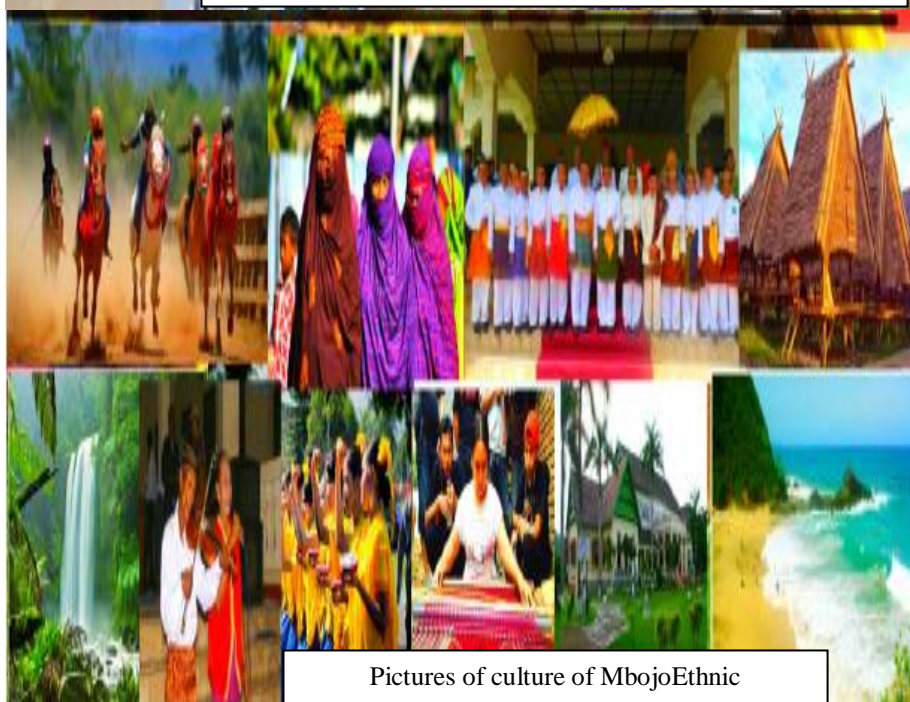
Pictures of Senggigi Beach in Mataram;



In addition, basic competence 3.6 for grade VII states; 'to understand the ethnic, religious, racial, cultural, and gender diversities'. To be able to achieve that basic competence, local potency-based learning can also be developed, that is, by utilizing potencies in the ethnic and cultural diversities of West Nusa Tenggara as a part of learning materials. The pictures concerning the ethnic and cultural diversities are as follows:



Pictures of Sasak Culture in West Nusa Tenggara



Apart from that, in grade VIII, there is basic competence 3.5., which states; 'to understand the norms and customs in various regions in Indonesia. Concerning this basic competence, local potency-based learning can be developed by utilizing various diversities in norms and customs in each region in West Nusa Tenggara. Norms and customs mentioned are as follows:



Pictures of *Merariq* custom of Sasak Ethnic, West Nusa Tenggara

The events above are some pictures of local potencies in West Nusa Tenggara which can be potentially integrated in civic education learning. The development of local potency-based civic education learning can transform the civic education subject to be contextual, and thus is easier to be comprehended and interesting.

Situations stated above match with the view from Tjahjono (2012) which states that it is necessary for contextual learning to be conducted in accordance to issues and needs for the development of the region. Contextual learning itself is a learning which empowers and builds critical awareness. This learning rests on the wisdom and local potencies, in order to prepare the learners to be able to live utmost wholly and to have decent characters.

3.2. Problems in the Development of Local potency-based Civic Education

The potencies of the development of civic education learning as stated above are not always actualized in many planning and implementation of learning in civic education subject. This is due to various problems as in the result of research by Yuliatin, et.al. (2015). These problems are as follows:

1. Problems Concerning Teachers Competence

In Indonesian Act no. 14 year 2005 about teachers and lecturers, article 1 section 10 states that competencies are a set of knowledge, competence, and behavior that must be possessed, thought, and mastered by teachers and lecturers in doing professional duty. Furthermore, in article 10 section 1 of the law asserts that the competencies that the teacher must have include professional competencies attained from education of profession.

In the explanation of Act no 14 year 2005 article 10 section1, pedagogic competence is the ability to manage the learners' learning. Moreover, behavioral competence is the ability to have steady personality, decent characters, wisdom, and authority, as well as to become the model for learners. As for professional competence, it is defined as the ability to master the learning materials extensively and deeply, while social competence is the teachers' ability to communicate and interact with learners, other teachers, learners' parents and guardians, and also society effectively and efficiently.

Concerning the teachers' competencies stated above, thus, the problem in developing local potency-based learning from point of view of teacher's competence aspect can be viewed from professional competence and pedagogic competence. From professional competence point of view, it is ideal for civic education teachers to master civic education materials extensively and deeply. Hence, by mastering the material extensively and deeply, the materials can be developed by integrating it with various local potencies to illustrate various basic concepts, principles, generalization, theories, and other things in civic education subject.

Instances stated above can be exemplified in the learning process related to basic competence 3.6 for grade VII, namely, 'to understand the ethnic, religious, racial, cultural and gender diversity'.

Concerning that basic competence, teacher can develop local potency-based learning utilizing various potencies in West Nusa Tenggara, both in the form of human resources and potencies of cultural resources, in the lesson so as to increase the student's knowledge regarding the ethnic, religious, racial, cultural, and gender diversity.

In order to concretize the prospect, the teachers are required to have wide knowledge about ethnic, religious, racial, cultural, and gender diversity among the people of West Nusa Tenggara. This turns out to be a problem among civic education teachers of the school in which the research is conducted; they haven't had enough knowledge concerning the local potency which can be integrated in civic education learning.

Furthermore, pedagogic competence which is a part of problem in developing local potency-based learning is comprehended as the ability to manage learning process, including the teachers' ability in designing and conducting the lesson effectively and efficiently. Concerning the development of local potency-based learning in civic education subject, the teacher is ideally able to design and conduct local potency-based learning, especially in basic competencies which have the potencies to be integrated. Nevertheless, it is not necessarily true in reality. This is due to the lack of understanding and teachers' performance in designing and conducting local potency-based learning.

2. Problems Concerning School Support

Problems in the development of local potency-based learning in civic education subject, especially in Junior High School in which the research is conducted, can be viewed from these aspects:

- a. Lack in the availability of equipment needed in learning process in school, such as the lack of total number of LCD projector.

As for example, in a Junior High School in Mataram in which the research is conducted, there is only one LCD projector utilized by teachers of all subject alternately. This certainly becomes a problem, since when civic education teacher wants to use LCD projector in the lesson, the LCD projector is often unavailable since it is currently used by teachers of another subjects.

- b. The school doesn't facilitate the procurement of local potency-based learning materials.

The learning materials can be in the form of: (1) printed learning materials in the form of handout, books, students' worksheet or pictures, (2) audio learning material in the form of cassette, radio and compact disk audio, (3) audio visual learning material, in the form of compact disk and film.

The development of local potency-based learning will certainly need the availability of various forms of learning materials. Nevertheless, its availability is not facilitated by the school, but merely depends on the initiative of the teacher of the subject. This is certainly a problem, since not all teachers have the ability and willingness to do it. Thus, the school should be able to facilitate the availability and the usage of learning materials effectively and efficiently.

4. Conclusion and Suggestion

4.1. Conclusion

Based on the discussion above, it can be concluded that there are some problems that exist in the development of local potency-based learning in Senior High School 6 Mataram. Those problems include:

1. Problems concerning teachers' competence, especially those related to professional and pedagogical competences. From professional point of view, teachers of civic education

haven't mastered the learning materials extensively and deeply. This is shown by the lack of teacher's ability in developing civic education materials by integrating it with various local potencies. The mastery of learning materials is still limited to that written in teacher's textbook and students' textbook. Furthermore, from pedagogical point of view, the teachers haven't been able to develop contextual learning by integrating various local potencies in the lesson.

2. Problems concerning school support, which include: (1) the lack of equipment needed in learning process in the school; (2) the lack of school facilitating the procurement and utilization of local potency-based teaching materials.

4.2. Suggestion

Based on the conclusion above, some suggestions are addressed:

1. For the teachers of civic education, they should always strive for increasing their competence, both professionally and pedagogically so as to enhance the quality of civic education learning.
2. For decision makers, both in school level and Education Department, they should always support and facilitate the procurement and utilization various local potency-based learning materials in order to improve the quality of learning.

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THE PHILOSOPHY OF DISPUTE SETTLEMENT IN CUSTOMARY LAW SOCIETY

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Abstract

The dispute occurred in customary law society either among the citizens, between citizen and community, or between the citizen and customary law society is caused by various factors such as the social change appearing on citizens' behavioral changes of customary law society, and the decadence of cultural values. Customary law society considers that some people are disrupted by the disputes, not only as an individual's interest, but also as a kind of disruption to the cultural value and the principal of communal life. They will involve the public intervention to solve it, because the disruption is not only individual, but also the public interest. This aim of this paper is to determine the philosophy of the settlement of disputes in the customary law society, using various data obtained from many sources and various studies. The method of this paper is literature review. This paper concludes that the tradition of dispute settlement in customary law society is related to the value of togetherness philosophy, sacrifice, supernatural values, and justice. Those philosophies were the principal of dispute settlement within the society itself.

Keywords: philosophy, dispute settlement, customary law society.

1. Introduction

Indonesian customary law is a manifestation of Indonesian culture. Sudarsono stated that the system of customary law in Indonesia is different from the other customary laws, like Roman's law brought by the Dutch to Indonesia (West), the Hindu Indian law, Islamic law, and many others.

Supomo also stated that customary law is the manifestation and real sense of law of people. Customary law is created from either real or unreal value of Indonesian culture. As a system, it has a systematic and construction that relay on the values and realities in social life. Similarly, the dispute settlement in customary law society also has a systematic and construction related to the values and realities in social life.

The dispute occurring in customary law society either among the citizens, between citizen and community, or between the citizen and customary law society is caused by various factors such as the social change appearing on citizens' behavioral changes of customary law society and the decadence of cultural values.

The customary law society considers that some people are disrupted by the disputes, not only as an individual's interest, but also as a kind of disruption to the cultural value and the principal of communal life. They will involve the public intervention to solve it, because the disruption is not only individual, but also the public interest. The customary law society will always prioritize the values of community than individual.

In everyday life, the customary law society reflected the magical nature of religious, social, familial, and harmonious relations among citizens of indigenous peoples. In social life, harmony becomes the basic bond. Each community was pleased when customary law can serve the interests of customary law society.

The development of science and technology has influenced the customary law society to improve their awareness to adapt with the development and the improvement of social life. This

leads to social change, which affects the decadence of social and cultural life. The values that have been implemented in people's life have changed, namely the decadence of sacral value turned into profane, religious values into economic value etc. This situation has caused the individual interest which is irrelevant to the interest of customary law society and caused the dispute or conflict.

The dispute occurred in customary law society comes from various aspects, including economic, political, social, cultural and religious. For example, the disputes in terms of economic aspects, namely the clash in the utilization of indigenous lands, caused by the development of the economic value of the land had. Customary land previously reserved mostly for social purposes, then change just to meet the interests of individuals or groups, so that there was a dispute between the residents and communities of customary law society.

Due to the disputes coming from various aspects of life of customary law society, the efforts are highly relevant to the customary law approach, which integrates all the interests of society customary law in the applicable rules of customary law. Because the social life of customary law society is based on the customary law which is related to togetherness and those citizens do not want the disputes.

The disputes settlement in the customary law society is based on the ideology embraced by the society itself. The ideology can be identified from the characteristics of customary law society which is different from the modern society. In the study of society, many experts tend to characterize the society into two kinds, namely modern society and customary law society. Customary law community is labeled as agrarian society, while modern society tends to be labeled as industrials. These labels are related to the society's ideology and philosophy of life. The analysis of the dispute settlement tradition in customary law community, is determined by the ideology and the characteristics of the society itself.

The ideology or *lebensaachuuung*, is an objective view of the people in the community about what and how the world and life is. This term created the interpretation and assessment of everything that is faced in daily life. The ideology has become the principal and rules for everything in social life. Those principals and rules consist of many aspects, namely the principal of goodness, badness, restrictive or non restrictive etc. In terms of customary law society, the ideology created the values and future goals of customs.

Koesnoe stated that the ideology of indigenous people is predicated on the philosophy of human's existence, human beings who always live together as their nature. In the traditional view, human is not considered as an individual, but as a communal. As a species, human existence cannot be separated from the group in which he or she is jointly organized life. This ideology is called the ideology of togetherness as the opposite of individualism.

The essence together ideology is in line with human's nature in which humans are living together, and cannot be separated from each other. The result appears a consequence for living together without exception. Naturally, human live in unity and togetherness, but the problem arises then is how to live together it can be implemented. The answer to this question is that living together may remain stable, since people considered the others a level. There are no higher and no lower level, a dwarf is on giant's shoulder can see of two. Similarly, in terms of mysticism, everything is shared, in joy and sorrow. The consequences of togetherness spawned a view of life and the value of the "same" and the social meaning and mysticism. The principle of togetherness created the similarity of values both in the sense of physically and mentally.

The problem occurred in the principle of togetherness is how all the same level of people can survive into an intricate, and how they can live together as a unity. This question can be answered with the principle that human beings are the same level. Living together can be maintained based on the principle of "pillars" that the teachings of living together.

In customary society, living in harmony is emphasized on the relationship of all citizens of the group are serving, keeping, loving and cherishing. A person is the servant of another. Not like

the western ideology, "*homo homini lupus*" which means a man is a wolf to the others. The ideology helping each other is mutually devoted them between one and another is the value of family relationship within a group. Thus, togetherness of life becomes the family relationship. In customary law society, all human beings are devoted to each other. This doctrine created the ideology that all individuals are equal to each other.

The ideologies, beliefs, and principles then become the sacrifice of togetherness. By implementing the principals of togetherness, the social life of society will be peaceful, and prosperous. This is stated explicitly, the ideology implemented by customary law community.

The sacrifice is the base society's rules to direct people to be peaceful, orderly and organized. The ideology of sacrifice is an obligation that must be owned by every member of the customary law society. The sacrifice is the foundation of order and who sacrifice will be rewarded. In terms of customary law community, this term is known as *adagiun* "who planted, they will take the results". From the explanation above, it may be concluded that customary law society believes to obligations and right. Right is the reward obtained by customary law society after making a sacrifice.

The ideology of customary law society which comes from values, mindset and norms has spawned a feature of customary law society. Imam Sudiyat, stated that customary law society characterized by religious, communal, democracy, concerned with spiritual and moral values, and earthy. Some researchers identified the nature of customary law society as a religious-magic, cash, concrete / visual, flexible, and dynamic. Religious-magic means the inner and outer life of customary law society is an integral part of the whole society, the entire of nature and together with other creatures. The life of human being has no distinction between real and unreal world, between people who are still living who passed away. The main duty of customary law society is to foster the harmony, equilibrium, and continuity among the society, human beings, and all living animals plants in the universe, because those harmonies will bring the happiness to all. Any activities which may influence the disharmony need the blessing of the unseen occupants.

Customary law society as a communal community means each individual "must" uphold social rights in the community. Attitudes and behavior of a person is a mirror of the soul and spirit of the community. Individual personal value is determined by the position and responsibilities in life together. In the life customary law society, human beings and objects have social functions. Helping each other and cooperating are the principals of everyday life. The transactions forming any law problems cannot be separated from positive moral judgment. In modern era, the individualization process come to blight the lives of customary law society, it must be cultivated by the society so modernizes still guided by a spirit of collective and cooperative.

The customary law society has the same democratic nature. The social interest is prioritized without ignoring individual interest. The atmosphere of democratic and social justice goes along with the communal spirit and mutual assistance within the community itself. Democratic behavior is inspired by the principle of universal customary law. And so is in the dispute settlement in customary law community.

In understanding the tradition of dispute settlement in the customary law society, it is necessary to understand the philosophy behind the dispute and the impact caused by the dispute on the value and the community of customary law society. It is necessary to recognize the philosophy in order to understand the decisions taken by the holder of custom (traditional leaders) in resolving disputes. The philosophical consideration which is based on the ideology becomes very important, because it can measure the level of justice, of peace, sacrifice and the livelihoods that will be felt by the customary law society on the decisions taken.

2. Methods

This paper used data taken from any sources and various studies. Therefore the method used in this paper is a literature review.

3. Discussion

3.1. The Philosophy dispute settlement in customary law society.

In customary law society, the moral and spiritual value has a highest place. The pursuit of intelligence, status, and wealth must be based on strong moral provisions. Moral and spiritual values have an impact on the lives of customary law society which is unpretentious and simple, reasonable character and attitude, simple, unaffected and completely professional attitude, are generally upheld by customary law society. This attitude does not mean the attitude of society customary law is weak, static, progressive or be trampled, but this attitude is shown as a form of tribute to humanity. If the customary law communities treated in accordance with humanitarian values adopted, the customary law community will cause surprise, rebellion and resistance that knows no compromise, so it was difficult to stop.

The characteristics of customary law society above reflect the views of their lives, which will be reflected in the philosophy dispute settlement in customary law society.

The method of dispute settlement is also associated with the nature, characteristics and the characteristics of the customary law society. The dispute occurred in customary law society is considered as a factual reality that cannot be ignored. The dispute settlement needs to be solved carefully and deeply, so it doesn't disrupt the lives of the customary law society themselves. When there is a dispute in the customary law community, there will be a turbulence and decadence of moral values. Therefore, the disputes are generally settled quickly, in order the effects of disputes are not too influential to the life value of customary law community.

The meaning of disputes in customary law society is addressed to the social imbalance. That is, if there is a dispute or a crime and violation, the customary law societies feel an imbalance that occurs in their life. Therefore, people will settle it through the mechanism of customary law.

The tradition of dispute settlement in customary law society is related to (1) the philosophy of togetherness (communal), (2) the philosophy of sacrifice, (3) the philosophy of the supernatural, and (4) the philosophy of justice.

3.1.1. The Philosophy of togetherness

In the customary law society, the social interest is the philosophy of life that permeated every member of society. The communities prefer to prioritize social interest than individual. If the social interest is implemented, the individual interest will not automatically be ignored. Generally, the customary law society will always prioritize the social interests, and prevent the intervention of individual interest in their social lives. The dispute occurred between individuals and among groups, according to the customary law society's point of view, is an action that influences the social interests and therefore it must be solved wisely using traditional settlement patterns.

3.1.2. The Philosophy of Sacrifice.

In the dispute settlement, a sacrifice has become an emphasis for customary law society. Those who are involved in the dispute of customary law community should be willing to sacrifice their individual interests for the sake of social interest. The dispute settlement in customary approach reflects the communality values that must be accepted by the warring individuals, knowing that they are part of another. They are together and have some identical identity either as species or as a member of the customary law society. The decision of customary law taken in resolving the dispute is a way to keep and maintain the value of togetherness and equality. Therefore, the disputing parties are willing to step back and make sacrifices in order to maintain the values and the custom rules they uphold. A willingness to make sacrifices for the sake of communal and

individual interests dominate restraint will be honored and ethical values over customary society. On the contrary, the parties who do not consider the communal interest and much more concerned with individual interests tend to get a negative assessment from the customary law society and can lead to sanctions.

3.1.3. The Philosophy of Supernatural.

The dispute settlement in customary law society is identified in the form of ritual ceremony. The goal is people who are involved in conflict need to obtain recognition of the supernatural in its completion. Therefore, the sincerity of any parties who are involved in conflict to sit together to resolve disputes and facilitated by traditional leaders is a desire of the Almighty. As for spiritual values derived from ritual signifies that the dispute settlement has the approval from supernatural. The parties are not free to come back fighting after their dispute resolved through the customary pattern.

4. The Philosophy of Justice

The disputes settlement of among the customary law society is a communal justice. Communal justice is a justice where nobody feels aggrieved by the decision taken by the chairman or traditional leaders to resolve disputes. It is really necessary to enforce the justice as the rules and principals of life of customary law society. The customary law is implemented in order to uphold the public justice. The dignity and the values of customary law society is largely determined by the degree to which the values of communal justice is realized. The higher the value of communal justice, the more powerful and glorious position of the customary law communities.

Those philosophies were the inspiration in the tradition and dispute settlement in customary law society which is determined by the values of customary law, traditional leaders and traditional institutions. The value of customary law is a norm that has become a standard behavior of customary law society. This value is also served as guidelines for the customary leaders in their duty to resolve disputes. A customary leader is a person who has "a customary charisma" and understands the customary law obtained hereditary. They become the reference of dispute resolution within the community itself. The customary law is in their hands, and they inherited the customary law and enforce it in the lives of indigenous peoples. Those who understand and master the norms of customary law called traditional leaders who tend to be leaders in the community itself. While traditional institutions are institutions that have specific duties and functions, which both maintain and retain the customary law in society.

The tradition of resolving disputes in the customary law community tend to use "custom pattern" or in other terms is often called "a family approach". This approach is applied instead.

The settlement with the customary pattern does not mean there is no any compensation or penalties against offenders' customary law. The penalty continues to be applied in the form of corporal punishment or compensation of property. The implementation of punishment is highly dependent on the type and severity of a dispute between the parties.

It is essential to state here that the essence of dispute resolution in customary law be to achieve a peace comprehensively. The peace means here is not only to the parties or the perpetrator and the victim, but also for the society as a whole. Therefore, the approach used is a persuasive approach to the settlement of disputes by means of language and religious customs, so that the awareness of the parties that there is no means to live in the world, in case of disputes and actions that harm others. The aim of disputes settlement in the customary law is the embodiment of a permanent peacefulness.

The customary law society prefers to settle the disputes through consultation or deliberation, which aims to achieve peace in the community. The deliberation is the main approach used by the customary law society to settle the disputes, because through deliberation, people would achieve

peacefulness that benefits both parties. Settling the dispute through the deliberation doesn't mean ignoring the settlement through the customary judicature. The disputes settlement either through deliberation or customary judicature approach still nominated as the approach to consultation which is one of the philosophies and characteristics of the customary law society.

The dispute settlement through customary law mechanisms can be implemented through consultation or deliberation which took the mediation, negotiation, facilitation and arbitration. The four models of dispute settlements are often practiced by the customary law society in resolving their disputes. The customary leaders functions as a mediator, facilitator, negotiator and arbitrator. Practically, the customary leaders generally use this approach together.

5. Conclusion

Based on the discussion above it can be concluded that the dispute occurred in customary law society either among the citizens, between citizen and community, or between the citizen and customary law society is caused by various factors such as the social change appearing on citizens' behavioral changes of customary law society, and the decadence of cultural values. The tradition of dispute settlement in customary law society is related to (1) the philosophy of togetherness (communal), (2) the philosophy of sacrifice, (3) the philosophy of the supernatural, and (4) the philosophy of justice.

The philosophy of sacrifice in resolving the dispute becomes a great point for customary law society. Those who are involved in the dispute of customary law community should be willing to sacrifice their individual interests for the sake of social interest. The dispute settlement in customary approach reflects the communality values that must be accepted by the warring individuals, knowing that they are part of another. They are together and have some identical identity either as species or as a member of the customary law society. The decision of customary law taken in resolving the dispute is a way to keep and maintain the value of togetherness and equality. Therefore, the disputing parties are willing to step back and make sacrifices in order to maintain the values and the custom rules they uphold. A willingness to make sacrifices for the sake of communal and individual interests dominate restraint will be honored and ethical values over customary society.

The philosophy of supernatural of dispute settlement in customary law society is identified in the form of ritual ceremony. The goal is people who are involved in conflict need to obtain recognition of the supernatural in its completion. Therefore, the sincerity of any parties who are involved in conflict to sit together to resolve disputes and facilitated by traditional leaders is a desire of the Almighty. As for spiritual values derived from ritual signifies that the dispute settlement has the approval from supernatural. The parties are not free to come back fighting after their dispute resolved through the customary pattern.

The philosophy that should be maintained the disputes settlement among customary law society is communal justice. Communal justice is a justice where nobody feels aggrieved by the decision taken by the chairman or traditional leaders to resolve disputes. It is really necessary to enforce the justice as the rules and principals of life of customary law society. The customary law is implemented in order to uphold the public justice. The dignity and the values of customary law society is largely determined by the degree to which the values of communal justice is realized. The higher the value of communal justice, the more powerful and glorious position of the customary law communities.

Those philosophies were the inspiration in the tradition and dispute settlement in customary law society which is determined by the values of customary law, traditional leaders and traditional institutions. The value of customary law is a norm that has become a standard behavior of customary law society. This value is also served as guidelines for the customary leaders in their duty to resolve disputes. A customary leader is a person who has "a customary charisma" and understands the customary law obtained hereditary. They become the reference of

dispute resolution within the community itself. The customary law is in their hands, and they inherited the customary law and enforce it in the lives of indigenous peoples. Those who understand and master the norms of customary law called traditional leaders who tend to be leaders in the community itself. While traditional institutions are institutions that have specific duties and functions, which both maintain and retain the customary law in society.

6. Recommendations

Based on the above descriptions, the author gives the following recommendations:

1. The models of dispute settlement in the customary law communities need attention and become a reference in the resolution of the various problems that arise in Indonesian society today where the values of togetherness philosophy, the value of sacrifice, and the values of justice had faded and even showed a sense of high egoism, where the rich intervened the poor and weak in all aspects. As a result, they do not have the strength to deal with their problem.
2. It is expected the nation's leaders can provide shelter and exemplary in many ways, especially in term of comfort, justice can be felt by the people of Indonesia, especially the little people that completely insufficient in all respects. Therefore, the expectations that would be implemented as soon as possible is designed with the scale of priorities for the benefit of the people, not for the benefit of minorities who have the power over many aspects to do his will in order to gain personal benefit.

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THE IMPACT OF CORPORATE GOVERNANCE AND FIRM SIZE ON AGGRESSIVE TAX AVOIDANCE IN THE LQ-45 INDEX

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Abstract

The objective of this study is to examine the influence of size of board commissioners, size of board directors, size of auditing committee, and firm size toward the aggressive tax avoidance. The sample of this study was companies listed in the LQ-45 index during the period of 2012-2014. This research was conducted based on documentation and observation of companies' website, while data is acquired through the Indonesian Capital Market Directory (ICMD, www.sahamok.com and www.idx.co.id. The analysis technique applied in this research is multiple linear regression. The results of the analysis in this study indicate that the size of board commissioners, size of board directors, and firm size have significant and positive influence on the aggressive tax avoidance while the size of auditing committee does not.

Keywords: size of board commissioners, size of board directors, size of auditing committee, firm size, aggressive tax avoidance, index LQ 45

1. Introduction

Tax is the country's most dominant source of income in the structure of National Income and Spending Budget (APBN). This can be seen from taxation data for the last five years. In 2010, tax contribution reached 69,73%, 2011 reached 70,11%; 2012 reached 74,82%; 2013 reached 78,2% and 2014 reached 84% (www.anggaran.depkeu.go.id). Although there is an increase in composition of tax revenue, tax compliance is still very poor. Based on 2014 statistical data, there were around 20 million businesses in operation in Indonesia, however only 5 million were registered as tax payers and only 550,000 businesses that actually pay taxes or report Letter of Announcement (SPT) with SPT ratio of around 11 percent (www.pajak.go.id). Furthermore, there is a discrepancy of interest between taxpayers and government whereby taxpayers aim to pay tax as little as possible legally as well as illegally.

The lack of tax compliance and lowering of tax payment in Indonesia is an indication of tax avoidance practices, legally as well as illegally. Aggressive tax actions are actions aimed at lowering taxable profit through tax planning by using means that indicate tax avoidance or not (Franck et. Al, 2009). Aggressive tax avoidance practice in Indonesia is significantly high. Tax General Directorate (DJP) has prosecuted many significant cases on aggressive tax avoidance. Among others are cases against Asian Agri, Bumi Resources, Adaro, Indosat, Indofood, Kaltim Prima Coal (KPC) and PT Airfast Indonesia (subsidiary of PT Freeport Mc Moran). A company is set up with the intent and purposes to maximize profit (Warren, 2005:2). Company aim can be manifested through good corporate governance (GCG). GCG is a system that can regulate and control a company to create value added for all stakeholder (Dharmapala, 2007 in Annisa and Kurniasih, 2012). Guidelines for GCG were published in 2006 by National Committee on Governance Policy (KNKG). This publication stems from the awareness of individual businesses to conduct their business activities based on sustainability, stakeholders' interest, and to avoid one off profit making.

On 17 October 2013, seven institutions cooperated through conducting *Annual Report Award (ARA)* night given to companies in Indonesia. Those institutions are Bapepam and LK, Ministry of BUMN, Bank Indonesia, Direktorat Jenderal Pajak, Komite Nasional Kebijakan *Governance*, PT. Bursa Efek Indonesia, and Ikatan Akuntan Indonesia. ARA aimed to evaluate quality of transparent information and application of GCG in yearly report with reference to provision and guidelines that are applicable nationwide as well as internationally. The principals of GCG are fairness, accountability, transparency, independence and responsibility that become important because consistent application of GCG principals can increase quality of financial report (Beasley, 1996 in Sulistyanto and Wibisono, 2003 in Annisa and Kurniasih, 2012).

Desai and Dharmapala (2006); Rego and Wilson (2009) through their research state that companies have a tendency to avoid tax payment. Research conducted by Dyreng et al (2010) found that company executives have significant contribution toward the level of company tax evasion. In Desai and Dharmapala (2006), there is a relation between tax evasion and incentive compensation. There is higher relation in companies with low *corporate governance (CG)*, whereby the opportunistic nature of company manager is considered as a dominant factor. According to Haruman (2008), CG in a company will determine the direction of company performance. When a company has implemented CG properly, company performance will become more effective and will have implication on effective decision making in determining policy in relation to the amount of company's effective tax rate (Hanum & Zulaikha, 2013).

Variation in effective tax rate is also influenced by company characteristics (Lestari,2010). The size of company, debt structure, and asset mixed used as proxy of company characteristic measurement can also be used to detect tax evasion. A company can take actions to reduce its taxes, such as by using mostly debt financing. In debt payment, there is a component for cost of interest that reduces taxable income (Lestari,2010). Therefore, company profit before taxable income using debt financing tends to be smaller in comparison with company that pays for its operational activity through issuing shares. This action can reduce company's tax liabilities and could be classified as tax evasion.

Several studies looked at the relationship between company characteristic and tax evasion using some proxy such as tax shelter activity, effective tax rate, book-tax different, etc. (Hanlon and Heitzman, 2010). Rego (2003) in Halon and Heitzman (2010) reports supporting evidence on the existence of international operation that reduce opportunity for tax evasion which results in lower effective tax rate.

Research finding of Kurniasih and Sari (2013) states that profitability, company size and fiscal lost compensation could influence tax evasion, however leverage and CG do not affect tax evasion. Sari and Martani (2010) found that level of aggressive tax (evasion) of family company tends to be higher than non-family company. Influence of CG on aggressive tax action (tax evasion) was not proved significant. The influence of CG on family ownership and aggressive tax action was also not proved significant. This is different from research result by Annisa and Kurniasih (2012) that shows that auditing committee and quality of audit have significant affect on company's tax evasion.

The phenomena of aggressive tax evasion cases in Indonesia and variation in past research findings have motivated the writer to conduct an empirical research on affect of corporate governance and company size to aggressive tax evasion. This research is conducted with reference to research conducted by Prakoso (2013) in relation to corporate governance and tax aggressiveness. This paper adds one more independent variable that is company size, proxy to measure aggressive tax avoidance i.e. Effective Tax Rate (ETR) and the samples are companies included in LQ 45. This research aims to empirically test the effect of corporate governance and company size to *aggressive tax avoidance*.

2. Theoretical Review

2.1. Theoretical Base

2.1.1. Agency Theory and Corporate Governance

The essence of corporate governance is based on agency theory, whereby company management must be observed and controlled to assure that management is based on compliance with regulation (Wolfensohn, 1999). Separation between owner and company management can create a problem, among others the possibility of manager to take actions that are against principle needs or importance. Agency theory explains possible conflicts between owner and company management. This conflict is called agency problem (Jensen and Meckling 1976).

In the context of this tax research, the said conflict can occur with respect to the importance of company profit between tax collector (*fiskus*) and taxpayer (company management). *Fiskus* expects maximum income from tax, while management exerts more importance on higher company profit with lower tax. These two conflicting views create conflict between *fiskus* as tax collector and management as taxpayer.

2.1.2. Good Corporate Governance

The Indonesian Institute for Corporate Governance (IICG) (2012) defines *Good Corporate Governance* as structure, system and process used by a company as a mean to give sustainable added value while maintaining the needs of stakeholders according to norms, ethics, culture, rules and regulations. According to Decree of Ministry of BUMN No KEP-01/MBU/2011 on Implementation of Good Corporate Governance, definition of Good Corporate Governance is the underlying principals of process and mechanism of a company's management based on rules and regulations as well as business ethics. Furthermore, the Decree mentioned the five principals, namely transparency, accountability, responsibility, independency and fairness. These principals are needed in the implementation of GCG because they are strongly related to financial report of a company. In turn these GCG principals will give benefit to the company.

The Indonesian Institute For Corporate Governance (IICG) (2012) states that benefits of GCG implementation are maintaining company's sustainability, increase company's value and market trust, lessen agency cost and cost of capital, improve performance, efficiency and service to stakeholders, protect company from political intervention and lawsuits, and help create good corporate citizen. The benefits of GCG implementations will not be enjoyed by company without first of all implementing the principals of GCG. At the same time, principals of GCG cannot run smoothly without company commitment implemented by a company organ.

According to KNKG (2006), company organ are:

1. General Meeting of Shareholders (RUPS). The coordination of RUPS is the responsibility of directors. Therefore, directors must prepare and organize RUPS based on point 1 and 2 stated above. In the event the director is unable to organize RUPS, the responsibility falls on Board of Commissioner or shareholders based on regulations and company's article of association.
2. Board of Commissioner as company organ has the collective task and responsibility to conduct supervision and give advice to Directors, as well as to ensure the implementation of GCG by the company. In doing its tasks and functions, the Board can form a committee. These supporting committees are namely auditing committee, nomination and remuneration committee, risk policy committee, and corporate governance policy committee.
3. Board of Directors as a company organ has the collegial task and responsibility to manage a company.

2.1.3. Aggressive Tax Avoidance

The development of tax avoidance is quite monumental. In the past many parties consider tax avoidance as legal, however nowadays there are two mind sets on tax avoidance. Some consider it as acceptable and others consider it as unacceptable as stated by Slamet (2007): (i) the existence of good or bad company intention, (ii) merely to avoid tax or not, (iii) in line or not with the spirit and intention of parliament, and (iv) to conduct or not a fabricated transaction.

According to Arnold and McIntyre (2002), tax avoidance are transactions or planning by taxpayers to minimize the amount of tax payable through legal actions and not including criminal acts. Brian and Michael (2002) distinguish tax planning as defensive tax planning, which is tax planning that does not include tax expert or advisor and is done solely on the based on the national law and regulations; and as offensive tax planning, which is tax planning that uses tax experts as tax advisor and make use of tax haven countries.

There are many ways to determine tax evasion. Hanlon and Heitzman (2010) propose 12 ways to measure tax evasion, i.e.: 1) GAAP ETR, 2) Current ETR, 3) Cash ETR, 4) Long-run cash ETR, 5) ETR Differential, 6) DTAX, 7) Total BTD, 8) Temporary BTD, 9) Abnormal total BTD, 10) Unrecognized tax benefits, 11) Tax shelter activity, and 12) Marginal tax rate. Tax avoidance measurement used in this paper is ETR, as used in the research of Desai and Dharmapala (2006), Dyreng, Hanlon, and Maydew (2008), Richardson and Lanis (2007;2012; 2013), Chen et.al. (2010), and Minnick and Noga (2012).

2.1.4. Company Size

Company size is a scale to classify a company as big or small through certain measurements, namely: total fixed assets, log size, sales and market capitalism, and others. In essence, company size is divided into two category i.e. big and small company. Company with big total fixed assets indicate that the company has matured whereby at this stage the company cash flow is positive and the company continues to have enjoy prosperity for a relative amount of time. Furthermore, the company is considered stable and capable to produce profit compare to company with smaller total fixed assets. (Hasibuan, 2009).

2.2. Past Research

Surbakti (2012) found that size of company and investment intensity positively and significantly influence tax evasion by companies, whereas inventory intensity has negative and significant influence. Leverage and tax reformation do not have influence on tax evasion.

Prakosa (2014) researched the affect of profitability, family ownership, and corporate governance on tax evasion in Indonesia. The research samples were 58 manufacturing companies registered in Bursa Efek Indonesia in 2009 - 2012. The sample was chosen using purposive sampling method. Data analyses used classic assumption test and hypothesis test with double linear regression method. The finding shows that profitability, family ownership and independent commissary have negative effect on tax evasion.

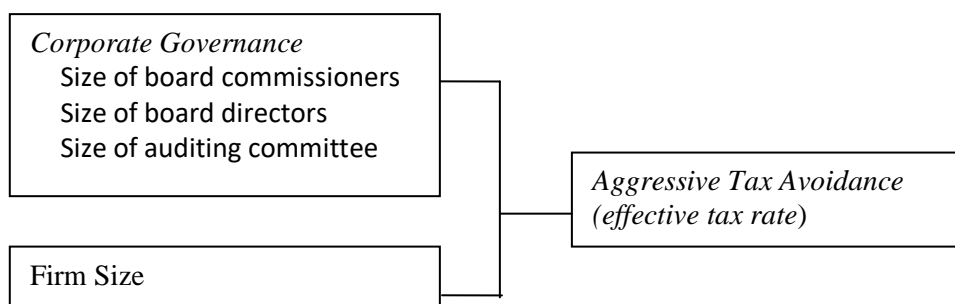
Winarsih, et. al (2014) found that the size of board of commissary has an effect on aggressive tax action by the company. However, the size of Board of Directors, size of auditing committee and corporate social responsibility do not have an effect on aggressive tax action.

Ridha and Martani, (2014) used manufacturing and non-manufacturing companies that are registered in Bursa Efek Indonesia in the period of 2008-2012. As many as 101 companies were registered creating a total of 505 observations. Research finding shows a positive relation between tax aggressiveness and financial report aggressiveness. This relation shows that Indonesian companies do not always face trade off in decision making in relation to profit management and company tax. Family ownership has positive effect on tax aggressiveness but has no effect on financial report aggressiveness. This shows that non-tax cost is not big enough to be taken into consideration for aggressive action in tax. Meanwhile, company's good governance has no effect on the aggressiveness of financial report as well as tax. A good corporate governance score is not a

reflection of an effective good governance of a company especially in curbing manager's negative attitude related to tax or profit management.

Puspita and Harto (2014) conducted research on the affect of company's good governance on tax evasion. They stated that expert background in accounting or finance by auditing committee has no significant effect on attitude to evade tax by the company. The availability of independent commissary, executive compensation, and company size has no significant effect on attitude in tax evasion. Public ownership through shares and majority ownership has significant negative effect on company's tax evasion attitude. Company performance has significant positive effect on tax evasion.

2.2. Conceptual Framework



Picture 1
Conceptual Framework

2.3. Hypothesis

Based on past research and theoretical review, hypothesis are formulated as follows:

- H1 : Size of independent commissioner is influential on *aggressive tax avoidance*
- H2 : Size of board of commissioners is influential on *aggressive tax avoidance*
- H3 : Size of auditing committee is influential on *aggressive tax avoidance*
- H4 : Size of company is influential on *aggressive tax avoidance*

3. Research Method

This is a correlational (associative) research that seeks to prove the relation between two or more variables (Sugiyono, 2006). The sample of this study was companies listed in the LQ-45 index during the period of 2012-2014. This research was conducted based on documentation and observation of companies' website, while data is acquired through the Indonesian Capital Market Directory (ICMD, www.sahamok.com and www.idx.co.id). The analysis technique applied in this research is multiple linear regression.

Table 1. Variable dan Indikator

Variable	Indicator
Board Commissioners (X ₁)	Size of Board Commissioners
Board Directors (X ₂)	Size of Board Directors
Board Auditing Committee (X ₃)	Size of Board Auditing Committee
Firm Size (X ₄)	Ln (Asset Size)
Aggressive Tax Avoidance (Y)	$ETR = \frac{\text{Tax Expense } i,t}{\text{Pretax Income } i,t}$

Source: processed data (2015)

4. Results And Discussion

4.1. Classic Assumption Testing

The results of significance level obtained from the Kolmogorov-Smirnov test show that the significance level is higher than 5% (0,05). This means that data spread does not show any deviance from the normal curve meaning that the normality assumption has been met.

Based on the results of this test, it can be concluded that this regression model does not show any signs of multicollinearity because the VIF (*variance inflation factors*) value is > 10 and the tolerance value is < 0,10.

According to the results of the autocorrelation test, the DW value of 1.570 is higher than the upper limit (du) 1.391 and lower than 2-1.391 (2-du), which means that the H₀ cannot be rejected and that there is neither a positive nor negative autocorrelation.

From the result of the heteroscedasticity test, the regression model shows no heteroscedasticity proven by the spread of data which is scattered above and below 0 on the Y axis.

4.2. Regression Analysis

The following table shows the partial regression coefficients.

Table 2. Result of Multiple Linear Regression Analysis

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
1 (Constant)	.145	.276			.524	.602		
X1	.020	.015	.148	1.297	.008	.705	1.418	
X2	-.046	.016	-.393	-2.805	.006	.469	2.130	
X3	.014	.021	.072	.664	.508	.774	1.293	
X4	.015	.018	.099	.813	.018	.623	1.605	

a. Dependent Variable: Y

Source: processed data 2015

From the value shown in table 3, the following regression equation can be derived:

$$Y = 0.145 + 0.20 X_1 - 0.046 X_2 + 0.014 X_3 + 0.015 X_4$$

The equation shows that:

1. The constants and coefficients of the independent variables have positive value. This indicates that *aggressive tax avoidance* will change in the same direction as the change in size of board commissioners, size of board directors, size of board auditing committee and firm.

2. Size of board commissioners (X1) has the same direction as *aggressive tax avoidance* (Y) with the coefficient of 0,145. This means that the higher the board commissioners, the level of *aggressive tax avoidance* (Y) will also rise.
3. Size of board directors (X2) does not have the same direction of association with *aggressive tax avoidance* (Y) with a regression coefficient of -0,046. This means that the lower the board directors (X2) the level of *aggressive tax avoidance* will be higher (Y).
4. Size of board auditing committee (X3) has the same direction as *aggressive tax avoidance* (Y) with the coefficient of 0,014. This means that the higher the board auditing committee, the level of *aggressive tax avoidance* (Y) will also rise.
5. Firm size (X4) has the same direction as *aggressive tax avoidance* (Y) with the coefficient of 0,015. This means that the higher the firm size, the level of *aggressive tax avoidance* (Y) will also rise.

4.3. Hypothesis Test Analysis

4.3.1. Simultant Test (F-test)

Table 3. Result of ANOVA Regression

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.473	4	.118	2.148	.080 ^a
	Residual	5.502	100	.055		
	Total	5.975	104			

a. Predictors: (Constant), X3, X1, X4, X2

b. Dependent Variable: Y

Source: processed data 2015

From the results of the ANOVA or F test, an F count of 2.148 with a probability level of 0.080 was obtained. Because the probability level is much higher than 0.05, this means that the regression model cannot be used to predict *aggressive tax avoidance*. In other words, size of board commissioners, size of board directors, size of board auditing committee and firm size simultaneously does not impact *aggressive tax avoidance*.

4.3.2. Partial Test (T-test)

The T test shows how much influence each independent variable has on the dependent variable. The results of the T test can be seen in Table 4.

Table 4. Results of T test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.145	.276		.524	.602
	X1	.020	.015	.148	1.297	.008
	X2	-.046	.016	-.393	-2.805	.006
	X3	.014	.021	.072	.664	.508
	X4	.015	.018	.099	.813	.018

a. Dependent Variable: Y

Source: processed data 2015

From table 4, the significance level for size of board commissioners (X1) is 0.008 which is well below 0.05, the significance level for size of board directors (X2) is 0.006 which is well below 0.05, the significance level for firm size (X4) is 0.018 which is well below 0.05, meaning that it has a significant impact on size of board commissioners (X1), size of board directors (X2), and firm size (X4) while aggressive tax avoidance (Y), with a significance level of 0.508 which is well beyond 0.05 shows that it does not have a significant impact. In short, it can be said that size of board commissioners, size of board directors, and firm size are influenced by aggressive tax avoidance but not by size of board auditing committee.

4.4. Result Interpretation

4.4.1. The Impact of Size of Board Commissioners on Aggressive Tax Avoidance

The results of this research show that the size of board commissioners has a significant impact on aggressive tax avoidance. The more higher the size of board commissioners, the more positive the effect will be on aggressive tax avoidance haded firm. There is a possibility that caused this to happen for example due to the low quality of coordination among the commissioners. Yermack 1996, Eisenberg, Sundgren, and Wells, 1998, and 1993 Jensen Nasution and Setyawan in 2007 explained that the condition may be due to the difficulty of coordination between members of the council and it inhibits the supervisory process should be the responsibility of the board of commissioners. The difficulty of coordination among board members that led to the delivery of information between members of the board did not agree that the duties and functions of the board of commissioners does not run properly. This condition can be used by the management to take action, for example imposture like not report information that should be reported. One example of earnings management actions that will benefit the company in terms of taxation (aggressive tax avoidance).

4.4.2. The Impact of Size of Board Directors on Aggressive Tax Avoidance

The results of this research show that the size of board directors has a significant impact on aggressive tax avoidance. Directors assumed as the representative of a company that wants a higher profit with lower payable tax, but if it is associated with the government will have a contradictory relationship between the two. Then the conflict of interest (agency theory) will be very vulnerable place between the company and the government. The Company has raised the interest income as a reference to improve the welfare of employees, while the government sees profit rise as the object of tax that will be charged. Conflicts of interest have led to the emergence of aggressive tax measures. The company wanted the maximum profit but by the payable tax

rates as low as possible. Then the company would be likely to make a profit management against the tax becomes due, the so-called act of aggressive tax planning activities tax that all companies involved in the effort to reduce the effective tax rate

4.4.3. The Impact of Size of Board Auditing Committee on *Aggressive Tax Avoidance*

The results of this research show that the size of board auditing committee has no a significant impact on aggressive tax avoidance. These results are not significant due to the close cooperation between the organs of the company and its formality required number of the size of board auditing committee of the government over a top priority in aggressive tax measures. Sriwedari (2009) in Annisa and Kurniasih (2012) explains that the existence of an audit committee whose function is to improve the integrity and credibility of financial reporting may not work properly if there is no support of all elements of the company. The results of this study, the average company has 3 or 4 person audit committee. According to regulations issued by Bapepam ie minimal audit committee consists of 3 persons (with chaired by an independent commissioner who served as chairman of the audit committee). Means the sample is already comply with the regulations issued by Bapepam on the number of auditing committee. This is what makes the question mark in terms of its nonexistence influence of the number of audit committee of the company's aggressive tax measures. It is possible the company simply wanted to meet the requirements given by the government, regardless of the functions and tasks that should be carried and carried out by the auditing committee.

4.4.4. The Impact of Firm Size on *Aggressive Tax Avoidance*

The results of this research show that the firm size has a significant impact on aggressive tax avoidance. Based on some of the above results and the phenomenon of tax cases in Indonesia , there is a common thread that becomes the tentative conclusions in research that the larger the company , the increasing acts of aggressive tax avoidance . This is possible because the company uses its power to tax planning due to limitation in the form of the possibility of the spotlight and the target of the regulator 's decision

5. Conclusion And Suggestion

5.1. Conclusion

Simultaneously, size of board commissioners, size of board directors, size of auditing committee and firm size do not effect aggressive tax avoidance. Partially, size of board commissioners, size of board directors, and firm size has a significant effect on *aggressive tax avoidance* while size of board auditing committee does not.

5.2. Suggestion

Future studies are expected to further expand the range of research and adding more sample which is not limited to the firm in manufactur with a period of more than three years will help achieve more favorable results and adding variables relevant to aggressive tax avoidance and range of research that is not too long and the number of observations that are slightly limited the period 2012-2014 , and only companies that registered in LQ-45 index

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ACTUALIZATION MAJLIS TA'LIM ROLE IN ENHANCING THE EFFECTIVENESS OF ISLAMIC CAPITAL MARKET SOCIALIZATION

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Abstract

Majlis Ta'lim (ta'lim assembly) is an activity that can be held by both men and women in order to teach religious matters. Because most of ta'lim activities are held by women, the Majlis Ta'lim is synonymous with women's activity. At present, the function of Majlis Ta'lim is growing not only to be a learning media about the religion, but also a media to learn all aspects of social life, education, economic and even political. Majlis Ta'lim then became the most strategic alternative education media that can be used to penetrate various issues. It can not be denied that the Islamic capital market as a means of investing is a new thing for the community in Indonesia. This is caused by the lack of socialization of the Islamic capital market in the Islamic community itself, especially Indonesia, where actually Muslim majority are apparently not really know about the systematics of Islamic economics. Majlis Ta'lim has an important role in enhancing the effectiveness of the dissemination of Islamic capital markets by involving women incorporated therein. Actualizing the role of Majlis Ta'lim in effecting Islamic capital market socialization will be done through continuous education on Islamic capital markets in the majlis.

Keywords: Majlis Ta'lim, Women, Socialization, Islamic Capital Market

1. Background

The capital market is a means to bring together parties who need capital to finance and investment vehicle for those who have excess capital. Where the investment is one activity muamalah highly recommended by Islam, because we invest the wealth we have then this will make our possessions into a productive and will also provide benefits to others who need it.

Hoarding treasure forbidden with clear and explicit by Islam, and anyone who hoard wealth and do not spend it in Allah's way is threatened with a painful punishment. Hoarding wealth is a serious crime, as tantamount to cut off the treasures that God has bestowed from the surplus to the deficit that really need it. Therefore, Islam prohibits the accumulation of wealth and instead encourage the circulation of wealth among all sections of society.

Here is the verse of the Qur'an explains:

مَا أَقَاءَ اللَّهُ عَلَى رَسُولِهِ مِنْ أَهْلِ الْقُرَى فَلِلَّهِ وَلِلرَّسُولِ وَلِذِي الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسْكِينِ وَابْنِ السَّبِيلِ كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ وَمَا ءَاتَاكُمُ الرَّسُولُ فَخُذُوهُ وَمَا نَهَاكُمْ عَنْهُ فَانْتَهُوا وَاتَّقُوا اللَّهَ إِنَّ اللَّهَ شَدِيدُ الْعِقَابِ ﴿٧﴾
يَوْمَ يُحْمَىٰ عَلَيْهَا فِي نَارِ جَهَنَّمَ فُتُكْوَىٰ بِهَا جِبَاهُهُمْ وَجُنُوبُهُمْ وَظُهُورُهُمْ هَٰذَا مَا كُنْتُمْ لَأَنفُسِكُمْ تَفُوقُونَ ﴿التوبة: ٣٥﴾

Translation:

Al-Hashr: 7

What are the spoils (fai'i) which God gave to His Messenger, (of the property) from the people of the cities it is for God, for the Apostle, kinsfolk, orphans, the poor and those the traveler, the property sepaya not circulated among the wealthy among you. What is given unto the Apostle then accept, and what he forbids you, then leave. And bertaqwalah to Allah, verily Allah is severe in punishment.

Tauba: 35

(Remember) the day when gold and silver is heated in Hell, and with it ironed dahu, stomach and their backs (as he said) to them, "This is your treasure that you keep for yourselves, so taste (due to) what you save it.

The content of the letter Al-Hashr verse 7 into a concrete evidence of the totality of Islam in regulating all aspects of life. Settings on the property fay 'and Ghanimah clearly show that Islam is not just struggling in private affairs and ignorant of public affairs, as alleged Liberals. The content of this verse also refuted claims of some people who refuse disyariatkannya Islamic state. Therefore, the existence of a treasure fay 'and Ghanimah closely associated with jihad and state institutions. Hard to imagine Muslims can get treasure fay 'if Muslims do not have a strong state so as to make the infidel into trepidation and hand over its assets. If Muslims do not have a state, the opposite is true. Instead of making the infidels in awe and surrender his property to Muslims, rather they loot Muslims without any adequate resistance, as is the case today.

While the content of the letter Tauba verse 35 that people who collect treasures and store them without the means to spend most on the road in God (in pay zakat) for the believers will be input into hell. And gold, silver he kept going into pieces that will burn in hell fire. And that treasure which will be a torture device in hell.

Based on the argument very clear prohibition of storing the property so that the wealth we have recommended to be invested in order to be productive and provide benefits for others.

To carry out the orders of the investment, then the required means to invest. There are a variety of options to invest one is to invest in the stock market. Where the capital market is the place to bring together parties who need capital to finance and investment vehicle for those who have excess capital. The capital market is one of the important pillars of the world economy today. Many industries and companies that use capital markets as a medium to absorb investments to strengthen its financial position.

With the Islamic capital market provides an opportunity for every Muslim who wants to invest in accordance with Islamic principles that provide peace of transactions that kosher. But the fact that use the facility only partially mainly only among industry and the company, the individual is still lacking once it is seen from unfamiliarity on the capital market itself, especially the Islamic capital market. that is the cause was a lack of understanding of the Islamic capital market. so it is necessary to increase socialization among the community of Islamic capital markets.

Majlis Ta'lim is a container that is set up to teach about religious matters. Then the study groups into *Majlis Ta'lim*, which means a place of learning or studying. Due to growing up now is the recitation by women, then, recitation or *Majlis Ta'lim* is synonymous with women's activities. At present, the function of *Majlis Ta'lim* is growing. Not only be a place to learn about the religion, but also a place to learn all aspects of social life, education, economic and even political. *Majlis Ta'lim* then became the container most strategic alternative education can penetrate various issues.

Increasing the effectiveness of the Islamic capital market socialization is very important, it will require real efforts. To achieve the desired objectives need to be an increase in disseminating the Islamic capital market in the community, with the *Majlis Ta'lim* are mostly carried out by women we can actualize the role of *Majlis Ta'lim* in enhancing the effectiveness of the Islamic capital market socialization in the community.

Previous studies that support for this study is the actualization of *Majlis Ta'lim* role in improving the quality of community in the era of globalization .Saeful by Anwar in 2012. The phenomenon of majlistalim by yudhi Fachruddin 2013. Study investor interest in Islamic securities in the capital market by the assessment team in investors' appetite for Islamic securities in the capital market in 2011 .

2. Objectives

1. To know the concept of the Islamic capital market

2. To analyze the actualization of the role of *Majlis Ta'lim* in enhancing the effectiveness of the dissemination of Islamic capital markets

3. Method

This type of research is qualitative research using descriptive analysis method. Qualitative research is a research method used to examine the condition of natural objects, where the researcher is a key instrument, data collection techniques combined basis, data analysis is inductive and qualitative research results further emphasize the significance of the generalization.

This research uses descriptive method is one of the research methods that are widely used in research that aims to explain an event. As proposed by Sugiyono¹ Descriptive research is research aims to provide or describe a phenomenon that occurs at this time by using scientific procedures to address the actual problem'. In this study the authors will describe the phenomena that occur in the community about the lack of socialization of the Islamic capital market in the community. So it takes the actualization of the role of *Majlis Ta'lim* in improving the effectiveness of the Islamic capital market socialization through women as part of their *Majlis Ta'lim* itself. With the *Majlis Ta'lim* is expected to be one of the means in disseminating the Islamic capital market.

The data used in this research is secondary data. Secondary data is the source of the data acquired indirectly through an intermediary medium or obtained from books, journals, previous research and other literature.

While data collection techniques done by documentation is done with the collection of data and documents and literature study conducted by examining the books that are relevant to the issues raised to gain clarity of concept and collects literature relevant to the discussion of the study.

4. Results And Discussion

4.1. The Islamic Capital Market

The capital market is a means to bring together parties who need capital to finance and investment vehicle for those who have excess capital. Where the investment is one activity muamalah highly recommended by Islam, because we invest the wealth we have then this will make our possessions into a productive and will also provide benefits to others who need it.

So we need the means to invest. There are a variety of options to invest one is to invest in the stock market. Where the capital market is the place to bring together parties who need capital to finance and investment vehicle for those who have excess capital. The capital market is one of the important pillars of the world economy today. Many industries and companies that use capital markets as a medium to absorb investments to strengthen its financial position.

Investment is implanting or placing of assets, either property or money on something that is expected to deliver revenues or will increase in value in the future.² Investment is one of the ways used to develop the assets owned productive.³

In addition, as one of the investment as economic activity will have a spiritual feel of when to include in the implementation of sharia norms.⁴ So the intent of sharia investment objective is to store and manage funds at this time to enjoy the benefits in the future, by using methods recommended by the sharia so that the benefits are not just for the world alone but to the hereafter as well.

¹Sugiono.2001. *Metode Penelitian Administrasi*. Bandung: Alfabeta.

²Muhammad Syakir Sula. AAIJ. FIIS.2004. *Asuransi Syariah (Life And General)*. Jakarta: Gema Insani. Hal.359

³Taufik Hidayat. 2011. *Buku Pintar Investasi Syariah*. Jakarta Selatan: Mediakita.hal. 23

⁴Taufik Hidayat. 2011. *Buku Pintar Investasi Syariah*. Jakarta Selatan: Mediakita.hal. 25

While the definition of an Islamic capital market activity concerned with the public offering and trading of securities, public companies relating to securities issuance, as well as institutions and professions related to securities executed based on Islamic principles.⁵

According to the Indonesian Muslim Scholars Assembly (2003) (DSN-MUI Fatwa No. 40 / DSN-MUI / X / 2003) is an Islamic capital market is the entire mechanism of the capital market activities, especially regarding the issuers, types of securities traded and trade mechanism in accordance with the principles of Sharia. While the definition of Islamic securities are securities as defined in the laws and regulations in the capital market are contract, the management of the company, as well as how to meet the publication principles of sharia. As is the principles of sharia is the principle that was based on Sharia Islamic teachings decided by DSN-MUI through fatwas.

Another understanding of Islamic capital market is the entire mechanism of the capital market activities, especially regarding the issuers, types of securities traded and trade mechanism in accordance with the principles of Sharia. While the definition of Islamic securities are securities as defined in the legislation in the field of capital markets and the way the company's management contract publishing meet Islamic principles.⁶

To meet the growing needs of the time as a state of law, the Indonesian government to enable the operation of the capital markets with the aim to further spur national economic growth. That effort was grounded by the need of development funds increasingly builds up. Thus through the capital market, the business world will be able to obtain most or all of the financing needed. In addition, it is also intended to flatten the results of development through ownership of shares of the company as well as employment and equal opportunities of business.

The capital market has a very important position in the development of the Indonesian economy. Capital markets have an important role in macroeconomic activity. Capital markets can act as a tool to allocate economic resources optimally. The existence of capital markets in the economy is very useful for companies that need capital to develop products in the country which will bring a positive impact on the domestic economy.

While According Metwally function of the existence of the Islamic capital market:

Allows for the people participating in business activities with a share of profits and risks.

Allowing shareholders to sell their shares in order to obtain liquidity

Allows companies to raise capital from outside to build and develop its production lines

Separate operating business activities of short-term fluctuations in stock prices is a common feature on conventional capital market

Allows investment in the economy is determined by the performance of business activities as reflected in the stock price.⁷

According Metwally characteristics required in forming the Islamic capital market is as follows :⁸

All shares must be traded on a stock exchange

Exchanges need to prepare for post-trading in which shares can be bought and sold through brokers

All companies with shares that can be traded on a stock exchange are required to submit information about the calculation (account) the advantages and disadvantages as well as advantages to the balance of the management committee of the stock exchange, with a distance of not more than 3 months

⁵Sholihin, Ahmad Ifham.2010. *Buku Pintar Ekonomi Syariah*. Jakarta:PTGamedia. Hal 351

⁶Soemitra, Andri.2009. *Bank & Lembaga Keuangan Syariah*. Jakarta: PT. Kencana Prenada Media Group. Hal: 113

⁷Huda, NuruldanNasution, Mustofa ,Edwin. 2008. *Investasi Pada Pasar Modal Syariah*. Jakarta:Kencana Hal. 76.

⁸Andri Soemitra. 2010.*Bank dan Lembaga Keuangan Syariah*. Jakarta: Kencana. cet ke-2. hal. 34

The management committee to apply the highest share price (HSP) for each company with an interval of not more than 3 months

Shares may not be traded at a higher price than HSP

Shares can be sold at a price below the HSP

The management committee should ensure that all companies involved in the exchanges that follow sharia accounting standards

Stock trading should only take place within one week of the trading period after determining HSP

The company may only issue new shares in the trading period, and the price of HSP

Prinsip instruments Islamic capital market in contrast to the capital market conventional, because the principle of elementary money is understood in sharia is also very different from the prinsip base owned by the understanding of conventional economics, in conventional economics that money not only serves as a medium of exchange, but money also serves as a commodity which can be bought and sold. In contrast to the Islamic money only serves as a means of exchange and payment. Conventional capital market mechanism system containing usury, maysir, and gharar in every transaction trying to be eliminated in the Islamic capital market that no longer raises doubts transactions containing usury, maysir and gharar. Instrumensyariah pun already rolled out a number of Indonesian capital market such as in the form of stocks and bonds with certain criteria in accordance with sharia prinsip.

The fundamental difference about the difference between the Islamic capital market with conventional capital market rests on three things, namely stock index, the instruments are bought and sold, and the mechanism of transactions that occurred in the Islamic capital market and conventional capital markets.⁹

Stock Indices Stock Index Conventional and Islamic (Sharia). The fundamental difference between conventional index with the index Islam is a conventional index include all stocks listed on the exchange by ignoring aspects of halal haram, which is important stocks listed issuers (listing) is according to the rules (legal). There is a dividing line between stock index and stock indices conventional Islam. First, if the Icelandic stock index issued by an institution that is ruled by the conventional capital market, the calculation of the index is based on the stocks that meet the criteria are classified Shariah, whereas conventional indexes include all the shares listed in the stock exchanges. Secondly, if the Islamic stock index issued by the Islamic capital market institutions, the index is based on all shares listed in the Islamic capital market which had previously been selected by the manager.

FTSE in his paper entitled Ground Rules for the Management of the FTSE Global Islamic Index Series argued that the stocks included in the index Islam should not be engaged in: (1) banking and other financial business related to interest (interest), (2) alcohol, (3) smoking, (4) gambling, (5) armor, (6) the life insurance, (7) a pig farm, packing, and processing or other matters related to pigs, (8) sectors / companies are significantly influenced by the things mentioned above, and (9) a company that has a debt burden of usury by the percentage of the assets of the company exceeds the limits allowed Islamic law.

Instrument. In the conventional capital market capital market instruments that are traded securities (securities) such as stocks, bonds, and derivatives instruments (derivatives) option, right, warrant, and mutual funds.

In the Islamic capital market, the instrument is traded stocks, Islamic bonds and Islamic mutual fund, whereas options, warrants, rights do not include the instruments are allowed. As is the stock and Islamic bonds must come from issuers that meet the criteria of sharia and use the principle of mudaraba, Musharaka, Ijara, istisna', greetings, and murabaha.

⁹Adrian Sutedi. 2011. *Pasar Modal Syariah*. Jakarta: Penerbit Sinar Grafika

Transaction Mechanism. In the context of the Islamic capital market, according to Alhabshi, ideally Islamic capital market that do not contain any usurious transaction, dubious transactions (gharar), and shares in companies involved in fields that are forbidden. Islamic capital market transactions should be free of unethical and immoral, such as market manipulation, insider transactions that utilize (insider trading), selling shares not owned, and buy it later (short selling). The difference with the conventional capital market speculation lay shares as a way to gain an advantage.

In the mechanism of the Islamic capital market product transactions, IrfanSyauqi discourse suggests that the purchase and sale of shares should not be done directly. In the conventional capital market investor can buy or sell shares directly using a broker. This situation allows for speculators to play the price.

Here below are described the differences with conventional Islamic capital market specifically through the table:

Table 1 Conventional Capital Markets and Shariah Capital Markets Difference

No	Islamic capital market	Conventional capital markets
1	<p>Shariah Index</p> <ul style="list-style-type: none"> • Index issued by the Islamic capital market . • If the Islamic index issued by an institution that is ruled by the conventional capital market , the calculation of the index is based on the stocks that meet the criteria of sharia . • All shares are recorded in the appropriate lawful exchanges.¹⁰ 	<p>conventional index</p> <ul style="list-style-type: none"> • Index released by the conventional capital market . • Conventional Index include all the shares listed in the stock exchange . • All shares listed in the stock ignore aspects of halal - haram.
2	<p>Instruments traded in the Islamic Capital Market.</p> <ul style="list-style-type: none"> • Stock. • Islamic Bonds • Mutual Funds Sharia 	<p>Instruments traded in Conventional Capital Markets.</p> <ul style="list-style-type: none"> Stock Bond. Mutual Funds. Option. Right Warrant¹¹
3	<p>Shariah Capital Market Transaction Mechanism .</p> <ul style="list-style-type: none"> • Does not contain Ribawitransaction . • No transactions were dubious (gharar), speculativeand gambling. • The company's shares are not engaged in the prohibited areas.(alcohol, gambling, smokingetc) • Sales transactions and the purchase of shares must not be made directly to avoid manipusi price.¹² 	<p>Capital Market Transactions conventional mechanism</p> <ul style="list-style-type: none"> • Using the concept of interest containing usury . • Contains a transaction that is not clear, speculative, manipulative, and gambling . • Shares of companies engaged in all areas of both haram and halal . • Sales transactions and purchases done directly by using the services of a broker that allows speculators to ridicule price.
4	<p>Shares (securities)</p> <ul style="list-style-type: none"> • Shares traded came from issuers that meet the criteria kriteri - sharia . • There is no interest-based transactions .There is no doubt transaction . • Shares of the company must be lawful business activities. 	<p>Shares (securities)</p> <ul style="list-style-type: none"> • Shares traded come from all issuers without regard to halal - haram . • Contains transaction flowering . • Contains a speculative transaction . • All companies either lawful or unlawful business activities .

¹⁰Adrian Sutedi. 2011. *Pasar Modal Syariah*. Jakarta: Sinar Grafika. hal. 52-54

¹¹Adrian Sutedi, *Pasar Modal Syariah*, hal. 55

¹² Adrian Sutedi, *Pasar Modal Syariah*, hal. 52-54

	<ul style="list-style-type: none"> • There is no transaction that is not in accordance with ethical and immoral such as market manipulative, insider trading and others. • The instrument transactions using the principle of mudaraba, Musharaka, Ijara, istisna', and greetings. 	<ul style="list-style-type: none"> • Contains manipulative transactions. • The instrument transactions by using the principle of interest.
5	<p>Islamic bonds .</p> <ul style="list-style-type: none"> • Based mudharabah with regard DSN - MUI fatwa No. 7 / DSN - MUI / IV / 2000 of financing . • Issuer acting as mudarib(manager of capital) . • Bondholders as shahibul mall (financiers) . • Bond Issuer must not do kegiatan conflicting principles of sharia . • Ratio should be mentioned in the contract .¹³ 	<p>conventional bonds</p> <ul style="list-style-type: none"> • Based on the principle of interest. • Issuer acting as debtor (debtor). • Bondholders as kreditor(which indebted) . • Issuers of bonds exempt business activities , so there is no limit halal - haram . • Ratio follow the development of interest rates .¹⁴
6	<p>Mutual Funds Sharia</p> <ul style="list-style-type: none"> • Based wakalah between fund managers and investors , as well as mudharabah between the investment manager and the investment with regard DSN - MUI fatwa No. 20 / DSN - MUI / IX / 2000 on Mutual Funds Sharia. • Investments are made in financial instruments in accordance with sharia . • Type of business issuers must comply with sharia . • Profit sharing between investors (represented by the investment manager) and the investment based on the proportion specified in the contract . • The investment manager does not bear the risk of loss for not negligent . It means that investors still bear the loss.¹⁵ 	<p>Conventional Mutual Funds</p> <ul style="list-style-type: none"> • Based on the principle of collective investment contract with due regard to Article 18 through Article 29, Chapter IV of Law No. 8 of 1995 on the Capital Market . • Investments made on conventional instruments . • Type of business issuers should not be sharia-compliant . • Profit sharing between the investor and the investment manager is based on the development of interest rates . • The investment manager also risk because based on the principle of collectivity .

Islamic capital market development in order to accommodate the needs of Muslims in Indonesia who want to invest in capital market products in accordance with the basic principles of sharia . With the growing diversity of infrastructure and investment products in Indonesia , is expected to invest the public will have an alternative that is considered to be in accordance with his wishes , in addition to the investment , which is already known in the banking sector .

4.2. Majelis Ta'lim (Ta'lim Assembly)

Education is a task and a shared responsibility consciously carried out by both the educators and the educated. Awareness in implementing the education intended to reach maturity and the maturity of thinking that can be cultivated through some of the educational process, namely the process of formal, informal and non-formal.

¹³M. Irsan Nasarudin, *Aspek Hukum Pasar Modal Indonesia*, hal. 205

¹⁴Tavinayati dan Yulia Qomariah. 2013. *Hukum Pasar Modal di Indonesia*, cet.2.Jakarta: Sinar Grafika.hal.21-23

¹⁵ Nurul Huda dan Mustafa Edwin Nasution. 2008.*Investasi pada Pasar Modal Syariah*, Cet. 2. Jakarta: Media Grafika. hal.117-119

Ta'lim Assembly as a form of Islam that is Non-formal education, seems to have its own peculiarities. So as to resemble a collection of lectures were held on the basis of the need to understand Islam on the sidelines of busy work and other forms of activity or as a time filler for Mother-housewives.¹⁶

Etymological terms the word "*Majlis Ta'lim*" comes from Arabic, which consists of two words, namely *Majlis* and *Ta'lim*. *Majlis* (in English: Assembly) means the seat, where the hearing, the board, and *Ta'lim* means teaching. Thus, the language "*Ta'lim* Assembly" is the place to carry out teaching or teaching Islam.¹⁷

According to Indonesian dictionary, *majlis* is Organization (the Organization) as a forum for the study. *Majlis Ulama Indonesia* (Indonesian Muslim Scholars Assembly) said that *majlis* that is a non-governmental organization community made up of scholars of Islam.¹⁸

Jakarta *Ta'lim* Consideration Council in 1980 defined *Majlis Ta'lim* as non-formal educational institutions of Islam that has its own curriculum, held periodically and regularly, and was followed by a relatively large congregation, and aims to foster and develop decent and harmonious relationship between man and Allah, between human beings with each other and between humans and their environment, in order to build societies that fear Allah SWT.¹⁹

Ta'lim Assembly characteristics, that might distinguishes it from other organization, are:

- A non-formal institutions, the activities carried out at institutions specifically mosques, prayer houses, or even to the member hotels
- There is no strict institutional rules so that its voluntary. There is no curriculum, the material is all aspects of religious teachings.
- Aiming to examine, explore and practice the teachings of Islam in addition to trying to disseminate
- Between giver chaplain material by pilgrims as a recipient of communicating directly²⁰

Function and Position *Ta'lim* Assembly as follows:

- Maintaining and developing the teachings of Islam in order to form a community devoted to Allah SWT.
- As a recreational park Rohaniyah because penyelenggaraanya be relaxed
- In the event the future course of *silaturrohnmi* can build and *ukhuwah da'wah Islamiyah*
- As a means of ongoing dialogue between scholars and umara' with people
- As a medium to deliver useful ideas for the development of the people and the nation at large.²¹

In her book entitled "*Strategy on Environmental Dakwah Ta'lim Assembly*", Alawiyah formulating objectives in terms of its function, ie.

- serves as a place of learning, the goal is to increase the knowledge of Islamic study groups and religious beliefs, which will encourage religious teaching experience.
- serves as a place of social contact, then the goal friendship.
- functioning realize social interests that aim to raise awareness and household welfare and the environment congregation.²²

¹⁶ Khozin. 1996. *Jejak-jejak Pendidikan Islam di Indonesia*, Bandung. hal 235 - 236

¹⁷ Ahmad Warson Munawwir. 1990. *al-Munawwir: Kamus Arab-Indonesia*. Jakarta: Grafiti Press. Ke- 14. hal. 202

¹⁸ Departemen Pendidikan dan Kebudayaan. 2008. *Kamus Besar Bahasa Indonesia Pusat Bahasa*. Jakarta: PT.Gramedia Pustaka Utama. cet. Ke-4. hal. 859

¹⁹ Van Hoeve. 2010. *Ensiklopedia Islam*, Jilid 3. Jakarta: Ichtisar Baru. Hal.120

²⁰ Khozin. 1996. *Jejak-jejak Pendidikan Islam di Indonesia*. Bandung: hal. 240

²¹ Enung K Rukiati dan Fenti Hikmawati. 2006. *Sejarah Pendidikan Islam di Indonesia*. Bandung: Pustaka Setia. Cet. 1, hal. 134

²² Tutty Alawiyah. 1997. *Strategi Dakwah di Lingkungan Majelis Taklim*. Bandung: Mizan. cet. I. hal. 78

Mohsen MK did not separate between the purpose and function of informal gatherings. He explained in his book entitled "Management Ta'lim Assembly, when seen from the meaning and history of the establishment of Islamic study groups in society, can be known and possible propaganda agencies it serves and aims as follows:

- The teaching-learning
 - Informal gatherings can serve as a teaching and learning activities of Muslims, especially for women in order to improve the knowledge, understanding, and experience the teachings of Islam.
- Educational Institutions And Skills
 - Islamic study groups also serve as an educational institution and skills for women in society related, among other things with the issue of personality development as well as family and household formation *sakinahmawaddahwarohmah*. Through this *Ta'lim* Assembly, they are expected to maintain the glory and honor of the family and household.
- Container Activism And Creativity
 - Islamic study groups also serve as a platform for activism and creativity of women. Among others in the organization, community, state and nation. State and our nation desperately need the presence of women who *Sholihah* with expertise and skills so with piety and the ability to guide and direct him toward the good society.
- Fostering And Development Center
 - *Ta'lim* also serves as a center for the promotion and development capability and quality of human resources of women in various fields such as propaganda, education, social, political and in accordance with his nature.
- Network communication, brotherhood and friendship
 - *Ta'lim* also expected to become a communications network, brotherhood, and friendship among fellow women, among others, in building a society and an Islamic life order.

Ta'lim Assembly growth among the community demonstrate the need and desire of the community members will be religious education .Hasra on the needs and the wider community in an effort to solve the problems towards a happier life . Increasing demands of pilgrims and the role that is both non-formal education , raises the awareness of and the initiatives of the clergy and other members of the community to improve, enhance and develop the quality and ability , so that the existence and the role and functions of *Majlis Ta'lim* really goes well.

4.3. Actualization Majlis Ta'lim Role In Increasing Effectiveness Of Socialization Of Islamic Capital Market

One effort to improve the local economy is to empower the women to be entrepreneurs so as to come to be an addition to the family income. The involvement of women in the family as an addition to the family income indirectly contribute to improving the general welfare of society. Therefore their empowerment is something that is important and should be pursued. These efforts are not enough to just be done by the government but how to motivate people themselves to make efforts to change. The role of non-governmental institutions and social organizations in this regard is very reliable.

The role of women within the family is not only taking care of her husband and children only. Now, women also have responsibilities in managing the family finances. With so women

should understand how to carry out that role, the role of women in financial management include:

a. Family financial support

Necessities of life will always increase. It terjadang makes women choose to helping her husband in the family meet the costs involved. There have been many women as wives financially support the family by working. But it depends on the conditions and the approval of her husband's family. But sometimes the husband does not allow for a career, women are still able to work at home, with its expertise.

b. Manage your finances well

Managing finances, which either means is a woman who has a role as a wife and mother should be able to organize his family's finances in balance between revenues with expenditures. So women must know how where her family's financial situation, whether its finances well, pretty or ugly. After knowing the financial condition of women in the family then had to make a plan every month. Do pencataan of all income and expenditure so that all needs can be controlled. In preparing the financial plan, let do it realistically. When there are excess funds will be allocated where these funds, for berliburkah, expenditure or investment.

c. Setting the monthly spending

In the women's role as a regulator of monthly expenditure, the women not only know how to spend it alone, but must know how where how to regulate finance in a monthly shopping. When shopping, women must be able to distinguish between wants and needs. According to psychologist Alexander Sriewijono, "The need is something that is needed to make a human being can live a life; while desire is something that is not a priority but still people want to make life more comfortable". So as a woman who has the role can set spending must be able to prioritize the needs of their families in managing finances.

In addition to domestic women also have an important role in society, the social role of women in society. As social beings, the woman could not live on their own, will always need other people, then that is where the importance of friends, friends and neighbors. One of the social role of women in society is through the *Majlis Ta'lim*. With this alternative container most women tend to use their spare time to learn again, educate yourself and actualize in order to increase capacity and capability as an independent woman. The *Majlis Ta'lim* are a forum alternative education of women, has several functions including;

a. *Majlis Ta'lim* as a means of religious education

As a means of education in general, the role of a very large *Majlis Ta'lim*. The main focus of this education is to teach how to adjust the position of a woman in the household, community and socialize with the fear of God almighty one.

b. *Majlis Ta'lim* as a means of economic education of the people

Women or mothers household family finances. They can do two jobs at once the economy! As a producer and as a consumer. This is evident in each of their presence at the *Majlis Ta'lim*; *Ta'limmajlis* is not only used as a place where they learn to gain knowledge, but also as a business center. They offer a variety of snacks, groceries to goods and services. In the *majlis Ta'lim* are all among the social strata of society, and women's business turnaround happened right here so that the target of the business economy of the people.

c. *Majlis Ta'lim* as a means of social education

As a means of social education, *Majlis Ta'lim* potential to be a place of socialization various social product. Here, not only study religion alone, but the values in daily life were taught course bersumberkan religious norms. Women as members of *Majlis*

Ta'lim as well as a wife, mother-in-law, and part of a community that is not immune from problems.

The significance of the presence of *Majlis Ta'lim* as one of the answers to the needs of citizens towards stabilization aspects of religious knowledge and the enlightenment spirit transmitted through teaching the values of Islam. Flexibility of organizational management aspects which are owned by the *Majlis Ta'lim* as non-formal education institutions make presence felt *Majlis Ta'lim* grounded in virtually all elements of society. *Majlis Ta'lim* be a unifying container society in which all people melt without social class barriers separating their togetherness.²³

The functional role of Islamic study groups is the foundation of human life affirming Muslim Indonesia in the field of mental khususnyadi religious spiritual Islam in an effort to improve the quality of life are integral , outwardly and inwardly , worldly and ukhrawiah equation (simultaneous) , appropriate guidance Islamic teachings that faith and taqwa underlying the earthly life in all areas of its activities . That function is in line with our national development ".²⁴

Position informal gatherings in the middle of the Muslim community in Indonesia , among others ; (1) as a forum to foster and develop the religious life in order to establish a society fear of Allah ; (2) The spiritual recreation park , (3) containers that fosters friendship symbols of Islam , (4) medium to deliver ideas that benefit the people and nation building.²⁵

Assembly means *Ta'lim* is a container forming a religious spirit and personality that serves as a stabilizer in the whole movement life activity of Indonesian Muslims, then it is proper activities of Islamic nuances attention and support from the community, so as to create beings that have a balance between intellectual and mental and spiritual potential in an effort to face the changing times increasingly global and advanced.

The existence of informal gatherings potential in creating opportunities for the progress of women. A lot of knowledge that can not penetrate the space *Majlis Ta'lim* because of the lack of human resources who can access it. No wonder if during the *majlis Ta'lim* only a center of religious learning alone. So, actually, this could be a mutually reinforcing synergy empowerment.

In line with the national development goals and objectives that the national education directed toward efforts to improve the quality of Indonesian human. *Majlis Ta'lim* as non-formal religious education institutions numbering tens of thousands, the rural areas and urban areas throughout Indonesia. *Majlis Ta'lim* as the central religious mental development in communities of different stratification sosiokulturalnya

By targeting women in *Majlis Ta'lim* to provide education, especially Islamic economy of investment, they will be more aware of the wider investment model that one of them is to invest in the stock market. Which typically only invest in gold metal then expected with this education of women in *Majlis Ta'lim* will begin to be more involved in the Islamic capital market investments.this is in accordance with the role of women as the financial manager of the family, where women have full power over the finances in the family. Opportunities to obtain economic independence through capital markets, is a smart strategy because it could still take care of the household while raising a family investment at the same time, but of adequate understanding about the capital market investment should be completely controlled so that not one step. Given this *Majlis Ta'lim* women can learn about the risks of investing. With the education of investors who are interested in investing in the Islamic capital market has been able to know what to do and what kind of risks. With this education is expected to provide information and fundamental to women in financial planning and do not get caught up in investments that are not clear.

²³Solihah. *Majlis Ta'lim: Antara Eksistensi Dan Harapan*. Sumber

²⁴H. M. Arifin. 1995. *Kapita Selekta Pendidikan Islam*. Jakarta: Bumi Aksara. cet. Ke-3. hal 120

²⁵Van Hoeve. 2010. *Ensiklopedia Islam*. Jilid 3. Jakarta: Ichtiar Baru. Hal.120

The role of women within the family is not only taking care of her husband and children only. Now, women also have responsibilities in managing the family finances. With so women should understand how to carry out his role.

So as to provide sustainable edukasi against women regarding Islamic capital market through this *Majlis Ta'lim* would enhance the dissemination of Islamic capital market in the community. So to actualize the role of *Majlis Ta'lim* as a means of education for women, then this will be an important tool also in the development of Islamic capital markets increases socialized society.

5. Conclusion

Islamic capital market is a means to bring together parties who need capital to finance and investment vehicle for those who have excess capital based on sharia. Where the investment is one activity muamalah highly recommended by Islam, because we invest the wealth we have then this will make our possessions into a productive and will also provide benefits to others who need it. But apparently people still do not understand the information on the Islamic capital market, so it takes the effectiveness of the Islamic capital market socialization among the community.

Majlis Ta'lim is an established means to teach about religious matters. Which was held by both men and women. But growing up now is a recitation held by women, the study or *Majlis Ta'lim* is synonymous with women's activities. At present, the function of *Majlis Ta'lim* is growing not only be a place to learn about the religion, but also a place to learn all aspects of social life, education, economic and even political. *Majlis Ta'lim* then became the container most strategic alternative education can penetrate various issues.

The role of women within the family is not only taking care of her husband and children only. Now, women also have responsibilities in managing the family finances. By targeting women in *Majlis Ta'lim* to provide education, especially Islamic economy of investment, they will be more aware of the wider investment model that one of them is to invest in the stock market. Which typically only invest in gold metal then expected with this education of women in *Majlis Ta'lim* will begin to be more involved in the Islamic capital market investments. This is in accordance with the role of women as the financial manager of the family, where women have full power over the finances in the family. Opportunities to obtain economic independence through capital markets, is a smart strategy because it could still take care of the household while raising a family investment at the same time, but of adequate understanding about the capital market investment should be completely controlled so that not one step. Given this *Majlis Ta'lim* women can learn about the risks of investing. With the education of investors who are interested in investing in the Islamic capital market has been able to know what to do and what kind of risks. With this education is expected to provide information and fundamental to women in financial planning and do not get caught up in investments that are not clear.

Through informal gatherings as an alternative container here are some many women use their spare time to learn again, educate yourself and actualize in order to increase capacity and capability as an independent woman. The *Majlis Ta'lim* are a forum alternative education of women, has several functions including; *Majlis Ta'lim* as a means of religious education, *majlis Ta'lim* as a means of economic education of the people and the *majlis Ta'lim* as a means of social education. So as to provide sustainable edukasi against women regarding Islamic capital market through this *Majlis Ta'lim* would enhance the dissemination of Islamic capital market in the community. So to actualize the role of *Majlis Ta'lim* as a means of education for women, then this will be an important tool also in enhancing the Islamic capital market socialized society. Based on this it can be seen that the continuing education of women is the actualization role socialization mengefektifkan *Majlis Ta'lim* in Islamic capital market in the community.

Islamic study groups as a non-formal educational institution that has a characteristic keagaam held by the public, *Majlis Ta'lim* have a strategic role in running one of its functions in order to provide education to the community. Namely as an educational institution and economic improvement. To carry out the role of *Majlis Ta'lim* by empowering women to be given the opportunity to the Islamic capital market experts in providing education about Islamic capital market investment.

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POTENTIAL AND UTILIZATION OF SAGO IN RIAU PROVINCE

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Summary

Indonesia has 716.000 ha sago forest and about 40% of the area were productive. It can produce sago flour (starch) for 0,6 -4,5 million tons/years. Riau Province has 12 Districts and 3 (three) of those showed great potential of sago plantation. Meranti Island has 37.436 ha, Siak 3,458 ha and Bengkalis 2,662 ha. The potential of sago as a staple food and industrial raw material. Geographical area of Riau strategic and borders with neighboring countries are included in the triangle area economic growth (Growth Triagle) Indonesia - Malaysia – Singapore which is a great potential to develop processing sago industries that can open the markets opportunities domestic and abroad. Prospect of domestic market and abroad for sago industries are significant can create jobs and generate revenue.

Key Words : Sago, Meranti Island, Sago Utilization

1. Introduction

Indonesia has 716.000 ha sago forest, if it was assumed that 40% of the area were productive it can produce sago flour (starch) for 0,6 - 4,5 million tons/years. Sago is currently considered has great potential but not fully utilized. Based on data from Directorate General of Agricultural Product Processing (2000), the sago production in 1999 - 2000 only 585 tons or 0,013% from the potential of productions while in 1960s Indonesia has been able to export sago for 25.000 tons/year. The sago plant has wide distributions from Sumatera, Jawa Barat, Kalimantan, Sulawesi, Maluku and Papua. The main production areas located in Papua, Seram and Halmahera in Maluku, Sulawesi, Kalimantan and Riau.

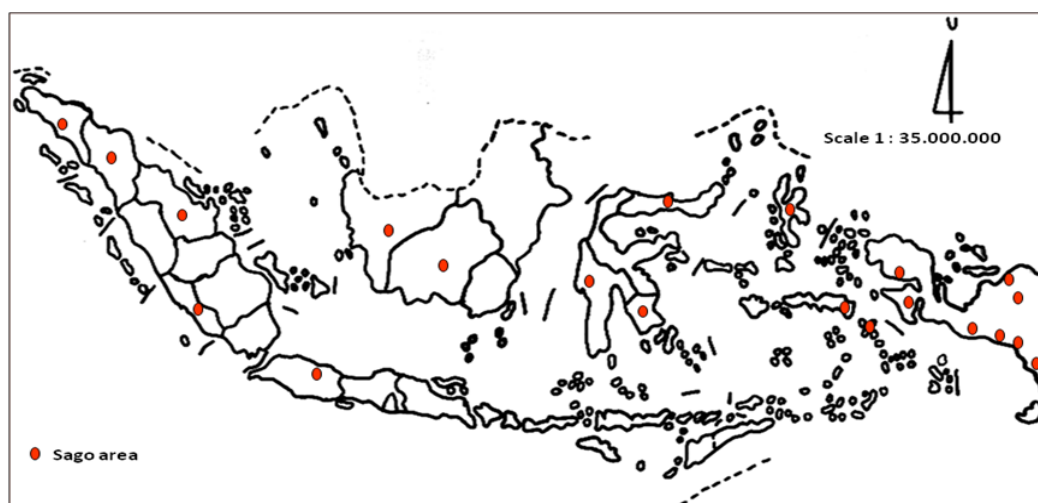


Figure 1. Map of the spread of sago palm in Indonesia (Matanubun and Maturbongs, 2005)

The Province of Riau has 12 Districts and 2 (two) of those showed great potential of sago plantation, they are Kepulauan Meranti and Bengkalis. The District of Kepulauan Meranti represents one of the development areas for national food security because it produces the most sago in Indonesia. The areas of sago plantation in Meranti is 437.436 ha which is 2,98% of national sago plantation. In 2006, Meranti has produced 440.000 tons of sago flour (*starch*).

2. Sago's Characteristic and Morphology in Riau

Generally according to Rustam et al, sago plant in Riau especially Kepulauan Meranti can be classified into 3 (three) groups, (1) Duri, its main characteristic is all over the trunk and petioles were covered with thorns. This sago plant has the largest population because it is easy naturally cultivated and resistant to the pest. (2) Sanka, its main characteristic is the trunk and petioles were slightly covered with thorns. Another characteristic is the trunk has cylindrical shape as common sago plant. According to local people, Sanka is a hybrid from Duri and Bemban. And (3) Bemban, its main characteristic is the trunk and petioles has no thorns on it. This variety is the most popular sago plant among the other because its trunk has the biggest diameter, more starch and easiest harvesting process. Nevertheless the Bemban sago plant has small population because it is susceptible to the apes and pigs attacks.

3. Potential of Sago in Riau Province

3.1. Potential Areas and Agroecosystem

Sago plant can grow to a height of 700 meters above sea level (asl), best sago production is found to an altitude of 400 m asl. Climate types A and B according to Schmidt and Ferguson's classification is ideal for plant growth sago, with an average annual rainfall 2500-3000 mm/year. The optimal temperature for growth of sago ranged from 24.5 to 29° C and a minimum temperature 15°C, with a relative humidity of 90 %. Sago can live in a state of assured soil moisture is high enough, either by regular inundation, power ground save a lot of water as well as by shallow groundwater (Notohadiprawiro and Louhenapessy, 1992).

Typically, sago growing up in the swamp area with freshwater or marsh area and Along the river's flow, Water source area, or swamp forest with salt content is not too high and mineral soils in the marsh-freshwater swamp which content of clay more than 70% and 30% organic ingredients. The sago best growth is on yellow clay brown or black with high levels of organic material. Based on interpretation of topographic maps at 1: 250,000 scale obtained a general description that region Meranti Islands District mostly flat with a slope of 0-8 % , with an average height of about 1 to 6.4 m asl. This area has a tropical climate with temperatures between 25°-32° C, with humidity and high rainfall. The rainy season occurs around from September to January, and droughts occur about February to August..

The sago plantation in Meranti has become the main income source nearly 20% of local people. Sago palm classified to the tropical palmate plant whose trunk can produce starch. One sago tree can produce 180 - 400 kg starch. The old sago plant could achieved 8 to 12 years and reached 3 - 5 m. Kepulauan Meranti's starch production in 2006 was 440.339 ton and productivity 9.89 ton/ha per year. The amount and capacity of starch processing factory is not certain, but estimated 50 factory used semi-mechanics technology and still rely on sunlight for drying process and 2 (two) factory used modern technology for starch processing with 6.000 to 10.000 tons per year.

Kepulauan Meranti's geographical coordinates are 0° 42' 30" - 1° 28' 0" North and 102° 12' 0" - 103° 10' 0" East and located in east coast of Sumatera islands and bordered with neighboring

countries are included in the triangle area economic growth Indonesia - Malaysia - Singapore (IMS Growth Triangle).

3.2. Potential Sago Strach

Sago is a potential source of carbohydrates food stuffs to be developed as an alternative to rice. Sago is capable to producing up to 25 tons of dry starch per hectare, more than the production of rice or corn, each of which only 6 tons and 5.5 tons per hectare. Sago starch produces not only the largest, but also produces starch throughout the year. Each stem produces about 200 kg of wet starch per year.

Sago flour has a high carbohydrate content, which contains 84.7 g per 100 g of material. The carbohydrate content equivalent with in rice flour, cassava, and potatoes. Even compared to corn and wheat, sago carbohydrate content is relatively higher. The energy content in 100 grams of corn starch (353 kcal) is almost equivalent to other basic foodstuffs in the form of flour, such as rice, maize, cassava, potatoes, and wheat. Ishizaki (1996) also showed the same figure for the superiority of sago starch producers compared to other commodities (Table 1) below: \

Table 1. Starch Productivity of sago than some commodities .

Commodity	Strach Productivity (t/ha/th)
Sago	25
Rice	6
Corn	5.5
Wheat	5
Potatoes	2.5
Cassva	1.5

Source: Ishizaki (1996).

Recent studies demonstrated the ability of some types of corn produces more than 700 kg of dry starch per tree (Yamamoto 2004) .Bese on theoretically , with 100 trees per hectare can produce 70 tons of dried sago starch . But for some reason , the results are consistent optimistic may not be that high. From sago plantation healthy but manageable semi - intensive in Riau , on average, more kurang10 dry starch yield t / ha / years.

A byproduct of the corn crop is as animal feed , organic fertilizer , bioherbisida and biogas . Byproducts such as young pith can be used as a component of animal feed . Nggobe (2005) mentions a byproduct sago through the fermentation process can be used as animal feed . Sago pith residues can be composted and sago extractors exhaust residue can be used as bioherbisida and biogas .

3.3. Potential of Market

Aci sago can be used as supplement or a mixture in the food manufacture from flour, which is generally known and accepted by society, such as bread, biscuits, cakes, noodles etc. Indonesia is less suitable for growing wheat, therefore, it should be imported, and then socialize sago flour as a supplement that will either open up the domestic market.

Based on the Cooperation Forum Agribusiness study, Indonesia has a natural potential for the development of sago, which is not owned by other countries in the world. Logic utilization, if government invested funds worth 1.3 trillion rupiah with a grace period of 12 years on a land area of 68,180 hectares, with gross revenue in the first year 4 trillion rupiah, actually deserves to be realized and very profitable. If this effort is done, we actually can greatly contribute to the fulfillment of the world's food. For national food, of course the people of Indonesia absorb

the use of sago as carbohydrate food commodities also reduce community dependence on rice that is currently almost 80%.

In addition as a food commodity, according to Rumawas (2009) on Potential of sago in Papua, sago starch can produce polymer to make a biodegradable plastic. Meanwhile, in the international market, sago starch is used as a substitute material for the manufacture of biscuits, noodles, high-fructose syrup, adhesives industry, and the pharmaceutical industry. Therefore, with one million-sago land in Indonesia, Indonesia is actually capable transformed into prosperous country.

Riau strategic location of the region is a great potential to develop sago-processing industry that can create jobs and generate revenue. Products from sago starch are also the potential to become a leading export. Moreover, this commodity is needed in industries countries such as the USA, Japan, and China for noodles raw materials, flour, even drugs. Overall, the starch world needs to reach 50 million tons per year. That number continues to increase by 7 percent annually.

3.4. Utilization of Sago in Riau Province

In Riau, sago has long been used as a staple food by most of the population, especially in Meranti and Bengkalis. Nowadays, the use of sago in Riau are still in the form of traditional food, for example, consumed as a staple food such as noodles sago. Here is some traditional sago utilization (1). Sago trunk can be used as a water channel for water irrigation. Sago trunk can be cleaved thinner to be used as a mat board, and make sago as fencing plantation areas. (2) Sago Starch can be managed into a traditional meal of sago, sago starch, and various foods such as noodles and cakes. (3) The leaves of the sago tree can be used as the roof of the house. The leaves are embroidered in a special way, dried, and then used as the roof of the house. (4) Sago dregs can be processed into compost through anaerobic process. The process is fairly simple, inexpensive, and easy. The following table can describe utilization of Sago in Riau Province:

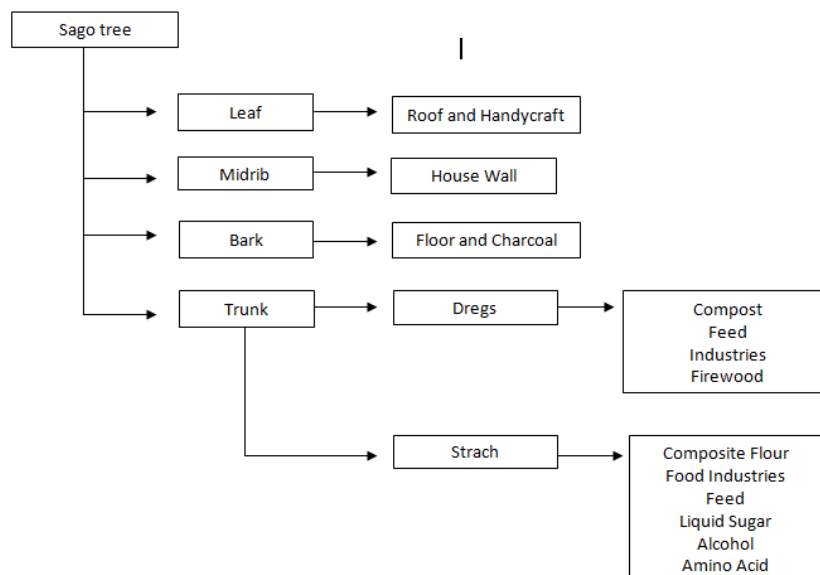


Table 2. Utilization of Sago in Riau Province

Utilization of sago, other than as a mixture for glass noodles, noodles and crackers are available in the restaurant, and sago is needed for the textile, paper, and cosmetics industries. Sago processing industry is able to provide employment and generate revenue. Moreover, in

Indonesia, the potential for dry starch from sago plants in an area of 1.4 million hectares, reaching six million tons per year. Products from sago starch are also the potential to become a leading export. Moreover, this commodity is needed in industries countries such as the USA, Japan, and China for noodles raw materials, flour, even drugs. Overall, the starch world needs to reach 50 million tons per year. That number continues to increase by 7 % annually

4. Conclusions and Suggestions

With huge potential and numerous advantages, sago can used as a source of alternative staple food in order to achieve more robust and sustainable food security. In the strategic plan for the development of National Medium Term Development (2005-2009) and long term (2005-2025), sago has been established as the leading commodity. Based on Presidential Decree No. 38/2008 on the Government Work Plan 2009, stated that the sago is one potential commodity to be developed.

Riau province, particularly in Meranti is the main distribution area for sago plant with an area of 37 436 ha and production of about 198 162 tons (BPS, 2011). As the region has potential land resources, Meranti is very likely to be developed into a regional development sago industry in Indonesia. With the industrial development of the plant, the people's lives will be developed too. It is either directly or indirectly can increase the contribution to regional and national economic development, employment, and income generation and business opportunities in order to reduce poverty.

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THE ROLES OF SOCIETY LIBRARY AS A MEDIA OF CHILDREN'S LEARNING IN NORTH LOMBOK

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Abstract

This research goals were 1) to understand the role of the society library (TBM) as a media of children's learning, 2) to know the attention of society to the existence of society library as a media of children's learning and 3) to describe the effort of society in developing the use of society library as a media of children's learning. The findings of this research shown firstly, The role of society library had a great position for the communities as a means of learning. It was proven by the motivations of children and the communities who visited the library were extremely great. It was influenced by activities carried out in the library which was very instructive and not overly formal as in formal education. People were very enthusiastic with the society library. It was reflected from the establishment of the business community to help the activities that held in the society library. Formerly, people did not realize how important the existence of information is to continue their life. The presence of the society library with interactive management made people want to be part of fostering the society library building public awareness in reading specifically for children

Keywords : roles, society library, media, children, learning

1. Background

Library is as a means of non-formal education. The role of the library is not less important than the means of formal education in the dissemination of science and modern technology. It serves all segments of society in all ages. Generally, library functions as a center or learning, an information service, a recreation, providing references, preserving the materials of the nation's culture, to be used by the public (a preservative conservative), and provides research services. According to Indonesian Wikipedia, library in traditional term is a collection of books and magazines. Even though it may be interpreted as a private collection, but it is more commonly known as a great collection that operated and financed by a city or institution, and used by people who are not afford to buy many books by themselves.

In order to develop a reading society and learning society that contained in Medium-term Development Plan 2005-2009, the library's role is very important and strategic. Since library is gathered across the disciplines that can be utilized by the community. Library if properly empowered as the center of human resource development, as it includes a number of scientific disciplines which can be controlled through reading.

The library is a place to utilize the creations of intellectual and cultural elements in order to reinforce the unity of nations. Library is also a national heritage to reflect the level of civilization of a nation. Therefore, through libraries, it will bear the intelligent and insightful civil society. As we know, many families in Indonesia are not used to reading. In fact, a parent should introduce reading to children from the early age in order to create an intelligent and good moral child. Moreover, Making Fauzil Adhim in his book *creating kids crazy in reading* (2007) explained that the matter should introduce reading to children from the age of 0-2 years. Why? Because, in the age of 0-2 years, children's brain development is very rapid (80% of the capacity of the human brain is formed in the first two-year period) and a very receptive (easily absorb anything with a strong

memory). If the children at the age of 0-2 years have been introduced to read, one day they will have a high interest in reading. In absorbing new information, they would prefer to read a book rather than watch TV or listen to the radio.

Nowdays, information plays an important role. Then the library, as a source of information, is very needed by the society. The society needs an institution that is able to provide information providing the easy access of information and preserving the scientific work of the society. Eventually, library educates the society that the documentation of cultural and intellectual work also functions as a source of lifelong learning (Istiana, 2008: 69).

According to Firmansyah (2009), the library is a learning tool created by and for the society. Therefore, it is appropriate if the society also participated in the development of the library. With the participation of this community, it is expected to have a library that functions a learning tool.

As a learning tool, the public library occupies a strategic role to educate and enlarge the access of information through non-formal. It can be used as the motor of the realization of the people read, but it also can be an agent of culture in order to realize the people who have a critical attitude because of insight, increased appreciation of the culture and the environment, work skills so as to be independent, and to encourage an attitude that is getting smarter good emotionally and intellectually.

Library is a learning tool created by and for the community. Therefore, it is appropriate if the community also participated in the development of the library. With the participation of this community is expected to have a library that is capable of being a learning tool. As a learning tool, the society library occupies a strategic role to educate and enlarge the access of information through non-formal education. It is related to Law No. 20 of 2003 on National Education System Article 26, paragraph 1 states that non-formal education serves as a substitute, enhancer, and/or the complementary of formal education in order to realize the long life education.

This means that non-formal education has an important role in order to enlighten and develop Indonesian citizens especially in providing education services for those who are not able attend the formal education. According to Dewi (2010: 19), the society library (TBM) is a source of information for the public, the middle a higher class society.

There are some places that usually used as the society library, namely; the orchard hall, villages, place of recreation, town square, towers etc. Those places are very effective, efficient and accessible. Not only does the society library serve free books to read but also the educative instruments. Sometimes the librarians help the elementary school students do their homework.

2. Objectives

- 1) To understand the role of the society library (TBM) as a media of children's learning
- 2) To know the attention of society to the existence of society library as a media of children's learning
- 3) To describe the effort of society in developing the use of society library as a media of children's learning

3. Literature Review

3.1. The Definition of Society Library

Society library is used to serve the interests of people who live in that area. They consist of all societies or communities regardless of their social background, economic, culture, religion, customs, education level, age etc. According Sutarno NS (2006: 19), Society library is the responsibility, authority and rights of local communities to build manage and develop it. It is also needed to develop a sense of belonging and responsibility. People who pay attention and concern for the society library are those who recognize and appreciate that the libraries are not only important, but much more needed by society. Those people need to be continuously nurtured and developed towards the formation of information society or a smart society.

3.2. The Purpose of society library (TBM)

In terms of classification, society library is classified in to public Library. Public library, according to Reitz (2004), is a library or library system that provides unrestricted access and services free of charge to all the residents of a given community, district, or geographic region, supported wholly or in part by public funds ". In simple terms, the definition above states that the public library is a library or library system that provides unlimited access and services free of charge to residents in a particular area which is fully or partially supported by public funds (taxes). According to the above definition, the public library has immense task in terms of access provider information to the public. Given the importance of the public library as a general public library, so the UNESCO (United Nations agencies working in education and culture) stated that public library as a media of the nation's life. In 1972, UNESCO issued a public library Manifesto which states that public libraries should be opened for all without distinction - distinguishing the color of skin, gender, age, faith, and race. More detailed about objectives of public library in UNESCO's manifesto (Sulistyo-Basuki, 1993):

-Providing an opportunity for the public to read the library materials that can help improve them towards a better life.

-Providing a source of information which is fast, accurate and cheap, especially about useful and trending topics for residents. -Helping people to develop their skills so they can be useful for surrounding people, to the extent these capabilities can be developed with the help of library materials. In the end, the public library functions as a center of cultural life for the surrounding residents.

3.3. The Functions and Duties of Society Library (TBM)

Since in the beginning, a library, or any kinds of library established has been mentioned that the library or public reading has major activities in gathering all the resources in the form of a printed matter, recorded, or in other forms. Then all the information is processed, packaged, and prepared for presentation to the public is expected to be the target and the target that will use the society library. Therefore, the implementation of society library certainly has the intent and purpose to be achieved. In order to achieve the purpose and the objectives, the community, who are involved in the managerial of the public library; need to determine the objectives, strategic measures, applicable policies, conceptual plans and concrete action to maintain the library.

According Sutarno NS (2006: 33) A Community Library formed or constructed with the intention: 1) As a place of gathering information, in the sense of active, the public library has a continuously activity to gather as many resources as for the collection. 2) As a place to process all library materials with certain method or system such as registration, classification, cataloging and other equipment, either manually or technologically (computer system). 3) As a place to maintain and store. This means that there are activities to organize and maintain so that those collections are clean, well-preserved, intact, complete, easy to access, and are not damaged, lost, and reduced.

4) As a center for information, learning resources, research, preservation and other scientific activities. The library should provide services to the users, such as reading, borrowing, researching, in fast and easy way.

5) Establishing a comprehensive information and "up to date" for the development of knowledge skills, and behavior.

6) As a media of change, the symbol of culture in of the past, present and future. In the more essential concepts, the existence and progress of public library shows a pride and a symbol of civilization of human life.

3.4. The Targets of Society Library

The existence of society library should be directed to the needs of the community in terms of information to educate them the interest of reading. The society should also be introduced that library has so many functions such as education to recreation, with the principle of no discrimination, to distinguish people based on social status, education, age, skin color and place of staying. The presence of society library in the community would not only be expected to stop the process of delivering information only, but also could be a long way toward the stage of community empowerment. According Muhis Kalida in Blasius Sudarsono (2011: 40), the concept of community empowerment that can be developed through the presence of society library includes three main concepts:

1) Environmental Empowerment

The society library developed not only as a place to read and write, but also as a means to build a unique environment, clean, soothing and pleasant. Several attempts have been made, for example by building water travel, fishing travel and family travel.

2) Empowerment of Human Resources

The society library should also be directed to the character and intellectual building such as training life skills, spiritual training, and entrepreneurship.

3) Economic Empowerment

Reading a culture should be the orientation of society library, so that people not only get information through reading, but also the effort producing various advantages financially. Various business communities come from the idea that came from reading the example traditional restaurant, catering, publisher, and many other businesses.

3.5. The Role of society library

The role of society library is part of the basic duty that should be implemented in a public library. Therefore, the role to be performed will determine and affect the achievement of the vision and mission can be achieved. Every library built will be useful if it can play its role as well as possible. The role relates to the existence, tasks and functions.

According to Sutarno NS (2006: 68), the roles that can be implemented in society library are as follow:

- 1) Generally, society library is a source of information, education, research, preservation and conservation of the cultural treasures of the nation, a healthy, cheap, and useful place for recreation.
- 2) Having the role of the media that serves to connect between the resources and the knowledge contained in the collections owned. Having a role as a means to establish and develop communications among users, and between the organizers of society library and the residents.
- 3) As an institution to develop reading interest, reading hobby, reading habits and reading culture, through various providers of reading material in accordance with the wishes and needs of the community.
- 4) As an active facilitator, mediator, motivator for those who want to find, improve, and develop their knowledge and experience.
- 5) As a means of change, development and human's culture.
- 6) As a non-formal educational institutions for residents and visitors of public library. They had to learn by themselves (self-taught), conduct research, explore, exploit and develop resources and knowledge.
- 7) The employees of society library can act as mentors and advise or educate the users (user education), and coach as well as instilling an understanding of the importance of public library for many people.

- 8) To collect and preserve the library collections of all people works in order to stay in good shape.

4. Method

This study used a descriptive qualitative approach, namely to know the public response to the existence of the society library as a learning tool. So that, researchers can analyze the facts, solve the problems systematically, factually, and accurately. Moreover, the steps used in this study are interview with the use of instruments that question has been determined based on the formulation of the problem created in the previous discussion. The time and place of the research will be performed in area of the Student Study Service (KKN) period 2015, monitored by (Research Center) which is in Village (X) in North Lombok, while the time will be related to the release of student study service.

The technique of data collection is ways or steps to be taken in collecting data to answer the research problematic. In an effort to get the data the researchers used several phases mutually agree. The stages are referred to as: the preparation stage, the stage of data collection, the data analysis phase of the interview is then combined with the theory that is standard from multiple credible sources.

Stages of observations referred to in this study namely observation and searching information as witnessed during the research process. The observation was made as a part of the preparation because it could support the fulfillment of targets as part of a strategy to achieve the reliability validity.

The research is part of an effort to get accurate results and is relevant to the problems faced by the community. So that the results achieved would be a reference in the process of implementation and program improvement. This study used accurate references presented by the experts. The supporting data in this study were taken from references and materials that are considered to be relevant.

The question instrument is one of the core parts used as a tool of research. In this stage, the instruments were designed to be the guide of interview. The list of questions would be the references to conduct interviews with any person associated with the study, such as library personnel, librarians, village heads, and heads of neighborhood, community leaders, religious leaders, and youth who are represented by the chairman of the teenagers.

The interviews conducted is a method to collect the data conducted by researchers to obtain verbal information through conversations either by means of oral and telecommunications with all of the informants previously determined by considerations have relevance to the completeness of the study.

In the data analysis stage researchers will integrate the results obtained from observation, supporting data, research instruments, interviews, and references from some of the supporting data obtained from accurate sources of expertise. The analysis performed is expected to produce data that is capable to answer the research questions so that the objectives that have been determined is related to the facts finding.

The process of analyzing data conducted in this study is the researchers analyzed the result of interview then understood and associated with the theory, according to the accurate experts' opinion. In the end, the researchers gave brave explanations and descriptions.

5. Discussions

5.1. The Role of the Society Library as a Media of Children's Learning.

The society library functions as a alternative information base for society or residents, especially in the villages. It also happens in the society library located in North Lombok. The existence of the society library is able to provide knowledge to the community. The Information

collected in the society library was about the information that is related the needs of this community as conveyed by the caregiver Park Community Reading

5.1.1. The rate of visitations

The rate of visitations is great. As said by the manager of society library "*Children are very happy with their society library, after going home from school, children make the society library as a new playground. We also often organize activities that could attract the children for example; reading poetry. It makes senses because the founder of this library is the author of some books*" (Sulhaini: the guardian of the society library)

Based on the above interview, it was found that people were very enthusiastic to visit the society library. The existence of the society library with the creative management model and not emphasizing formal things make people especially children feel quite helped.

5.1.2. The Most often Read Books

The most often book to read were the books of children's stories. It is influenced by the existence of a collection that is more prepared for the collection of children and agriculture. As stated by one of the library manager "*Most books in this library are from the government and schools that focus on the collection of children's literature and also about the agriculture*" (Bukhri: the guardian of the society library)

Based on the interview, it may be concluded that the most often books to read are about the citizens' story. As described by the employee of the library, the books in the library are not containing more highly academic information.

5.1.3. Activities in society library

The activity or reading society is the one of activities that becomes a reflection of the information provided in the society library. The society library is intended for people who are not too much emphasis on scientific contexts. It is also intended to give a new environment for societies about the significances of information. As a result, the existence of society library basically intends to build the awareness of society, especially children about the significance of reading.

As stated by the manager of the library that;

"The activities in the society library are more informal. It aims to attract the children in order that they are not getting bored. Some games that compromised about reading are very helpful. So far this method is highly appreciated by the surrounding societies (Bukhori: the guardian of the society library).

As stated by the guardian of the library, it indicates that the community is quite enthusiastic about the activities held by the society library. Most readers are coming from elementary school students. It is influenced by the activities done by employees of the library. Many high-learner students visit the society library. The guardian said "*The activities carried out in the library were designed to help children to be more creative, for example in school they often join school activities, in addition to activities that lure children to read, and library also helps the students in their tasks especially about art. We also have an art teacher to teach children to play*" (Sulhaini: the guardian of the society library).

From these interviews, it indicates that the existence of the society library helps the children to be more creative. Basically, a society library should be managed with a more interactive and attention to the interest of the local community.

5.2. The Attention of Society to the Existence of Society Library as a Media of children's Learning.

5.2.1. Is the existence of society library supported by the residents? how do they support it?

People are really helpful with the existence of the society library. It is related to the result of the interview with the management of the library. Some people support the library morally and materially. The local community leaders said; *"We are very pleased with the society library, we also provide assistance and helps materially and morally to the library activities"* (H. Hanan: Local community)

Basically, the residents will be helpful by the existence of the library since the library provides information and activities creatively. Another most important this to the residents is the society library educate them the urgency of the information in the survival.

5.2.2. Do the residents suggest the children to come and to visit the society library?

As presented by library guardian, the enthusiasm of the residents to the existence of the library is very enthusiastic. Besides, some people support the library morally and materially. Based on the description, children in addition to support from parents also came from the motivation of the children affected by the activities carried out by the library itself. At first people may not realize that the information is important. Interests and levels of knowledge also remain strong. One of the society said that *"We did not know what society library is, we also did not pay much attention to the activities held by the guardian, but after seeing the new activities that do I know that its activities should be supported. Children's and friends who originally played in the rice fields and mountains are now more often playing in society library"* (Sadiman: local resident) From the above expiation, it may can be concluded that the encouragement and motivation of people is quite high. It indicates that the presence of society library can be accepted by the residents and served as a means of information in their daily life.

5.3. The Effort of Society in Developing the use of Society Library as a Media of Children's Learning.

The society library cannot exist by itself without any supports from the public. It is inseparable from the support of the community. The society library is intended to provide convenience for the public information with emphasis on the principles of local culture and activity in education. One of local community said; *"We strongly urge that this society library will be more improving by doing activities that can help children in our village have interest in reading, so far as I know, the community is very supportive, but the library has only a few books so it needs support and help from outsiders"* (H. Sadnin: Community Leader.)

From this description above, it may be concluded that the community strongly supports the efforts in building the library to decrease the literacy. The information is intended to develop the skills and knowledge of children in order to support of the educational process.

North Lombok, as district of literacy, still needs information. It aims to help the government in building people's awareness in reading. Therefore, the society library needs special attention from the government in the form of funds and books as stated by the one of the library guardian;

"The collections that we have here come from public donations and government aids. Besides books, we also get the donation in form of funds, though the number is still a little" (Bukhri: the guardian of the library).

The attention and support from the government can strengthen the position of society library; it will help the efforts of library. Eventually, the expectations of reading society will be starting point of people's awareness of reading in North Lombok regency. In terms of funding so

far the committee of society reading are still thinking about how to build a business to develop their activities.

It is important to deceive the public in addition to the awareness of reading also conducted awareness for entrepreneurship. Further reading park manager however said that "So far we do not have a private business to help in funding the society library, we are thinking about how to build activities which is relevant to business" (Bukhri: the society library guardian.)

From the explanation of the employee above, it may be concluded that the society library still does not have a private business. It is influenced by the position of the society library is still focusing on the development of information literacy. Theoretically, a society library must have a private management so that all activities can be conducted more freely.

6. Conclusion

1. The role of society library had a great position for the communities as a means of learning. It was proven by the motivations of children and the communities who visited the library were extremely great. It was influenced by activities carried out in the library which was very instructive and not overly formal as in formal education.
2. People were very enthusiastic with the society library. It was reflected from the establishment of the business community to help the activities that held in the society library. Formerly, people did not realize how important the existence of information is to continue their life. The presence of the society library with interactive management made people want to be part of fostering the society library building public awareness in reading specifically for children

7. Suggestions

To support the society library to be self-sufficient in the future, there should be an effort to create an independent business in order to build the society library independent.

In the future, the manager of the society library should have an intensive cooperation with non-governmental organizations to help funding and assistance in carrying out the desire to build the society library independently.

The government should be taking part in helping the management of the society library, either with the help of the collections or by providing assistance in collection of the books.

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TRI HITA KARANA AND ITS IMPLEMENTATION IN HOTELS: A COMPARATIVE STUDY IN BULELENG, BALI

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Abstract

Bali is one of the most popular tourist destinations in Indonesia. In line with the global phenomenon, the tourism industry in this island has show an incredible growth over the past decades and is expected to continuously grow. While the development of this industry brings positive impacts such as in terms of economics and job opportunity, there are also some consequences for example in terms of social, cultural, and environmental. One of the ways to respond to such consequences is to adopt the local genius and wisdom. In Bali, the local people base their daily lives on the concept of Tri Hita Karana. Implementation of this concept has also reached the tourism business. However, the consistent implementations of this concept mostly found in four to five star hotels. As such, understanding how the lower hotel categories implement the Tri Hita Karana will help enrich the tourism literature specifically in terms of adopting the local genius and wisdom. This paper reports the results of an exploratory type of study aiming to elicit how three star hotels and homestays implement the concept of Tri Hita Karana in their daily business operations. The study was conducted in Buleleng Regency, Bali using semi structured interviews with hotel managers or human resources manager. The data gathered were analyzed quantitatively. Results of the study revealed that there was similar application of the Tri Hita Karana concept in the two hotel categories. Slight differences were found in the implementation of the concept. First, in terms of the scope of implementation, the hotels serve the whole village, while the homestays only perform humanitarian actions to certain parts of the village. Also, in terms of amount of money allocated and spent for such activities, the three hotels were higher than the homestays. Such implementation may closely relate to financial abilities. Second, in terms of employee-guest relationship, the three star hotels seemed to be more rigid than the homestays. In the three star hotels, the interactions are likely to be more distanced. The employees interact with their guest in a more professional manner. On the other hands, the employees in the homestays treated their guests as family members however, it maintains the courteous manner. The remainder of this paper provides limitation and directions for future research.

Key words: exploratory study, hotel, tourism, Tri Hita Karana

1. Research Background

The tourism industry has been noted as one of the most promising ones in terms of its growth. UWTO (2014) explained that the tourism industry has been the largest and fastest growing industry. A great number of new tourism destinations were opened up and emerging all over the world. Besides, this industry has been projected to continuously grow. Indeed, beside the global economics "low gear", the international tourist arrivals has exceeded the expectation (UNWTO, 2014). In its report of The Tourism Outlook, UNWTO (2014) describes that the tourism toward 2030 is projected to increase in which the emerging economics destinations are expected to exceed the advanced ones. Apart from its destinations receipts, one of the impacts of such growth is economy especially for the local people in a tourist destination. In many countries, this industry has been reported as the vital source of foreign exchange (UNWTO, 2014). This industry has generated not only, the "travel credit" through service balance for the inbound tourism, but also the 'travel debit' via expenditure for outbound tourism. In fact, the tourism industry has also

generated export earnings. Another impact of the robust development of this industry is the employment rate and opportunity development. The tourism sector has been recognized as one of the major providers of job market. In brief, the UNWTO (2014) highlighted that this industry has become the key driver of socio-economic progress through export revenues, creations of job and enterprises, and infrastructure developments.

While the tourism industry is important to the economics aspect, this industry also has consequences that the stakeholders need to be aware of. In responding to such impacts, almost all of the tourism related businesses in Bali have referred to the local genius of the Tri Hita Karana in their daily business operations. The Tri Hita Karana concept means balancing the relationships between human and the Creator; human and nature; and between human and other human fellows (Trianasari, Dharma, & Yudiaatmaja, 2014). The Balinese people use this concept as guidance in their lives. The local people of Bali who are mostly Hindu demonstrate the implementation of the Tri Hita Karana philosophy in many aspects. To provide an example, the local people perform daily prayer and provide offering to the Creator. They express their gratitude by creating offerings with deep intention, focus, and dedication in the form of creative art. Next, their appreciation to nature is expressed by celebrating an appreciation day specifically to nature and providing offering as well. Lastly, in their interaction with other human, the Balinese refers to the concept of Tat Wam Asi which literally means "I am you, and you are him/her." In practical, it can be describe here that if I am hurting you, I am hurting him or her too and vice versa. From these small examples, it can be seen that although this concept is originated from Hindu philosophy it can possibly be applied universally and across many aspect of life including business, such as tourism.

In line with the global tourism growth, the tourism business in Bali has also experienced significant development. Labor, infrastructures, and tourism related organizations such as hotels, restaurants, souvenirs shops, transportations, adventures, and many more have been developed to support this industry. The massive progress of the tourism in this island brings positive and negative impacts to the local people and the environment such economic growth and job market being the positive ones and social, environmental, cultural aspects seemingly being the negative ones. One of the ways to encounter the down sides of the tourism is to adopt the local genius and wisdom. In Bali, the Tri Hita Karana concept is a fundamental philosophy that balances the relationships among human, Creator, and nature or environment. This concept has a wide implementation among individual life of the Balinese. For business practice, application of this concept has also been improving especially within the tourism industry. In order to encourage the use of this concept, the government of Bali gives annual award for hotels that consistently implement the Tri Hita Karana in their daily operations.

While this concept has gained special attention in the tourism industry, its implementation is more likely to be focused on the high star rated hotels. Perhaps, the financial aspects play certain role in the application of this concept. That is, it can be expected that higher star rated hotels are able to perform tangible harmonious interactions with the three elements in the concept, compared to the lower ones. Indeed, little has known about how hotels apply the Tri Hita Karana in lower category of hotels. This paper reports the results of a comparative study exploring the implementation of the Tri Hita Karana concept in three star hotels and homestays in Buleleng Regency. The contribution of this study is that it broadens the understanding of how local genius plays its part in the tourism industry which then, enriches the tourism literature.

The organizations of this paper are as follows. First, the literature related to the Tri Hita Karana and sustainable tourism is presented. It is then followed by a brief methodology of the research. Next, the findings are presented and discussed. Included in this section is the limitation of the research and directions for future research. A summary is provided at the final part of this paper.

2. Literature Review

This section presents an overview of the literature used for this study, which are Tri Hita Karana concept and The Tri Hita Karana and tourism in Bali.

2.1. The Tri Hita Karana concept

The Tri Hita Karana concept originates from a Hindu teaching. The term is derived from Sanskrit that literally means three harmonious relationships. The word *tri* means three; *hita* means happy, and *karana* means cause. Thus, Tri Hita Karana means three things that cause happiness. The things in this case refer to aspects which then, understood as relationships.

The practical meaning of the Tri Hita Karana term is the relationships between human and the Creator (*parahyangan*, human and environment (*palemahan*), and between human and other human (*pawongan*). These relationships are believed to cause happiness of the human kinds. In other words, human can simply attain the state of happiness by maintaining good and harmonious relationships with the three elements. However, if one type of relationship is much more dominant than the other two, the state of happiness may not be achieved. If one manages a good relationship with one aspect for example just with human and the other aspects are ignored, that means, the relationships are not balanced. In such case, ignorance may result in destruction. For example, if one has a consistent practice of communication with the Creator, but hurt other people all the times, then, the person may not truly happy. Similarly, when people have maintained a harmonious relationship with other human, however continuously damage the environment, they may get the impacts of their own behavior and treatment to nature or environment and thus, may not be happy. Thus, the essence of this concept is in the point of balanced relationships.

Gaining balanced relationships are indeed challenging for the majority of people, although it is not unlikely to be achieved. Perhaps, the relationships between human with nature and other humans may be used as the basis for the relationship with the Creator. In fact, to certain degree, human relationship with the Creator can be represented through the relationships with nature and other human. The Balinese people show their respect and appreciation to the Creator through their delicate offering made with love. It is believed that being closed with God, nature and other human may opens the way to a meaningful life (Natih, 2010). The way they praise Mother Nature is demonstrated through their treatment to the environment. The Balinese people have been known as people who always welcome other human and treat newly met people as guest. This behavior demonstrates the love with other human.

2.2. Tri Hita Karana and tourism in Bali

In Bali, tourism is the major industry that generates economic growth. This industry has become the ultimate source of job opportunity, infrastructure development, and many more. The rapid tourism development in Bali has been evident. It can be seen from the number of hotels, restaurants, and other tourism related businesses already built, being constructed, or being planned. As discussed earlier in this paper, the tourism industry brings positive and negative impacts. The development of the tourism industry helps the society to grow in terms of economy, job opportunity, infrastructure, and so forth. It cannot be denied that growth is needed to raise living standards and to contribute to an enhanced quality of life (Natih, 2010). However such growth should not destroy the environment, nature, tradition, and culture of the community. Natih (2010) noted that the progress of the tourism industry should provide opportunities for local involvement and the way to develop a balance of inter-linked interests. Strategic planning in the tourist destinations is vital for the sustainability of the development. It seems that balance has not been achieved between environmental, cultural and economic aspects (Natih, 2010).

When carefully managed, the negative impacts can be minimized. The terms sustainable tourism, cultural tourism, community based tourism, and eco tourism have emerged and

practiced to lower the negative sides of the tourism development. The implementation of these types of tourism has improved particularly the environmental aspect. Cultural tourism implies that tourists should interact with the local people in a culturally appropriate manner and that tourism will not damage the traditional culture of the local society (Natih, 2010). Interaction of the local people with the tourist has been argued to bring significant social influence (Lawton & Weaver, 2010). Unlike the local society, they hotel guests may not have strong bond with the nature in the destination (Gossling, 2002). Thereby, their sense of belonging may not as high as the community. Implementing the Tri Hita Karana concept in business operations is essential to protect the nature and environment, as well as the traditional culture.

To promote the practice of the Tri Hita Karana, government holds a yearly Tri Hita Karana Awards. The awards recognize the harmonious business practices of hotels in Bali. There are four categories of the awards which are emeralds (the highest) gold, silver, and bronze medals. The medals are given based on how hotel incorporate sustainable environmental principles into their daily operations. Hotels are judged based on how they maintain their commitment towards the environment and demonstrate internal and external harmony. Included in the assessment elements is how hotels consistently support sustainable environmental programs, such as preserving local culture, protecting the environment and contributing to the local community. The majority of the hotels in Bali have participated in the practice of the Tri Hita Karana concept in their daily operations.

The implementation of the Parahyangan or the relationship with the Creator can be seen in the practice of honesty, fairness, truth, (Keraf, 1993), either to hotel guest or employees. The practice of the Palemahan or the relationship with environment can be seen in the way that business cares for the nature and environment. The application of the pawongan or the relationship with other human can be seen from how business treats its employees and customers. In fact, employees, hotel guests, society, and hotels need each other. Hotels need healthy employees and societies benefit from the existence of the hotels (Arnaudov & Koseska, 2012). In addition, business that adopts the norms in the society will gain respect and trust from the society (Rindjin, 2008).

3. Research Methodology

This study explored how the Tri Hita Karana concept is applied within different type of hotels. The respondents were Human Resources Managers or Hotel Managers in Buleleng Regency, Bali. Their participation in the study was based on voluntary. Data were collected using semi structured interview and were analyzed quantitatively.

4. Findings and Discussion

The study was undertaken in Buleleng Regency, Bali using respondents from different types of hotels, which are three star hotels and homestays. How the two types of hotels or accommodation services implemented the Tri Hita Karana concepts are presented in this section.

4.1. Implementation of Tri Hita Karana

As discussed earlier in this paper, the Tri Hita Karana is a Hindu philosophy that reminds human about three important relationships in the course of life. They are relationships with the Creator, nature or environment, and other human. Tri means three, Hita means peace, and Karana means cause, virtually the sense of Tri Hita Karana are three relationships that trigger the peace of life, the parts of Tri Hita Karana are Parahyangan (human with creator), Pawongan (among human), and Palemahan (human with nature). A summary of the findings is presented in Table 4.1.

Table 4.1 The implementation of Tri Hita Karana

	Parahyangan	Palemahan	Pawongan
Three star hotels	Temple or padmasana for all Hindu employees Routine Hindu festival/ceremony that includes praying together, offering to God, making <i>caru</i> or Donation to neighboring temples The teaching of Hindu Tirtayatra (spiritual tourism) program for employees	Maintaining natural environment Regular or periodic cleaning program Managing garbage based on organic and non organic types Implementing the 3R of reduce, reuse, recycle Caring for trees and plantation around the hotel	Employee welfare Health coverage Minimum wages based on the government regulation Reward and punishment program for employee Incentives and service charges Providing a quality service to guest Organizing routine employee party
Homestays	Temple or padmasana for all Hindu employees Routine Hindu festival/ceremony that includes praying together, offering to God, making <i>caru</i> or Donation to neighboring temples The teaching of Hindu Tirtayatra (spiritual tourism) program for employees	Maintaining natural environment Regular or periodic cleaning program Managing garbage based on organic and non organic types Implementing the 3R of reduce, reuse, recycle Caring for trees and plantation around the hotel	Mantaining harmony, peace, and comfort for employees and guest. Treating guest as family members Serving guest in a warm and humble manners

4.2. Differences in the implementation of the Tri Hita Karana concept

The analysis of the data suggested that the implementation of the concept Tri Hita Karana between the three star hotels and homestays was relatively similar. However, slight differences were found in the scope of their actual activities. For example, the three star hotels perform their parahyangan element by organizing a bigger Hindu festival than the homestays. Then, in their relationship with environment the three star hotels have a larger scope of cleaning area, not only within the hotel but also the entire village or wider area than the homestays. Next, an interesting finding was noted in term of the implementation of the “pawongan” element. That is, in terms of the relationship between the employees and the hotel guests. How the employees treat their guests were based on the guidance and standard operating procedure regulated by the management. There were certain attitude and behavior that the employees may and may not do to their guests.

The analysis revealed that the employees of the homestays had a more casual manner than those of the three star hotels. The hotel guests of the homestays were treated as parts of the family member. In the homestays, there seemed to be no distance between the employees and the guests, without losing respect to the guests. On the other hand, the employees of the three star hotels seemed to be slightly more rigid in their attitude toward hotel guests.

5. Limitation and directions for future research

This paper acknowledges the limitation of the study. One of the limitations is in terms of the sample size. The data were collected from two homestays and two three star hotels. The results may be different if larger sample size was used. However, in the data collections,

saturation was already achieved. That is, no new information was found from the two categories of hotels. The next limitation is that the results of this study are not to be applied to a larger population. While these limitations are important to be acknowledged, they are considerably acceptable for this research due to the purpose of the research.

Future research may want to compare the implementation of the Tri Hita Karana concept between three, four and five star hotels. The findings may be useful how the local concept is implemented in different types of hotels in Bali. Moreover, it is also essential to examine which of the three elements of the Tri Hita Karana concept has the largest portion in terms of funds. In other words, while the three elements are equally important, it may be interesting to examine if hotels have priority on a certain element and thus, allocate different shares for each elements. Furthermore, future study may relate this Tri Hita Karana concept with ethics applied within the hospitality sector.

6. Conclusion

The purpose of this paper is to present the results of an exploratory type of study on the implementation of the Tri Hita Karana concept in hotels in Buleleng Regency, Bali. The study explored how such practice differs between three stars hotel and homestays. Data were obtained from Human Resources or Hotel Managers using semi structured interview method and were analyzed qualitatively. The results of the study showed that the implementation of the Tri Hita Karana in three stars and homestays were similar. However, there were slight differences in the scope of implementation that may relate to the financial abilities. Moreover, variations were observed in terms of the relationships between the hotel employees and their guests. That is, in the three star hotels, it seems that employees and hotel guest are distanced. The employees were found to be more professional in addressing their hotel guests. ON the other hand, in the homestays, guests were treated as part of family members. The relationships seem to be more casual, without neglecting the courteous manner. Further discussion, limitation, and future research avenues were presented in the paper.

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QUALITY IMPROVEMENT EFFORTS OF ANDROID-BASED PRODUCT TOWARDS CONSUMER PERCEPTION AND BRAND POSITION USING MULTIDIMENSIONAL SCALING AND QUALITY FUNCTION DEPLOYMENT

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Abstract

The need for smartphone is growing rapidly these days. More and more smartphones are loved by many people from various ages. Children, teenagers, and even adults use smartphones. It is very influential on the development of smartphone Operating System (OS) which works as a product that connects and sets up a working system of the smartphone. Even differences in smartphone OS may affect the purchase of the smartphone itself. Therefore, product quality of the OS becomes very important that the company runs in the field of operating systems can survive in the rush of competition at this time. OS product quality should be based on consumer perception, because only consumer who can judge the product. Incompatibility between OS product with consumer perception may lead to rejection of the OS products and may result in a decrease of purchasing product in the future. Therefore, researchers conducted a study to determine the dimensions of product quality which are considered by consumer in the selection of the OS on smartphones and intended to provide recommendations in responding to the needs of the consumer. Researchers used five dimensions of perceived quality of OS, which are performance expectancy, effort expectancy, social influence, facilitating conditions, and behavioral intentions. This study used Multidimensional Scaling to determine the position of the product of two well-known brands, which are Android OS and iOS, while the Quality Function Deployment method was used to make recommendations on the Android in responding to the needs of the consumers. OS performance is the most important dimension for the consumers in choosing the OS. Besides, iOS is considered excellent in the dimensions of performance expectancy, effort expectancy, and social influence, while Android is better in the two other dimensions, which are facilitating conditions and behavior intentions.

Keywords: Android product quality, IOS, consumer perceptions, OS smartphone Multidimensional Scaling, Quality Function Deployment

1. Introduction

In order to promote good market uptake of a product, a company should think particular ways to improve quality perception in the minds of their consumers. This is important because the products are used by consumers so it is reasonable if consumers will assess and compare the product with the others. Besides, increase in good quality perception of product from the consumer is directly proportional to the level of absorption of the product by the market.

Thus, it is a necessity that a product must be propped up by consumer perception of the level of importance of such product. (Kotler, 1997). Recent research shows there is an adoption tendency of smartphones from various perspectives, such as aesthetic design, perceived value, and technology acceptance model (Cheong and Park, 2005; Kim et al., 2007; Park and Chen, 2007). Moreover, there are differences in personal smartphone preference of each person, such as the age and sex factors (Zhang and Ma, 2011). It should be noted so that the absorption of the product is maximized.

Android Inc. is a company runs in the field of software and applications on smartphones and tablets. The main product of the company is Operating System (OS), which served to regulate the application and the entire primary system and connect both hardware and software on the smartphone. In its development, smartphones are very loved by people of various ages, from children to adults, causing the increasing of Android users and become a brand leader in the smartphone OS product.

However, there is another effect of the smartphone market development. The problem arises where the last few months Apple iPhone product, which is bundled by their OS product called IOS, is able to seize the smartphone market little by little. According to IDC, IOS has higher value of market share growth per year up to 46% compared to Android in the same year. Besides, IOS market share began to rise up to 2% in the final quarter of 2014 from the previous 17.5% and Android decrease to the same percentage. It can be occurred due to the lack of customer satisfaction for the Android OS product because of the social recognition, some features and services, and the product quality which is less appropriate with the price paid by the buyer. OS users certainly want to get satisfaction from the use experience of the price that has been paid or perceived value of Android (KuoLun Hsiao, 2012). Android, of course, does not want to disappoint their customers and make them move on to another product, so the company has to understand what should be met by the company based on the wishes of consumers so that consumers are satisfied. The quality of products or services that customers perceived will determine customer perception of the company's performance that has an impact on customer satisfaction (Tjiptono, 2007). The quality perception is the response that reflects the emotions, requests and desires of the user after interacting use OS product (Kuniavsky, 2007). Quality perception will be responded by consumers with their consideration, whether it is in accordance with the users want or not (Yang, Han, & Park, 2007). High trust will create loyalty among people of the world to use the product (Lin & Ye, 2009).

The quality of OS is based on a lot of things. One of them is from personal experience of each consumer. Therefore, consumer' perception towards quality is more like perceptions and opinions that sometimes do not have its standard and preference. In a study (Kuo Yi Lin et al, 2014) explained that the factors which become reference of the consumer's perception is divided into five basic dimensions, which are performance expectancy, effort expectancy, social influence, facilitating conditions, and behavioral intentions. While in the study conducted by Lun Hsiao Kuo (2012), the dimensions that are used are interface convenience, perceived content, perceived infrastructure, aesthetic design, user attitude, user intention, perceived emotional value, perceived social value, perceived value for money and the Quality value. In this study, researchers intend to apply the research model on a study of Kuo Yi Lin (2014) because it represents the essence of research Lun Hsiao. Besides, some dimensions can be classified one to another, for instance dimension of convenience interfaces, design aesthetic, and perceived infrastructure, have been put together in a facilitating conditions dimension. Price dimension can be considered irrelevant, because Android is not a paid operating system, but the unity of the smartphone pack, where the smartphone has a price but not the Android OS itself. This study will discuss the external demography factors and its relation to the assessment of the Android quality perception during this time and for improvement in the future.

The approach taken in the case resolution is by using Multidimensional Scaling, where the method is used to map the product position of the two OS brands, while the Quality Function Deployment approach is needed to identify the correlation between dimensions and factors of consumers' perception quality and also functions to determine recommendations for Android improvements through the priority technical response that should be done by the company.

Parametric statistical test was conducted to find out the difference among interest rate of demographic factors that is appointed by researchers.

2. Literary Review

2.1. Multidimensional Scaling

Multidimensional scaling (MDS) is one of the multiple variables techniques that the researchers used to identify a dimension that became a staple or a key variable underlying the evaluation of the respondents on an object and determine the object's position in this dimension space. MDS is often used in marketing to identify the most important dimensions based on the evaluation of consumers about a product, service, or company. MDS method can provide a conclusion in the form of dimensions using the resemblance data or similarity of an object and assessment data or consumer perception regarding the object (Hair et al, 2009).

The data that can be processed by MDS can be divided into two types, namely resemblance or similarity data and preference data. Resemblance or similarity data are used if researchers can find out an object that has similarities with other objects as well as determine an object that has the differences with other objects. In brief, the measurement of the degree of similarity of each object requires the ability to compare among the observed object. Preference data are used if the researchers want to compare the observed object based on the preferred choice of the consumers. The preference data collection can be divided into two kinds, namely direct ranking and paired comparison. Direct ranking requires the respondent to sort objects from most preferred to least preferred, while paired comparison requires the respondent to compare each object and choose an object that they like for each comparisons (Hair dkk, 2009).

Based on the measurement scale of the similarity data, MDS can be divided into two types, which are:

a. Metric MDS Scaling

Metric Multidimensional Scaling assumes that the data is quantitative (interval and ratio). In the procedure of MDS metrics, it does not matter whether the input data is the actual distance or not, this procedure only arranges geometric shapes of dots object that is pursued to be as close as possible to the given distance. Thus, it is basically changing the input distance or matrix into a geometric shape as its output.

b. Non-metric MDS Scaling

Non-metric Multidimensional Scaling assumes that the data is qualitative (nominal and ordinal). In this case, the criteria calculation is to connect the inequality value of a distance to the nearest inequality value. Non-metric MDS program uses monotone transformation (equal) to the actual data so that it can do arithmetic operation on the inequality value, to adjust the distance to the value of inequality order. Monotone transformation will maintain the value of inequality order so that the distance between the object that is not in accordance with the value of dissimilarity order is changed so that it will remain in compliance with the order of the dissimilarity value and approach the first distance. Results of these changes are called disparities. The disparities are used to measure the level of uncertainty of the configuration objects in a particular dimension maps with inequality data input. The approach, that is often used today, to achieve optimal results from non-metrics scale uses "Kruskal's Least-Square Monotonic Transformation" where disparities are the average value of the distances that are not in accordance with the order of inequality. Ordinal information, then, can be processed by Non-metric MDS and results a configuration of objects that are contained in a particular dimension and after that makes the distance between the object becomes as close as possible to the dissimilarity or similarity input value. The initial coordinates of each subject can be obtained through a similar way as the method of metric MDS on the assumption that although the data is not within the actual information, but the order value is seen as an interval variable.

2.2. Advantages of Multidimensional Scaling

MDS is very popular in marketing research for brand comparison and in psychology it is used to study about the dimension of personal traits. MDS also can be used in application that uses ranking, rating, a distinction perception, or in the voting. The advantages of multidimensional scaling (MDS) are it is able to provide a visual overview of the proximity pattern in the form of similarity or distance between a set of objects. The implementation of MDS can be found in scientific visualization and data mining in cognitive science, information, marketing, and ecology.

For example, when potential customers are asked to compare products and make an assessment of the similarities of these products. MDS can directly indicate the dimensions of respondents' assessment into the proximity visualization pattern of the product similarities, in contrast to factor analysis or discriminant that involves assessment of the researcher. Because of this advantage, MDS can be a tool that is most commonly used in perceptual mapping (Green, 1989).

2.3. Disadvantages of Multidimensional Scaling

Since the information obtained is in the form of mapping perceptual, there is much information that cannot be explored, such as the magnitude of the effect of these dimensions to the overall perception of the consumer. It is unable to compare one dimension to another. Then, the technical response sequence of the company that must be done first and the importance of improving the product are unknown. In addition, it cannot be judged whether products with the same dimension that are so much different can be compared because of the possibility of having a lot of factors that cannot be assessed. The price dimension, for example, we cannot judge whether a product whose price is lower is better because the quality could be poor or the company is required to always reduce the price because it could affect the consumer perception that the product has low quality.

2.4. Quality Function Deployment

Quality Function Deployment (QFD) is a method for developing a design quality which aims to satisfy consumers and then translated the consumer demand into the design target and the main point of quality assurance to be used in all production stages. QFD is a way to ensure design quality while the product under design stage is the most important thing. Product benefit is shown right when QFD that has been shown the decreasing of time development by one-half to one-third, is implemented (Akao, 1990). The main focus of QFD is to involve the customer in the product development process as early as possible, because customer will not satisfied with a product, even though the product has been produced perfectly.

There are three main objectives in the QFD, which are: Prioritizing customer needs and requirements verbally and non-verbally; Translating needs into technical characteristics and specifications; Building and delivering a product quality or service by focusing on each customer's satisfaction. To get the purpose of doing QFD method, we conducted an implementation process, which are forming a team, drawing up monitoring procedures, selecting project, holding team meetings, coaching team's members, and developing matrices. Later, it will make a technical response from the customer's needs and see the correlation as well as map the relationship with the characteristics of successor's quality. QFD process involves one or more matrix called "Quality Tables". According to Cohen (1992) the first stage in preparing house of quality is customer needs matrix, planning matrix, determining technical response, determining the technical response to consumer needs, determining technical correlations and the last stage is benchmarking and target setting.

2.5. Advantages of Quality Function Deployment

In QFD matrix formation, of course, it has some advantages, such as making a new excellence product or service that is adjusted by the needs of the user or the voice of the customers. Besides, the products will more accommodate the user's desire that has not been obtained from competitor's product. The method also minimize the time, due to the simple usage whose input is derived from existing products, so it can simplify the next product development.

2.6. Disadvantages of Quality Function Deployment

This method has several disadvantages, which are the method used, where QFD method is based on input, so that QFD is usually done in a development program and product refinement, not to manufacture a product that does not exist in the market. QFD will be difficult to translate the needs of consumers when the usefulness of each type of details in the product is not known yet, meaning that it is when the product is completely new and has never been marketed at all. In addition, the success of this method is that the foresight of the observers to see the problem context of a product to determine the appropriate input source that is why the product is less than perfect or what the customer wants to add to the product and also the determination of suitable output in tackling the input, because the result from each observers in determining the input and output can be subjective.

2.7. Current Satisfaction Performance and Improvement Ratio

Current Performance Satisfaction is an assessment of the level of product satisfaction that existed before. It is obtained from a questionnaire submitted to the respondents, while the goal is target and objective to be achieved for the improvement of the product quality. It is generally based on benchmarking of competitors' products. Improvement Ratio is used to indicate the amount of changes or improvements to be made. In mathematical terms, the determination of improvement ratio is as follows:

$$\text{Improvement} = \frac{\text{Goal}}{\text{Current Satisfaction Performance}} \quad (2.1)$$

The meanings of improvement ratio value are when the value is less than one, it can be said that the indicator does not show any improvement, the value of one to one and a half means reasonably good improvement to be done or called as moderate improvement, and if the value of above one and a half means the improvement is highly important to do or it called as a thorough improvement.

2.8. The Relationship Level and Matrix Relationship Value

In the House of Quality, it is important to determine the causal relationship arising between consumers' needs and desires with technical characteristics. The relationship that is formed between consumer requirements and technical description can be very confusing because each customer requirement can affect one or more technical descriptions. Therefore, level of the relationship and the relationship matrix values greatly affect technical decisions in the product improvement in priority product improvement.

2.9. Priority Determination Techniques

This priority technique will become a subject of the company's consideration in designing technical characteristics. In the mathematical terms, determining the value of priority technique is:

$$\text{Cont.} = \sum (\text{Relationship} \times \text{Norm. Weight}) \quad (2.2)$$

$$\text{Norm. Contributions} = \frac{\text{Contributions}}{\text{Contributions Total}} \quad (2.3)$$

After processing the data, the next step is presenting the data in tables and HOQ matrix diagrams.

3. Research Method

In this research, there are many methods used. The functions of each method are various. These are the explanation:

1. Processing of descriptive statistics is to determine the mean and variance of each dimension under study functions to illustrate the importance level of each dimension to be studied on consumer purchasing decisions.
2. Processing of non-parametric statistics is to determine whether there is a relationship between the dimensions of the OS quality and social factors, which in this study it would be taken based on age, gender, and family income. Non-parametric statistics uses Mann Whitney and Kruskal Wallis Test where Mann Whitney test is used for gender (men and women) and income factors that is over 5.3 million Rupiahs and under 5.3 million Rupiahs. While Kruskal Wallis Test is used to classify 3 types of age groups, which are 18-24 years old, 25-34 years old, and 35-44 years old.
3. Multidimensional Scaling Method is used to determine the position of Android products against its competitor, namely IOS. The product position, which was taken from consumers' perception of both brands, is based on questionnaires.
4. QFD Processing is done after the three methods above have been conducted. This method is corrective action to be taken by the company after knowing the factors that affect customer quality perception that is translated into technical response to consumers' desire taken from the MDS output method.

4. Empirical Study

Empirical studies conducted in Semarang in 2015. 168 respondents were asked to fill out 21 questions that are divided into five dimensions of consumer quality perception. Here is the demographic data collected from 168 respondents.

Table 1. Demographic of 168 Respondents

Subject	18-24	25-34	35-44	Total
Male	21	40	31	92
Female	34	21	21	76
Total	55	61	52	168

It can be seen that the number of male respondents are 55%, while female respondents are 45% of the total samples taken. As for the age of majority is productive age of 25-34 years at 36% of the total respondents. By monthly income, most respondents have income below 5.3 million that is 53% of the total respondents.

4.1. Data Recapitulation of Importance Level

After conducting an empirical study on the demographics of each respondent, the next step is to recapitulate the average result of importance level and consumer perception of the both brands, Android and IOS.

Table 2. Recapitulation of Importance Level and Consumer Perception

Indicator	Importance Level	Consumer Perception	
		Android	IOS
A1	3,96	3,351	3,0119
A2	3,82	3,369	3,27976
A3	3,74	3,339	3,08929
A4	3,83	3,381	3,51786
A5	3,56	3,458	3,6667
B1	3,8	3,887	3,464
B2	3,29	3,649	3,256
B3	3,82	3,768	3,274
B4	3,79	3,815	3,446
B5	4,05	3,756	3,304
C1	3,67	3,756	3,482
C2	3,66	3,44	3,339
C3	3,6	3,732	3,488
C4	3,17	3,512	3,458
C5	3,15	3,679	3,661
D1	3,18	3,411	3,53
D2	3,52	3,583	3,411
D3	3,13	3,375	3,637
E1	3,74	2,988	3,393
E2	3,82	3,411	3,387
E3	3,61	3,435	3,78

Based on the calculation of descriptive statistics shown in the table, it shows that the dimension of performance expectation is the most important consideration for consumers in choosing a smartphone that will be purchased with the highest average score of 3.82. However, the standard deviation of dimension of performance expectation is quite high, that is 0.804 due to the high difference of mean from indicator A5. Then, based on the tables, dimension of Behavioral Intentions become the most important dimension in determining consumer perception of the value of 3.72. This perception is more focus on the consumer behavior in the use of smartphones. The standard deviation of this dimension is quite small, so that respondents are considered to have no significant differences in response and have the same answers.

4.2. Factor Analysis Calculation

Factor analysis in this study is used to validate the research model that had been developed. Besides, it is also used to have a function of reducing the factors of the research variables. Here are the results of factor analysis that has been done.

4.3. Keiser Mayer Olkin Value and Barlett Test

Based on the Table 3, it can be seen that all variables show a KMO value of ≥ 0.5 and significance level of $0.00 < 0.05$, meaning that the data obtained is more than enough and deserves to be analyzed by factor analysis. Here is the table of KMO value and Barlett Test

Table 3. KMO Value and Barlett Test

Dimensions	KMO	Barlett Test (Sig. Value)
<i>Performance Exp</i>	0,727	0,00
<i>Effort Exp</i>	0,593	0,00
<i>Social Influence</i>	0,696	0,00
<i>Facilitating Conditions</i>	0,568	0,00
<i>Behavioral Intentions</i>	0,678	0,00

4.4. Measure of Sampling Calculation

Measure of Sampling Adequacy (MSA) value mentioned the degree of relation among the attributes, which are attributes which can be further processed and must be removed. Based on calculation in Table 4, it shows that all attributes have MSA value of more than 0.5. It means no attributes were removed from the analysis so that the attributes can be used for the next analysis.

Table 4. Results of Anti-Image Matrix Calculation

Variables	Components	MSA Value
<i>Performance Exp</i>	A1	0,720
	A2	0,667
	A3	0,761
	A4	0,778
	A5	0,699
<i>Effort Exp</i>	B1	0,610
	B2	0,597
	B3	0,581
	B4	0,579
	B5	0,604
<i>Social Influence</i>	C1	0,718
	C2	0,652
	C3	0,725
	C4	0,668
	C5	0,716
<i>Facilitating Conditions</i>	D1	0,578
	D2	0,601
	D3	0,545
<i>Behavioral Intentions</i>	E1	0,722
	E2	0,693
	E3	0,637

4.5. Normality Data Test

Before conducting hypothetical test, the research data in the form of research variables distribution, have to be done for normality test. If it is found that the data is in normal distribution, it can be forwarded to the parametric statistical test. However, if it is found that the data distribution is not normal, it cannot be forwarded to the parametric statistical test. In this case, it can only be done by hypothesis test in non-parametric statistical rules.

The calculation result shows: Quality variable of the product has a Z value of 1.192 with significance (sig) of 0.117. Since sig of 0.117 > 0.05, then the inference that is taken is product quality variable with normal distribution. The quality variable of Android OS has a Z value of 1.097 with significance (sig) of 0.180. Since sig of 0.180 > 0.05, then the inference that is taken is Android OS quality variable with normal distribution. The quality variable of iPhone OS has a Z value of 0.973

with significance (sig) of 0.300. Since sig of 0.300 > 0.05, then the inference that is taken is iPhone OS quality variable with normal distribution.

From the calculation, the third observed variables are in normal distribution, so it can be forwarded in parametric statistical tests.

4.6. Independent Sample T-Test

Calculation of Independent Sample T-Test is used in this study to determine whether there is an influence of gender and family income toward consumer perceptions about the quality of a smartphone. The null hypothesis that is used in this Independent Sample T-Test has no difference perception in the importance level of quality dimension of smartphone based on the classification of gender and income.

4.7. Anova One Way Calculation

Calculation with One Way Anova in this study is used to determine whether there is an effect of age classification toward consumer perceptions about the quality of a smartphone. Recapitulation of the One Way ANOVA test calculations are shown in Table 5.

Table 5 Calculation Result of Anova One Way

Dimension	Classification	Sig. Value	Decision
<i>Performance Expectancy</i>	Age	0,934	Ho accepted
<i>Effort Expectancy</i>	Age	0,834	Ho accepted
<i>Social Influence</i>	Age	0,756	Ho accepted
<i>Facilitating Conditions</i>	Age	0,737	Ho accepted
<i>Behavioral Intentions</i>	Age	0,229	Ho accepted

4.8. Multidimensional Scaling

Multidimensional Scaling is used to determine the position of two brands of clothes, namely Nike and Adidas, in the clothing quality dimension based on consumer perception. By using this method, the similarities and differences in the quality of the two brands of clothes can be found out based on the dimension of clothing quality perception. The following is the result recapitulation of processing data using Multidimensional Scaling method.

Table 6. Result Recapitulation of Multidimensional Scaling

Dimensions	Stimulus Coordinate	
	<i>Android OS</i>	<i>Iphone OS</i>
<i>Performance Exp</i>	0,7593	0,5795
<i>Effort Exp</i>	1,1632	0,6260
<i>Social Influence</i>	0,9513	0,7537
<i>Facilitating Conditions</i>	-1,2025	-1,1398
<i>Behavioral Intentions</i>	-1,3511	-1,1398

Based on the result, it shows that Android OS and iPhone OS do not have a significant difference regarding the quality dimension based on consumer perception. Coordinate differences between Android OS and iPhone OS is not much different. The brand that has a smaller coordinate value indicates that it has a better appreciation than the other brand according to consumer perceptions.

4.9. Quality Function Deployment

The steps to make QFD comprises of determining the list of consumer needs, determining the planning matrix, determining the technical response, determining the relationship matrix

between the technical response and consumer needs, benchmarking, determining target, and determining technical correlation.

4.10. Priority Technical Response

Priority Technical Response is conducted by calculating the weight to technical response that is obtained from the multiplication of the values in relationship matrix with normalized weight for each factor of consumer needs. The step is to calculate the value of Weight and Normalized Weight using equation formula.

Example of technical response calculation for RAM up to 6GB:

$$Weight = (9 \times 3,96) + (9 \times 3,74) + (9 \times 3,79) + (3 \times 3,29) = 113,28$$

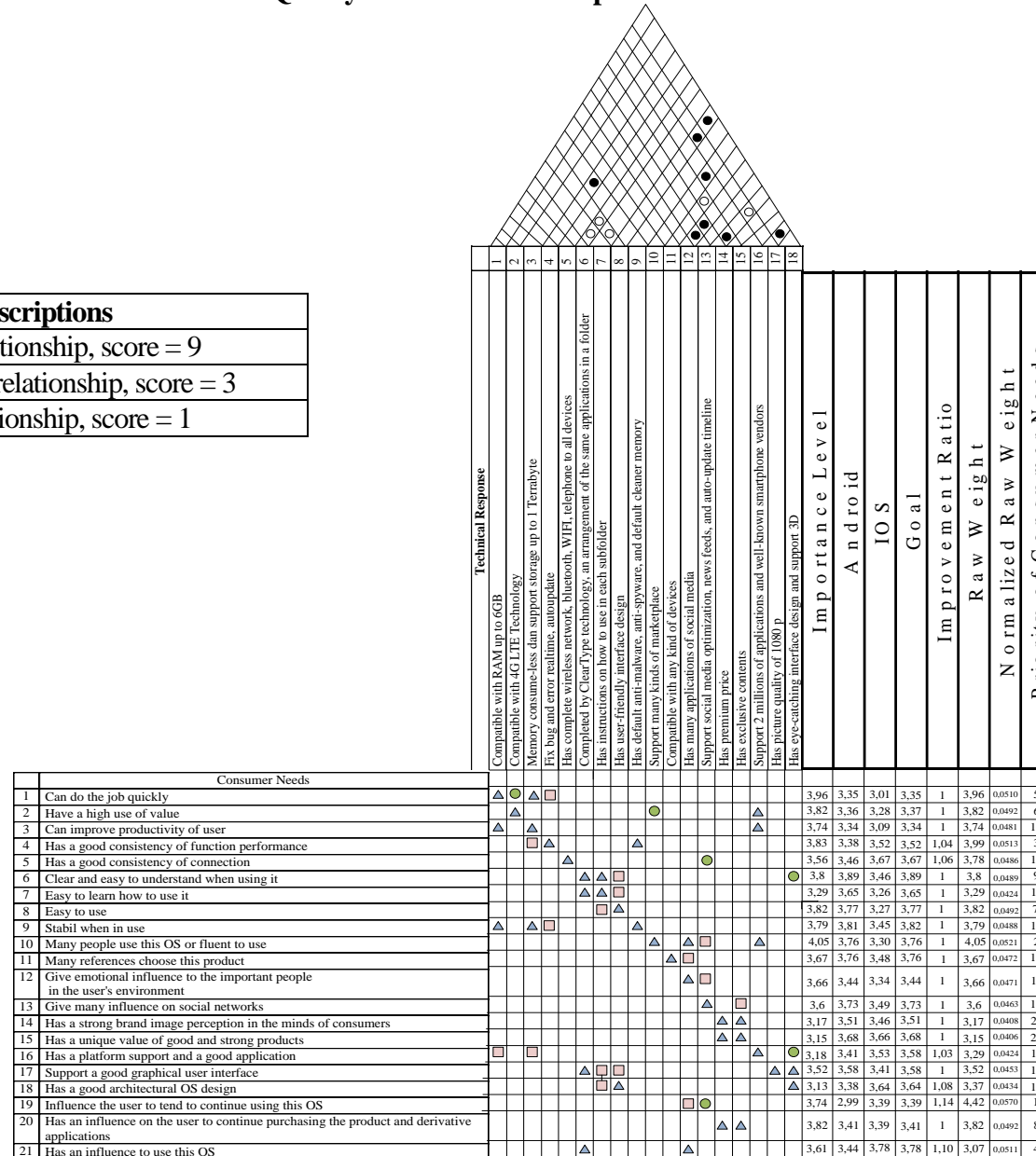
$$Normalized\ Weight = \left(\frac{113,287}{1491,753} \right) = 0,076$$

4.11. House of Quality of Consumer Perceptions toward Android OS

The following picture explains about the House of Quality of Android consumer perception and the correlation of technical response as well as the priority response that should be chosen by the company.

Picture 1. House of Quality of Consumer Perceptions toward Android OS

Symbols	Descriptions
▲	Shows a strong relationship, score = 9
■	Shows a moderate relationship, score = 3
●	Shows a weak relationship, score = 1



QFD calculation in this study is shown in the descriptive statistics of the previous analysis. It is known that the average consumers concern with the dimension of performance expectation and behavioral intentions. To find out what to do by Android to address the needs of consumers, it is necessary to map the relationship of each factor.

After mapping the relationship, then Android has to identify the manufacture of technical response toward factors that lead to consumer perceptions on Android is not good. In the table of raw height and normalized weight, QFD calculation shows that the most important priority factor is influencing users to continue using the OS. It is followed by a good consistency of the function performance and fast job execution by the OS.

However, different results appear when calculating the priority technical response. The five main priorities that must be done to improve consumer perception are supporting 2 million kinds of applications and well-known smartphone vendors, having the ClearType technology, consuming small OS memory, having many social media applications, and being compatible with up to 6 GB of RAM.

Then, Android should multiply their applications and launcher support, which about more than 2 million kinds of applications has been made at this time, from their official marketshare called Play Store or not (mobomarket, etc.). These applications support can increase the functionality of the product and also the consumer's productivity, so it deserves to be prioritized improved; of course, the number of applications has to be balanced by a good-quality. Besides, the cooperation with well-known smartphone vendor is quite important so that the OS can work optimally since it needs qualified hardware. Moreover, the cooperation with leading vendors, such as Samsung, Sony, Lenovo, etc. will be able to raise the good brand image to consumer perceptions. Another thing that may become a concern of Android is to reduce cooperation with the vendor that is not popular for keeping the Android perception in order not to look bad in the eyes of consumers because of a stereotype about all kinds of Android by consumers.

Explication in usage is also an essential factor so that the technical response, that is ClearType technology, and similar applications arrangement can be competent succession in improving customer perception. Little memory usage, many social media applications, and capability up to 6 GB of RAM optimization, greatly affect the consumer perceptions. Because when consumers feel it is not clear when they use a product, the use of memory is very large and it results in error and lag. In addition, less support for social media applications cause the OS can be easily-left by the users. The fifth priority technical responses are considered as the most important thing in the improvement of Android OS products.

Therefore, in order to improve consumer perceptions of Android OS products, it would be better if Android tries to introduce a limited high-end product with a leading vendor. The exclusive product is very helpful to boost the brand image of Android that the Android market is exclusive and try to reduce the low-end market. Android is recommended to increase the number of quality applications that are offered in its market share. Then, the ClearType technology, which functions to clarify the writing so that people can more easily understand the use of the product, is also good to be improved. Making the operating system to be lighter and able to optimize the storage up to 1 Terra bytes is also highly recommended. Besides, improving cooperation with the vendors providing good social media is also good to improve the quality perception of Android. At last, the other technical responses also need to be considered so that the product can always develop and improve the quality product of Android itself.

5. Conclusion

Three-dimensional quality perception of a smartphone operating system that has high level of importance in selecting the Operating System that will be used are Performance Expectancy, Effort Expectancy, and Behavioral Intention.

There are differences of the OS quality perception that are influenced by gender and income. In the importance level of some dimensions, which are Performance Expectancy, Effort Expectancy, and Social Influence, there is a difference between men and women. As for the importance level of the whole dimensions, which are Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions, and Behavioral Intentions, there are differences influenced by income. On the contrary, age does not make any difference in the importance level of these dimensions.

In the perception map created by using Multidimensional Scaling method, it shows that there are similarities in the consumer perception of the quality perception dimension of Android OS and IOS brands. IOS excels in three dimensions, namely Performance Expectancy, Effort Expectancy, and Social Influence, while Android is superior in facilitating conditions and behavioral intentions dimensions.

Improvement proposals for Android in order to improve the perception quality of the consumers using QFD methods are having up to 2 million kinds of applications and cooperation with well-known smartphone vendors, having ClearType technology and similar applications arrangement, making the OS consumes a little memory and supports the storage up to 1 terabytes, being in collaboration with many social media applications, being able to compatible with up to 6GB RAM, making more exclusive contents, making more user-friendly interface, giving instructions on how to use in each subfolder, making the price become more premium, giving default anti-spyware malware and spyware on the device, being capable to support visual technology likes 3D, having AutoUpdate features, fixing bugs and error in real time, optimizing social media, being able to support the many market places, being able to support 4G LTE technology, having a complete wireless network, being compatible with various types of devices, and supporting image quality graphics up to 1080p.

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IMPROVING TEACHING AND LEARNING IN NATURAL PRODUCT CHEMISTRY COURSE THROUGH LABORATORY ACTIVITY

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Summary

Natural product chemistry examines the type, distribution, and function of secondary metabolite derived from plant, animal, or microorganisms. Indonesia has a very high plant diversity, so Indonesia has great potential to advance natural product chemistry. Diversity of secondary metabolites requires isolation biodiversity through extraction, fractionation, purification, and identification of secondary metabolites. These activities can be done through a practicum. Laboratory activity is an important component of undergraduate chemistry education. Nevertheless, in Indonesia natural product chemistry course is not supported by laboratory activities although Indonesia has a very high diversity of plants that can be used in natural product chemistry laboratory. By considering the point, this paper discusses the type of laboratory instructions styles that appropriate for natural product chemistry course.

Key words: Natural product chemistry, secondary metabolite, plant diversity, Indonesia, Laboratory activity

1. Introduction

Humanity is dependent on nature. People can obtain food, medicines, building materials, and other resources from the nature. Plants, animals, and microorganisms are a source of secondary metabolites diversity. Diversity of secondary metabolites requires isolation biodiversity through extraction, fractionation, purification, and identification of secondary metabolite. Total of 250.000

species of higher plants grow around the world (Dias, et al., 2012). Less than 10% of the world's higher plants has studied the content of secondary metabolites (Dias, et al., 2012). Indonesia is known to have abundant natural resources (Shabuddin, et al., 2006). There are many species of plants and animals endemic to Indonesia, not found in other countries, therefore people must be maintain biodiversity stable, and allow it is not disappear over time. Indonesia has a very high plant diversity (Bossière, et al., 2004). Indonesia has 25.000 species of higher plants and 40% of which are endemic (Resosudarmo, et al., 1993). However, only 0.4% of the higher plants in Indonesia that have been studied chemical content (Ersam,



Map No. 4110 Rev. 4 UNITED NATIONS, 2004

2004). These natural wealth mean Indonesia and other countries in the world has a great potential in advancing the natural products chemistry.

This paper discusses the type of laboratory instructions styles that can improve the the quality of learning in natural product chemistry course for third or fourth year undergraduate students who have a basic understanding of the chromatographic and spectroscopic techniques used in the identification of natural compounds. These laboratory activities can also be useful for structure elucidation of organic compounds course, organic chemistry course, and general chemistry course.

2. Secondary Metabolites

Of the hundreds of secondary metabolites that can be isolated from Indonesian plants, many of them show interesting biological activities such as cytotoxicity (Pham, et al., 2013), antimalarial activity (Linn, et al., 2005), antiviral activity (Elfahmi, et al., 2006), antifungal activity (Gu, et al., 2004), and antimicrobial activity (Nakazawa, et al., 2007). These biological activities can be used to guide students to the active pure compound isolation. Various bioactivities show potential for the lead compound to be useful for industrial drug or pesticide industries. Some examples of compounds isolated from Indonesian plants such as cudraflavon C (1), artelastisin (2), artelastin (3) isolated from *Artocarpus scortechinii* King (Hakim, 2008; Hakim, 2009) are shown below.

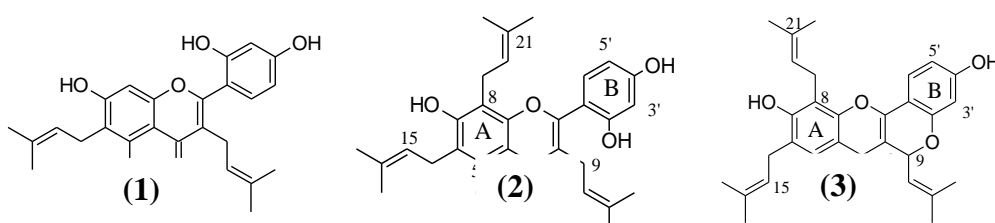


Figure 1: Secondary Metabolites from Indonesian Plants

These compounds are flavonoid derivatives. The prenylation on C-3 occurred in all these compound. Oxidative cyclization between hydroxy group on C-2' and prenyl group on C-3 in compound 3 resulted a pyran ring.

3. Type of Laboratory Instructions Styles

Throughout the history of chemistry education, four distinct styles of laboratory instruction have been prevalent: expository, inquiry, discovery, and problem-based (Domin, 1999).

3.1. Expository Laboratory

Expository is a laboratory activity that verifies the scientific facts introduced lecturer in course. Expository consists of the activities in the form of a detailed explanation, continued work on the procedure step by step, recording data, and answering questions postlaboratory. Instructure and students already know the results before the end of the laboratory activities performed. The results of laboratory activities compared with the expected results. Thus, students are not being challenged in predicting the results of the laboratory. This type of laboratory is also known by the term traditional lab or verification (Domin, 1999). This kind practicum most popular and most commonly used in Indonesia.

3.2. Inquiry Laboratory

Inquiry laboratory is open inquiry activity. The students are given the task to investigate a topic. The topic is quite broad, so that learners can decide the system for investigation, planning experiments, collecting and analyzing data. The data is analyzed and the results have made a preliminary conclusion. Instructure help learners to construct the concepts in order to be built cognitive structure of learners. Inquiry laboratory is inductive, the result is not known in pralaboratory, and ask learners to design the practical procedures (Domin, 1999).

3.3. Discovery Laboratory

Discovery is also called guided inquiry. This laboratory directed the students to find a concept. Without pratheoretical participants follow the procedures provided by the instructor. The student get data and make some conclusions. Based on the experience gained during the laboratory and discussion postlaboratory, students build concepts in their cognitive structure. Laboratory manual in discovery laboratory is not used. In this laboratory style there is only minimal guidance from the instructor. Discovery laboratory is inductive (Domin, 1999).

3.4. Problem-Based Laboratory

Problem-based laboratory expects the students to prepare their own activities to solve a problem in order to help them understand the concept. The students have been assigned to read some concepts in textbooks. Furthermore, students are given the problems in question. Instructors expect the student could be found the the solution of the problem from the information obtained during course and from the textbook. Futhermore the student implemented their design in a simple experiment. Instructors know the answer of the problem and help the student to solve the problem through experiment. Learners design their own procedure for solving the problem and write it in the report. This type of laboratory more emphasis on the process rather than the results (Domin, 1999).

4. Discussion and Conclusions

Laboratory activity is an important component of undergraduate chemistry education. Nevertheless, in Indonesia the natural product chemistry course is not supported by laboratory activities, even though Indonesia has a very high diversity of plants that can be used in natural product chemistry laboratory. By considering the point, this peper discusses the type of laboratory instructions styles that appropriate for natural product chemistry course.

Reviews of laboratory activities in chemistry courses in Indonesia have found that very little meaningful learning takes place in the laboratory activities. Most universities use expository laboratory (traditional laboratory instruction) with an emphasis on following specific procedures to collect data and no attention is given to planing the investigation or interpreting results. Students spend more time determining the correct results than planning and organizing the experiment. Therefore, students do not have enough time to think about the science principles being applied in the laboratory. Thus, meaningful learning often does not occur in traditional laboratory activities (Domin, 1999, Domin, 1999).

In this paper four type of laboratory instructions styles consist of expository, inquiry, discovery, and problem-based discussed. Based on the each characteristic of type of laboratory instructions styles this paper proposes inquiry, discovery, and problem-based laboratory used in a natural product chemistry course.

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THE EFFECT OF INVESTMENT OPPORTUNITY SET (IOS), LIQUIDITY, LEVERAGE, AND ACCOUNTING CONSERVATISM ON THE QUALITY OF PROFIT AT MANUFACTURING COMPANY IN INDONESIA (THE ANALYSIS OF BEFORE AND AFTER THE ADOPTION OF IFRS)

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Abstract

This research is aimed at examining and analyzing the effect of investment opportunity set (IOS), liquidity, leverage and accounting conservatism on the quality of profit at manufacturing company before and after the adoption of IFRS. This research was classified as associative research. The samples used are 52 manufacturing companies registred at Indonesian Stock Exchange during the period of 2008-2013. The analysis employed multiple linear regression. The research showed that IOS variable and liquidity do not significantly affect on the quality of profit before and after the adoption of IFRS. While, leverage variable does not significantly affect the quality of profit before the adoption, but it does significantly after the adoption. Then, accounting conservatism variable had significantly affect on the quality of profit before and after the adoption of IFRS.

Keywords: Quality of profit, investment opportunity set (IOS), liquidity, leverage and accounting conservatism.

1. Background

Development of information technology is rapidly increasing demands to provide financial reporting and timely information in order to encourage Indonesia adopted the International Financial Reporting Standard (IFRS) (Gamayuni, 2009). Adoption of IFRS aims to generate quality financial reporting information that is high, transparent and produced at a cost that does not exceed the benefits to users (Sianipar and Marsono, 2013; and Ginting and Suranta 2014). Several studies in Europe and Australia have shown that the adoption of IFRS impact on the financial statements include Asbaugh research and Pincus (2001); Duangploy and Gray (2007); and Daske and Gebhardt (2006).

In the perspective of agency theory, managers and owners had different interests that triggered the agency conflict. The impact was going on opportunistic profit quality management (Boediono, 2005). An unprecedented case related to it was PT. Kimia Farma Tbk. and PT. Indofarma Tbk. which reported a net profit in excess. Based on this, the profit quality information was important for users of financial statements in making decisions and contracts (Schipper and Vincent, 2003; Diantimala, 2008; and Dira and Astika, 2014). The quality level of profit depends on the benefits for the user. If the profit quality can be relied upon in the decision, then the profit quality quality is said to be of high quality and (Penman and Zhang, 1999; Bellovary dkk.2005). Conversely, if reporting accounting profit quality contain perceived interference so that the information obtained be biased and misleading in decision-making, the profit quality is said to be low (Boediono, 2005; and Warianto and Rusiti, 2013).

Investment opportunities or commonly called IOS (Investment Opportunity Set) can affect the quality of profit quality. Companies with a high level of investment opportunity set will have the ability to produce higher profit quality that the market will provide a greater response to the company that has the opportunity to grow (Mulyani et al. 2007). But on the other hand, companies that have a high IOS indicated having a high discretionary accrual due to management conduct profit quality management practices with a view to maintaining the growth of the company (Gee, 2009; Warianto and Rusiti, 2013). Smith and Watts (1992) suggests that investment opportunities management requires decision making in an uncertain environment and consequently become more unobservable managerial actions so that it becomes a trigger of conflict agency.

Furthermore, liquidity is supposed to influence the quality of profit quality. Companies that have high liquidity showed no problems in the payment of current debt so that the company does not need to manipulate profit quality (Warianto and Rusiti, 2013; Wulansari, 2013). In connection with the adoption of IFRS, companies are required to produce financial statements that have a high degree of credibility. Based on research Baralexis (2004) and Sari (2013) found that mortgage financing was the most important motive for companies to overstate profits. IFRS which emphasizes reliability and transparency leads to reduced engineering risk management value financial ratios so that the application of IFRS had a negative impact on liquidity ratio and impact on the quality of corporate profits.

Another issue related to the profit quality was leverage. Leverage indicated the company's ability to use the assets and sources of funding to increase the return to the owner. Companies with high leverage will bring the company to a breach of contract debts. Avoid this company tends to improve the quality of its profit quality, or even to manipulate profit quality caused profit quality to be low quality (Novianti, 2012; Warianto and Rusiti, 2013; and Ummah and Subroto, 2014). In connection with the adoption of IFRS, causes the extent of the level of disclosure of financial statements. Management is required to report the information truthfully, so as to anticipate the possibility of fraud management and minimize agency costs. For example, under IFRS the company faced with the use of the fair value recognition of assets for example. Assets will be revalued so that assets can be rated high or low and the impact on the calculation of the leverage ratio. Research Blanchette et al. (2011) and Sari (2013) found that more and more companies adopt full IFRS, the impact on the lower leverage of the company. This means a decrease in profit quality manipulation considering IFRS emphasizes transparency and reliability thereby affecting the quality of corporate profits.

Conservatism is also thought to affect the quality of profit quality. Conservatism relates to acknowledge the cost or loss, but did not immediately recognize revenue or profits come despite the possibility of large (Watts, 2003). View of agency theory states that the existence of different interests between the agent and the principal can lead to conflict and affect the profit quality reported. Under these conditions we need a control mechanism that can align the interests of both to apply the principles of conservatism. The principle of conservatism applied in an effort to limit opportunistic behavior associated with contract managers use financial statements and efficient contracting mechanism (Watts, 2003).

The application of this principle raises the pros and cons. Some regard this principle is essential to avoid opportunistic behavior of managers so as to produce high-quality profit quality (Watts, 2003; Lafond and Watts, 2006; and Tuwentina and Wirama, 2014). There is also a principle assume this would result in lower profit quality (Penman and Zhang, 1999; Suaryana 2007; Diantimala, 2008; and Seswanto, 2012). Related to the adoption of IFRS, this principle is considered no longer in use and decrease (Yustina, 2013). There also were discovered this principle is increased

when the adoption of IFRS (Zhang, 2011; Gassen and Sellhorn, 2006). Based on this, and Suranta referring Ginting of Barth et al. (2008) and Karampinis and Hevas (2011) states that IFRS arranged on a conceptual framework that is similar to the conceptual framework of accounting standards common law countries, while countries with code law legal system in general has a model of the financial system is more oriented to the stakeholders. This has resulted in the application of fair value based in Indonesia can not eliminate the application of conservatism.

This research was the development of research Wulansari (2013) by adding the variable accounting conservatism. Consider the results of previous studies were inconsistent also be motivated researcher conducted this study.

Based on the previously background, the formulation of the problem in this study was whether there was an effect of the investment opportunity set (IOS), liquidity, leverage, and conservatism accountancy on the profit quality before and after adopted IFRS?

2. Hypothesis

Based on the background, problem formulation and research objectives above hypothesis can be formulated as follows:

H₁: There was an effect of IOS on the profit quality before and after the adoption of IFRS.

H₂: There was an effect of liquidity on the profit quality before and after the adoption of IFRS

H₃: There was an effect of leverage on the profit quality before and after the adoption of IFRS.

H₄: There was an effect of accounting conservatism on the profit quality before and after the adoption of IFRS.

3. Methods

This research was classified as associative research. Associative research was a study that aimed at determining the relationship between two or more variables (Sugiyono, 2013: 56).

This study was performed on profit quality listed on the *BEI*. The study period was three years before the adoption of IFRS (2008-2010) and three years after the adoption of IFRS (2011-2013). The sample selection was done by using purposive random sampling with criteria (1) Company listed on the *BEI* that consistently published financial statements ended on December 31^{first}, and had been audited in the period 2008-2013; (2) The published financial statements expressed in rupiah; (3) did not suffer losses during the observation period. and (4) does not have negative equity. From a population of 148 companies obtained a sample of 52 companies during the first year.

3.1. Research Variable

1. Quality of Profit quality

Quality of profit quality in this study was measured by discretionary accruals. The model used was the Modified Jones Model (1995) formulated by Dechow et al. (1995) as follows:

a. Calculating Total Accrual

$$TA_{it}/A_{it-1} = \alpha_1 (1/A_{it-1}) + \alpha_2 (\Delta REV_{it}/A_{it-1}) + \alpha_3 (PPE_{it}/A_{it-1}) + \varepsilon$$

The above equation regressed to get the value of α_1 , α_2 , and α_3 .

b. Non Discretionary Accruals

$$NDA_{it} = \alpha_1 (1/A_{it-1}) + \alpha_2 (\Delta REV_{it} - \Delta REC_{it}) / A_{it-1} + \alpha_3 (PPE_{it} / A_{it-1})$$

Value α_1 , α_2 , and α_3 obtained from the equation TA, included in the calculation of the NDA and value of NDA manually counted without regression.

c. Discretionary Accruals

$$DA_{it} = TA_{it} / A_{it-1} - NDA_{it}$$

2. Investment Opportunity Set (IOS)

IOS in this study was measured through a market value to book value of assets ratio which is formulated as follows (Gaver and Gaver, 1993):

$$\frac{MVA}{BVA} = \frac{\text{Total Assets} - \text{Total Equity} + (\text{total stock} \times \text{closing price})}{\text{Total Assets}}$$

3. Liquidity

Liquidity in this study was measured by using the current ratio was current assets divided by total current liabilities (Warianto and Rusiti, 2013).

4. Leverage

Leverage in this study was measured by the debt ratio is total debt divided by total assets (Warianto and Rusiti, 2013).

5. Accounting conservatism

Measurement of conservatism in this study using a net accrual measure adopted from Givoly and Hyan (2000) as follows:

$$CONACC = \frac{(NI + \text{depreciation dan amortization} - CF0) \times (-1)}{TA}$$

3.2. Data Collection and Analysis

Data collected through IDX website (www.idx.co.id) and ICMD to obtain information about financial reports as well as through yahoo.finance.com to get the stock price. Data analysis was conducted using descriptive statistics in order to know the dispersion and distribution data. The analysis technique used in this research was multiple linear regression (multiple regression analysis) with SPSS version 20. Before performing regression analysis, necessary to test classic assumptions with the aim to test the feasibility of the regression model. Classical assumption test consists of normality test, multicollinearity test, autocorrelation test and test heteroskedasitas. Systematically equation in this study was formulated as follows:

$$Tait = \alpha + \beta_1 * Lk \text{ IOS} + \beta_2 + \beta_3 * Lv + \beta_4 * CONACC + \text{eit}$$

4. Analysis And Discussion

4.1. Descriptive Statistics

Table 1
Descriptive Statistic before adoption of IFRS

Variables	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
IOS	156	0,50	15,00	1,6385	1,81249	4,701	27,118
Liquidity	156	0,74	10,68	2,4612	1,88853	2,128	4,706
Leverage	156	0,07	1,85	0,4400	0,22709	1,712	8,159
Accounting conservatism	156	-0,51	0,16	-0,0363	0,08895	-1,866	7,478
Profit Quality	156	-0,26	0,67	0,0113	0,11590	2,441	11,053

Based on the above data, the mean score of profit quality, IOS, Liquidity, leverage, and Accounting conservatism before adoption of IFRS were 0,0113; 1,6385; 2,4612; 0,4400; and -0,0363. Meanwhile, the mean score after adoption of IFRS for dependent variable or independent variable were as follows:

Table 2
Descriptive Statistic After Adoption of IFRS

Variables	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
IOS	156	0,29	15,54	2,2797	2,47402	3,232	12,215
Liquidity	156	0,40	11,74	2,4587	1,75172	2,203	6,472
Leverage	156	0,10	0,76	0,4054	0,16625	0,267	-1,021
Accounting conservatism	156	-0,29	0,13	-0,0458	0,06954	-0,551	1,242
Profit Quality	156	-0,18	0,39	0,0216	0,09325	1,063	2,083

Based on the above data, the mean score of profit quality, IOS, Liquidity, leverage, and Accounting conservatism after adoption of IFRS were 0,0216; 2,2797; 2,4587; 0,4954; and -0,0458.

4.2. The Result of Regression Classic Model

a. Normality Test

Table 3
The Result of Normality Test

Notes	Before Adoption of IFRS	After Adoption of IFRS
N	156	156
Kolmogorov-Smirnov Z	1,281	1,036
Asymp. Sig. (2-tailed)	0,075	0,233

Based on the above data, it can be concluded that, there was significantly effective before adoption of IFRS and after adoption of IFRS, it showed that the data was normal. It can be seen from the score of Asymptotic Significance was higher than 0,05.

b. Multicollinearity Test

Table 4
The Result of Multicollinearity Test

Ket.	Variables	Tolerance	VIF	Ket.	Variables	Tolerance	VIF
Before adoption of IFRS	IOS	0,986	1,014	After adoption of IFRS	IOS	0,982	1,018
	Liquidity	0,654	1,530		Liquidity	0,465	2,149
	Leverage	0,646	1,547		Leverage	0,457	2,186
	Accounting conservatism	0,988	1,013		Accounting conservatism	0,941	1,063

Based on the above data, *Tolerance* score for all variables whether before or after adoption of IFRS was higher than 0,10 and VIF score was lower than 10 meaning that there was no symptom of *multicollinearity*.

c. Autocorrelation Test

Table 5

The result of Autocorrelation Test

Model	Durbin Watson	Du	4-du	Notes
Before Adoption of IFRS	1,858	1,722	2,278	No Autocorrelation
After Adoption of IFRS	1,878	1,722	2,278	No Autocorrelation

Based on the above data, Autocorrelation was done using *durbin Watson* test, the score of DW before and after adoption of IFRS was higher than DU and was lower than 4-du. Therefore, there was no symptom of Autocorrelation in regression model.

d. Heteroscedastisity Test

Table 6

The Result Heteroscedastisity Test

Note	Variables	Sig.	Notes	Variables	Sig.
Before Adoption of IFRS	IOS	0,826	After Adoption of IFRS	IOS	1,000
	Liquidity	0,192		Liquidity	0,577
	Leverage	0,094		Leverage	0,464
	Accounting conservatism	0,541		Accounting conservatism	0,239

Based on the reasult showed that the variables had lower significances than 0,05, it can be concluded tha model regression model had no heteroscedastisity.

1. Determination Coefficient

Table 7

Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Before Adoption of IFRS	,958 ^a	,916	,913	,03413
After Adoption of IFRS	,967 ^a	,934	,932	,02424

Based on the above obtained score, Determination Coefficient (*Adjusted R Square*) before adoption of IFRS was 0,913 or 91,3% and after adoption of IFRS was 0,932 or 93,2%. It showed that independent variable was representative from the other variables which affected the dependent variable.

2. F-Test

Table 8

The Result of F-Test

Notes	Model	Sum Squares	of df	Mean Square	F	Sig.
Before IFRS	Regression	1,906	4	0,477	409,196	,000 ^b
After IFRS	Regression	1,259	4	0,315	535,939	,000 ^b

Based on the result of ANOVA or F-test above, the significant score of model before and after adoption of IFRS was 0,000 so it can be stated that IOS, liquidity, leverage, and Accounting conservatism were significantly effective on profit quality.

3. T-Test

Table 9

The Result of T-test Before Adoption of IFRS

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-,036	,011		-3,364	,001
IOS	,002	,002	,029	1,207	,229
1 Liquidity	-,003	,002	-,050	-1,693	,092
Leverage	,017	,015	,033	1,116	,266
Accounting conservatism	-1,233	,031	-,947	-39,774	,000

Based on the result of T-test before adoption of IFRS, gained multiregression was :

$$Tait = -0,036 + 0,002 \beta_1 - 0,003 \beta_2 + 0,017 \beta_3 - 1,233 \beta_4.$$

T-test was done by seeing the score of significant probability of t, which each variable was output of regression result. Based on the above result, it can be stated that the only Accounting conservatism was significantly effective on profit quality because the significant score was lower than 0,05. Meanwhile, IOS, liquidity, and leverage. Otherwise, after adoption of IFRS were:

Table 10

The Result of T-test After Adoption of IFRS

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-,064	,010		-6,176	,000
IOS	,001	,001	,038	1,811	,072
1 Liquidity	,003	,002	,048	1,563	,120
Leverage	,042	,017	,076	2,446	,016
Accounting conservatism	-1,284	,029	-,958	-44,493	,000

Based on the result of T-test after adoption of IFRS, gained multiregression was:

$$Tait = -0,064 + 0,001 \beta_1 + 0,003 \beta_2 + 0,042 \beta_3 - 1,284 \beta_4.$$

The result showed that Accounting conservatism and leverage were significantly effective on profit quality because the significant score was lower 0,05.

4.3. Discussion

4.3.1. IOS Influence on the Profit quality Before and After Adoption of IFRS

Based on the regression test results in Table 9 and Table 10 showed that the first hypothesis was rejected. The results support the research conducted by Adriani (2011), Ekanawati (2012) and Wulansari (2013) but did not support research Rachmawati and Triatmoko (2007), Wah (2009),

Novianti (2012) and Warianto and Rusiti (2013). Companies that had indicated a high IOS had discretionary accrual was also high, which in turn affected the profit quality. Based on the calculation of the statistical description in Tables 1 and 2 showed that IOS company DACC high while the value so low that it caused no significant of IOS influence on the profit quality. In addition, the company IOS calculated data that sample had a range too far in the other companies also caused no significant of IOS influence on the profit quality. Wulansari (2013), quoting from Palupi (2006) adds that the IOS was not the center of attention of investors in making investment decisions, but more attention to the company's profit figures. Motivation investors in investment was not for long-term benefits but to obtain capital gains that investors paid little attention to the value of the company's IOS.

4.3.2. Liquidity Influence on the Profit quality Before and After Adoption of IFRS

Based on the regression test results in Table 9 and Table 10 showed that the second hypothesis was rejected. The findings of this study supported the research conducted by Yushita, et al. (2013) and Dira and Astika (2014). However, these results contrasted with research Wulansari (2013) Purwanti (2010) and Warianto and Rusiti (2013). Companies that had high liquidity showed no problems in the company's liquidity and showed that the company had good financial performance in compliance with current debt. In this case the company did not need to practice profit quality manipulation so as to have a low discretionary accrual and the impact on improving the quality of profit quality (Warianto and Rusiti, 2013; Wulansari, 2013). Based on data from liquidity calculations showed that most of the liquidity of the company that the sample had too much range as compared to other sample companies, so that it became the cause of no significant effect on the profit quality. In addition, whether or not a company was able to pay off debts with immediate short-term, did not affect the company in improving the profit quality. The Company continues to improve its performance in the investors by showing that the company's prospects good in the future which is capable of producing high profit quality. Dira and Astika (2014) added that investors paid little attention to the liquidity of the company but rather looked at the profit figures reported in the company's investment. High profits are considered to provide a high level of profits even though in this case the manager of engineering profit.

4.3.3. Leverage influence on the Profit quality Before and After Adoption of IFRS

Based on the regression test results in Table 9 showed that before the adoption of IFRS, the variable leverage did not affect the profit quality. These findings supported the research conducted by Novianti (2012), Wulansari (2013), as well as Dira and Astika (2014). Companies that had leveraged the higher was a threat to the company because it could not meet debt payment obligations on time so that companies threatened with bankruptcy. Companies that predicted bankruptcies would violate its debt agreements so that managers will be motivated to shift the future profit quality to current profit quality that good performance and affect the quality of corporate profits (Ummah and Subroto, 2014). Based on the statistical description of the data in Table 1 showed that the company's high leverage and low DACC to be an indication of the cause no significant effective on the profit quality. Cider and Adhariani (2009) adds that the company had a large enough degree of leverage will try to improve financial ratios and reduce debt termination.

Furthermore, when the company adopts IFRS, the variable leverage it affects the quality of profit quality. This is shown by the regression results in Table 10 shows that the value of the variable leverage smaller significance 0.05. These findings support the research conducted by Warianto and Rusiti (2013), Purwanti (2010) as well as the Ummah and Subroto (2014). Based on the description of the calculation of the average statistics showed a decrease in leverage. This means that the adoption of IFRS minimize management actions to manipulate profit quality. IFRS emphasized transparency

and reliability requires the company to further increase disclosure as a form of management accountability for the resources entrusted to him so that it had an impact on improving the profit quality. Sari (2013) suggested that the company implement or adopt IFRS, the leverage ratio will be lower. The low leverage showed increased confidence the shareholders on the financial statements presented using IFRS standards that have an impact on improving the quality of profit qualities. For high leverage shows the increasing number of resources entrusted to the management so that management often commit fraud and to reduce cheating the company must pay supervision (agency). Ummah and Subroto (2014) adds that the low debt level managers as agents tend not to have a problem related to the company's ability to pay debt. Managers as agents tend not to have an incentive to manipulate profit qualities so that the quality of higher corporate profits. Managers in this regard will also tend to like to use accounting discretion to provide private information about the company's prospects in the future to patronize the cost of debt.

4.3.4. Accounting Conservatism influence on the Profit qualities Before and After Adoption of IFRS

Based on the regression test results in Table 9 and Table 10 showed that the value of the accounting conservatism variable significance both before and after the adoption of IFRS was less than 0.05, which meant the fourth hypothesis was accepted. Judging from the accounting conservatism variable beta coefficients in Table 9 and Table 10 showed that the effect of conservatism on the profit qualities was negative. It means that when the company implemented a high conservatism, the company profit qualities will be volatile and temporary. This had implications for the predictive power of low profits. The results of this study do not support the results of research conducted by Tuwentina and Wirama (2014). However, the results of this study reinforce previous research conducted by Penman and Zhang (1999), Suaryana (2007), Diantimala (2008), as well as Seswanto (2012). In principle, the company still needs a principle of conservatism in assessing the quality of profit qualities in spite of the principle of conservatism in IFRS is removed and replaced with the principle of prudence (prudence). Based on the average statistical description in Tables 1 and 2 show an increase of conservatism after the adoption of IFRS and the majority of the sample calculation data company shows the application of conservatism.

Ginting and Suranta (2014) which refers of Barth et al. (2008) and Karampinis and Hevas (2011) adds that IFRS arranged on a conceptual framework that was similar to the conceptual framework of accounting standards common law countries, while countries with code law legal system in general has a model of the financial system is more oriented to the stakeholders. This has resulted in the application of fair value based in Indonesia can not eliminate the application of conservatism.

5. Conclusion

Based on the results of research and discussion can be summarized as follows:

1. The results of this study found that IOS does not affect the profit qualities before and after the adoption of IFRS. This indicated that the IOS did not necessarily affect the quality of the company in generating profits but rather to how the company nor the management was able to generate high returns to attract investors to invest in companies that IOS not fully utilized in improving the profit quality.
2. The results of this study found that liquidity did not affect the profit quality before and after the adoption of IFRS. This indicated that the level of liquidity had not been able to influence the quality of management in generating profits.
3. The results of this study found no leverage effect on the profit qualities before the adoption of IFRS. However, when the adoption of IFRS variable leverage positive effect on the profit qualities. This showed that when companies implement IFRS, GAAP requires the use of almost the entire fair

value in the financial statements, in contrast to before the application of IFRS which still provided the option GAAP historical cost valuation of assets and liabilities in the company. For example, in the recording of fixed assets led to the company revalued assets so that when a highly valued asset, the calculation of the ratio of debt/leverage was high and the implications for the poor quality of corporate profits.

4. The results of this study found a negative effect of accounting conservatism on the profit quality both before and after the adoption of IFRS. This indicated that when companies apply the principle of conservatism was high then cause fluctuations in profit quality and profit quality was low. The negative influence was not completely eliminate the principle of accounting conservatism in the company, but the principle was still needed in an effort to limit the opportunistic behavior of managers.

6. Suggestion

1. This study used only profit quality companies that need to increase the sample of firms such as service companies, banks, and mining so that the expected results of the analysis will have a greater degree of generalization and representative. In addition, further research needs to be clarification companies in growing and not growing to see the difference in accrual rate and the resulting profit quality which was better.
2. This study used only the variable IOS, liquidity, leverage and accounting conservatism so need to add other variables that affected the profit quality as corporate governance mechanism, the size of the company, as well as profitability.
3. Measuring the profit quality in this study only used discretionary accrual and measurement using accrual accounting conservatism measured that needed to add a proxy model of profit quality and conservatism others. Use another proxy may give different results.
4. The period of observation before and after the study was relatively short so that the adoption of IFRS was expected to use a longer observation period both before and after adoption of IFRS to see better results.

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A STUDY OF AWIG-AWIG, A LOCAL WISDOM USED AS MANAGEMENT STRATEGY OF MARINE RESOURCES IN EKAS BAY, EAST LOMBOK, WEST NUSA TENGGARA PROVINCE, INDONESIA

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Abstract

This study aimed to identify the types of awiq-awiq, a local wisdom, used in managing fishery resources in the area of Ekas Bay, East Lombok, West Nusa Tenggara Province. Method used in this study was descriptive research including literature review and interview with local people. The result of this study shows that there are 3 types of awiq-awiq growing. These are related to coral reef management, fishing, and madak (catching shellfish). Awiq-awiq related to management of coral reef consists of some rules prohibiting anchor release, fishing, as well as cage and lift net constructions. Awiq-awiq related to management of fishing activities consists of some rules prohibiting fish bombing, fishing using dangerous chemicals (i.e. potassium), and fishing some endanger species. Awiq-awiq related to "madak" activity done by coastal communities has a rule that prohibits the use of potassium for this kind of activity.

Keyword: Awiq-awiq, management strategy, Ekas Bay, coastal community

1. Introduction

West Nusa Tenggara (NTB) is one of archipelago provinces consisting of two large islands which are Lombok Island and Sumbawa Island, as well as 278 small islands. These two islands have 2,333 km of coastline of (KP3K-DKP of NTB, 2013). Thirty percent of the total population of NTB spreads in 278 coastal villages. These people generally work as fishermen, land farmers, and fish farmers (KP3K-DKP Prov. NTB, 2013). Coastal villages generally have typical characteristics compared with other villages in general. Community activities in the coastal village are closely associated with the environment and can affect the environment directly and indirectly.

One of the coastal villages in NTB is South Batu Nampar Village. This village is administratively located in East Lombok Regency and geographically located in Ekas Bay. This area is inhabited by 1,261 people. Most of the residents are fishermen and fish farmers (KP3K-DKP Prov. NTB 2013).

Public awareness about the environment has long been growing. This is a society's concern in preserving the surrounding environment. However, not all elements of society have the same level of attention. This concern is in the form of a village regulation called *awig-awig* that focuses on the utilization of coastal resources in Ekas Bay waters.

According to this background, this study aimed to identify the types of *awig-awig*, a local wisdom, used in managing fishery resources in the area of Ekas Bay, East Lombok, NTB.

2. Methodology

Method used in this study was descriptive research including document analysis; interviews with local people, marine fisheries management committee, and other related stakeholders; and direct observation. This study was conducted in South Batu Nampar Village (Ekas Bay area), Jerowaru Sub-district, Lombok Timur Regency.

3. Result and Discussion

Awiq-awiq contains a village regulation generally agreed by all elements of society in the village informally. *Awiq-awiq* is also related to all social aspects of rural society, South Batu Nampar Village, likewise. Specifically, in the utilization of fishery resources, there are three applicable *awiq awiqs* as follows:

- 1) *Awiq-awiq* associated with fishing activities. This contains the rules regulating that every fisherman is no longer allowed to catch fish as far as 1 mill of ocean (1.83 km) from shore, may not catch fish using bomb and chemicals or poison (potassium), and may not catch the exotic animals (endangered species) such as turtles, baby sharks, clams and dugongs.
- 2) *Awiq-awiq* related to "madak" activities (collecting shells on the shoreline during the lowest tide). This is actually similar to *awiq-awiq* regulating fishing activities. However, this *awiq-awiq* is made different from that of for fishing just because of different fishing areas. Therefore, a specific *awiq-awiq* is made to regulate the tools used to do *madak*. According to this *awiq-awiq*, *madak* may be done manually by using hands and other simple tools such as a hook made of spoon or small iron stick. Furthermore, it is not allowed to do *madak* using chemicals such as potassium.
- 3) *Awiq-awiq* related to the management of coral reefs. This *awiq-awiq* prohibits the surrounding communities from doing any kind of farming and fishing activities, as well as throwing anchor around the coral reef zone.

No one knows certainly and clearly when *awiq-awiq* comes into play. However, this *awiq-awiq* always undergoes adjustments associated with the decision and the latest government regulations, such as additional *awiq-awiq* regulating baby lobster catching assigned by the government recently. Currently, *awiq-awiq* implementation has become a concern shared by many stakeholders, especially in encouraging the formation of Village Regulation (Perdes) on Community-Based Marine Protected Areas (MPAs-BM, hereinafter referred to as DPL or Daerah Perlindungan Laut).

A good village regulation (Perdes) is a rule derived from local knowledge of the area which can be put into a formal regulation that has a legal force. Therefore, its implementation can be easily understood by the community and is without coercion. In addition, any violators can be given a sanction enforceable.

A village regulation is absolutely necessary to support the creation of a successful management of MPAs. A successful management of MPAs highly depends on the rules created and assigned by community agreement. Village regulation for MPAs is a formal regulation that has a strongest legal force at the village level. This village regulation should bind people inside and outside the village so that the community, village governments, and MPAs group managers have a power or a legal basis to take an action against infringers (KP3K, 2006).

The translation of *awiq-awiq* then drafted into village regulation is a clear evidence of the manifestation of the Village Regulation of Republic of Indonesia. Based on Law Number 32 in 2004 about Regional Government, as amended by Law Number 12 in 2008 about the second amendment of Law Number 32 in 2004, hereinafter referred to as Law on Regional Government (Local Government Act). The village is no longer an administrative level and a subordinate of the region,

but the village has become an independent community in which the community has the right to speak on its own interests (not specified from top to bottom).

The legitimation of Law Number 6 in 2014 about the village cannot be separated from a long struggle of the village headman and village officials through a demonstration that fulfills the public spaces and a threat of a boycott of the implementation of government strategic programs. The government and the House of Representatives of Republic of Indonesia (DPR-RI) finally appease the demands of the village headman and village officials by authorizing the enactment of Law Number 6 in 2014 about Village (hereinafter referred to as Law of Village), replacing Government Regulation Number 72 in 2005 about the village, that does not satisfy the village headman and village officials, as well as rural government institutions which have limited capacity to do public service, to evoke potential, and to empower the community (Aswandi 2014).

In the era of regional autonomy as it is today, the acquisition of *awiq-awiq* into village regulation by the government is a good solution to improve service, empowerment, and community participation, as well as to increase competitiveness of the region by observing the principles of democracy, equality, justice, privilege and specificity of a region in the system of Republic of Indonesia. This is because the village regulation made has considered the integrity and ability of the community to carry it out.

4. Conclusion

According to the result of this study, there are 3 types of *awig-awig* growing in Batu Nampar selatan, Ekas Bay, regulating coral reef management, fishing, and madak activities (catching shellfish).

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PARTICIPATORY PLANNING AND BUDGETING ALTERNATIVE STRATEGIES (AN EFFORT TO FIND ALTERNATIVE POLICY)

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Abstract

Development Planning Meeting (Musrenbang) is a government instrument for planning and budgeting. However, this instrument has a number of shortcomings. This instrument tended to easily distorted and participation expected value still needs strengthening. Some studies recommend the need for regulation and strengthening the role of community actors and their representatives. Thus, the needs for alternative strategies are emerging. This study basically is an experimental research in the field of public policy analysis, mainly in the area of design alternatives and policy recommendations. Alternative strategy design uses the analogy which considers the local context in which it will be applied. Data were obtained through interviews and questionnaires preferences of actors who purposively considered own the resources to engage in Musrenbang, who has the resources to influence the public policy process, as well as has the control of information relevant to the strategy. This design was applied in the context of Pekanbaru City in 2008 and it is possible to be applied in different locations with similar social and political context. The results of this study indicated that Musrenbang in Pekanbaru City still have high feasibility for the short term. However, in the medium and long term, intermediary involvement and participation of autonomous community deemed worthy to be recommended. The activities of this policy recommendation will provide time to policy makers to adopt the proposed strategy by time-series.

Key words: development planning, participation, alternative policies

1. Introduction

1.1. Background Issues

Decentralization and regional autonomy in Indonesia brought the practice of public administration in the restructuring of the local bureaucracy. One of the objectives is as democratization efforts to provide closer access for the citizens to the centre power. However, local government institutions itself seems still caught in a dilemma. Local participation becomes useless when central government regulations that provide a 'guide', translated as 'how to act' by the authority in the area. As a result, these regulations trapped the local participation itself.

One of the media to engage citizens in the activity of the State is the Development Planning Meeting (Musrenbang). This media allows the community through its representative; participate in preparing the development planning and budgeting. However, this media has some weaknesses. As a planning instrument, Musrenbang has not received significant assurance. First, Musrenbang tend to be implemented only to meet the demands of formality. Second, Musrenbang become one of the doors of corruption when synchronization is not institutionalized. Third, Musrenbang face public resistance as a form of disappointment that is based on people's experiences. Fourth, Musrenbang is not packed with a feedback mechanism. Fifth, Musrenbang indicating the scope of participation with cone models upward. Sixth, Musrenbang is proven failed to break the dominance of the executive

and legislative decision-making. It can be observed from the rule of law, ie the Law No. 25/2004 on National Development Planning System and Law No. 32/2004 on Local Government compared to the reality in the field. Seventh, Musrenbang tends to be a venue for socialization, mostly only for consultation by the government. When compared with the pattern applied during the New Order, the change is very limited. Eighth, Musrenbang essentially seeks to elaborate the top-down approach and bottom-up approaches. Indeed these two approaches are contradictory and has potential trade-offs. Ninth, Musrenbang does not institutionalize the mechanisms for public scrutiny. Even if the legislature is often highlighted as non synchronization with the proposed budget document public, turns out it does not really affect the budget legislation of a political nature and susceptible irregularities. Tenth, in the level of local government, Musrenbang is seen as a burden rather than an instrument that facilitate the work of the Government. Eleventh, as the extraction of the previous points: Musrenbang with existing mechanisms is easy to be distorted.

Indicated the existence of a number of weaknesses Musrenbang, Local Government Support Program (LGSP) funded by USAid in 2007 to formulate two (2) aspects of the conclusions to strengthen Musrenbang as an instrument of participatory planning and budgeting namely¹:

Application of inclusion principle and broad base participation applied at all stages and level of the decision-making process that includes consultation on the policy, planning, resource allocation, implementation, monitoring and evaluation.

The availability and completeness of technical analysis, including the synchronization of regional development priorities between sectors and levels of government (national, provincial, district / city, district, and village) accompanied by a participatory discussion forum to ensure that the programs and activities are effective and responsive to community needs.

Both aspects lead to the recommendation:

1. Regulation strengthening both at national and regional rankings
2. Clarity, role strengthening and capacity development of civil society organizations and Parliament in the process of planning and budgeting.

1.2. Research Problem

The results of the study and recommendations on Musrenbang improvement as an instrument for planning and budgeting, become the need for alternative preparation of policies that aim to improve the quality of public participation. The efforts to formulate alternative strategy bring out the question "What are the alternative strategies to improve the quality of the Musrenbang? How the feasibility of these alternatives could be the agenda in the local government? "

1.3. Theoretical: Some Discourse

1.3.1. Democracy or democratization?

Democracy is recognized in several characteristics such as (1) the representation of citizens in the state, (2) the representation is based on free elections competition and (3) the recognition of the

¹ Local Governance Support Program USAID. *Good Governance Brief No.2, July 2007: Musrenbang Sebagai Instrumen Efektif dalam Penganggaran Partisipatif*. Jakarta, 2007

basic freedoms of citizens in the state of life². These three important things could be found in the idea of many academics who give attention to democracy. The idea then is added with some other trait, which is the attention to the minority interest³, involvement in decision making, control of the people to the government and public administration⁴. The first group delivers a formal understanding of democracy and procedural, while the second group helps us to understand democracy substantially.

Democracy and democratization has begun to be realized as a different concept. The latest democracy concept leads to democratic rights than the regime⁵. While democratization leads to the understanding that makes democracy as a goal, no matter if the means used are non-democratic. As cited by Treanor, in Albania where Berisha's Democratic Party once in power, declared that democracy can only be achieved by the presence of the pro-democracy parties⁶. Berisha's democratic parties exercise power in non-democratic way since they have no competitor for their power.

1.3.2. Procedural Participation or Substantial Participation?

When linked to democracy, participation as one character is intended to promote transparency and distribution of resources effectively⁷. Basically, there are two categories of political participation: the mobile participation and autonomous participation. Both of these categories are also give equal consequences for the political system. Mobile participation tends to be procedural formalities, while substantial participation has more representative democracy which shortening the inner distance between the people and power holders, and increase the humanity in social and economic life". Participation which is focused more on the objectives of relations between the State and the people rather than the packaging process.

Participation is a device to improve the performance and accountability of the bureaucracy which has been old fashioned, not representative and has low performance⁸. It can shift from one category to another. Procedural participation could become the third autonomous participation of institution which is successfully internalized in the social system. While autonomous participation can be shifted to the mobile participation when manipulated by the political system.

1.3.3. The budget (for) the Government or the budget (for) the Public?

Does the budget (for) the Government or the budget (for) the Public? This question needs to be answered by scrutinizing the definition of the budget itself. Budget, according to Denhardt and Grubbs, is a measure of whether there is support or lack of support for a specific program: the preferred program will be funded, while the less preferred program will likely not be financed. That definition shows that in the budgeting process, opting activities is a necessity. However, who will choose? Will it be the government or society? If the budget is supposed to be for the public, then the

² Ekstraksi pemikiran Powel Jr, Dahl, Gaffar, Budiardjo, Sutor dan Zippelius as quoted and described by Franz Magnis-Suseno SJ. 1997. *Mencari Sosok Demokrasi: Sebuah Telaah Filosofis*. PT Gramedia Pustaka Utama. Page 56-57.

³ Sumantri as quoted by Suseno. *Ibid*.

⁴ Lively as quoted by Suseno. *Ibid*.

⁵ Paul Treanor cited Mocklin. 2001. *Kebohongan Demokrasi*. Penerbit Wacana. Yogyakarta. Page 42.

⁶ *Ibid*. Page 56.

⁷ Moynihan in Samuel P Huntington and Joan Nelson. 1994. *Partisipasi Politik di Negara Berkembang*. Rineka Cipta. Jakarta. Page 65.

⁸ Moynihan cited Barber; King, Feltey and Susel. *Ibid*. Page 55.

public should be involved. Participation in budgeting is seen as a strategic participation to be created. Rubin said that budgeting is a key stage where political decisions are made⁹.

Public budget drawn up by the government is the concrete form of the results of the allocation of limited resources to the sectors of public life without limits. What distinguishes it from other budgets are (1) it involves the people and organizations who have different perspectives, (2) more open to the environment than another budgeting, (3) it has very important relationship between the taxpayer and the government, (4) A tug of war and (5) there are legal restrictions: limitation from public opinion, the rules and regulations regarding the making of the budget¹⁰. Thus, this limitation makes it clear that public budgets include the right for a lot of parties and obligations of each party when dealing with each other. Consequently, in reality, public budgeting facing the consensus, tug, the lobbying process and so on.

1.3.4.Preparation of Policy Alternatives

Policy alternative is a design that is appropriate for solving the problem. Bobrow and Dryzek mentions three (3) important design element: the value, context and form¹¹. Some way to prepare alternative policies are (1) Analogy, the guidelines across areas of policy, (2) History, by applying various alternative in the past, (3) current political agendas, (4) using the alternative of parallel cases and (5) creativity¹². While Patton and Sawicki proposed two (2) ways to design alternative policies that are the manipulation and modification¹³. The process of manipulation was done to the previous policy variables. While the modification process can be accomplished by magnify, minify, replacement, combination, and rearrangement¹⁴.

2. Research Methods

This study is classified as experimental research in the field of public policy. Research activities intended to identify a number of decent analogies to be proposed as an appropriate policy to the context in which it will be applied. Once identified, those analogies will be differentiated on the basis of the participation value. The first analogy is intended for broad and direct access to the community in preparing the public budget. The second analogy contained the principle intermediary between the government and the community for planning public program which in turn will have implications for the budget. The third analogy illustrates the guardianship public on the political process of budgeting.

Furthermore, the analogy is assessed by quantitative criteria (technical feasibility, possibility of economic and finance, political support and administrative capacities) and qualitative criteria (best achievement, worst performance, indirect positive effects and indirect negative effects predicted by informants). Furthermore, alternative measurements performed with rank and feasibility estimates, and reinforced with qualitative considerations.

To generate alternative analysis of appropriate policies strategies, it would require accurate data on the right actor. In this case, the information is considered as accurate when using purposive

⁹ Irene S. Rubin in Theodoulou and Cahn (ed). 1995. *Public Policy: The Essential Readings*. Prentice Hall. New Jersey. Page 186

¹⁰ Ibid. Page 189-190.

¹¹ David B. Bobrow and John S. Dryzek. 1987. *Policy Analysis by Design*. University of Pittsburgh Press. USA. Page 201.

¹² Ibid. Page 208.

¹³ Carl V. Patton and David S. Sawicki. 1993. *Basic Methods of Policy and Planning*. Second Edition. Prentice Hall. New Jersey.

¹⁴ Ibid. Page 248.

sampling in accordance with the Joint Circular of the State Minister of Development Planning/Head of Bappenas and the Home Affair Minister No. 0008/M.PPN/01/2007 and 050/265A/SJ on Musrenbang in the year of 2007. Furthermore, the actors involved in Musrenbang according to these instructions are grouped according to the type of actors, the resources they have to engage in Musrenbang, and the resources they have to influence the budgeting process.

3. Results and Discussion

3.1. Modeling Alternative: Some Analogies

Analogy 1. Porto Alegre Participatory Budgeting Model

Porto Alegre is a municipality in southern Brazil. In terms of political history, the 1988 mayor election was won by the labor party that embraces the ideology of democracy. Under the leadership of socialist democracy, citizens are given the opportunity to participate in decisions concerning the government investment through *Orcamento Participativo* (OP). Meanwhile, the renewal movement of non-Governmental Organization (NGO) of just politics through lobbying, towards a socialist with reviving the public sphere, and strengthening the cradle of public participatory budgeting. In its development, the institutionalization OP realized that they could not escape from the domination of the workers' party. So there is a concern if the Labor party is no longer in power, the OP would be difficult to proceed.

Meanwhile, from the practical side, Porto Alegre participatory budgeting is formed by three phases. The first phase took place in the public, without the intervention of political institutions. The second phase is the mediation between the public and political institutions. The third phase occurred in the area of politics where the permanent constitution gives greater powers to the institution of mediation citizens. The third phase is prepared on the structure of 16 regional forums, five thematic forums, as well as 35 town councils and commissions. Such forums are organized independently by presenting the city government as a source of information about the budget you have. This means that in principle, the organizers invited replace the space where the public was invited and facilitated the political arena by the dominant actor, the popular space where the political arena created by the community.

Analogy 2. San Juan de Lurigancho Participatory Budgeting Model.

The system of citizen participation in the San Juan de Lurigancho, Peru, consists of 3 parts. First, the Local Coordinating Council which acts as the network, monitors the cooperation between private and public. Second, the Public Policy Network is an association of civil society groups that act as a contributor in designing the new local policy. Third, the Civil Association, which organizes the local community meetings, where citizen plan implementation and make decisions on new public policy in their respective territories. All three networks and the council subsequently fitted with a permanent joint commission in which members of the public and the city administration policy of adapting legislation to accommodate citizen inputted in an organic model. The system is built on the assumption that citizens do not have sufficient capacity to engage actively in the process of public policy. So it is still limited to accommodate civilian actors are active or intermediary.

Analogy 3. Magelang Participatory Budgeting and Expenditure Tracking (PBET) Model Program

The program is implemented by dividing the roles and strategies of civil society groups to oversee the implementation of Musrenbang. Monitoring was conducted so that Musrenbang material agreements are discussed in the legislative process. This is developed as a desire to build public trust towards Musrenbang instrument itself.

3.2. Alternatives Feasibility Study: An Applicative experience on the city of Pekanbaru.

By using previous analogies, it can be recommended a number of strategies to the local context, as an effort to improve the principle of participation in Musrenbang.

Strategy A. Institutionalizing Community Budget Committee

This alternative is pursued by making the rules of the establishment of the Budget Committee of the public through local government regulations. The Budget Committee was formed starting from the village. Mechanism that runs basically the same as Musrenbang, but independently implemented by the Budget Committee Community in the sub district level where the sub district level government and upper level government are invited to provide information about budget that could be allocated for the construction of villages. Same process is implemented at the district level to the municipality level. This strategy was followed by the appointment of a representative to be a member of the Budget Committee of the district level, which originated from the village.

As at the district level, the representatives elected at the district level will be a member of the municipality Budget Committee which will hold Musrenbang at the municipality level. Municipality Musrenbang will generate a public plan that is submitted to the Municipality Government and Municipality Council. By the Municipality Government, the Municipality Musrenbang results will be incorporated into the government's plans and budgets. And by the Municipality Council, Municipality Musrenbang results will be taken into consideration for the legislative process. In the legislative process, the results Municipality Musrenbang, Plan and Budget as well as the government's legislative plans will be discussed and decided upon the Development Budget and Expenditure (APBD).

Strategy B. Policy Network and City Coordination Council

This strategy is performed by establishing intermediary organizations consisting of two (2) sections that show their respective duties. These sections are the Network Policy and the City Coordination Council. Policy Network consisting of civil society groups which design the development priorities by region. While City Coordination Council is consisted of people who were recruited and works professionally as a facilitator. The council is in charge of scheduling the discussion agenda of city budget design prepared by the Policy Network. Discussion results of the city's budget design will be disseminated by the City Coordination Council to the public for discussion on Musrenbang village, which will be continued at the district level to the municipality level.

In each level of Musrenbang, the design of city public budget drawn up by the Policy Network with input from the community, will be approved. The amendment of the design, whether it will be prioritized or not prioritized will be discussed more in the higher level of Musrenbang. Having agreed on Musrenbang in the municipality level, the public budget design will be submitted to the City Government and City Council as components and considerations to be agreed as the city budget.

Strategy C. Musrenbang Delegation for Discussion Stage of Budget Public Policy (KUA) and Priorities and Budget Ceiling (PPA)

This strategy is implemented by selecting and delegating community representatives who follow the District's Musrenbang for Regional Working Units Forum (SKPD) as well as the Musrenbang for Municipality. The result of the SKPD Forum is a SKPD Work Plan (Renja), which was acknowledged and provided from the proposal of Musrenbang districts representatives.

Meanwhile, Musrenbang City generates Municipality Government Work Plan (RKP), which also contains proposals from Musrenbang City representatives.

SKPD Work Plan (Renja) and Municipality Work Plan (RKP Kota) will be the material covered to prepare the Budget Public Policy (KUA) and Priorities and Budget Ceiling (PPA). In this discussion, representatives of the Musrenbang City will again be included so that the consistency of earlier participative SKPD working plan and RKP can be maintained.

Strategy D. Musrenbang (Status Quo)

This strategy does not get any modification or manipulation. If another policy alternative was not feasible, the activity of public policy analysis will recommend policy or strategy of the status quo.

The measuring process showed the following results:

1. **Technical Feasibility**
The rank of technical feasibility indicates that Strategy A is the best strategy to be institutionalized, followed by Strategy B and Strategy C. Meanwhile the status quo Strategy D is recognized as the worst strategy.
2. **Economic and Financial Feasibility**
Ranking of the economic and financial feasibility indicates that Strategy A is a strategy that is ready for adoption of the city budget as well as the most efficient way to facilitate participation, followed by Strategy B and Strategy C. Lastly the Strategy D, which contains Musrenbang with budget in-efficiencies and budget in-effective implementation.
3. **Administrative Capabilities**
Meanwhile, from the ranking of administrative capability, Strategy C is considered as the most ready for adoption because it is basically just a transplant of Strategy D, the status quo. This is followed by Strategy A and Strategy B.
4. **Political Feasibility**
Political feasibility is measured by feasibility estimates based on forms of informant's support, the possibility of politically acceptance, informant resource ownership in supporting of each strategy and scoring on the influence of each informant. The results showed that Strategy D has the greatest political viability, followed by Strategy B and A. Meanwhile Strategy C is seen to have the lowest political feasibility.

Based on the analysis of the feasibility of proposed alternative policies, then this study provides recommendations made according to time-series. In short-term, the government of Pekanbaru Municipality could continue Musrenbang as an instrument of participatory planning and budgeting. In medium term, the government of Pekanbaru Municipality needs to prepare to adopt the strategy of Policy Network and the City Coordination Council by taking into account that the social and political environment in Pekanbaru is ready to implement this strategy. Finally, in the long run, the government of Pekanbaru Municipality could establish community Budget Committee with the previous medium-term strategy as the steppingstone. Long-term strategy is considered to have the best feasibility of a participatory planning and budgeting instrument.

4. Conclusion

Participatory budgeting in Indonesia still has to be pursued, since the existing instrument is still very easily to be distorted. The new instruments for planning and budgeting can be identified from a number of experiences in other areas. Through the identification of alternatives, this study

offers four (4) alternative strategies, which are (1) the establishment of the Society Budget Committee, (2) the establishment of Policy Network and the City Coordination Council, (3) Musrenbang Delegation for Discussion Stage of Public Policy Budget (KUA) and Priority Budget Ceiling (PPA), and (4) the status quo Musrenbang.

The results of the feasibility analysis of the alternative arranged in time-series recommendation indicated that for the short-term strategy, Musrenbang still be a viable strategy to use. As for the medium term, the government needs to prepare for the establishment of Pekanbaru City Policy Network and the City Coordination Council. Furthermore, the establishment of the Budget Committee Society became the most ideal strategy in realizing participatory planning and budgeting for the long-term strategy.

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REGULATION MODEL OF SYARI'AH INSURANCE AND LEGAL ISSUES ACCORDING TO POSITIVE LAW

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Abstract

The existence of Islamic insurance as part of a implementation dual insurance system, in the insurance business has important role in supporting business activities in Indonesia, but this condition is not warranted by rule of law which clear and protections its implementation. Therefore, has implications for the legality and legal protection of syari'ah insurance according to Indonesian positive laws. This research objective were: to analyze the existence of the Syari'ah insurance business model and its regulation; and to analyze the legal issues in the implementation according to Indonesian positive law. The study used doctrinal research method with conceptual, statute and comparative approaches by using the primary, secondary and tertiary legal materials through the study of literature, then analyze using the descriptive-qualitative to obtain a conclusion deductively. Results of this study: Firstly, the existence of syariah insurance business in the system of national insurance law after issued of Act No. 40 Year 2014 about Insurance, juridically equal to the conventional insurance regulatory model which uses dual insurance system. The second, the legal issues of syari'ah insurance business according to the positive law was not clear for implementation Act No. 40 year 2014 especially related to the standard for principles of syari'ah application, the legal form of a syari'ah insurance company, clarity of contract standardization, profit-sharing contract tabarru and wakalah bil ujah, the authority of the Sharia Supervisory Board including the existence of the Fatwa DSN MUI in the legal system and dispute resolution.

Keywords: Regulation, Shariah Insurance, Positive Law.

1. Introduction

Insurance law system that is implementation in Indonesia today use dual insurance system models, namely conventional insurance and shari'ah insurance. This fact shows that the insurance system that implementattion its business in Indonesia is not only a conventional insurance but also shari'ah insurance as a result of the need for the importance of legal protection and participation of all components of society in national development, especially in the field of insurance.

The existence of the insurance business is still not strong enough according to the law in Indonesia and there are many legal issues that may have implications legally against the legality of Shari'ah insurance business in implementation business. Given still not strong enough laws governing insurance sharia, it is deemed necessary for a consideration of the Act which set it specifically and comprehensively, so that in practice no conflict of legal norms. Therefore, the existence of laws that regulate and support the business activities of the Shari'ah insurance is absolutely necessary, in order to obtain insurance business Shari'ah legal certainty in running their business, with hope in its implementation may be in line with legislation and the principles of Islamic law.

The clearness setting up of any business is the basis and indicators upholding state law (rechstaats) and the establishment of rule of law, because the existence of laws to make businesses run

are in signs and legal norms which ensure that the rights and obligations of individuals are protected by the state, and would prevent law of the jungle, The existence of the law will make the position of the parties to be balanced and equal in law (equality before the law), so with a business that is run within the law and not done illegally. Therefore, Thus, this important study was conducted to assess the existence of Shariah insurance business, setting models and legal issues under positive law.

2. Research Methods

This study is the legal research conducted by doctrinal or normative researchⁱ that sees the law as a rule or rules normative is one which sees the law as a set of normative rules or what the text of regulation (law in books). Based on this, the approach used in this study approach including statute approach, the conceptual approach, and the comparative approachⁱⁱ.

This study explain the secondary data, that is data derived from the library materials or materials derived from primary legal materials, secondary and tertiary, which includes: a written document, which is derived from legislation and the Qur'an, Al-Hadith, ijma and Qiyas the scholars, which is a source of law in Islam such as the National Sharia Board Fatwa MUI, research, scientific articles, literature books, official documents, archives, and others as well as dictionaries and encyclopedias necessary related with Shari'ah insurance.

The necessary data in this study, will be collected through the study of literature or a document study conducted with the following stages: first, literature study, conducted by means of an inventory or collection of regulation, books and other literature as a source of secondary data/legal materials related to the research focus. Then, the study documents, which examined the various documents and legal materials relating to the cases studied, especially regulation, as well as literature relating to shari'ah insurance. At this stage it will mainly be carried out inventory of various legal norms relating to shari'ah insurance.

Then the collection of all the principles and rules related to Islamic insurance, and then organized into a comprehensive system, having previously carried out the collection of the overall principles and the rule of law.

In accordance with the method used, in this study the analysis of legal materials by using qualitative analysis method based on the principle of law, argumentation or legal interpretation in accordance with the construction of the science of law.

3. Results And Discussion

The existence of Islamic insurance as part of a dual insurance system, inspired by the adoption of dual banking system in Act No. 10 of 1998 on the Amendment of Act Number 7 of 1992 concerning Banking. Business insurance has an important meaning in supporting business activities in Indonesia and in practice these days shariah insurance has developed quite rapidly.

Indonesian insurance legal system today use dual insurance system, namely conventional insurance and shari'ah insurance. This means that the insurance system implementation not only conventional insurance but also shari'ah insurance as a result of the need for the importance of the participation of the entire community in national development, especially in the field of insurance.

The existence of shariah insurance business in Indonesia is quite good, but there are still many problems that can legal implications for the legality of shari'ah insurance business in running business. The existence of laws that regulate and support the activities of the insurance business in especially shari'ah absolutely needed, so that, the insurance business shari'ah obtain legal certainty in running the business and with hope in its implementation may be in line with the positive law and the principles of islamic law.

Implementation of Islamic law in the Muslims life in Indonesia are recognized and guaranteed by the Constitution that was UUD 1945, particularly Article 29, which gives freedom to implement the religion for its followers, it is guided by the precepts First Pancasila as the philosophy of the State of "Belief Almighty". In this regard, according to Hartono Mardjono, "although the National Legal system is not set on the basis of National Law, Islamic Law can apply on the basis of recognition of differentiation or through a choice of law by the will of the parties at the time of the transaction"ⁱⁱⁱ.

Regulation guaranteed of any business is the basis and indicators upholding state law (*rechstaats*) and the establishment of rule of law, because the existence of laws to make businesses implemented are in signs and legal norms which ensure that the rights and obligations of the people protected by the state. The law would position the parties balanced and equal in law, as well as the business was conducted legitimately. This was in line with the opinion of Abdul Gani Abdullah as those are two things that underlie the enactment of Islamic law, including agreements in it are:

"The first is *aqidah*, the conviction that forced execution in the transaction, and the second is *sharia*, all the norms or rules of law has two dimensions, namely transcendental or vertical dimension. Transcendental dimension is based on *hablum-minallah* which is an individual or collective accountability to God. While the other dimension is the horizontal dimension known as *hablum-minannas* that regulate social interaction between human beings".^{iv}

Furthermore, the position of Islamic law in the national legal system according to BPHN are:

- a. Islamic law that is called and determined by the legislation could be applied directly without having to go through Customary Law.
- b. Republic of Indonesia ought to regulate an issue in accordance with Islamic law only to Muslims.
- c. The legal status of Islam in the Indonesian legal system is the same and equal to the Customary Law and the Western Law.
- d. Islamic law is also a source of national law in addition to the establishment of Indigenous, Western law, and other legal which is developed in the Republic of Indonesia^v.

Theoretically, there are three kinds of basic rule of law enactment, namely: juridically, sociologically and philosophically^{vi}. While Mutamimul Ula explained that Islamic law can become mainstream, while the western law and customary law can be complementary, it is based on strong reasons, one of which is an agreement legal experts that the ideal law is to be eligible to philosophical, juridical, and sociological^{vii}.

The existence of Islamic insurance in the national insurance system, prior to the enactment of UU No. 40 year 2014 is not the same and equal to conventional insurance. Following the endorsement of UU No. 40 year 2014 has been formally recognized by juridical arrangements dual insurance system in a Law on Insurance, although there is no special regulation, but has progressed phenomenally compared with KUHD and UU No. 2 of 1992 on Insurance Business.

Anis Matta in his book "Movement To State" explained that the terms of preparedness towards the implementation of Islamic Shariah plenary nine things, one of which is "the need for a reliable academic skills to be able to transform the (legal drafting) the teachings of Islam (the principles of Islamic law) into a format the constitution, laws, and other legal derivation"^{viii}.

Statement Anis Matta is important because the goodness of principles in Islamic law, if not presented well and wisely universally, the Islamic law will remain a frightening thing for the parties which is phobia and suspect against the existence of Islamic law, so it would be difficult to put in the positive law. Therefore, the ability of legal scholars, scientists and politicians Islamic Shariah, especially in parliament and the executive (legal department) to determine the language of the law and regulations. In addition, the ability to understand the classical *fiqh* books into something that can

not bargain will be able to transform the values of Islamic law in positive law. Relating to the legal transformation Muchsin explain that;

"History proved that the transformation of Islamic law into national legislation is as the result of interaction between the scholars and the political elite or ruling. Either expressed or implied, many principles of Islamic law are adapted into national laws. A fact that will provide future prospect that Islamic law would be a major inspiration in the formation of national law^{ix}.

In anticipation of the swift development of insurance business Shari'ah today and in the future is definitely requires a clear legal framework for the legal basis in its business. In addition, the law clearly required as a basis for the judge or the arbitration institution of Shariah in resolving the dispute in the insurance business Shari'ah.

The existence of a clear and comprehensive law governing the insurance business Shari'ah, is also required to address disputes between insurance agencies and Shari'ah existing between the participants of the insurance company or third parties engaged in insurance activities Shari'ah. Likewise with Shari'ah insurance managed by non-Muslims does not have clear regulation. It is necessary for the rule of law in the form of an Act to specifically regulate insurance shari'a in Indonesia

Increasing activity of the insurance business nowadays is very satisfying, it is characterized by the development of Shari'ah number of insurance companies and the opening of new branches of conventional insurance has provided the community alternative investment and protection for a better future on the basis of the principle of mutual.

Although there is an increasing demand for shari'ah insurance business, not all countries regulate by law the complete device, in the form of a special law that support the insurance business Shari'ah. By comparison Malaysia was developed, at the beginning of the economic application of Shari'ah (Islamic banking and takaful system) Malaysia has managed regulation by arranging Sharia Banking Act (Banking Act) of 1983 and the Insurance Act, namely Takaful Shariah Act 1984. While in Indonesia there is no law that specifically regulates insurance today and new arrangements together in a Act (dual insurance system).

It is important for special arrangements in a law that regulates insurance in the insurance Shari'ah because there are some characteristics that are different from conventional insurance, so it is not possible to follow all the rules and models that apply to conventional insurance. For instance, in aqad insurance premiums paid that follow the basis tabarru 'which will be used to help other insured who are experiencing disaster. Thus, each participant were carried by insurance to ease the burden on the social function of each other, so that the insurer and the insured true mission of protection and non-profit motive.

One of the legal experts Customary and Islamic law are determined to fight and voicing the implementation of Islamic law in Indonesia^x. Hazarin stated that "the Indonesian people would be happy if the applicable law is Islamic shariah law or at least that do not conflict with religious Shari'ah". Hazarin statement is very interesting to be given the Indonesian nation to date does not yet capable of providing protection to its people.

In reviewing the implementation of Islamic Shari'a, considering four issues, namely the implementation of Islamic Shari'a, Islamic Shari'a feasibility for implementation, preparing the implementation of Shari'ah and the enforcement of Islamic Shari'a. Implementation of Islamic Shariah has three terms according to Ula Mutammimul, namely;

"First, it means establishing Islamic Shariah establish an Islamic state. Second, the implementation of Islamic Shariah meaningful running in a secular state. Third, implementation of Islamic shariah it is to integrate the values of Islam into the framework of the national legal system.

What is meant by the national legal system is applicable legal system (positive law), the current law (*ius constitutum*), both concerning to the constitutional, criminal, civil, and others. In the present context, the implementation of Islamic shariah is to integrate the values and legal system, especially in criminal and civil law systems^{xi}.

Law on Islamic insurance is needed, because dual insurance system can not accommodate all matters related to Shari'ah principles and insurance operations. In addition, the Shari'ah insurance and conventional insurance has fundamental differences among them, those are:^{xii}

aqad insurance is a contract in accordance Shari'ah, ie. contract does not contain *gharar* (fraud), *maysir* (gambling) and *Riba* (interest)

Investment funds collected belong to the insured, the insurance company only manages the funds not as owners

The principle of profit sharing (*Mudharabah*) between the participants of the insurance company and between the company and third-party managed funds to capitalize the insurance company Shari'ah.

Claims paid out of a separate account to accounts *tabarru* (*ta'awun*), which from the beginning has been set aside by the participants for helping instead of accounts of the insurance company funds.

The absence of funds forfeited if the participant resigns before the end of the contract as it applies to conventional insurance.

The existence of the Shariah Supervisory Board which control the insurance business Shari'ah.

This difference is mainly the principle, because of attachment to the insurance company with the principles of Islamic law, so that the distinguishing element must appear in the system and operational procedures Shari'ah insurance. With so many things that need to be regulated on the activities of the insurance business in a Shari'ah law.

This is in accordance with the opinion of Van den Berg in his book "*Muhammadansch Recht*" (Principles of Islamic Law) states that, "Islamic law is necessary for the people of Islam Bumiputra although with slight deviations"^{xiii}. Meanwhile, *Ichtianto* say that the theory *Receptio in complexu* initiated by *Salomon Keyzer* boosted by *Christian Van den Berg* explains; "Every resident apply their religious law. Muslim population of Islamic Law apply to him. Similarly, the law that applies to people of other religions, in accordance with the laws of their religion"^{xiv}. Furthermore *Existence Theory*, is a theory that explains that there is Islamic law into national law. According to this theory, "the existence of Islamic law in the national legal order becomes a reality that can not be denied its existence. In fact, the main ingredient of national law"^{xv}.

Meanwhile, *Hazairin* explained that, "... in accordance with Article 29 paragraph (1) of the 1945 Constitution, the Republic of Indonesia Indonesia is obliged to establish a national law that the material is religious law. Religious law that enter and become Indonesian national law not only Islamic law, but also other religious law...."^{xvi}. Furthermore *Theory Receptio a Contrario* of *Sayuti Talib* is the development of theory *Receptio Exit*, explained that according to this theory applies the following provisions:

- a) For Muslims apply Islamic law.
- b) This is consistent with the beliefs and ideals of law, the ideals of mental and moral.
- c) Customary law applies to Muslims if not contrary to Islam and Islamic law.^{xvii}

Since its establishment, the insurance policy is based on the only Shari'ah Department of Finance, since no law governing the insurance Shari'ah. During this permit insurance operations Shari'ah refers to UU No. 2 of 1992 on Insurance Business that is made for the implementation of the conventional insurance business. However, after the enactment of UU No. 40 of 2014 changes were phenomenal, though not yet reached that ideal, because there attention and political will of the

government and parliament of legality to ensure legal certainty where sharia insurance business in Indonesia. Achieving the needs of the Muslim community in the insurance, including entrepreneurs in the field of conventional insurance opened a branch of Shariah.

Implementation of Shari'a in the economic field in particular insurance should be seen as an integral part of the implementation of Islamic Shari'a in other fields. Because Islam is kaffah (totally), not be partial. The Law governing the insurance shari'a in Indonesia is not something scary various circles, it should be given the same opportunities as the Law on insurance enterprises as conventional insurance. Moreover, Indonesia as a democratic country that always gives freedom to its citizens, along with the appropriate democratic mechanisms and do not contradict the law and the constitution in force.

Islamic shariah very worthy to be enforced, when viewed from the five aspects: the philosophical aspects, juridical, sociological, scientific and political. To enforce the shariah there are two models that need to be done: first, the struggle over the legislation, and secondly, through the constitution. Through the movement of the legislative intention is to enter the values of Islam in legislation^{xviii} such as the Marriage Act, the Banking Act, the Banking Act Sharia Law Sharia Securities, Law on Insurance, Law on Zakat, the Law of Hajj, the Law on Religious Courts, the Law on Arbitration etc. The existence of an Act to regulate the insurance Shari'ah as part of the legal system of national insurance is a necessity. Moreover, the insurance system of Shariah formally been 20 years of conducting business in accordance with the shari'ah hand in conventional insurance. The role of government in providing legal protection for the insurance business Shari'ah very important to do that in the form of an Act to regulate the insurance Shari'ah as part of the embodiment of legal certainty for the parties.

The presence of UU No. 40 year 2014 as an initial model of the harmonization of laws, not a separate system of national legal systems is a progress. This law is inherent with the legal system of national insurance, as well as models of the Banking Act which includes the dual banking system as well as insurance. It should be emphasized that Islam is a way of life for Moslems and obligatory to be implemented, in which the religious affairs including the business in it can not be separated from the affairs of state, government, politics, economics, law, security, social, and so forth. This is in line with the word of Allah who sent his servant to carry out Islam as integrative rule of life as his word; "O believers come into Islam wholly, and do not follow the steps of devil because devil was a true enemy" (QS. Al-Baqarah (2): 208).

Application of dual insurance system in UU No. 40 Year 2014 concerning to insurance which has accommodated and set about Islamic insurance as part of the national insurance system in positive law (legislation) of Indonesia led to the position and status of insurance shari'a law be clearly in the perspective of law in Indonesia.

Factually, Indonesia is already implementing dual insurance system, but it is juridically not strong enough as Islamic banking, so that the injustice in the regulation of the law, but one fundamental objective and the first principle of the law is justice for all people and create legal certainty in all areas of business. In the absence of the Act which specifically regulate insurance Shari'ah in national insurance laws, indirectly, the government has created inequities in the law and does not provide legal certainty and equal legal protection (balanced) for the insurance businesses Shari'ah into national law. As state law should all have an equal footing before the law (equality before the law). Thus the setting of the roof (together) in an Act will be felt in harmony, although both systems have differences, so that each has characteristics that need to be respected in diversity (plurality laws in Indonesia) that they could not all be diunivikasi overall. The significant difference to

both the insurance system does not mean that contradict each other, because both are still be able to work in harmony for the welfare of society.

Therefore, it is time for the government as the responsible party in the state law to realize that the law specifically regulates Sharia Insurance as part of the legal system of national insurance is needed, in order to create fairness and legal certainty in the insurance business shari'a in Indonesia. So that, all citizens have the same position in law, including Moslems. The existence of an Act to regulate the insurance Shari'ah is part of the Moslems to live together in harmony with the other community as part of the implementation of Pancasila, the 1945 Constitution and the diversity of Indonesia within the framework of the Unitary Republic of Indonesia.

The harmonization of laws in the field of insurance, will accelerate the process of achieving national development objectives, especially in the field of insurance. The existence of this law also will indirectly affect the process of acceleration of insurance business development in Indonesia Shari'ah. In addition, the important thing is to create legal certainty for the insurance business, so that any problems that will arise can be resolved with a certain legal mechanisms and concrete. The importance of regulation on insurance Shari'ah in an Act as a model of law harmonization can perform its function that was to realize a sense of security, justice and legal certainty for all parties.

Regarding to regulation of insurance Shari'ah in an Act, Sri Redjeki Hartono in her book "Economic Law Indonesia", explained that:

"The study of economic activity in general settings accommodated by the law of economics that includes two domains at once, the realm of public law and private law sphere. The realm of public law, are in the territory of the State authority as holder of public authority in the form of state interference in order to maintain the balance of interests in society. Therefore, the public law character were set and force. Meanwhile, the realm of private law is the private sphere on the subject of legal interactions and transactions, so it is only the setting alone"^{xix}.

If the explanation is applied to insurance law, the law of insurance devided to two legal sphere as well, namely the realm of public law, in the form of state intervention in regulating and licensing requirements of the insurance business and the realm of private law in the form of agreement made by the parties. In Malaysia the Takaful Act, has accommodated two legal sphere as well, where the realm of public law in the form of arrangement on the terms of the establishment of an insurance company Takaful (Sec 2, 8, paragraph 5 (b), sec. 18 paragraph 5), while settings is private restrictions takaful participants aged at least 18 years (Sec. 64), must provide honest information (Sec. 28)^{xx}.

Malaysia first set up a legal instrument of shari'ah insurance compared to Indonesia. Since 1984 the Malaysian government has issued Law known as the Takaful Act, as the legal basis of Shariah insurance operations. By existency of this law the insurance business Shari'ah obtain legal protection and legal certainty in operation.

Some important provisions in the Takaful Act which need to be accommodated in our study materials for the formulation of laws and regulations governing the insurance shari'a in Indonesia of which is as follows:^{xxi}

Source takaful insurance law should be in accordance with the principles of Islamic law (Sec. 11 paragraph 1 a).

Definition of takaful, takaful family (family), general takaful (general), and Retakaful (Sec. 1).

Establishment of takaful insurance must be approved by the Shariah Board (Shariah Advisory Council). (Sec. 8, paragraph 5 b).

The existence of Sharia Board to be scrutinized, as in Malaysia remained below the Central Bank (for Indonesia under the Financial Services Authority). (Sec. 53).

The regulation of re-takaful (re-insurance) (Sec. 23).

In addition to the principles of Islam as a mutual insurance in co-operation, solidarity, and brotherhood (Sec. 2), as well as the principles of modern insurance accommodated, such as the principle of indemnity, the principle of good faith (Sec. 55). Although the Takaful Act has not been set on the principle of insurable interest and the principle of subrogation, this principle needs to be incorporated in the Act.

Settlement of disputes (Sec.63).

This proposal as an input in the process of formation of an Act to regulate the insurance Shari'ah in the legislative process as part of the process of harmonization of insurance law principles in the formation of a national insurance law. Harmonization of this law is a manifestation of the integration effort Shari'ah principles of insurance law in positive law (Act) as part of the national legal system which is based on Pancasila, the 1945 Constitution and the legal system of Indonesia diversity in a pluralistic society and pluralistic.

The position of Takaful in the legal system of insurance according to UU No. 40 year 2014, the juridical position of Takaful equal to conventional insurance, because the Indonesian legal system has adopted a dual insurance system (two insurance system is set simultaneously in the Act of the Insurance, although not specifically regulated in the Act, that is specific (lex).

3.2. The Underlying Business Insurance Regulation Syari'ah

Takaful is based on regulation or legislation and the fatwa issued by MUI through DSN-MUI Fatwa related to Takaful. Some legislations related to insurance and Islamic insurance e.g:

a. Legislation

Kitab Undang-Undang Hukum Perdata, khususnya yang mengatur tentang perjanjian pada umumnya.

Kitab Undang-Undang Hukum Dagang (KUHD), sebagai dasar hukum perjanjian asuransi.

Undang-Undang Nomor 40 Tahun 2014 tentang Perasuransian berlaku pengaturan *dual insurance system* dalam sistem hukum nasional.

Peraturan Pemerintah Nomor 63 Tahun 1999 tentang perubahan Atas Peraturan Pemerintah Nomor 73 Tahun 1992 tentang Penyelenggaraan Usaha Perasuransian.

Peraturan Pemerintah Republik Indonesia No. 39 Tahun 2008 tentang Perubahan Kedua Peraturan Pemerintah Republik Indonesia No. 73 Tahun 1992 tentang Penyelenggaraan Usaha Perasuransian.

Peraturan Pemerintah Republik Indonesia No.81 Tahun 2008 tentang Perubahan Ketiga Peraturan Pemerintah Republik Indonesia No. 73 Tahun 1992 tentang Penyelenggaraan Usaha Perasuransian.

Peraturan Otoritas Jasa Keuangan No.1/POJK.07/2013 tentang Perlindungan Konsumen Sektor Jasa Keuangan.

Peraturan Otoritas Jasa Keuangan No.1/POJK.07/2014 tentang Lembaga Alternatif Penyelesaian Sengketa Di Sektor Jasa Keuangan.

Peraturan Otoritas Jasa Keuangan No. 2/POJK.05/2014 tentang Tata Kelola Perusahaan Baik Bagi Perusahaan Perasuransian.

Peraturan Mahkamah Agung Nomor 02 Tahun 2008 tentang Kompilasi Hukum Ekonomi Syariah.

Peraturan Menteri Keuangan Nomor 18/PMK.010/2010 tentang Penerapan Prinsip Dasar Penyelenggaraan Usaha Asuransi dan Usaha Reasuransi dengan Prinsip Syariah.

Peraturan Menteri Keuangan Republik Indonesia No.53/PMK.010/2012 tentang Kesehatan Keuangan Perusahaan Asuransi dan Perusahaan Reasuransi.

Peraturan Menteri Keuangan No.152/PMK.010/2012 Tentang Tata Kelola Perusahaan Yang Baik Bagi Perusahaan Perasuransian.

Keputusan Menteri Keuangan Republik Indonesia No 422/KMK.06/2003 Penyelenggaraan Usaha Perusahaan Asuransi dan Reasuransi.

Keputusan Menteri Keuangan Republik Indonesia No.423/KMK.06/2003 Tentang Pemeriksaan Perusahaan Perasuransian.

Keputusan Menteri Keuangan Republik Indonesia No.425/KMK.06/2003 Tentang Perizinan dan Penyelenggaraan Kegiatan Usaha Perusahaan Penunjang Usaha Asuransi.

Keputusan Menteri Keuangan Republik Indonesia Nomor 426/ KMK.06/2003 tentang Perizinan Usaha dan Kelembagaan Perusahaan Asuransi dan Perusahaan Reasuransi.

Keputusan Menteri Keuangan Republik Indonesia Nomor 11//PMK.010/2011 tentang Kesehatan Keuangan Usaha Asuransi dan Usaha Reasuransi Dengan Prinsip Syariah.

Peraturan Ketua Badan Pengawasan Pasar Modal dan Lembaga Keuangan No. PER-01/BL/2011 tentang Pedoman Pelaksanaan Penerapan Mengenai Nasabah bagi Perusahaan Perasuransian;

Peraturan Ketua Badan Pengawas Pasar Modal dan Lembaga Keuangan Nomor: PER-06/BL/2011 tentang Bentuk dan Susunan Laporan serta Pengumuman Laporan Usaha Asuransi dan Reasuransi dengan Prinsip Syariah.

Peraturan Ketua Bapepam-LK Nomor: PER-07/BL/2011 tentang Pedoman Perhitungan Jumlah Dana yang Diperlukan Untuk Mengantisipasi Risiko Kerugian Pengelolaan Dana *Tabarru'* dan Perhitungan Jumlah Dana yang Harus Disediakan Perusahaan Untuk Mengantisipasi Risiko Kerugian yang Mungkin Timbul Dalam Penyelenggaraan Usaha Asuransi dan Usaha Reasuransi dengan Prinsip Syariah.

Peraturan Ketua Bapepam-LK Nomor: PER-08/BL/2011 tentang Bentuk dan Tata Cara Penyampaian Laporan Hasil Pengawasan Dewan Pengawas Syariah Pada Perusahaan Asuransi atau Perusahaan Reasuransi yang Menyelenggarakan Seluruh atau Sebagian Usahanya dengan Prinsip Syariah.

Surat Edaran Otoritas Jasa Keuangan No.2/SEOJK.05/2013 tentang Bentuk dan Susunan Laporan Keuangan Serta Bentuk dan Susunan Pengumuman Ringkasan Laporan Keuangan Perusahaan Asuransi dan Perusahaan Reasuransi.

Surat Edaran Otoritas Jasa Keuangan No.15/SEOJK.05/2014 tentang Rencana Korporasi dan Rencana Bisnis Perusahaan Asuransi, Perusahaan Asuransi Syariah, Perusahaan Reasuransi dan Perusahaan Reasuransi Syariah.

Surat Edaran Otoritas Jasa Keuangan No.16/SEOJK.05/2014 tentang Komite Pada Dewan Komisaris Perusahaan Asuransi, Perusahaan Asuransi Syariah, Perusahaan Reasuransi dan Perusahaan Reasuransi Syariah.

Surat Edaran Otoritas Jasa Keuangan No.17/SEOJK.05/2014 tentang Laporan Penerapan Tata Kelola Perusahaan Yang Baik Bagi Perusahaan Asuransi, Perusahaan Asuransi Syariah, Perusahaan Reasuransi dan Perusahaan Reasuransi Syariah.

Keputusan Direktur Jenderal Lembaga Keuangan Nomor Kep. 4499/ LK/2000 tentang Jenis, Penilaian dan Pembatasan Investasi Perusahaan Asuransi dan Perusahaan Reasuransi dengan Sistem Syariah.

b. Regulations related to Islamic Law

- 1) Fatwa Dewan Syariah Nasional Nomor: 21/DSN-MUI/X/2001 tentang Pedoman Umum Asuransi. Dalam menjalankan usahanya secara syariah, perusahaan asuransi dan reasuransi syariah hanya menggunakan pedoman yang dikeluarkan oleh Dewan Syariah Nasional Majelis Ulama Indonesia.
- 2). Fatwa Dewan Syariah Nasional Nomor: 53/DSN-MUI/III/2006 tentang Akad *Tabarru'* Pada Asuransi Syariah.

- 3). Fatwa Dewan Syari'ah Nasional Nomor: 51/DSN-MUI/III/2006 tentang Akad Mudharabah Musyarakah Pada Asuransi Syariah.
- 4). Fatwa Dewan Syari'ah Nasional Nomor: 52/DSN-MUI/III/2006 tentang Akad *Wakalah Bil Ujrah* Pada Asuransi dan Reasuransi Syariah.

Several laws and regulations and also DSN MUI Fatwa governing to Islamic insurance in Indonesia although still partial and not regulated comprehensively, however, have been better to fill a legal vacuum in the Islamic insurance in Indonesia. Takaful existence in the system of national insurance law is the same or equivalent to conventional insurance, though in this case there is no legislation which is specific as Islamic Banking.

4. Conclusions And Recommendations

4.1. Conclusion

1. Position Takaful insurance within the national legal system was the same as conventional insurance, due to the positive Indonesia's legal system contained the dual insurance system as explained in UU No. 40 Year 2014 concerned to insurance but has not specifically regulated in the Act.
2. Implementation of Takaful are based on the Civil Code, Trade Code, Act No. 40 of 2014 and did not contrary to Islamic principles, in addition, it is also based on the DSN-MUI Fatwa related to Islamic insurance,
3. Legal issues of sharia insurance business in Indonesia that was not Implementing UU No. 40 of 2014 totally, the unclear legal arrangements sharia insurance business, the lack of standards in the preparation aqad and sharia insurance policy that became a common reference in the management of insurance business Sharia, the role of the DPS has not been standardized, and the settlement of disputes is not clearly regulated.

4.2. Recommendation.

1. The Government should immediately construct government regulation as the implementation of UU No. 40 Year 2014 concerning to Insurance.
2. The Government and Parliament, in the future should be considered seriously in constructing special regulation on Insurance Sharia.

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FOREST DEGRADATION AND FOREST ENCROACHMENT; DRIVER AND SOCIAL-ECONOMIC INFLUENCING FACTORS

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Abstract

Indonesia experienced a massive deforestation and forest degradation after the fall of New Order administration in 1998. About 1.7 million ha of forestland disappeared averagely per year during 1995-2000. Unfortunately, the trend of deforestation and forest degradation continues in certain part of Indonesian within various scales. This paper is intended to analyze driver factors of deforestation and variables influencing people to encroach forestland. We use Landsat imagery data to figure out the trend of forestland changes during 1990-2010. We also analyze socio-economic research by analyzing population census, other secondary data, and primary data collection in 14 administrative villages within western part Lombok Island Indonesia (around forest unit management "Rinjani Barat") using participatory rural appraisal (PRA) through focus group discussion and in-depth interview with key informants. Besides, we also carry out household survey for 420 households in those villages. Our research findings suggest that approximately 28.6 percent of the total area of forest in Lombok is classified as critical or degraded condition. Driving factors of deforestation and forest degradation include population growth, the use of fuelwood as a primary energy for household, home industry, and larger industry, illegal logging and expansion of infrastructure, the operation of sawmills in forest margin communities, weak regulatory and law enforcement capacity. Meanwhile the significant influence factors for forest encroachment include perception of land tenure (rights) indicating the more secure land tenure perceived by household the less tendency of encroaching forest land. In addition, households who play a role as a formal leader tend to encroach forestland since they have authority in the area. Finally, an economic aspect indicated by the ownership of house can also perceived as an influence factor of forest encroachment. People who have no private house tend to encroach forest not only for establishing settlement but also to cultivate the forestland for economic purposes. Therefore, addressing population growth, improving the general welfare of forest margin community, reducing poverty, and seeking new sources of energy substitute for the dependency on fuelwood use, are all important considerations in developing strategies to reduce pressure on dwindling forest resources.

Keywords: deforestation, forest degradation, forest encroachment, land tenure, forest margin community

1. Introduction

Forest degradation can be defined as the declined of forest capacity in providing goods and services. Forest degradation which can lead to forest deforestation classified as two major causes of loss many function of the forest. Forest can be degraded in several perspective including productive and protective capacity, health, biodiversity and carbon storage (Thomson et al, 2012), but how can this loss perceived in social context. Some literature mentioned that forest degradation and deforestation are caused mostly by anthropogenic activities. FAO (2010) stated that 13-16 million Ha

forest in the world lost each year with the highest rate of lost especially in tropical area is between 2000-2005 period.

Indonesia experienced a massive deforestation and forest degradation after the fall of New Order administration in 1998. About 1.7 million ha of forestland disappeared averagely per year during 1995-2000. Unfortunately, the trend of deforestation and forest degradation continues in certain part of Indonesian within various scales.

As a small island ecosystem in eastern part of Indonesia, Lombok relies happily on the existence of good forests as a source of water which is very important for the inhabitants. However, deforestation and forest degradation as a general phenomenon in Indonesia is also a crucial problem in Lombok. Lombok has been experiencing a massive deforestation and forest degradation especially since the fall of New Order Regime in Indonesia also. From 1.069 million hectare of forest areal in West Nusa Tenggara there are about 400,000 hectare of critical land within the forest. This situation is a result of illegal logging, log smuggling, and forest conversion.

The main factor driving the rate of deforestation and forest degradation is predictable by human activities (anthropogenic effect). Complex reason including economic, ecological and social aspects influence the encroachment of KPHL Rinjani Barat forest area. Illegal activities such as encroachment and certification of forest land still occurred. Based on KPHL Rinjani Barat data (2012) 21.442 Ha from 40.983 from its area or more than 50% is still occupied by communities legal through government program or illegally. The problem still arises since the occupation area tends to larger every year. Therefore, it is important to analyze the drivers and factors influencing forest encroachment.

2. Methodology

This research used multiple methods for analysis, including an analysing the trend of forestland changes during 1990-2010 using Landsat imagery data, a review of available secondary data, participatory rural appraisal through focus group discussions, individual household surveys, in depth interviews and logistic regression to identify the factors influenced forest encroachment. The use of these multiple-methods helped to validate the varied and sometimes inconsistent sources of secondary data available in community around forest conditions obtained by the KPHL RB, as well as village-level, sub-district, district, and provincial government sources. 14 administrative villages (Desa) from the 38 villages around the KPHL RB were selected for diversity and representation, based on their location, deforestation rates, designated forest function (Production Forest, or HP, and Protection Forest, or HL), and forest governance status.¹ Lack of documentation, limited reliability of demographic data, and low literacy rates are common challenges of socio-economic research in developing countries, and these were certainly important considerations for designing our research methodology in KPHL RB. Due to this limited and inconsistent documentation, validating the results of PRAs and FGDs through 420 household survey and statistical analysis and utilizing available demographic, economic, social and cultural data implemented in this research. Participatory research method through FGDs and PRAs were conducted in 14 villages adjacent to the forest area of KPHL Rinjani Barat attended by at least 25 participants in each village with representatives of gender, age, livelihood activities and income levels, and local/indigenous people and migrants, based on some reasons, which are : (1) the understanding that people living in these communities can provide accurate information about local conditions, including activities related to land use, forest exploitation and encroachment, either by local residents or people from outside, (2). The information can be

¹ Forest governance status includes: Community Forestry, or Hutan Kemasyarakatan (HKm), Industrial Forest Estate, or Hutan Tanaman Industry (HTI), Traditional Forest, or Hutan Adat, and the KPH).

explained by communities on historical trends of forest management in the community, current forest management activities, and general social and economic factors affecting deforestation and forest degradation. Chamber (1994) stated that PRA has a number of important advantages as an exploratory social research method: it is extremely flexible and adaptive, can be used with diverse groups to obtain local insights and knowledge, and it is particularly effective with people with limited educational levels or with individuals who are illiterate. In-depth interview conducted to get specific information and perspective from various stakeholders, so community information can be validated also.

We used linear multiple regression analysis to analyse the determinants of forest encroachment. The independent variables consist of perception of land tenure, formal leader, the ownership of house, the use firewood, household size, educational attainment, and household income. Meanwhile, the dependent variable is forest encroachment as a dummy variable. Model used is below:

$$Y=(p=1)= f(X1, X2, X3, X4, X5,..... Xn)$$

Where :

Y=(p=1) as probability of forestland encroachment

X1 = distance from house to forestland

X6 = land ownership

X2 = educational attainment

X7 = total household income

X3 = formal leadership in community

X8 = perception of land tenure security

X4 = house of ownership

X9 = time from house to forestland by foot

X5 = area of house-floor

3. Result and Discussion

3.1. Forest Cover Change

Bae,et.al (2014) analysed that with the average loss-rate of 1.4%/year (1990-2010), forest land in Lombok Island has been decreased by 47.363 Ha (28.6%) over the past 20 years and the most significantly within period of 2000-2005 (2.09% average loss). The forest has been converted to non-forest land, mostly to cropland and shrubland. Similar pattern found in the area of KPHL Rinjani Barat. Our research findings that with deforestation average of 0.75%, KPHL Rinjani Barat has loss approximately 7.130 Ha (18.0%) forest area. Decreasing the forest cover caused directly to forest carbon stock. Research result shows carbon stock in KPHL Rinjani Barat decreased dramatically from 4.729.236 tC to 3.410.636 tC within 1990-1995. It means the vegetation change directly from primary forest to other form, such as secondary forest, shrubland, ect.

3.2. Drivers of Forest Degradation

Driving factors of deforestation and forest degradation particularly in Lombok Island can be classified into direct and underlying causes. Forest encroachment, wood extraction and infrastructure developments can be classified as direct causes, since those activities directly change the structure of the forest cover. Meanwhile, population growth, poverty and weak of law enforcement influence also the rate of deforestation and degradation and can be classified as underlying drivers.

3.2.1. Direct Drivers

3.2.1.1. Wood extraction and agricultural expansion, including encroachment, occupation, and settlement

As discussed in the analysis of forest cover change, approximately 5,139 ha of forest land in KPHL Rinjani Barat was converted to shrubland, and 1,664 ha became cropland (appendix 1). Conversion to shrubland implicates large-scale wood extraction, both legal and illegal, but conversion to cropland is largely due to agricultural expansion (Bae, et.al, 2012). Our study shows that encroachment occurred in 14 sample village (100%) and the average distributed forest land for each farmer varies between 0.25 – 1.35 Ha. In most of the study villages, local community residents and outsiders (immigrants) entered into forest areas, occupying particular lands with the intention of expanding agricultural production. This is a common phenomenon in the history of deforestation and forest degradation in the KPHL RB. It is found that more than 40% sample villages (6 out of 14) the land has been handover to other farmer illegally also. The community encroached the area individually or in a group. There are 2 type of distribution pattern, which are : (1). Farmer enters and distributes the area by themselves and (2). Farmer enters and distributed by government through government program. Distributed forest land have been managed intensively and legally through government program, such as HKm or not intensive and most of them are illegal (appendix 2.).

Bae, et al. (2014) confirmed that local resident use fuel-wood for domestic and industrial purposes. Almost 95.8% families around KPHL Rinjani Barat gather fuelwood from nearby area. It is reported also the fuelwood consumption by household varies between 0.025 m³ and 0.092 m³/day. Some families reported the consumption more than 0.1 m³/day, but confirmed using for local homeindustries, such as tofu, palmsugar, tempeh and candies. Based on Agusdin (2012), the largest fuelwood consumers are tobacco industries. Around 17.000 giant tobacco ovens using fuelwood as source of energy, spread out in Lombok Island. It is found that the demand of fuelwood for agricultural products has significant impacts on forest condition (Lee, et.al, 2015).

3.2.1.2. Illegal logging and Infrastructure Development

Our research shows a positive correlation between the present and expansion of infrastructure, such as roads, markets and sawmills industries and loss of forest cover. All village study sites and forest areas are now accessible by road and those connected by provincial roads (Sambik Elen, Sigar Penjalin, Pemenang Barat, Malaka, and Senggigi) have experienced greatest forest cover loss with average greater than two percent per year (appendix 3) (Bae, et.al, 2014). Beside roads, present of markets, drives people to access and purchase goods produced from the forest and sawmill industries drives the increasing of illegal logging, which directly influences the change of forest structure significantly.

3.2.2. Underlying Drivers

3.2.2.1. Population growth

All village study site shows positive correlation between population growth and forest cover change. Bae, et. Al (2014) stated that average population growth around KPHL Rinjani Barat is about 1.7%/year and average forest cover change reach 1.5%/year. This result shows that the population increase is clearly an important driver of forest deforestation and degradation.

3.2.2.2. Poverty

Some poverty variables, including ownership of house and land, are used in this research. Analysis shows that the ownership of house has negative impact on forest encroachment as one significantly cause of deforestation and forest degradation. People has no house tends to encroach the forest land, as they need for living source.

3.2.2.3. Weak of law enforcement

Question arises everywhere since fall of Suharto era, why people now has courage and strength to encroach the forest area more? Why people tend to break the law? Fact shows that the highest rate of forest degradation in Indonesia occurred between 1995-2000, as well as in Lombok Island and KPHL Rinjani Barat area. Ambiguity condition and unfairness feeling among Indonesian community towards the weak law enforcement and unfairness distribution in forest resource management is a significantly drivers to deforestation and forest degradation.

3.3. The significant influence factors for forest encroachment

Conversion to cropland is largely due to agricultural expansion illegally consists of encroachment, occupation, and settlement of forest areas. Starting in 1990 period and reached the highest point in 1998 when political riots accoutred in all over Indonesia. Forest as one of significantly covered Indonesia become the most open natural resources that can be accessed by everybody. KPHL Rinjani Barat has experienced significantly to this condition, which is approximately 18.000 Ha (nearly 40 %) of its area occupied by more than 24.000 household. Community entered the forest legally through government program or mostly illegal, individually or in groups, distributed the forest land in many ways so each farmer in average 0.25- 2.00 Ha. They started to open from adjacent area to the village and penetrated into the deep of the jungle.

The forest area were opened and cultivated mostly by agricultural crops firstly for their own life. But, the situation changed since the size of family grows, need of cash increase, their piece of land quality decreased so it couldn't as productive as before, made the forestland become economical and political goods that can be transferred to other people. Some factors were tested further to confirm which ones may influence the encroachment activities during those periods. The distance and time from their home to the forest may be expected as the factors, since the community inform that they can open the forest as they like, based on their strength. The education background can be also influenced, since we assume that education can form good perspective that encroachment is illegal. Another factor is formal leader, as we perceived in relating with the culture that the formal leaders should be respected and can influence the way of community's life. The poverty factor including land house ownership and income are also estimated as influence factors since mostly farmers live in poor condition and we presumed that farmer will rely on economic motives most. The knowledge and perception of land tenure have allegedly impact on encroachment motivation, so we include in the model.

Based on statistical analysis, the combination of variables together are not significantly influence the forest encroachment, but if we paid attention more on some variables, it is found that variables of formal leader, house ownership and land tenure perspective are significantly influence to the probability that community will encroach the forest land. Result shows that perception of land tenure (rights) indicating the more secure land tenure perceived by household the less tendency of encroaching forest land. In addition, households who play a role as a formal leader tend to encroach

forestland since they have authority in the area. Finally, an economic aspect indicated by the ownership of house can also perceived as an influence factor of forest encroachment. People who have no private house tend to encroach forest not only for establishing settlement but also to cultivate the forestland for economic purposes. The result can be seen in the following table:

Tabel 2. Logistic regression result on Probability of forest encroachment

	B	S.E.	Wald	df	Sig.	Exp(B)
DISTANCE	.000	.000	1.133	1	.287	1.000
SCHOOL	.000	.032	.000	1	.992	1.000
FLEADER	.799	.419	3.640	1	.056	2.224
HOUSE	-.519	.311	2.780	1	.095	.595
FLOOR	.008	.008	.970	1	.325	1.008
LAND	-19.044	28199.813	.000	1	.999	.000
TINCOME	.000	.000	.001	1	.976	1.000
PRIGHTS	-1.079	.198	29.757	1	.000	.340
TIME1	.004	.003	1.242	1	.265	1.004
Constant	23.398	28199.813	.000	1	.999	14504668 698.794

4. Conclusion

Our research findings suggest that during the period 1990-2010 approximately 25 percent of the total area of forest in Lombok is classified as critical or degraded condition with 1.5% forest cover change per year which is comparatively higher than the national average (1.0%) during the same time period. Our analysis confirms that the driving factors of deforestation and forest degradation include population growth, the use of fuel wood as a primary energy for household, home industry, and larger industry, illegal logging and expansion of infrastructure, the operation of sawmills in forest margin communities, weak regulatory and law enforcement capacity. Meanwhile the significant influence factors for forest encroachment include perception of land tenure (rights) indicating the more secure land tenure perceived by household the less tendency of encroaching forest land. In addition, households who play a role as a formal leader tend to encroach forestland since they have authority in the area. Finally, an economic aspect indicated by the ownership of house can also perceived as an influence factor of forest encroachment. People who have no private house tend to encroach forest not only for establishing settlement but also to cultivate the forestland for economic purposes. Therefore, addressing population growth, improving the general welfare of forest margin community, reducing poverty, and seeking new sources of energy substitute for the dependency on fuel wood use, are all important considerations in developing strategies to reduce pressure on dwindling forest resources.

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Appendix 1. Forest Cover Change in KPHL Rinjani Barat

	2010							
1990	Forest	Shrubland	Cropland	Highland grassland	Wetland	Settlement	Others	Total
Forest	31,356.9	5,139.4	1,664.3	393.0	0.0	1.3	54.8	38,609.6
Shrubland	36.9	145.8	10.0	19.6	0.0	0.0	9.3	221.7
Cropland	183.1	83.2	118.8	25.1	0.0	0.4	0.9	411.5
Highland grassland	22.6	11.3	1.2	42.4	0.0	0.0	1.9	79.4
Wetland	4.9	0.0	0.0	0.0	0.0	0.0	0.8	5.7
Settlement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	32.9	1.4	0.1	0.5	0.0	0.0	17.4	52.4
Total	31,637.4	5,381.1	1,794.4	480.6	0.0	1.7	85.1	39,380.3

Appendix 2. Pattern of Forest Encroachment

No.	Desa	Cover change rate (%)	Forest encroachment	area/hh (ha)	right transferred	enter the forest pattern	Distribution pattern	Forest area Management
1	S. Elen	-2.2	√	0.56	√	groups	distributed by farmers	Not intensive
2	Salut	-1.91	√	0.57	-	groups		Intensive, HKm
						groups		
3	S. Bangkol	-0.76	√	1.2	-	groups-start from adjacent village	width 33 m	Intensive
4	Genggelang	-0.97	√	0.89	-	groups	set and distributed by gov.	Intensive PHTUL
5	Jenggala	-1.47	√	1.07	-	groups	1.298 Ha for 765 petani farmers	Intensive , HKm
6	Bentek	-0.5	√	1.11	-	groups	distributed 0.35 -1 Ha/ farmer	Intensive
7	S. Penjalin	-2.17	√	0.5	√	groups-start from adjacent village	160 Ha and 135 Ha, divided into 2 villages	Intensive
						groups	700 Ha for 1000 farmers	
9	Malaka	-2.99	√	1.1	√	individual and groups	as farmer can	Not intensive
10	Senggigi	-2.59	√	0.61	√	individual and groups	as farmer can	Not intensive
11	Kekait	-0.74	√	0.52	√	groups	100 Ha divided to 200 farmers (each 0.3-2Ha)	Intensive
12	G. Macan	-0.82	√	0.26	√	individual	+147 farmers (each 0.25 Ha)	Intensive
13	D. Griya	-0.47	√	0.48	-	trough gov. program	400 ha for 130 petani (0.3 Ha/farmer)	Intensive
14	B. Mekar	-0.49	√	1.35	-	individual and groups	distributed by farmers	Intensive

Appendix 3. Infrastructure around KPHL Rinjani Barat

no.	Village name	Connect		Market		Sawmill		Forest area		Forest change (%/yr)
		Provincial road(m)	Sub-district road	Regular	On site	regular	On site	1995	2010	
1	Sambik Elen	Yes	Yes	4	1	0	5	2699	1817	-2.18

		(994.4)								
2	Salut	-	Yes	3	1	0	0	3650	2605	-1.91
3	Sambik Bangkol	-	Yes	7	1	0	0	2943	2609	-0.76
4	Genggelang	-	Yes	0	1	0	0	6683	5710	-0.97
5	Bentek	-	Yes	0	1	0	0	2503	1950	-1.47
6	Jenggala	-	Yes	4	0	0	0	4823	4463	-0.50
7	Sigar Penjalin	-	Yes	7	0	0	0	821	553	-2.17
8	Pemenang Barat	Yes (7.1)	Yes	10	0	7	0	3193	1761	-2.99
9	Malaka	Yes (32.4)	Yes	11	0	0	0			
10	Senggigi	Yes (46.9)	Yes	1	0	2	0	1055	645	-2.59
11	Kekait ²	-	Yes	3	0	0	2	2472	2197	-0.74
12	Guntur Macan	-	Yes	1	1	0	0	776	680	-0.82
13	Dasan Griya	-	Yes	0	1	0	0	158	147	-0.47
14	Batu Mekar	-	Yes	1	1	0	0	5422	5023	-0.49

POSTER PRESENTER PAPERS SECTION

SEAWEED FARMING AS AN ALTERNATIVE INCOME FOR LOCAL COMMUNITY IN KAUNG ISLAND VILLAGE, BUER SUB-DISTRICT, SUMBAWA REGENCY

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Abstract

*This research aimed to address the feasibility of seaweed farming as an alternative income for local community. The research was conducted in Kaung Island Village, Buer Sub-district, Sumbawa Regency, from October to December 2013. Research method used was applied research by creating a demonstration plot for seaweed farming using species of *Eucheuma striatum*. This demonstration plot size was 50 m x 30 m and used by 15 local people whose main livelihood as fisherman. *Eucheuma striatum* was cultivated for 45 days (one production cycle) to be harvested and sold in the form of dried seaweed. The result of this research shows that revenue earned within a year (10 production cycles) is 61,696,400 Rupiahs. BC ratio (Benefit Cost Ratio) obtained is 4.637 meaning that any expenditure of 100 Rupiahs will generate a profit of 463 Rupiahs. BEP (Break Event Point) value obtained is 14,051,319 Rupiahs meaning that the breakeven point will be obtained if the farmers can sell the dried seaweed as much as 1,405 kg or at the price of 14,051,319 Rupiahs. In conclusion, seaweed farming is very economically feasible to be done by Kaung Island local community and can be used as an alternative income for this community.*

*Keyword: Aquaculture, *Eucheuma striatum*, fishermen, income*

1. Introduction

Kaung Island Village is a famous village because of fish catches from the water surrounding the village, and majority of local people's livelihood which is fisherman. These people spend most of their time at sea for fishing. However, if the weather is not conducive to carry out fishing activities, the community will not have other activities that can bring in revenue. This situation has become an issue for most of the people living in the coastal areas of Indonesia. Economic and social problems can arise when the fishermen cannot catch a fish. These problems lead to poverty and crime. In order to solve them, there is a need of other activities such as seaweed farming that can be used as a source of income for fishermen.

Seaweed farming was done in the Village of Kaung Island in 2010, but it is not sustainable due to a lack of public interest. In 2013, this research was conducted to raise public interest in seaweed farming. The purpose of this study was to determine the feasibility of seaweed farming as an alternative income for local community in Kaung Island Village.

2. Methodology

This research was an action research done by conducting seaweed farming demonstration plot involving the local community directly. The study was conducted from October to December 2013 in

the water of the Kaung Island Village. Seaweed cultivated was *Eucheuma striatum* using longline method with a size of 50m x 30m. *Eucheuma striatum* was cultivated for 45 days (one cycle of production), then harvested to be dried and marketed in the form of dried seaweed. The number of people engaged in these activities was 15 householders whose daily activity was fishing. Seaweed harvested was partly used as seeds for seaweed replanting, and partly dried. The dried seaweed was then sold to collectors (middle man) of dried seaweed.

Economic feasibility analysis was done based on the yield of harvested seaweed obtained for one year converted into an area of cultivation area. Analysis of the feasibility of the seaweed farming development was done through the statement of income. Mathematically, the calculation formula for each of the criteria above is defined as follows:

$$NPV = \sum_{t=0}^n \frac{B_t - C_t}{(1+i)^t}$$

Description :

NVP = Net Present Value;

Bt = benefit in year-t;

Ct = Cost in year-t;

t = duration;

i = interest rate applicable.

$$IRR = i_1 + \frac{NPV^+}{NPV^+ - NPV^-} (i_2 - i_1)$$

Description :

Value IRR = Internal Rate of Return Value;

i₁ = discount factor (rate of interest) where NPV is positive

i₂ = the discount factor (rate of interest) where NPV is negative

$$Net\ B/C\ Ratio = \frac{\sum_{i=0}^n NPV\ Positif}{\sum_{i=0}^n NPV\ Negatif}$$

An investment is feasible and profitable to be developed if the financial value of Net B / C Ratio > 1; NPV > 0; and the value of IRR > social discount rate.

Whereas, to determine how long it takes for the cash flow generated by an investment activity to cover all costs/initial capital, analysis used is criteria Payback Period (PBP) which is calculated using a formula as follows.

$$PBP = \frac{In\ Cap}{Annual\ CF} = \frac{1}{RE}$$

Description :

InCap = initial capital spent;

Annual Cap = net cash flow per year;

R = rate of return on capital (equity)

Rate of Return on Investment (ROI) is a measure of the ability of investment in generating net income formulated as follows:

$$ROI = \frac{NOIAT}{TI} \times 100\%$$

Description:

NOIAT = net profit after tax, and

TI = total investment

Break Even Point (BEP) is a measurement to determine volume/minimum production capacity so that the investment will not suffer a loss and can profit from the activity, which is formulated as follows:

$$BEP = \frac{TBT + TBV}{TH} \times TP$$

Description:

TBT = total fixed cost;

TBV = total variable cost;

TH = total price; and

TP = total production.

1. Result and Discussion

Following is the cost of the investment needed to carry out the cultivation of seaweed, species *E. striatum*, using 1 unit of long line with the size of 50 m x 30 m.

Table 1. The Cost of Investment of 1 Unit of Long Line

Number	Description	Amount	Unit Price	Total Price
1	Foundation rope 10 mm	7 kg	38,000	266,000
2	Head rope 5 mm	22 kg	38,500	847,000
3	Raffia rope	30 kg	12,000	360,000
4	Buoy for foundation rope	8 pieces	50,000	400,000
5	Buoy for head rope	500 pieces	250	125,000
6	Wooden peg with diameter of 20 cm and length of 1.5 m	24 pieces	20,000	480,000
7	Boat canoe	1 unit	1,500,000	1,500,000
	Total amount			3,978,000

Following is the production cost needed in a year under the assumption that the maintenance is performed by 10 cycles of maintenance.

Table 2. Production Cost in a Year (10 production cycles)

Number	Description	Amount	Unit Price	Total Price
1	The cost of labor and equipment	1 year	7,200,000	7,200,000
2	The cost of freelance labor	1 year	1,000,000	1,000,000
3	Seeds	450 Kg	4,500	2,025,000
4	Rent a motor boat	20 times	75,000	1,500,000
5	Fuel	30 liters	4,500	135,000
6	Cost of depreciation in a year			1,443,600
	Total amount			13,303,600

Based on the assumption that the harvested seaweed that will be obtained is 750 kg per longline per cycle, the amount of production for one year (10 cycles) is 7,500 kg. If the price of dried seaweed, *E. striatum*, is 10,000 Rupiahs per kg, the result of seaweed sale obtained will be 75 million Rupiahs per year. The profit gained will be \$ 61.6964 million per year.

BC ratio (Benefit Cost Ratio) obtained was 4,637, which means that any expenditure of 100 Rupiahs will generate a profit of 463 Rupiahs. BEP (Break Event Point) value obtained is 14,051,319 Rupiahs, which means that the breakeven point will be obtained if the seaweed farmer is successful in selling dried seaweed as much as 1,405 kg or 14,051,319 Rupiahs.

3. Conclusions

Based on the data analysis, the seaweed farming is very economically feasible to be done by the local community in Kaung Island Village.

4. Acknowledgments

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MADAK; THE INFLUENCE OF MADAK ON COMMUNITY STRUCTURE OF GASTROPOD-PELECYPOD IN BATUNAMPAR VILLAGE BEACH, EAST LOMBOK

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Abstract

This research aimed to observe the community structure of gastropod and pelecypod in the beach of Batunampar Village under pressure from Madak activities. This research was conducted in October 2014. The sampling locations were divided into 3 stations. Measurement of the community was done using quadrat and free collection. The quadrat size used was 1 m x 1 m in which each station consisted of 3 substations that headed to the sea. The total number of family that belongs to gastropod and Pelecypod collected is 25 families with a composition of 18 families of gastropod and 7 families of Pelecypod. The highest number of family of gastropod and Pelecypod is found in station 1, whereas the lowest number of family of gastropod and Pelecypod is found in station 3. Diversity index value of each station is ≤ 3.32 . This low value of diversity indicates that the ecosystem is under pressure or has a declining condition.

Keywords: gastropods, pelecypod, madak, community structure, intertidal

1. Introduction

People living along the coast line of Batu Nampar Village depend on marine resources utilization. All areas of coastal waters are utilized to meet the needs of the community life. The frontest junction area of ocean and land is called intertidal area. This area is located at the edge of coastal and marine ecosystems and adjacent to terrestrial ecosystem. Intertidal is a tidal area affected by coastal and marine activities.

The condition of intertidal communities does not change a lot except in a specific extreme condition that can change the composition and the abundance of intertidal organisms. This region is the narrowest area that has relatively higher organisms' diversity and abundance compared with those of other habitats (Ferdinan *et al.*, 2013). The intertidal area of Batunampar Village is located in an area that is easiest to reach and often exploited by humans so that this area is vulnerable to community change. This utilization certainly affects the condition of natural resources exploited. The impact of exploited natural resources has been a focus of scientists in a couple years ago. This impact will depend on the species affected (de Boer & Prins, 2002a). Exploitation of invertebrates in the intertidal area done by human is known to alter the structure of benthic communities (de Boer & Prins, 2002b).

An activity in intertidal zone often done by people living in coastal areas in Lombok Island is called "Madak". Madak is done at the lowest tide by women and children. The target species collected are species of mollusks, fish and crustaceans.

2. Methodology

The method used in this research was descriptive method. Observations were made to the community of mollusks and some parameters of water quality. Water sampling and parameters observation were carried out at several locations based on the width of the lowest tide and the length of coastline.

Sampling sites were divided into 3 stations. Observations conducted in each station were looking at the types of substrate, land uses on land and water as well as the presence or the absence of a river that disembogues into the beach. Station 1 was located in the most western part of Batunampar Village, station 2 was located in the middle of the Village, and station 3 was located in the most eastern part of the village or behind Gili Linus. These three stations are more clearly seen in the following Figure 1.



Figure 1. The Location of Observations Sites

2.1. Data Analysis

The calculation of density value was referred to Misra (1985). Some indices of community structure were calculated using a certain formula (Clarcke & Warwick, 2001) as follows;

1. Species diversity index or Shannon Index (H)

This index was used to determine the biological diversity of biota studied. Diversity index was calculated based on Shannon and Weiner formula (Abel 1989).

$$H = \sum_{i=1}^s Pi \cdot \ln Pi \quad \text{---} \quad Pi = \frac{ni}{N}$$

N = the number of cell of all species present in the sample

S = the number of biota species in a sample

Pi = relative abundance of biota species-i with magnitude which ranges from 0.0 to 1.0

ni = the number of cells of a species

Wherein :

ni = the number of individuals-i

N= the number of individual of all species present in the sample

According to Shannon-Wiener (Krebs 1989), the criteria of diversity (H') are:

$H' \leq 3.32$: low diversity

$3.32 < H' < 9.97$: medium diversity

$H' \geq 9.97$: high diversity

2. Dominance Index (C) was calculated according to Odum (1971).

This index was used to determine the type of dominant biota studied. Dominant species was calculated based on Simpson dominance index as follows:

$$C = \sum P_i^2 \quad P_i = n_i / N$$

Simpson dominance index criteria are divided into 3 categories (Odum, 1993):

$C' = 0.030$ = low dominance

$C' = 0.31-0.60$ = medium dominance

$C' = 0.61$ to 1.0 = high dominance

3. Sorensen similarity index (Brower & Zar, 1977).

Sorensen similarity index was used to look at quantitative similarity of mollusk communities between locations.

$$I_s = 2w / (A+B)$$

Where:

I_s : Sorensen Similarity Index

A: The number of species present at the station A

B: The number of species present at the station B

W: The number of the same species present at both stations

3. Result And Discussion

Batunampar has two land conditions which are moor and settlement. It is therefore divided into three observation stations. The characteristics of each station are as follows:

Station 1: is the most western part of the village of Batunampar. The area around the beach is a moor. Some boats moored on the beach. The bottom substrate is muddy sand. There is seagrass.

Station 2: is located in the middle of the settlement. The beach area is fully used for parking boats. There are many cages located on coastal water. There is seagrass consisting of several associations, but it is in a poor condition. There is so much trash.

Station 3: is an observation station located at the most eastern part of Batunampar Village. The beach area is densely populated. Seagrass zone is badly damaged.

Water physical quality including temperature and total suspended solids (TSS) is still in the quality standards required by the Decision of Minister of Environment of Republic of Indonesia Number 51, 2014 (KepMenLH No. 51 2004), and so is the water chemical parameters (pH, salinity, DO, nitrate, orthophosphate, and soil organic matter).

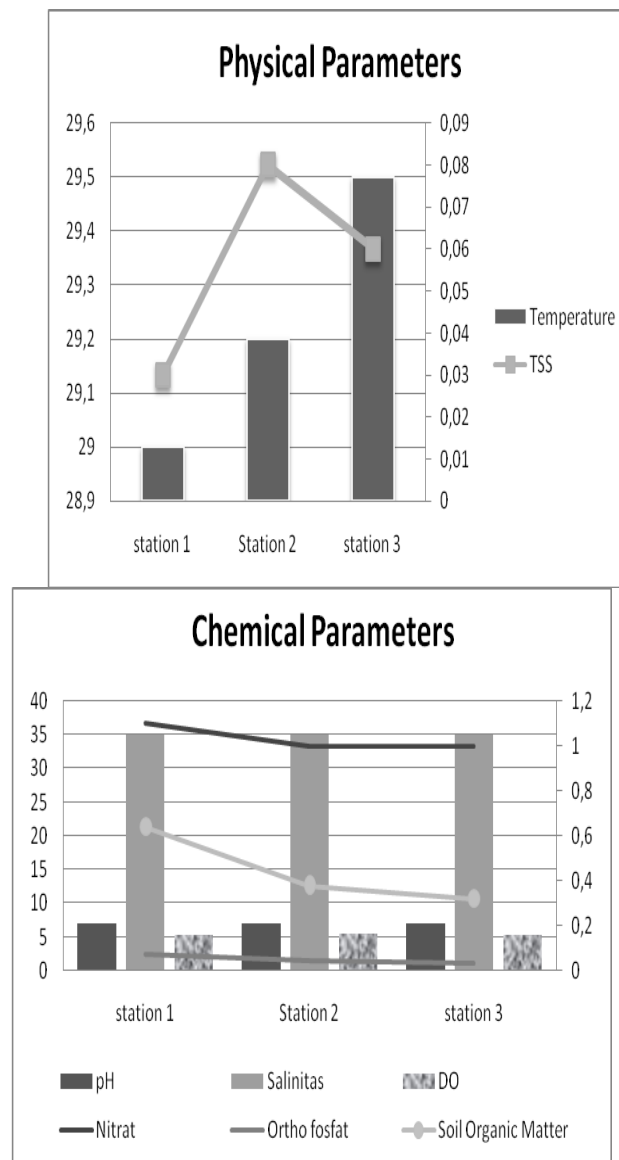


Figure 2. Left, chart of water physical parameters; right, chart of water chemical parameters

The overall number of gastropod and pelecypod collected is 25 families with a composition of 18 families of gastropod and 7 families of pelecypod. Some families do not always appear in all stations. Station 1 has the largest number of family found. There are 12 families of gastropod and 5 families of pelecypod found in this station. Whereas, the lowest number of family is found in station 3.

The large number of family in station 1 is supported by local conditions (Figure 3) such as a good condition of seagrass zone and high organic matter content. Gastropods and pelecypods are filter feeders and deposit feeders. Organic material originated from litter is consumed by deposit feeder, and solid organic material will be filtered by filter feeders. The amount of food available will support the lives of pelecypods and gastropods. The presence of seagrass cover can hide gastropods or pelecypods from catching activities during Madak. Station 1 is located a little away from the fishing village so that the people living here rarely do Madak activity. Human impact on gastropod and pelecypod lives is also relatively low because of the special characteristics of sand and mud in which

the targeted animals can hide and escape from predators, and this is contrary to the characteristic of the rocky substrate.

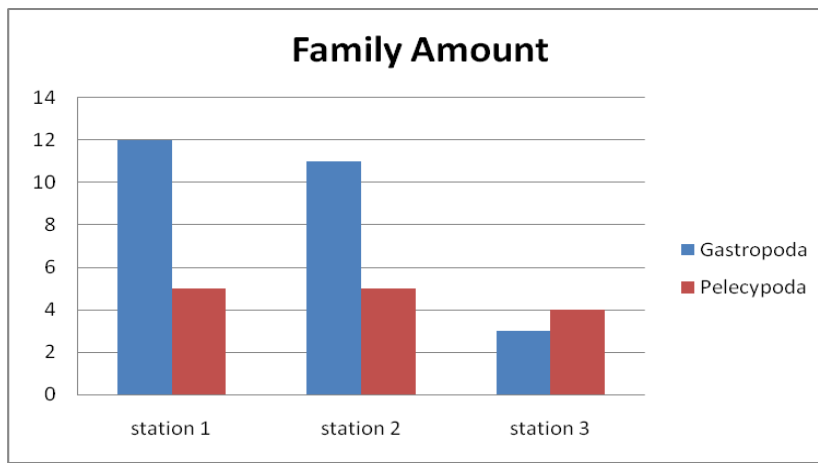


Figure 3. The number of gastropod and pelecypod families collected

The low number of gastropod and pelecypod families in station 3 is due to the small amount of organic matter in the substrate. The small amount of food cannot support their lives. In addition, the station is located in front of the fishing village so that Madak activity is common. These two causes lead to the decreasing number of family. During madak activity, the women carry a tool to facilitate gastropods and pelecypods catching. However, this tool (in the form of a fork) also damages the seagrass cover. Madak is performed daily by women and children so that the target organisms that are not caught on the first day are likely to be caught on the second day.

The specific families are only collected at the specific stations, and the markers of the station condition are: Strombidae at station 1; turbinidae, trochidae, solariellidae at Station 2; and Cypraeidae at station 3. Gastropod that always appears in a large number in each station is Cerithiidae family. Cerithiidae is a family of gastropod that has a high abundance in sublittoral and littoral zones, consumes algae and detritus. Its abundance is a strategy for this family to protect the species diversity of tropical benthic community (Ayal and Safriel, 1982). In addition, family Cerithiidae is not the people's catching target, because this species is not consumed by Batunampar resident. Pelecypod has a lower number of family collected compared to that of gastropod. This condition is due to the sandy bottom substrate in sublittoral zone and rocky bottom substrate in the littoral zone. Sandy substrate contains lesser organic matter compared to that of muddy substrate. Moreover, pelecypod is madak catching target of Batunampar resident. Many species still collected are non-target species in other words, they are not edible.

Diversity index value of each station is ≤ 3.32 . Kerbs (1989) argues that a community with diversity index value ≤ 3.32 is categorized a community with a low diversity. Low diversity value indicates that an ecosystem condition is subjected to pressure or declining (Heddy & Kurniati, 1996). Low diversity of molluscs family can be caused by the input of waste from the settlement of fishermen, catching activity at the lowest tide (Mudjiono & Sudjoko 1994), and the input of effluent from fish farming using cage.

Station 3 has the highest dominance index value of 1.02. According to Odum (1993), this value indicates a high dominance ecosystem. The presence of a dominating family is caused by the habitat condition that cannot be tolerated by all families of gastropod and pelecypod. This condition is due to the input of waste from settlements and the destruction of seagrass zone. Whereas stations 1 and 2 are

categorized as low dominance ecosystems. The existence of seagrass zone and a small amount of household waste support low dominance of family.

Stations 1 and 2 have more similarity than that of stations 1 and 3, and that of station 2 and 3 (Table 2). According to Krebs (1989), the greater the similarity value, the greater the number of same species at different locations.

4. Conclusion

According to the result of this research, it can be concluded that:

1. Batunampar coastal water is inhabited by 18 families of gastropod and 7 families of pelecypod.
2. The values of all water quality parameters still meet the quality standards based on the decision of Minister of Environment of Republic of Indonesia Number 51, 2014 (KepMenLH No. 51 2004)
3. According to index values of ecology, Batunampar water has low diversity.
4. Madak influences the diversity of seagrass and causes the damage of seagrass community.

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