

## CONTRIBUTION OF MICRO BUSINESS WOMEN TO THEIR FAMILIES IN SOUTHEAST SULAWESI COASTAL AREA

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### ABSTRACT

The purpose of this study is to analyze the contribution of micro businesses women (MBW) to their business and families. This research was conducted in five districts / cities were determined purposively with consideration of its regional characteristics and business community that generally involved in fisheries subsector. Those five districts are West Muna, South Konawe, Kolaka, Baubau city, and Kendari city. MBW contribution to their business then analyzed using descriptive analysis. MBW contribution to their business also studied by using the amount of working time devoted by MBW in managing and running their business every day approach. Besides that, their contribution also seen by the amount of the capital invested to the business from the revenue. MBW contribution to the families analyzed using MBW revenue contribution to total household income.

MBW has a major contribution to the business of the MBW family itself. It can be seen from the amount their working time, that most of MBW routinely do business every day, and only small fraction of MBW that don't do it daily, with working hours reached 6.35 hours per day and to take care of the household ie 4, 13 hours per day, business activity of MBW is highly dependent on the availability of raw materials such as fresh fish and processed fish, including the availability of capital venture. Related to venture capital factors, there are still few of MBW that have financial capital less than 1 million, but in a big scale there are MBW who have financial capital more than 20 million.

Keywords: Women Contribution; Micro business; coastal Area.

### INTRODUCTION

Micro, Small and Medium Enterprises (SMEs) in its development proved to be a pillar of economic strength and continuously increasing to be the center of attention and coaching target from various parties, especially the government. Micro-businesses become women hope, because these businesses do not require special education, flexible working hours and

could become an entrepreneur and employee in same time. The fluidity of the businesses cause it can survive in crisis time and allow to create many job.

Various problems of micro enterprises as businesses that mostly doing by women can be found in various characteristics of society in both rural communities and coastal communities. The existence of MBW in coastal

communities is very unique to be observed because life of coastal communities mostly based on sea yield.

The survival of the household was not only the full responsibility of the head of the household (husband) only. During the breaks of taking care the household, many of the women have a double role to sustain the economic life of their family. In some cases in Southeast Sulawesi, especially society living in coastal area, many women whose manage micro enterprises by utilizing the potential of coastal and maritime resources as their business object. Usually, women in coastal areas manage their husband catches, and if the main activity of their husband is not related to fishing activity, they run business by trading the catches of their neighborhood.

Empirical condition show that the life of coastal societies and MBW in coastal area is far away from a decent life. Those phenomena can be observed from their house conditions and education that still far from the expectations of a decent life. The role of fishermen's wives as well as breadwinners to support their husband, make MBW in coastal societies appealing to be studied. Thus, this study aims to analyze the contribution of Women Micro businesses and their families.

## **RESEARCH METHODS**

### **Research Location and Data Sources**

This study was conducted at five city determined purposively with consideration of regional characteristics and business community that generally involved in fisheries subsector. Those five districts are West Muna, South

Konawe, Kolaka, Baubau city, and Kendari city.

The data used in this study are primary data and secondary data. Primary data derived from interviews with stakeholders that understand the MBW business. Data collected including type of business, the history of the business, the business issues, MBW access to business development, MBW relationships with their family, the amount of working time in businesses and households, the source and amount of income of the family (husband/wife).

The involvement of women in helping their family economy through micro enterprise (MBW) routinely every day, even in every managing process of micro-enterprises mostly done by women, it showed that women play an important role in managing micro-enterprises where they involved in, so that the working hours between managing MBW and taking care of household (HH) will be amended.

Average working hours for MBW is 6.35 hours per day with a daily range between 5.30 to 6.97 hours per day while the average working hours to take care of the household is 4.13 hours per day within a range between 2, 36 to 8.60 hours per day.

High working hours on MBW activities reached average of 6.35 hours/day that come from their MBW activities managing by themselves. The working hours of MBW are longer because they tend to choose high hourly paid occupations, than that from trading activities. Trading activity is an occupation that has chosen by many households that have limited economic capacity, because MBW has limited

fund and assets, then they choose a job that would provide high hourly income.

### Data Analysis

PUM contribution to the effort were analyzed by using descriptive analysis. PUM contribution to efforts be studied with approach the amount of time devoted PUM work in managing and running their business every day. In addition to the contribution to be seen also by the amount of capital investing in the business of the revenue generated. PUM contribution to the families be analyzed by using revenue contribution of PUM to total household income. Therefore, first calculated the amount of income PUM, their husbands and other family members' income by using the formula of income (Soekartawi, 2002) as follows:

$$Pd = TR - TC$$

Description:

Pd : Revenue  
TR : Total Revenue  
TC : Total Cost

Revenue contribution of PUM to income total household is calculated by using the formula:

$$K = \frac{Pd \text{ PUM}}{Pd \text{ RT}} \times 100\%$$

Description:

K : Contributions  
Pd PUM : Revenue PUM  
Pd RT : Income of total household

## SUPPORTING THEORIES

### Micro Business Women

The phenomenon of women working for a living occurs because motivated by the need, as well as the willingness and ability of job opportunities are available and women's access to such opportunities. Economic status of women seen from its activities in income generating activities, access to factors of production, the level of income generated and its contribution to the family income. The role of women in the UMKM sector's is generally related with the fields of trade and processing industries such as food stalls, small shops (designing), food processing and handicraft industries, because this business can be done at home so that don't forget the role of women as housewives. Although initially UMKM of women do more as a side job to help her husband and to increase income households, but it could be a major source of household income if done in earnest (Primingtyas, 2011).

The role of micro enterprises consists of, dampening social unrest, to 'safety valve' the household, as an alternative to the business, and improvement of the economic conditions of society, in particular household micro businesses. While the special effects for women is improving the economic conditions of women in particular and economy families in general, create jobs for women, and increase women's courage in expressing opinions and independency on their husbands, especially in economical aspect. (Institute, 2003).

## Income Concepts

Revenue or income is the result of pecuniary or material results were achieved due to the use of wealth or humans services. Soekartawi (2002) suggested that the income is the difference between revenue and total costs incurred in managing business. Revenue of an attempt to measure the remuneration derived from using of production factors of labor, management and self-owned capital or loans invested in the business.

According Soedjatmoko in Yusria (2004), the revenue represents the difference between the value of production with all business costs are actually incurred. Furthermore Suratijah (2009) explains to calculate the income of a business can use nominal approach, that using prevailing prices, which can be directly calculated the total expenditure and total receipts for the period of the production process. Formula calculates nominal income is as follows:

$$\text{Revenue} - \text{Total Costs} = \text{Income}$$

$$\text{Revenue} = P_y \cdot Y$$

$P_y$  : production price (Rp/kg)

$Y$  : Total production (kg)

$$\text{The total costs} =$$

$$\text{fixed costs} + \text{variable costs}$$

$$(\text{TC}) = (\text{FC}) + (\text{VC})$$

According to Soekartawi (2002), the size of the income is influenced by three factors: the amount of production, production costs and prices. This is consistent with the opinion of Soerwiatmoko in Yusria (2004) that the

derived income from a production depends on the amount of goods produced in each type and unit price of goods.

## RESULTS AND DISCUSSION

### Identity of Women Micro

#### Formal education

Most of the level of Educational MBW in Southeast Sulawesi only completed elementary school level with a range of 55 percent (83 people), while in the Junior High School level at 16 percent. Meanwhile, the highest education level in this study is the High School with a range of only about 15 percent or 23 people.

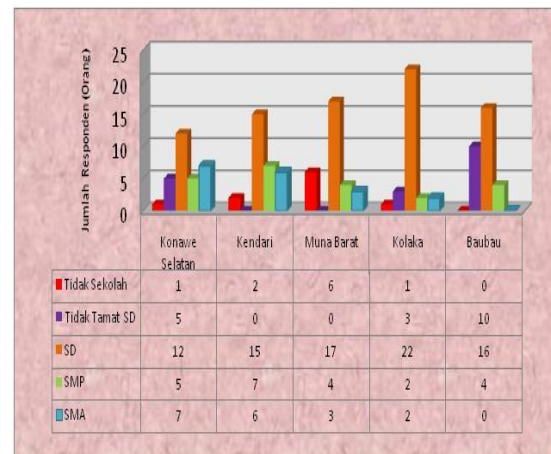


Figure 1. Number MBW According to Education in Southeast Sulawesi

To support the success of MBW from the perspective of education, in addition to formal education that they have traveled should be pursued non-formal educations in order to align the low level of formal education. NFE in question can be either mentoring or training appropriate to the efforts that we operate.

### Business experience

Length of experience MBW divided into three categories namely between 1-5 years, 6-10 years, and the experience of over 10 years. Results showed that nearly half of the respondents had over 10 years of business experience that is as much as 43 percent. The range of business experience to providing strength to the MBW to managing and growing their business because during the running of the business, MBW will obtain much information and many innovations are adopted for the development of its business.

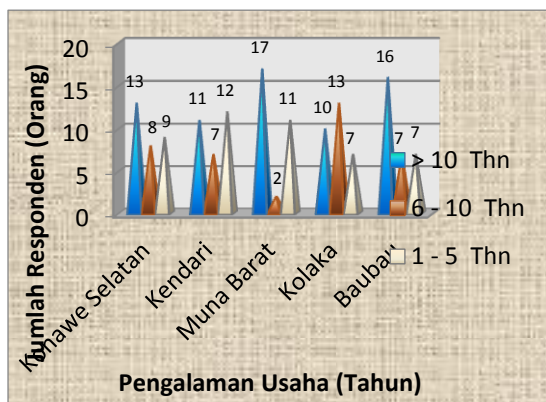


Figure 2. Number of MBW Based Business Experience in Southeast Sulawesi

MBW experience over 10 years will be a provision in business development, so that the experience would be a force for MBW. Based on the results of the study, that the range of experiences between 6-10 years; 27 percent while 1 - 5 years reached 31 percent. Differences in levels of MBW experience allows for differences in the ability to managing the business, information and innovation thrive. So long business experience is not be the only measure of the success of the business, but as much as what he manage the business by following and

adopting innovations that support the development of its business.

### Ethnic origin

Territory that became the sampling of this study consisted of 5 regions, and from the region met the 6 ethnic that is Ethnic Muna, Buton, Java, Tolaki, Bajo and Bugis. Sixth is the primary ethnic population of Southeast Sulawesi and some very dominant ethnicity based on their respective territory. For example, Ethnic Tolaki dominant in Mainland Konawe in general, Buton Ethnic dominant in the mainland city of Baubau or the Buton in general, Ethnic Muna dominant Mainland Muna, Ethnic Bajo spread in coastal areas in the Southeast.

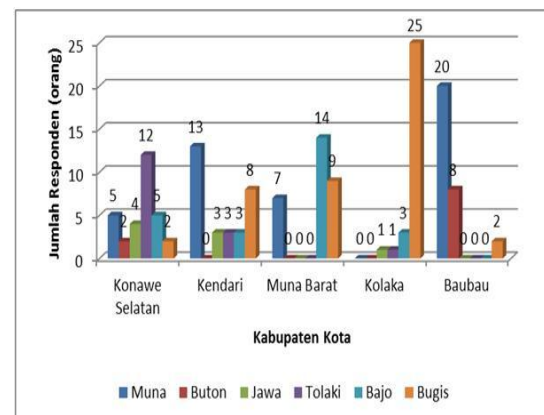


Figure 3. Number of MBW Based on Ethnic Origin in Southeast Sulawesi

Bugis ethnic group occupy the greatest number which is about 31 percent, because ethnicity is not only dominant in one area but spread sampling in other regions even though the amount is not more than ethnicities in the area. After ethnic Bugis, there is 30 percent ethnic Muna, 17 percent of ethnic Bajo, 7 percent ethnic Buton, 11 percent ethnic Tolaki, and Java 5 percent. Based on the distribution of ethnic MBW above shows that ethnic Bugis spread with the greatest number, especially in Kolaka, while the second

largest is Ethnic Muna who live in the City Baubau.

**Contribution of Micro Business Women**

**Contributions MBW Against Businesses**

**a. Number of Working Time**

The presence participation of female labor force resulted in the role of women in economic activities is large enough so that the working time of women be increased. The economic activity in coastal areas can not be separated with activities in the fisheries sector and the role of women in the fisheries sector to improve the economy of the greater family.

The outpouring of work is the real number of working hours devoted to income generating activities by household members. Working hours can be seen from the length of the work that can be measured in hours of work per day. Outpouring of MBW work by itself can also reflect the opportunity to work is . As businesses, MBW will devote his time besides work on the activities of the households in order to increase income and spare time, so that various types of work will be occupied MBW in order to increase family income.

MBW percentage who do the work every day and working hours of women in micro-business activities (MBW) and taking care of the household can be seen in the image below (Figure 4, Figure 5).

The majority of MBW doing his job (micro business) every day with a range of 67-100% while MBW that are not doing their work every day ranged from 0-33%. The reason MBW do their work every day due to fresh fish and processed fish is available all day so that it can be traded continuously and the income is used to improve the welfare of the family, while the reason MBW not

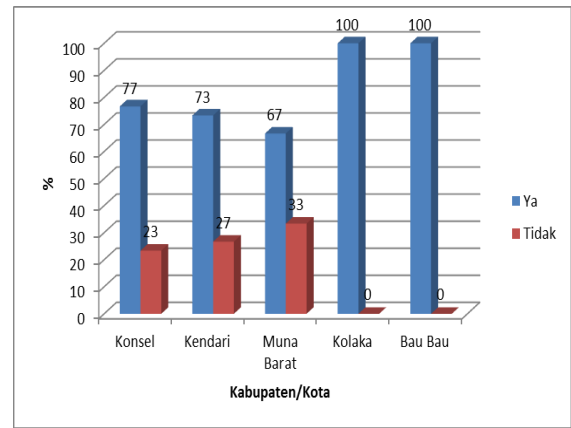


Figure 4. Persentase PUM yang Melakukan Pekerjaan Setiap Hari

doing their jobs every day because of fresh fish and processed fish traded is not available throughout the day as well as venture capital constraints when bad season because of the price of fresh fish to be expensive at the merchant level.

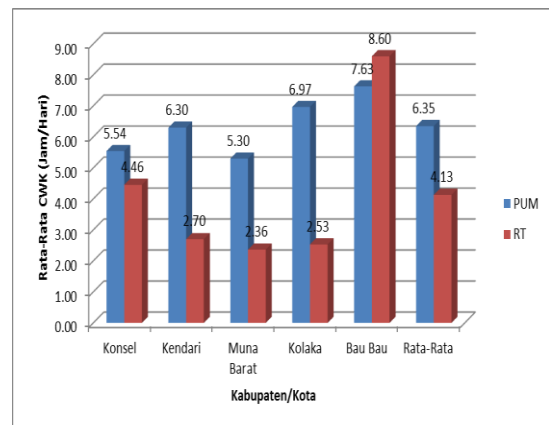


Figure 5. Curahan Waktu Kerja Rata-Rata PUM

**b. Venture capitals**

Based on Figure 6 we know that about 83% MBW use their own capital and only 17% MBW who use credit as venture capital. Based on the results of the analysis showed that the MWB use their own capital because during most of PUM, they do not know how to obtain loans through banks and think that to get loan from the bank is very difficult and probably require sasset to be guaranteed.



The average private capital used by MBW to run the business is IDR 5,431,933 with range between IDR 846.667 - IDR 11,000,000 while the average bank loan capital used by MBW is IDR 9,510,346 with range between IDR 1.075 million - IDR 21.916.667. According to the amount of capital owned by the MBW, it is still classified as micro ie productive businesses owned by individuals and / or individual entities, based on its development, MBW also classified as livelihood activities, ie small and medium enterprises that used as working opportunity for a living, which commonly known as the informal sector.

The increased of MBW institutionally through a formal institution that supervised MBW will increase the role of MBW in maximizing local revenue of the districts/city in Southeast Sulawesi through licensing and payment of the levy, which is still individually paid so that the role of MBW will be more increased.

#### MBW Contributions to the Families

The informal sector became one of potential employment provider. Women played a major role in realizing the economic order in society through MBW, which had a positive impact to reduce poverty by providing a real contribution to their family income. Enormity of MBW contribution to their family can be seen in Figure 8.

Based on Figure 8 it is shown that the average contribution of MBW to their family ranged between 28.57% - 71.43% with an average of 52.68%, which indicates that the MBW contribution to their family income in medium level. MBW increase their participation in economic activities by

their willingness to be economically independent to fulfill their needs and necessities of life as well as their dependency on with their own income.

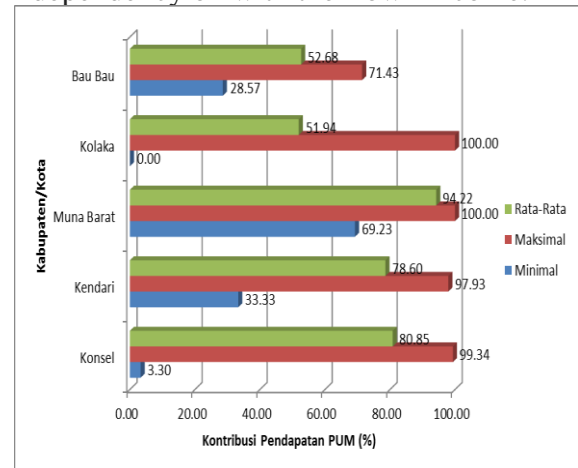


Figure 8. MBW percentage contributions to the Family

MBW potentially contribute to household income, which women family members step into the job market to gain household income that is insufficiently perceived. Other possibilities that cause MBW participation to increase is growing of employment opportunities that can absorb women workers.

The results also showed that the MBW as human resources also have significance participation, especially in the fulfillment of the functions of the family and the husband as the household. This is consistent with several studies that demonstrate the role of women in various industries in some areas which are quite large and decisive, with independent business management (Lestari, et al: 1997).

## CONCLUSION

MBW has a big potency to support their family lives. However, woman cannot be self-effacing or claim that they are the main pillar of the family economy. This is paralel with the results of research conducted by Wibowo (2002), the traditional traders in Semarang showing that women traders still do not want to highlight themselves or claim that his activities as a trader are the main (primary) job, but simply to support the activities of their husband, however it is possible that their income can be greater than their husband.

Based on the results of the research about the contribution of MBW to SMEs to their business and family, it can be deduced that:

- a. MBW has a considerable contribution to the business of their families. It can be seen from the amount of working time, that most of MBW regularly work everyday, and only a small fraction of MBW that do not work daily, with working hours reached at 6.35 hours per day and the activity household 4,13 hours per day.
- b. Routinity of the business of MBW highly depend on the availability of raw materials such as fresh fish and processed product, including the availability of venture capital. Related to venture capital, there is still a small part MBW that have capital less than 1 million, but in a large scale, some of them already have capital of more than 20 million.

## Suggestions

Some suggestions can be submitted for MBW development in Southeast Sulawesi as follows:

1. To solve capital problem, it is necessary to increase institutional capacity and service quality of local financial institutions to provide an alternative source of financing for MBW with a simple procedure.
2. Development of facilities and business support systems is required for MBW to improve access to a larger area of market.
3. Efforts to develop MBW human resource capacity through training, guidance and counseling consultation need to be conducted mainly by the government. Training should be focused on the diversification of products (process) to gain the value of the product, as well as MBW managerial aspects because they generally are weak in business management.