



Analysis of the empowerment of small embroidery industry

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ABSTRACT

Empowerment and participation are potential ways to enhance economic, social and cultural transformation. The level of empowerment of small and medium industries (IKM) increases their business towards an independent direction which can be seen from aspects of economic power such as access to market information, technology, and facilities for businesses; make decisions in the production distribution and marketing of business results. This research was conducted in the small embroidery industry in Kudus Regency with the aim of the study was to analyze the level of empowerment of the embroidery handicraft small industry in Kudus Regency. The method used is descriptive statistical methods and the level of empowerment which includes economic and non-economic strength is analyzed using the rule of thumb with a sample of 108 small border industry players in Kudus Regency. Business access, market access, technology access, political/lobby access, the role of stakeholders, and business sustainability all show low numbers, so it can be concluded that the level of empowerment of small embroidery industries in Kudus Regency is still low/powerless.

Analisis tingkat keberdayaan industri kecil bordir di Kabupaten Kudus. Pemberdayaan dan partisipasi adalah cara yang potensial untuk meningkatkan ekonomi, sosial dan transformasi budaya. Tingkat keberdayaan (power) industri kecil dan menengah (IKM) meningkatkan usaha mereka ke arah yang mandiri yang dapat dilihat dari aspek kekuatan ekonomi seperti akses informasi pasar, teknologi, dan fasilitas untuk usaha; membuat keputusan dalam produksi distribusi dan pemasaran hasil usaha. Penelitian ini dilakukan pada industri kecil bordir di Kabupaten Kudus dengan tujuan penelitian adalah untuk menganalisis tingkat keberdayaan industri kecil kerajinan bordir di Kabupaten Kudus. Metode yang dilakukan dengan menggunakan metode statistik deskriptif dan Tingkat keberdayaan yang meliputi kekuatan ekonomi dan non ekonomi dianalisis menggunakan by rule of thumb dengan sample sebanyak 108 pelaku industri kecil border di Kabupaten Kudus. Akses Usaha, Akses Pasar, Akses Teknologi, Akses Politik /Lobi, Peran stakeholders, dan Keberlanjutan usaha semua menunjukkan angka yang rendah, sehingga dapat disimpulkan bahwa tingkat keberdayaan industri kecil bordir di Kabupaten Kudus masih rendah/kurang berdaya.

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1. Introduction

The dominance of Micro, Small and Medium Enterprises in absorbing the number of workers and the number of business units shows the importance of Micro, Small and Medium Enterprises in the Indonesian economy. In Indonesia, the role of SMEs is more associated with government efforts in reducing unemployment, poverty, and increasing income equality than as a driver of exports and sources of investment and economic development in the region (Tambunan, 2001).

According to Dipta (2009) states that Law 20/2008 is important for the following reasons. First, that national economic development must be carried out based on economic democracy in order to create a just and prosperous society. Second, the empowerment of MSMEs must be carried out thoroughly, optimally and continuously. Third, MSMEs, which constitute the largest share of the business layer in Indonesia, must obtain guarantees of business certainty and fairness.

Empowerment and participation are very potential strategies in order to improve economic, social and cultural transformation. The level of empowerment of the community in order to increase their business in an independent director can be seen from aspects of economic power such as access to market information, technology, and facilities for businesses; make decisions in the production distribution and marketing of business results. The aspect of non-economic power (political and social and cultural) is seen from the ability of respondents to lobby and present themselves or their groups (Susilowati & Agung Sudaryono, 2004).

Kudus Regency is a Regency in Central Java that places the industrial sector as the leading sector to drive the economy in its area. In 2016 the contribution of the Kudus Regency industrial sector to its GRDP reached 61.21% (Badan Pusat Statistik, 2016). The magnitude of the contribution of the industrial sector shows that this sector plays an important role in sustaining the economy in Kudus, although geographically Kudus district is the smallest regency, from the industry side it has potential and reliable market opportunities.

The embroidery craft is one of the main commodities of the Small and Medium Industry (IKM) of Kudus Regency, with a contribution of 412 business units, the number of workers reaching 2,425 people, an investment 3,089,500,000 IDR and the production value 69,464,030,000 IDR. Since the early 1970s, embroidery has developed rapidly and has become a home industry in Kudus. Gema Industri Kecil (2007) states the growth and development of embroidery are inseparable from the role of embroidery centers located in areas throughout Indonesia, especially Tasikmalaya, Sidoarjo, Kudus, Yogyakarta, Bukittinggi, Lampung, Palembang, Gorontalo, Jakarta, and Aceh. According to (Suhersono, 2009), embroidery tools consist of embroidery tools and materials. Tools include machine, ram/ring/scissor, scissors, and needle. While the material consists of fabric, yarn, paper, stationery, carbon and measuring tape.

The process of embroidered begins with the preparation of the fabric to be embroidered. Fabric cut according to the desired shape and size. Fabrics that are ready to be embroidered are fitted with patterns. The pattern is sewn to the fabric to be embroidered. The next job is to embroider in accordance with the patterns that have been installed. After finishing embroidery, the holes are made on the results of embroidery with solder. After the perforation process is completed, the pattern is released from the results of the embroidery and the results of the embroidery are trimmed by cutting the remnants of the yarn (Biro Humas Jawa Tengah, 2010).

Jumri (2009) conducted a workforce and investment value analysis of the formation of added value in the small industrial sector (a study of the embroidery industry in Tasikmalaya Regency) with a variable of labor and investment value. The result is labor and investment value simultaneously have a positive and significant effect on the formation of embroidery company added value.

Sudantoko (2010) showed that the variable raw materials, supporting materials, labor, kerosene, and firewood had a positive and significant effect on small-scale batik production. While the equipment and business area variables are not significant. The level of technical efficiency of small scale batik entrepreneurs in the study area is not yet efficient. Likewise, allocative efficiency analysis shows that the variables of raw materials, equipment, and business area are not efficient. The results of the analysis of the majority of small-scale batik entrepreneurs are on average helpless, indicated by business access of 25%, market access 42%, and access lobbying 29%, said to be powerless if > 50%.

Based on the description it is explained that there are problems in the small embroidery industry namely how to increase the level of empowerment of the small embroidery industry in the Kudus Regency so that it is expected to improve the welfare of embroidery entrepreneurs.

2. Research Method

The number of small embroidery industry in Kudus regency based on data from the Department of Industry, Cooperatives, and SMEs in Kudus Regency is 412 business units. Therefore the study population is 412 business units. Meanwhile, the sample selection is done by the Multi stages sampling method, which combines two or more sampling techniques (Zikmund, 1994). There are steps in this study. First, determine the embroidery industry, in this study take the small industry of embroidery in the District of Kudus with a population of 412. Second, determine the small industry center of embroidery, embroidery center of crafts in the Regency of Kudus taken is Gebog District because more dominant than other districts. Third, determine the dominant centers in Gebog District, from the data obtained, the most dominant centers are Padurenan Centers and Karang Malang Centers.

This study uses descriptive statistics Mason, Lind, and Marchal (1999) to describe the profile of respondents and the embroidery industry in the study area. The level of empowerment which includes economic and non-economic strength is analyzed using a rule of thumb (Sudantoko, 2010; Susilowati & Agung Sudaryono, 2004; Susilowati & Kirana, 2008). Access to economic strength can be seen from: If more than 50% of the total respondents in obtaining access to business credit, sources of market demand and supply information and technology improvements for embroidery techniques come from themselves, then the level of empowerment is low. Conversely, if the respondent uses a source or other party, the level of empowerment is high.

Meanwhile, to find out non-economic indicators can be seen from the political aspects measured by the ability of lobbying using cross tabs. There are several aspects. First, whether or not the respondent has access to acquaintances (stakeholders). Second, has ever asked help or not with stakeholders. And the last, succeed or not in asking for help, it is considered that the respondent has taken an approach or lobby. If > 50% of the total respondents ask for help with one of the stakeholders to succeed, it means that the respondent's lobbying ability is high. This is a form of self-representation of respondents or it can be said that the level of empowerment is already high (Susilowati & Kirana, 2008).

While socio-culture is measured by the ability of respondents to penetrate or follow the dynamics of the existing socio-cultural order (whether decisions in trying, organizing, based on family considerations). The level of empowerment is high if > 50% of the total respondents have the ability to penetrate or follow the dynamics of the existing socio-cultural order, that is if the respondent's business decision is organized based on family considerations (Susilowati & Kirana, 2008).

The analysis used to determine the role of stakeholders in helping and supporting the embroidery business according to respondents' assessments is a descriptive analysis with a conventional scale (1-

10), based on the average value to be categorized; a) scale 1-5 shows low / less value; b) a scale of 5-7 shows an ordinary value; c) a scale of 7-8 shows sufficient; d) a scale of 8-10 shows good.

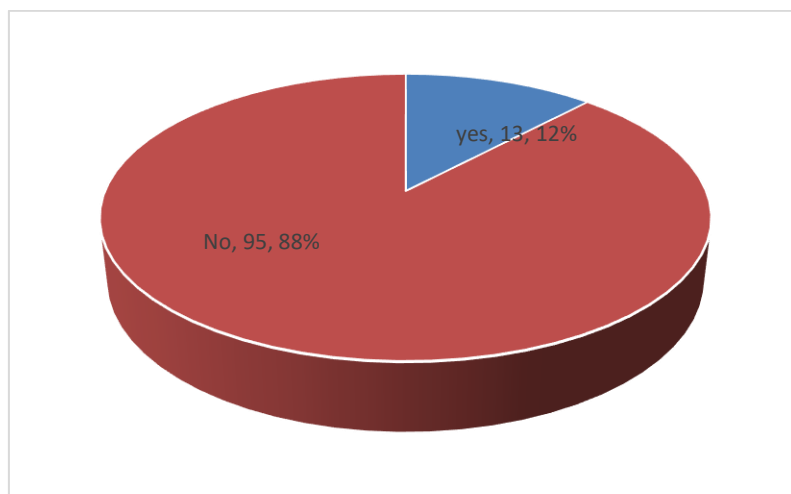
3. Result and Discussion

Level of Empowerment of Small Industries

The level of empowerment of embroidery small industries can be seen from the access of economic power (business access, access to market information, and access to technology) and access to non-economic power which includes political access as measured by lobbying ability, socio-cultural access as measured by the ability to penetrate borders and the role of stakeholders.

Business Access

Business access is one indicator of the level of community empowerment, in this study business access is the ability of entrepreneurs to obtain credit. Business access in the study area can be seen in Figure 1.



Sources: Data Processed, 2017

Figure 1. Access to Embroidery Small Industry Loans

Figure 1 shows that the level of empowerment of embroidery entrepreneurs seen from business access, in this case, is the ability to access credit is still low, with a value of 12%. The business access owned by this small embroidery industry is smaller than the findings of [Sudantoko \(2010\)](#) which states the value of access to a small batik industry is 25%. Both are still categorized as helpless because the adoption is less than 50%.

Sources of credit they obtain come from Rural Credit Banks (BPR), Government Banks and the People's Business Credit program (KUR). Some of them stated that they did not take credit because they did not know how to do it, high-interest rates, complicated procedures, and difficulty in collateral. In addition, the weak administration of small entrepreneurs has made banks hesitant to channel their funds.

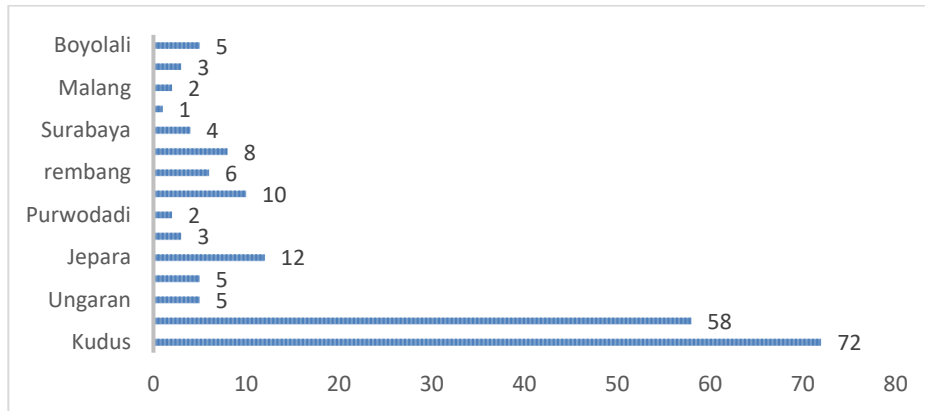
Market Information Acces

The level of empowerment seen from access to information is the ability of respondents to access market information, including regarding market supply and demand. This information source can come from consumers, markets, distributors, fellow entrepreneurs and determine their own. This information is in the form of prices, consumer desires and market needs.

In general, embroidery entrepreneurs in the study area determine the price of their products by following market prices so that entrepreneurs do not have the power to determine prices. Whereas in terms of consumer desires, entrepreneurs only carry out demand specifications from consumers/

distributors. So, product innovation is still weak. This research also shows that entrepreneurs do not know the needs of embroidery in the market.

The level of empowerment of respondents in utilizing market information sources is still relatively low at 33%. This figure is also still smaller when compared to [Sudantoko \(2010\)](#) which states that the market value of small batik industry access is 42%, meaning that the level of empowerment of small embroidery industry in Kudus is lower than the market access of the Pekalongan batik industry. Both are still categorized as helpless because market access is still below 50%.



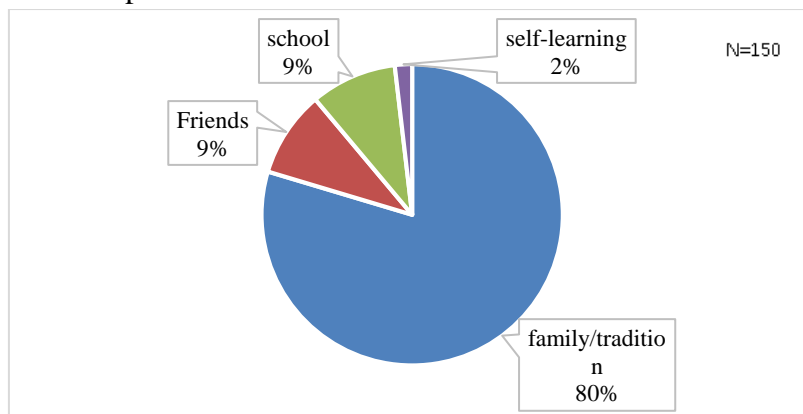
Sources: Data processed, 2017

Figure 2. Marketing of embroidery business results

The destination markets for Kudus small embroidery industry include Kudus (local), Semarang, Ungaran, Salatiga, Jebara, Demak, Purwodadi, Pati, Rembang, Solo, Surabaya, Malang, Magelang, and Boyolali. The results of small embroidery industry production are to meet the local market (Kudus) as much as 30.71%, and regional/national markets amounted to 69.29%, of the respondents surveyed did not market their products for export abroad. This market locality is because their ability in marketing is still low, so they only continue the existing market. It can be said that there has been no marketing breakthrough.

Technology Acces

Access to technology referred to in this study relates to the production process, specifically the production techniques used by respondents. If less than 50% of the total respondents answered technological improvements for embroidery techniques originating from/utilizing sources/other parties, then the level of empowerment is low.



Sources: Data processed, 2017

Figure 3. Production Technique Small Industry of embroidery

Based on Figure 3 it is known that the majority of respondents 86 people (80%) use traditional production techniques or families that are still traditional, 9 percent of respondents / 10 people answered production techniques obtained from friends and school/courses, 2 percent or 2 respondents learned own. This condition can be concluded that the level of empowerment seen from access to production techniques is still low.

Political Acces

The intended lobbying ability is related to the relationship between embroidery entrepreneurs and stakeholders in conducting business activities.

Table 1. Lobbying Ability

Subject	Having		Ever ask for help		Success		How to return the favor
	1=yes	2=no	1=yes	2=no	1=yes	2=no	
Local government: village, district, district, related department	18	90	16	92	15	93	
KUD	29	79	26	82	25	83	
Financial institution: – Bank, BPR – Capital owner	26	82	20	88	13	95	Interest
Public figure, official	32	76	28	80	22	86	Good relationship
Enterprenuer	35	73	31	77	28	80	commission
Independent Institution: – Univ/academy – NGO	19	89	13	89	12	96	
Family, friend	29	79	18	90	10	98	

Sources: Data processed, 2017

Courage and ability to lobby the small embroidery industry in Kudus Regency is still relatively low at 13.62%. This figure is lower than the findings of [Sudantoko \(2010\)](#) which stated the ability of the lobby of the small industry under study reached 29%. The two findings are the numbers (> 50%) so that from the aspect of lobbying ability is also helpless.

When viewed from the relationship between embroidery entrepreneurs and stakeholders, it appears that most of them do not have acquaintances with all stakeholders so this weakens the ability of embroidery small entrepreneurs in the research area to develop their businesses.

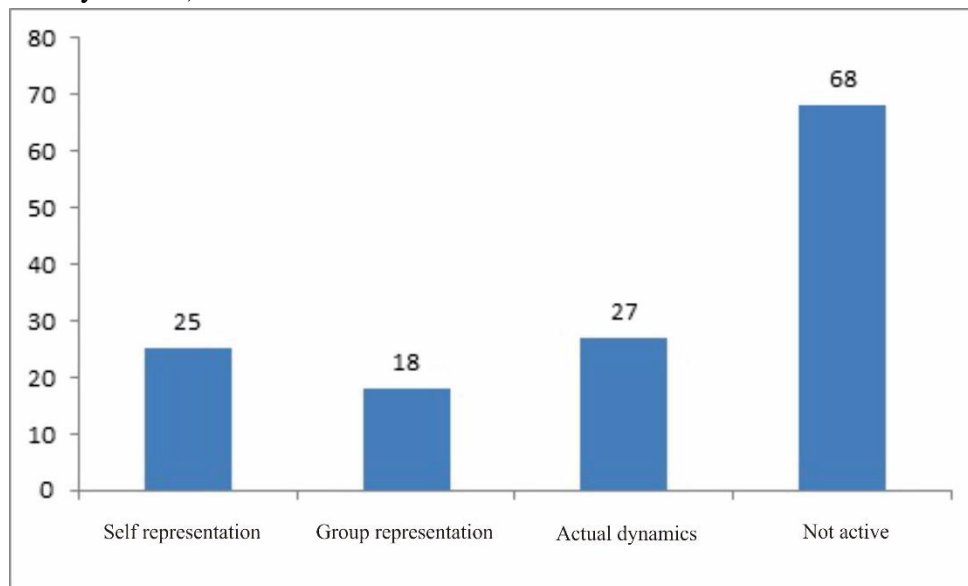
The most acquaintances owned by respondents were entrepreneurs who were followed by community leaders, friends, KUD, financial institutions, academics, and government. Not all respondents use the relationship with stakeholders to ask for help/business assistance for business development. The stakeholders most frequently asked for help in the sequence are entrepreneurs, community leaders, KUD, financial institutions, friends, government and academics.

Success in lobbying in a business carried out by embroidery entrepreneurs in the study area is still low. The most successful lobbying done by respondents was with entrepreneurs who were followed by KUD and community leaders. The reward given by the embroidery businessman in the lobby is to provide interest, commissions and good relations.

Cultural Acces

Access to this boundary is related to the ability of respondents to penetrate or follow the dynamics of the existing socio-cultural order. This can be done by respondents by means of

respondents representing themselves, group representations, having brilliant ideas to develop future business (actual dynamics).



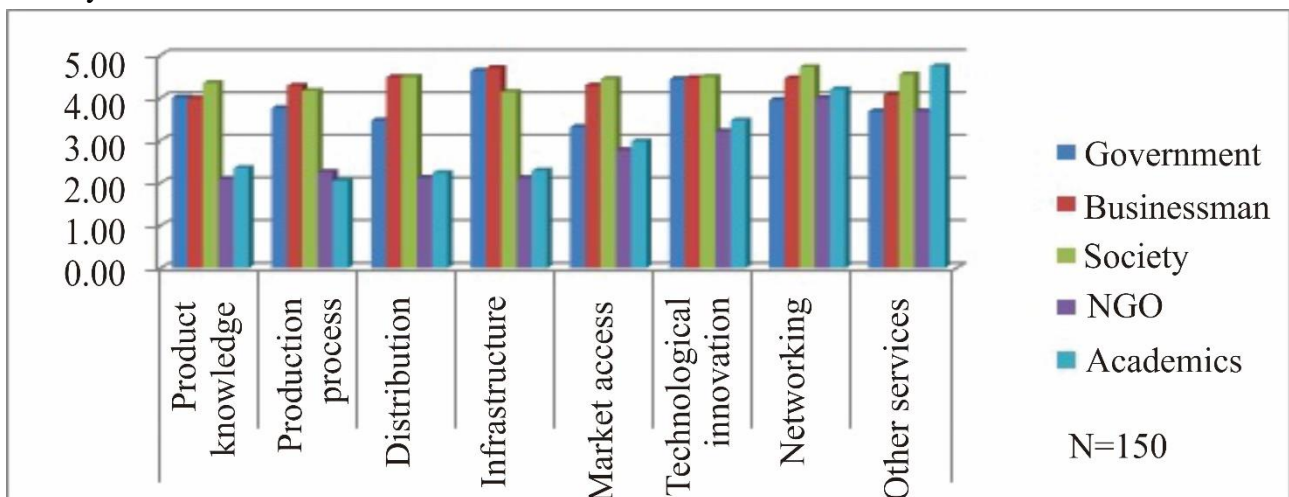
Sources: Data processed, 2017

Figure 4. Access Crosses the Line

Based on Figure 4 Access Breaking Bounds, it can be seen that some respondents are not active, this shows the ability to develop a business is still low. This is indicated by the results of the study that 68 respondents from 108 respondents studied stated that they were not active in organizational activities. If > 50% of the total respondents ask for help with one of the stakeholders to succeed, it means that the respondent's lobbying ability is high. This is a form of self-representation of respondents or it can be said that the level of empowerment is already high (Susilowati & Kirana, 2008).

Stakeholders Roles

Stakeholders are expected to be able to help increase the level of empowerment of the small embroidery industry. Stakeholders consist of the government, entrepreneurs/business people, the community, academics, and NGOs. Evaluation of respondents based on a conventional scale (1-10), the results can be seen as the most prominent role of stakeholders in every embroidery business activity.



Sources: Data processed, 2017

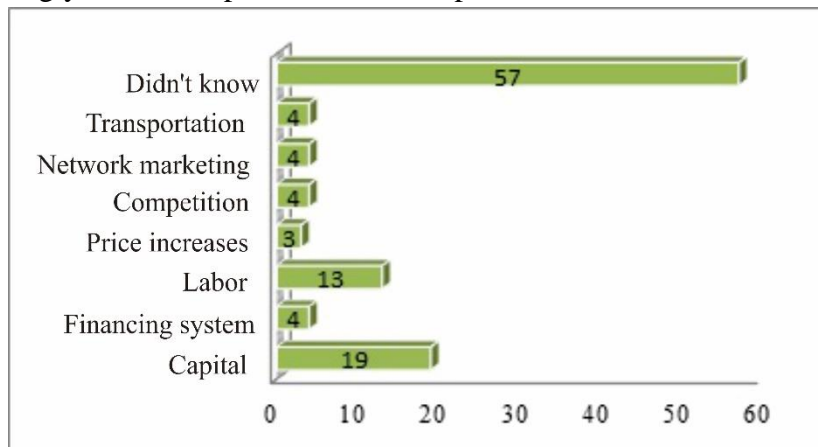
Figure 5. The Role of Stakeholders in Assisting the Empowerment of Small Embroidery Industries

Based on Figure 5, according to respondents' perceptions, the result is that the role of almost all stakeholders in all activities is still low because the average number is still below the number five. So that the role of these stakeholders needs to be improved.

The role of the government and academics is still low so that it is expected that in the future the government will play a role in all embroidery small business activities, in order to improve the quality of welfare both economically and non-economically. The role of academics is also still low, the presence of academics is expected to provide new technology that can improve business efficiency.

Business sustainability

The sustainability of the respondent's business can be seen from the size of the obstacles faced. Constraints faced vary, including the capital, labor, price increases, financing systems, network marketing, increasingly fierce competition, and transportation.



Sources: Data processed, 2017

Figure 6. Constraints faced by the Small Embroidery Industry

Based on Figure 6, it can be seen that 57 respondents answered that they did not know the constraints faced, the inability to answer the obstacles indicated that there was a vulnerability in the continuity of their business. They are not able to read the root of the problem that must be solved.

The inability to analyze obstacles in this business is due to the low level of education. The education level of respondents was 94.5% elementary-high school. While 19 people answered that capital was the second most obstacle. The next obstacle is labor with 13 respondents. This is because the younger generation's lack of interest in embroidery has caused it to decrease in embroidery power.

Table 2. Summary of the Level of Empowerment in Small Embroidery Industry

No.	Description	N=108	
		Number of Respondent	%
1.	Business Acces	13	12
2.	Market Acces	36	33
3.	Technology Acces	22	20
4.	Political Acces	15	14
5.	Satkeholder role	108	<5
6.	Business sustainable	57	53
Propensity Phenomenon		Poor helpless	

Notes: a high level of empowerment if it has a value > 50%

Sources: Data processed, 2017

Based on the results of the level of empowerment as shown in the table it can be seen that embroidery small businesses have a low level of empowerment/lack of power (from various aspects the value is less than 50%).

4. Conclusions

Based on the results of the analysis above, almost all indicators include business access (ever obtaining credit), market access (utilizing market information sources), technology access (making technological changes), political access/lobbying (the ability to lobby), role of stakeholders (role in helping business development, and business continuity (do not know the obstacles faced) all show low numbers, so it can be concluded that the level of empowerment of small embroidery industry in Kudus Regency is still low/powerless.

5. Acknowledgment

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