The model of fishing partnership in financing and marketing product: case study in Tangerang Regency

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Abstract. The purpose of the study is to describe the model of fishing business partnership in financing and marketing product in Tangerang regency. In general, the financing and marketing product are obstacles in fisheries business. Fishermen built a partnership as an effort to maintain the sustainability of their business fisheries. The study was conducted in April 2019 in Pakuhaji district, Tangerang regency, Banten province. Qualitative methods are used in this study by analyzing descriptive based on primary data from fisherman. The results show that the partnership model of fishing business in financing and marketing product by using patronage patterns between fishermen and bosses or langgan. The business partnership model built are informal, patron-client or reciprocal and without a written contract. The fishermen have a boat used the bosses capital, while the boss benefits from the margin from prices and the commission system based on the large of fishermen's debt. The factors to build business partnership models are financial, technical and social.

1. Introduction
Government Regulation (PP) No. 47/1997 concerning the Partnership, has set the pattern of cooperation with the principle of partnership for UMKM (Usaha Menengah Kecil Mikro). Partnership is one of the government's mainstay development strategies that favor small and medium entrepreneurs. The partnership policy program contains: rules of the game, guarantee of the rights and obligations of core and plasma companies, the pattern of synergy relations between core and plasma companies, and the role of the government as a coach and facilitator as well as supporters of partnership program funds. The hope of the partnership that was initially in the agricultural sector was to be able to increase economic development investment. That program by involving small and medium enterprises aimed at opening new employment opportunities, increasing income and equalizing community income, empowering efforts and reducing economic inequalities between large agro-industry companies and farmers small. For farmers and UKMK, the partnership program is an expectation to increase business activities and income and improve the level of welfare, while for core companies, the partnership program is an opportunity for business development in conditions of limited land and capital. The partnership adheres to the principle of departure and interdependence [1].
In [2] concerning Micro, Small and Medium Enterprises, Partnerships or "partnerships" is cooperation in business relations, both directly and indirectly, on the basis of the principle of mutual need, trust, strengthen and benefit involving Micro, Small and Medium Enterprises, and Intermediate with Large Businesses. Partnerships are implemented in a pattern: a. nucleus-plasma; b. subcontracting; c. franchise; d. general trading; e. distribution and agency; and f. other forms of partnership, such as: profit sharing, operational cooperation, joint ventures, and outsourcing. The partnership implies the existence of a cooperative relationship between two or more parties that synergize and are voluntary on the basis of mutual need, mutual reinforcement, mutual benefit. In this case, no party is harmed, each partner party will benefit from the collaboration [3].

Republic of Indonesia Minister of Maritime Affairs and Fisheries [4] concerning partnerships in open business fields with requirements in the maritime and fisheries sector. It referred to as partnerships is cooperation in investment activities for Business Fields which are open with requirements both directly and indirectly, on the basis of the principle of mutual need, trust, strengthen and benefit that involves micro, small and medium enterprises with large businesses. The partnership in the business sector aims to provide a reference for implementing the Partnership as a requirement in the field of investment. Quoted from Arifin Z (2009) in [3] that in developing small businesses in capture fisheries in Indonesia, there are several patterns or forms of partnerships between small businesses and large entrepreneurs, which can be classified as follows:

1. Core-plasma partnership patterns. In this pattern, it is generally a relationship between farmers, farmer groups / fishermen as plasma and the core companies that have business partners. The core company provides land, production facilities, technical guidance, management, accommodates, processes and markets the products. While the partner group is obliged to meet the needs of the core company in accordance with the agreed upon requirements.

2. Subcontracting Partnership Pattern. This pattern is a partnership pattern between companies and partner groups that produce components needed by partner companies as part of their production. In this pattern it is marked by an agreement on joint contracts concerning volume, price, quality and time. This pattern is very useful in transferring technology, capital, skills and productivity.

3. Pattern of general trade partnerships. This pattern is a business relationship in marketing the production. In this pattern the parties involved are marketing parties with business groups supplying certain commodities. The application of patterns is often found in horticultural agribusiness activities, where horticultural farmer groups join in the form of cooperatives then partner with supermarkets or supermarkets. The farmer group is obliged to supply goods with the terms and quality of products that have been mutually agreed upon.

4. Operational partnership partnership pattern. This partnership pattern is a pattern of business relationships run by partner groups with partner companies. Generally partner groups are groups that provide land, facilities and labor. While partner companies provide costs, capital, management and provision of other production facilities. Sometimes partner companies also act as market guarantor by increasing product value added through processing and packaging. This pattern is often applied to sugar cane, tobacco, vegetable and aquaculture plantations. In this pattern it has been arranged about the agreement on the distribution of results and risks.

This paper aims to describe the fishing business partnership model in business financing and marketing of fishery products. The study was conducted in April 2019. The research location was in Tangerang Regency, precisely in Pakuhaji District. The data used are primary data originating from fishing businesses in Tangerang district. Qualitative methods are used in this study by analyzing qualitative descriptive data based on primary data to describe the partnership patterns found in fishing rods.
2. Methodology

2.1 Source and period of data collection
Data for this paper was the survey results of the program on partnership finance and marketing fish products in Tangerang Distric, Banten. The respondents were fishermen from the following villages: Pakuhaji. The survey was conducted during the period of 2015 and April - May, 2019.

2.2 Data analysis
Data was analyzed using qualitative analysis. The analysis was using descriptive. Descriptive analysis explained the phenomenon fisheries business in Tangerang.

3. Results and Discussions
Location of fisheries centers in Tangerang Regency namely Pakuhaji district. One of the fishing locations in the sub-district is Suryabahari Village. Pakuhaji Subdistrict is a lowland area which is located in the coastal area to the east of the northern part of Tangerang Regency which consists of 14 (fourteen) villages. The boundary of Pakuhaji Subdistrict: To the north, is directly adjacent to the Java Sea, to the east, bordering the District of Pakuhaji, to the south, bordering the District of East Sepatan, to the West bordering the District of Sukadiri. The characteristics of the age of fishermen in are dominated by highly productive fishermen who are between 21-42 years old. Many of them are 40 years old. Based on research, fishermen in the productive age group amounted to 22% between 50-60 years. More clearly can be seen in table 1 below.

| No. | Category Working Group | Age (Year) | Number (Soul) | %   |
|-----|------------------------|------------|---------------|-----|
| 1.  | Age less productive    | <15 and> 60| -             | -   |
| 2.  | Productive age         | 46-60      | 3             | 12  |
| 3.  | Age very productive    | 15-45      | 23            | 88  |
| Total|                        |            | 26            | 100 |

Source: primary data processed, 2019

In general, the majority of fishermen finish primary school (SD). Fishermen who graduated from junior high school (SMP) were only a few, namely 8% of the total respondents. There are no fishermen who have high level education. Low education is one of the factors being fishermen [5].

| No. | Category                        | Number | %  |
|-----|---------------------------------|--------|----|
| 1.  | Not graduated from elementary school | 5      | 19 |
| 2.  | Completed elementary school     | 17     | 65 |
| 3.  | Not graduated from junior high school | 2    | 8  |
| 4.  | Completed junior high school    | 2      | 8  |
| Total|                                | 26     | 100|

Source: Primary data processed, 2019
Fishermen become the main livelihood. Their business skills are obtained from their parents who are also fishermen. Generally, the experience of fishermen has been more than ten years.

| No. | Business Experience (years) | Number | % |
|-----|-----------------------------|--------|---|
| 1.  | 1-5                         | 1      | 6 |
| 2.  | 6-10                        | 5      | 28|
| 3.  | > 10                        | 12     | 67|
| Total|                             | 18     | 100|

Source: Primary data processed, 2019

In general, fishermen in Pakuhaji are daily fishermen. Their fishing time is to leave in the morning and return in the afternoon or evening. Their fishing area includes the thousand islands and Karawang sea waters. There are also fishermen who have three days of fishing even weekly. They are fishermen with fishing rods. The number of days in the sea correlates with the amount of income. In general, the income of fishermen in Pakuhaji is Rp.1,000,000 - 2,000,000, -

| No. | Operating Income (Rp. / Month) | Total | % |
|-----|---------------------------------|-------|---|
| 1.  | < Rp. 1,000,000                 | 2     | 8 |
| 2.  | Rp. 1,000,000 - Rp. 2,000,000   | 19    | 76|
| 3.  | Rp. 2,000,001 - Rp. 3,000,000   | 2     | 8 |
| 4.  | > Rp. 3,000,000                 | 2     | 8 |
| Total|                                | 25    | 100|

Source: Primary data processed, 2019

Variety of fishing gear used by fishermen in Paku Haji nets are fishing rods, Apollo, nets, trawlers, purseine and bubu. Generally the size of the fishing boat ranges from 1 GT to 7 GT. There are also ships with a size of 100 GT. In general, they can go to sea throughout the season. The average production is between 50 kg and 8 tons.

**Partnership**

Partnership is a pattern of cooperation between stakeholders in carrying out a business in the hope of providing benefits to these stakeholders [6]. In [3] Partnership in the capture fisheries sector is an operational cooperative partnership pattern, namely fishermen who provide labor with bosses as owners of capital providing ships and sea costs or better known as patron-client relationships [3]. The patron-client relationship according to Scott [7] is the exchange of relations between the two roles of bonding which involve instrumental friendship, where an individual with a higher socioeconomic status (patron) uses his influence and resources to provide protection, as well as benefits for someone with a status that he deems lower (client). The client then responds by offering general support and assistance including personal services to his patron. The basic purpose of the client's patron relationship is to provide basic social security for subsistence and security. If the relationship that forms the basis of the pattern of patron client relations is weakened because it no longer provides basic social security for subsistence and security, the client will consider the relationship with the patron to be unfair and exploitative.
According to Hefni [8], the patron-client is an economic and political dependency relationship. Patron-client relationships are characterized as personal and vertical relationships, namely personal relationships that are superior and inferior. Quoted in the writings of [8] that the term patron comes from the Latin "patrōnus" or "pater", which means father (father). Therefore, he is a person who provides protection and benefits and funds and supports the activities of several people. While the client also comes from the Latin term "cliēns" which means followers. In the literature of patron social science is the concept of relations between social status and the control of economic resources. The concept of patron is always followed by the concept of the client, without the client concept the concept of patron is of course not present. Therefore, both terms form a special relationship called the clientelism [8].

According to Scott[7] there is a threshold that causes a client to think that this patron client relationship has turned into an unfair and exploitative relationship, namely a cultural dimension and objective dimension. The cultural dimension is interpreted as fulfilling the client's minimum cultural needs, such as ritual events, collective social needs / groups and others. Objective dimensions tend to fulfill basic / minimum needs that are based on self-satisfaction, such as providing assistance to sick people and others. The dependency relationship that supplies these minimum guarantees will maintain the legitimacy of the relationship between the patron-client. Clients will assess the relationship with patron as a relationship that is domineering and exploitative if the patron is unable to meet the two dimensions of those needs in the context of client satisfaction.

Some of the benefits provided by patrons to clients are basic subsistence livelihoods, namely the provision of permanent employment, guaranteed subsistence crisis where patrons guarantee the basis of subsistence for their clients by absorbing losses caused by problems from their work which will disrupt their clients' lives, protection from external pressure. Internally, patrons as a group can carry out their economic functions collectively by managing various assistance collectively for their clients. The advantage felt by patrons by providing protection to clients is being able to withdraw profits / gifts from their clients in return for their protection. In addition, services or personnel in the form of expertise from clients to patrons in the form of basic work services, additional services for households, private domestic services, periodic feeding and others. In a stable condition, the power relationship between patron and client becomes a norm that has its own moral strength in which it contains the rights and obligations that must be carried out by both parties. These norms will be maintained insofar as they provide a guarantee of basic protection and security for clients.

The working relationship of exchange flows that occur between patrons and clients is the first basic subsistence livelihood, and the second guarantees a subsistence crisis [9]. In basic subsistence livelihoods, patrons provide permanent jobs to clients with unwritten employment agreements. In the fishing community, during the working relationship the patron will provide subsistence livelihoods such as financing for fleets and fishing equipment and operational financing, even though the employment agreement is in an unwritten manner. Second, guarantees subsistence crisis, namely by providing loans to clients, when the client is affected or sick or usually during high winds and waves so that fishermen cannot go to sea. In this case, the patron gives loans when the client needs assistance in economic matters. In fishing communities, this condition causes client debt to increase to patrons. With the existence of a subsistence guarantee system from the patron to the client, this makes the client feel economically secure so that the two ties are increasingly tightened. This is like the results of research shown by [10] and [11] that the economy of fishing communities is a debt-based economy. This is because fisheries business has high risk characteristics, high uncertainty, risk of accidents, and damage to production assets. In addition, catches have perishable properties as well as uncertainty in marketing results. The characteristics of this business cause the business of the fishermen to require guarantors to overcome vulnerabilities as mentioned above. Debt institutions guarantee consumption, production and marketing to be able to walk
in balance. Households use debt services for consumption and production, debt services as well as production products. In practice the cooperative relationship between patrons and clients in the fishing community runs unbalanced because fishermen are very dependent on the skipper who has capital and fishing equipment. Fishermen are tied to bosses because of ‘money loans’ as well as unwritten cooperation agreements between fishermen and juragan [3]. This condition causes fishermen to always be tied to the boss because they cannot afford to pay the bigger debt. Loan money to fishermen is one way to keep the working relationship between skipper and fishermen uninterrupted. Distribution of results that are not impartial to fishermen because fishermen receive smaller results than the skipper. This causes fishermen more difficult to get out of poverty [3].

In fishing communities, the partnership can be seen from the aspect of input production and marketing of production. In the aspect of financing, the partnership pattern that occurs is a pattern of financing with a customer system or boss where the langgan or boss helps finance fishermen in terms of investment and operations. The intended investment is in the case of purchasing or procuring fleets and fishing equipment. for operations, such as purchasing rations or fishing supplies. One consequence of this langgan system is that fish caught by fishermen must be sold to langgan or bosses or bakul. Loans given by langgan to fishermen to purchase fleets and fishing equipment are not compulsory to pay (as a binder so that fishermen do not switch to other langgan or bosses). The selling price of fish remains the same as the market price because the langgan or boss gets a fee from the sale of between 7-12% (usually 10% for ramp, and 12% for payang). For an operational cost loan, the purchase of supplies for fishing will be deducted after the landing of the fish. The pattern of boss partnerships with private parties in marketing fishery products and the rules of the game are first, fishermen given financing and investment loans, as a consequence of low economic value catches being auctioned to TPI (Bosses get fees from sales value), while fish with high economic value are sold to bosses or langgan (prices are generally determined by the boss). Fishermen run boats and fishing gear owned by bosses or langgan, enforcement of profit sharing.

The results show that the partnership model of fishing business is for financing and marketing of fishery products by using patronage patterns between fishermen and bosses or langgan. The business partnership model built in financing and marketing of fishery products is informal, patron-client or reciprocal and without a written contract. The partnership model using patronage patterns of fishermen and bosses or these langgan is felt to be beneficial by both parties. The fishermen have a boat with bosses or langgan’s capital, while the boss or the langgan benefits from the difference in fish prices and the commission system with the amount depending on the large of the fishermen's debt. many things that attract fishermen build business partnership models, both financial, technical and social. financial factors include investment and operational needs. Technical factors can be related to the characteristics of capture fisheries that have high risk and yield marketing needs. Social factors include education and the perspective of fishermen who prefer to minimize economic risk.

4. Conclusions and Recommendations
In general, the fishing partnership model is very bound and depends on the boss or langgan. The partnership model that occurs is more of a patron-client relationship. The pattern of partnership that is built is informal, without any written contractual ties. The fisherman and boss partnership pattern applies in business financing and marketing of fishery products. Bos or langgan run two functions, both business financing (investment and operations) and fishery products marketers. The pattern of partnership with the private sector such as companies, restaurants, hotels, and others is done by the boss or langgan. The boss partnership pattern with banking financial institutions is interwoven in business financing, generally for investment. The rules of the game that apply in a boss partnership or langgan with financial institutions
both banking and cooperatives apply like the rules of the game applied by banks to other general public
(procedural have collateral, survey system, monthly installments, and imposition of sanctions).

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