

# **PEARL BUSINESS IN INCREASING PROSPERITY OF PEARL CRAFTSMEN IN SEKARBELA AREA OF KARANG PULE MATARAM CITY, PROVINCE OF WEST NUSA TENGGARA, INDONESIA**

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## **Abstract**

*This study aims to determine the business pattern which is run by pearls business, what is the benchmark of the welfare of artisans with pearl business conditions in Karang Pule of Sekarbela area in Mataram, Indonesia. This study used a qualitative approach. The study was consisted of 11 (eleven) informants, they are five main informants and six key informants as a businessman and pearl craftsmen using triangulation techniques. The results showed that the activity of pearl production in Sekarbela is still simple (handmade), the business system is familial so just continue efforts hereditary, most of the capital comes from capital itself, the system is a partnership between business owners and craftsmen in the marketing of products, ranging development based marketing internet (digital marketing), but it has not developed the overall independence of craftsmen pearl business. These pearl business activities are able to expand employment so this can reduce unemployment and improve social welfare.*

*Keywords: Capital, Digital Marketing, Business Independence, Prosperity*

## INTRODUCTION

Indonesia is awarded Natural Resources (NR) in the form of sea that has a coastline of about 95,181 km so it has the potential for abundant marine wealth. Various types of *crustaceans* such as lobster, crab and shrimp, snail family, these are mussels and barnacles to be commodity's major maritime countries. Indonesia is also a producer of non-consumption of marine products such as pearl. Pearl of sea water (*seawater pearl*) is produced by the species of pearl oysters that live in the sea, the *Pinctada maxima*. The natural conditions in Indonesia really support to the development of fishery product processing industry (including the cultivation of pearl oysters). This is because most of Indonesia consists of islands, where nearly two thirds of its territory is an ocean (Directorate General of Aquaculture, 2002).

Joseph Taylor “a marine expert from Australia” said that Indonesia is the center of south sea pearls (South Sea Pearl) in the world. Pearls are one of the leading commodity marine and fishery sectors which have very good prospects for business development. It can be seen from the increasing demand of pearl jewelry and the price continues to increase from year to year.

Resource potential of marine aquaculture is prioritized to the development of a commodity that has economic value, chances availability of means of production and dissemination of technology, including the following: pearl oysters and abalone, kelp, blood clams and oysters, grouper, perch and sea cucumbers. Potential marine aquaculture area for commodity-pearl and abalone area are 17606.5 ha, for blood clams and oysters area of 1300.0 ha and for an area are 3600.0 ha of sea cucumbers. Details of the potential cultivation area of sea to the commodity-pearl and abalone, scallops blood and oysters and sea cucumbers per regencies in NTB can be seen in the following table (Marine and Fisheries Agency NTB: 2015)

Seeing a lucrative business opportunity, now many regions are trying to develop a welfare level as pearl craftsmen in Lombok Island of West Nusa Tenggara, one of them is in Sekarbela of Karang Pule District of Mataram city that is 4 km from the city center. Sekarbela environment in Karang Pule village has the biggest household of handicraft industry compared to the other areas that are only 584 households specializing in the craft industry of gold and pearl because it has economic value and promising business. The existence of the pearl industry will also drive the other industrial sectors in Sekarbela that will spur growth and the wheels of the economy in this area.

The production result of pearls every year shows a significant increase as closely associated with venture capital and production capacity that are undertaken by businessmen pearls. Seeing the business value and high enough yield in the pearl industry in Karang Pule Sekarbela environment, it is expected that other indicators as supporting the welfare of the community will be supported and grow as being expected by all parties but on the other hand

there is a condition that is inversely proportional to the expected all parties that is a condition in which the people especially in Sekarbela area is still in poverty, where these conditions shows that people who are in the business district that is growing rapidly even though they are not necessarily in prosperous condition or apart from the problem of poverty.

Based on preliminary observations by interviewing some small and large businesses as well as government officials Environment to village obtained a general idea of the level of welfare of the people in the neighborhood Sekarbela of Karang Pule village has not fully fulfilled with industry develops of craftsmen in their areas as they or government expected. The problem of poverty is still high enough as well as public health conditions have not been met maximally because economic limitations are influenced by other factors. Of course this condition had to be explored deeply so that we can know cause of the problems that arise in the community, and then analyzed the condition of society that can be directly proportional to the condition of the craft industry which grows continually. Based on the problem above, researcher interested to analyze the level of welfare of pearl craftsmen in Sekarbela sub district in Mataram city.

## LITERATURE

### Definition of Industry

Definition of Industry According to Winardi (1998: 181), industry is the attempt to be productive especially in the part of production or specific companies that hold miraculous example transport services or changes in capital or labor in relative large quantities. Industry definition according to Sukirno (1995) is a company belonging to undertake economic activities in the secondary sector. The activities include the textile factory, assembly plant and cigarette manufacturing plant. Industry is an economic activity that processes raw materials, semi-finished or finished goods for being higher useful goods.

### Grouping of Industry types

Department of Indonesian national industry groups into 3 major groups namely:

#### 1. Basic Industry

Basic industry includes machinery industry group and base metals (IMLD) and basic chemical industry group (IKD) which is included in IMLD; these are agricultural machinery industry, electronics, trains, airplanes, motor vehicles, iron and steel, aluminum, copper and so on.

#### 2. Various Industries (AI)

Industry Which is included in various industries are industries processing forest resources, industries processing agricultural resources widely and others. Various industries have a

mission to promote economic growth and or equity, expanding employment opportunities, not capital intensive and technology used is an intermediate technology or advanced technology.

### 3.Small Industries

Small industries include the food industry (food, beverages and tobacco) industry, clothing and leather (textiles, apparel and leather goods), chemical industry and building materials (paper industry, printing, publishing original, rubber goods and plastics), general craft industry (industrial wood, rattan, bamboo and non-metal mineral products) and metal industry (machinery, electricity, instruments of knowledge, goods and metal and so on).

### Pearl Business

There are several reasons why the pearl business has to be managed as a superior product among others:

1. Low risk, Business jewelry is one of the trusted businesses that can provide financial benefits and also had a lower risk than the stock business or any other business.
2. Profitable, For standard pearls, today is still based on the applicable standard (sightings physically) as well as the standards followed by the craftsman/entrepreneur issued by the Employers' Association Gold and Gem Indonesia (APEPI) which is published by *Jewelery Indonesia Magazine*.
3. International quality, the Ministry of Maritime Affairs and Fisheries (MMAF) is supporting the pearl industry in country with doing test and quality control so we dont lose competitiveness in international markets. Therefore it is certain that is not only qualified ISSP jewelry nationally but also internationally.
4. Interesting jewelry design, ISSP has a unique form of color and dazzling sparkle and timeless of all time, so much in vogue in the international market and are usually traded in the form of *loose* and *jewelry*. In the ISSP jewelry material used a mixture of gold and silver were used as bonding to assemble into a pearl jewelry products, which usually consists of: gold 18 carat or 75% and gold 22 carat or 92%. Silver 925 is a mixture of pure silver and copper with a percentage of 92.5% silver + 7.5% copper.
5. Helped to advance the country's economy, the pearl industry absorbs labor force large enough. According to DG Strengthening, the Competitiveness of Marine Products, the pearl industry absorbs labor force of 53,000 workers of the company, 200 people insertor citizen experts and 50 experts insertor WNA with a trade value continues to increase from year to year: USD 26.3 million (2013); USD 28.9 million (2014); USD 31.2 million (2015).

## Definitions of Welfare

According to Walter A. Friedlander (1961) in social welfare is an organized system of social services and institutions that aims to help individuals and groups to achieve the standard of living and satisfactory health and personal relationships and social enable that they develop the ability fully as possible and improve well-being in harmony with the needs of families and communities.

According to the Law of the Republic of Indonesia Number 11 of 2009, social welfare is a condition of the fulfillment of material needs, spiritual, social and citizens in order to live a decent and able to develop themselves, so that they can perform their social function, and the implementation of social welfare is an effort that is directed, integrated and sustained by the government, local government, and the community in the form of social services in order to meet the basic needs of every citizen, which includes social rehabilitation, social security, social empowerment, and social protection in which its realization is done on the basis of solidarity, justice, expediency, alignment, partnership, transparency, accountability, participation, professionalism and sustainability.

## Social Welfare

Term 'social welfare' refers to an institution or field of activity that involves the activities organized and held both by government and private institutions that aim to prevent, resolve or contribute for solving social problems and improving the quality of life of individuals, groups, and society ( Suharto, 2005).

## Welfare Indicators

Indicators of well-being set by the BPS in 2011 including:

- a. Population is related to the amount of growth, dispersion, mobility, deployment, quality, condition of welfare, which involves political, economic, social, religion, and the environment (Law No. 23 of 2006).
- b. Health and nutrition are process organisms using traditional foods consumed normally through the process of digestion, absorption, transport, storage, metabolism and expenditure of substances that are not used to sustain life, growth and normal functioning of organs, as well as generating energy (Supariasa et al, 2002).
- c. Education is a human activity and efforts to improve the personality to develop potentialities private road, which is spiritual (thought, intention, taste, creativity and conscience mind). Education also means that agencies

responsible for setting goals (goal) education, content, systems, and educational organizations. These institutions include family, school, and community (Ihsan Fuad, 2005).

- d. Employment as a part of national developments, the field of labor is part of the development of human resources that plays an important role in realizing the complete Indonesian human development and the Indonesian society.
- e. Level and consumption patterns stair is one of welfare indicators of household / family. During this growing sense that the size of the proportion of expenditure on food consumption of all household spending can provide an overview of the household welfare.
- f. Housing and environment is one of indicators of security and tranquility of life for a human donor. In its function as a means of securing themselves not shut down but should open itself merges with its environment. The quality of residential environment affecting the health status of the residents. A good quality of home is in a healthy environment, safe, sustainable and sustainable (Decree No. 9 of 1999)
- g. Poverty, to measure poverty, BPS uses the concept of ability to meet basic needs (basic need approach). With this approach, poverty is seen as an economic inability to meet the basic needs of food and non-food which is measured from the expenditure side. In other words, poverty is seen as an economic inability to meet the needs of food and non-food fundamental. The poor population is the population that had an average monthly per capita expenditure below the poverty line.
- h. Social travel is one of the social indicators that indicate the welfare of society. The higher level of social welfare, people's lifestyles also tend to change by meeting the needs of the tertiary one is traveling.

## RESEARCH METHODS

This study used a qualitative research approach. Research location is in Sekarbela of Karang Pule District of Sekarbela Mataram City province of West Nusa Tenggara Indonesia. The study was consisted of 11 (eleven) informants, they are five main informants and six key informants as a businessman and pearl craftsmen selected using purposive sampling method. Research data collection procedures were interviews, observation, and documentation. Test the validity of research data was done for the sake of ensuring the accuracy of data. This study did test of validity of the data to test the credibility (internal validity) with triangulation techniques.

## RESULTS AND DISCUSSION

The findings of the field which is becoming a common thread of this research is the development of cooperation built by craftsmen and entrepreneurs to help each other business activities that have been going on since long. The craftsmen have the ability not only in terms of making the product but also have the capability to sell products that have been resulted, the system awakened is by the owner of the business of giving loans to craftsmen such as jewelry products that are ready for sale which will be marketed to consumers by making the treaty earlier form of division *of fees* from the borrower goods based on selling products that are marketed, this system is perceived to be quite help businesses in developing their pearl business in Sekarbela while stimulating the entrepreneurial spirit of the craftsmen willing and able to develop independently. It turned out to be done by craftsmen to capitalize the contract of trust and help each of the owners of pearls to become *a reseller* of the products where they work, so there is an opportunity to obtain a larger income that would cause on improving the welfare of their life.

Stretching potential Lombok tourism brings fresh air alone for business people because the numbers visiting of local and international tourists every year increased opportunities for businesses pearls to sell their products directly and open cooperation network wider business because pearls Lombok has a high enough economic value. In addition, there are several obstacles that appear the underdevelopment of the business undertaken during this among other things because most producers are reluctant to go out of business patterns hereditary family and be content with what is produced at this time without even thinking about business sustainability in the future so they don't want to try to pioneer their own businesses based on the expertise of the self-taught, in addition, the lack of capital is the main reason the inability of craftsmen to pioneer and develop their business.

## CONCLUSION

Production activities that are carried out by pearl craftsmen in Sekarbela in processing is still simple with touches *of handmade* and this is not affected by the presence of modern equipment in this time, it aims to maintain the uniqueness and regional characteristics and product differentiator with other regions. Pearl business activities that have long occupied by the public of Sekarbela largely are funded by private capital, but mostly there are also businesses that are using capital sourced from borrowed funds. Pearl business activities in Sekarbela was able to expand employment and provide economic services to the wider community at large in Sekarbela and play a role in improving the community's economy, reduce unemployment and improve social welfare.

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