Wage System and Profit Sharing in Fish Catching Business Using Lift Net in Ocean Fishing Port of Belawan

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Abstract. Research on the wage system and profit sharing was carried out from January to June 2018 in the Ocean Fishing Port of Belawan, North Sumatera Province. The research was aimed to find out how the wage system and profit sharing using lift net. Determination of respondents about the wage system and profit sharing done by purposive sampling methods. Fishing operations using lift net in Ocean Fishing Port of Belawan applied wage system and profit sharing. Wage system applied are daily wage system, with the amount of payment ranging from IDR 50.000 – 100.000,00/day. For the profit sharing system, the owner or the investor gets a 60% share and the fisherman gets a 40% share of the profit of fishing activity. The operational cost were shared proportionately. This profit and sharing system does not match Indonesian fishing regulation No. 16/1964, due to lower payment for the working fishers.

1. Introduction
Utilization of fisheries resources in Indonesia done through fishing and cultivation. Mostly, fish production is still from the catch of fishermen. Based on [1] article 4 paragraph 5 concerning of fishery. Fishing is an activity to obtain fish by using fishing gear including using ships to load, transport, store, cooling, process and preserve. From the definition it can be concluded that there are an aspects that affect fish catching that is fish resources, fishing gear, ships, fishing ground and human resources. Human resources could be classified as main fishermen or second fishermen which creates good cooperation in wages and profit sharing systems.

According to [2], article 1 paragraph 1 that explains about agreement on results is an agreement made in an attempt to fish catching or maintenance between main fisherman and second fishermen. Main fishermen and second fisherman made an agreement about wages and profit sharing previously agreed by each other’s. And the fact is second fishermen have no power that impact the agreement made more profitable for main fisherman. According to [3], cooperation pattern between main fishermen and second fishermen based on habit and cultures prevailing in the local areas and very difficult to change. Unfortunately, the habits more harm to second fisherman. According to [4], the wages gap between main fisherman and second fisherman has caused delays in the economic changes of fishermen.

According to [5], said that main fishermen made profit sharing term belong to local term have agreed. The wages term and profit sharing system offered to second fishermen to be willing to cooperate with main fishermen. Usually second fishermen would accept the offered of main fishermen to do the deals as agreement agreed. The wages amount received will affect the level welfare of second fishermen itself. According to [6], profit sharing system formed as a result of the high risk of fish catching business. And then low wages and profit sharing received by second fishermen affect to social economic inequality especially to the second fishermen.
The fact of profit sharing system that applies more profitable to main fishermen itself. Furthermore second fishermen incur operating costs that will increase every year by reason of increasing age of the ship. This situation affect to wages level and social economic inequality of second fishermen getting lower [7]. Actually, profit sharing system has been established by the government which is set in UU No.16/1964 based on the regulation, percentage of main fishermen and second fishermen is 60% for main fishermen and 40% for second fishermen.

According to [8], fisheries business acceptance fluctuating and uncertain. Then in the implementation of fish catching business cooperation between main fishermen and second fishermen more prefers applying of profit sharing systems. Based on temporary observations, the profit sharing system that is run tends to benefit the main fishermen. This also impact in the low investment development of fishermen. This level of investment requires optimization and utilization of the potential of fish resources. The effect of profit sharing system has a multiplier effect on the lives of fishermen. Low income causes weak economic, social and political position which has an impact on the economic welfare of fishermen, the regulations of profit sharing systems affect to efforts of increasing income and fishermen welfare. Based on [9], article 30 paragraph 1 concerning of fisherman protection regulations, the central government and regional government in accordance with their authority provide protection to fishermen fish farmers, and salt farmers for the risks faced when fish catching and salting business. The Indonesian government has regulated the legal basis regarding fishery profit sharing which is regulated in UU NO.16/1964 article 3 paragraph 1 but the regulation is not fully operational.

The state has regulated the legal basis regarding fishery profit sharing contained in Article 3 paragraph (1) UU No. 16 of 1964 but this regulation is not fully operational. The difference in income between the practice and the law obtained by the owner and tiller fishermen lies in the incompatibility of sharing the burden shared. This results in a significant income difference between practice and law. Operational costs that are jointly borne cause a large income difference [10].

Based on the conditions this study will look at how the wage system and profit sharing in the fish catching business using lift net media in PPS Belawan and compare to government wage and sharing profit systems agreed.

2. Methodology

This research was conducted in January to June 2018 at Belawan North Sumatra PPS. The method used in this research is a survey method. Determination of the respondents done purposive of fishermen who own vessels 30 GT and 40 GT, and second fishermen consists of captain and crew. Primary data collected through interviews with the owner and the fishermen using stick held dip net (bouke ami)-which is guided by the questionnaire that has been prepared. While secondary data were obtained from PPS Belawan.

3. Result and discussion

3.1 General Description of PPS Belawan

PPS Belawan is one of the technical implementing units in the field of fishery port under the guidance and responsible to Director General of Fisheries. PPS Belawan has a good position and strategic is located near the east coast of Sumatra (Malacca Strait). Fishing ground: WPP-RI 571 (Malacca Strait) WPP-RI 711 (South China Sea) and exclusive economic zone waters. Big potential of fish resources and as one of the outer fishing ports and one of the economic activities of several countries in Asia. The construction of this fishing port provides a complement to service users and fisheries to developing of fish catching with many media include lift net media.
3.2 Stick held dip net

Bouke ami is rectangular net fishing gear (8-12m) that done by lowering and lifting vertically from the side of the ship. In operation of bouke ami using fishing aids. According to [11] the catch is squid (Loligo sp). The ship of fishermen has a freezer to keep the fish. The freezer can contained up to 5 tons.

The capture area of bouke ami fleet is located in the area WPP-RI 711 is karimata strait, natuna sea, and south china sea. Yield production for the 30 GT and 40 GT vessels in 2018 is listed in Table 1.

Table 1. Average production for vessels of 30 GT and 40 GT in 2018 in PPS Belawan

| Season | Frequency / Year | Average (Kg) |
|--------|-----------------|--------------|
|        | 30 GT | 40 GT | 30 GT | 40 GT |
| High   | 4     | 3     | 24.460 | 25.149 |
| Medium | 3     | 2     | 12.607 | 13.149 |
| Low    | 2     | 2     | 5.344  | 7.181  |
| Total  | 9     | 7     | 42.412 | 45.479 |
| Average/Year |       | 4.712 | 6.497  |

Source: Primary Data 2018

Based on Table 1, the catch of ship 30 GT is almost same as the catch of ship 40 GT. This is caused by 30 GT vessels catch more each year than 40 GT vessels,

3.3 Wages and profit sharing system

The fish catching using Bouke Ami doing a payroll system by wage system and profit sharing system. According to main fishermen 1/3 of the Bouke Ami operates in Belawan using wages system and 2/3 more using profit sharing system.

3.4 The wages system

Wages are the amount of money received by second fishermen in a certain time unit. According to [12], wage is an acceptance as a reward from the employer to the work recipient for a job or service serves as a guarantee of the survival of a decent life, an amount of money in accordance with work agreement previously established. Wages earned are based on catches IDR $5.000 – IDR $7.000/KG. At the time of this research, squid was valued at IDR $6.000/KG. The basic wage system that applies to Bouke Ami at PPS Belawan described in table 2.

Table 2. Basic Wages of Second Fishermen Cultivating Ships of 30 GT and 40 GT in PPS Belawan 2018

| No  | Second Fishermen    | Wages / Day | Wages / Trip |
|-----|---------------------|-------------|--------------|
|     |                     | 30 GT       | 40 GT        |
| 1.  | Captain             | 100.000     | 2.500.000    | 3.000.000    |
| 2.  | Vice-Captain        | 80.000      | 2.000.000    | 2.400.000    |
| 3.  | Mechanic            | 80.000      | 2.000.000    | 2.400.000    |
| 4.  | Kitchener           | 50.000      | 1.250.000    | 1.500.000    |
| 5.  | Electrical          | 100.000     | 2.500.000    | 3.000.000    |
| 6.  | Netting crew        | 100.000     | 2.500.000    | 3.000.000    |
| 7.  | Setting and Hauling | 100.000     | 2.500.000    | 3.000.000    |
|     | Total (IDR)         | 610.000     | 15.250.000   | 18.300.000   |
Based on Table 2 the total wages of second fishermen for 30 GT vessels are IDR 38,000,000/trip. Each fishing trip takes 25 days and in a year can do as many as 9 trips. Total fishing wages for 40 GT vessels are IDR 43,500,000/trip. Every trip takes 30 days so that in a year can do as many as 7 trips.

3.5 Profit sharing system

Generally, profit sharing system profit sharing system in the field of fisheries is profit sharing main fishermen owners and second fishermen. The amount received by each fisherman varies depending on fishing technology applied and the costs borne by each fisherman.

According to [13], before UU No.16/1964 agreed, profit sharing system do based on cultures of the fishermen. At that time Indonesia had not provided and guaranteed a decent share for main fishermen and second fishermen.

Profit sharing system applies at PPS Belawan still based on local customs and cultures. The percentage each others are 60% for main fishermen and 40% for second fishermen, the calculation are done after deducting operational costs.

**Table 3. Profit Sharing Between Main Fishermen And Second Fishermen of 30 GT And 40 GT Vessels in Belawan PPS 2018**

| No | Description                  | Total (peoples) | Total wages | Income (IDR/trip) |
|----|------------------------------|----------------|-------------|-------------------|
|    |                              |                | 30 GT       | 40 GT             |
| 1. | Acceptance                   | 188.480.000    | 259.880.000|                   |
|    | Operational Cost             | 58.550.000     | 83.400.000  |                   |
|    | Consumption Cost             | 14.600.000     | 20.800.000  |                   |
|    | Total Income                 | 115.330.000    | 155.680.000|                   |
|    | Main Fishermen 60%           | 1              | 69.198.000  | 93.408.000        |
|    | - Captain Bonus Cost         |                | 1.000.000   | 2.000.000         |
|    | - Net Owner Income           |                | 68.198.000  | 91.408.000        |
|    | Second Fishermen 40%         | 12             | 46.132.000  | 62.272.000        |
|    | - Captain                    | 1              | 5           | 12.814.000        | 15.568.000 |
|    | - Vice Captain               | 1              | 3           | 7.688.000         | 9.341.000  |
|    | - Mechanic                   | 1              | 2.5         | 6.407.000         | 7.784.000  |
|    | - Kitchener                  | 1              | 1.5         | 3.844.000         | 4.670.000  |
|    | - Electrical                 | 2              | 1           | 5.126.000         | 6.228.000  |
|    | - Netting Crew               | 2              | 1           | 5.126.000         | 6.228.000  |
5. Setting and hauling crew

| No. | Wages Systems (1,000) | Percentage | The Regulations Of Profit Sharing System (1,000) | The Difference Of Wages (%) |
|-----|----------------------|------------|-----------------------------------------------|----------------------------|
| 1.  | Acceptance           | 188.480    | Acceptance                                   | 188.480                    |
|     | Operational Cost     | 58.550     | Operational Cost                             | 58.550                     |
|     | Consumption Cost     | 14.600     | Consumption Cost                             | 14.600                     |
|     | Main Fishermen       | 79.108     | Main Fishermen                               | 47.238                     |
|     | Second Fishermen     | 43.522     | Second Fishermen                             | 68.092                     |
|     |                      |            |                                               | -24.570 (13.03%)           |
| 2.  | Acceptance           | 259.880    | Acceptance                                   | 259.880                    |
|     | Operational Cost     | 83.400     | Operational Cost                             | 83.400                     |
|     | Consumption Cost     | 20.800     | Consumption Cost                             | 20.800                     |
|     | Main Fishermen       | 108.798    | Main Fishermen                               | 62.128                     |
|     | Second Fishermen     | 57.282     | Second Fishermen                             | 93.552                     |
|     |                      |            |                                               | -36.270 (17.96%)           |

Source: Data Processing Results 2018

Based on Table 3 that the amount of income received by main fishermen for 30 GT vessel is IDR 68,198,000 and for 40 GT vessels is IDR 62,272,000.

4. Discussion

Based on the regulation of profit sharing system UU No.16/1964 article 3 paragraph 1 (b) that if the fleet uses a motor boat, the portion wages received by the second fishermen as much as 40% of the net yield. Article 3 paragraph 1 (a) that the joint responsibility of the main fishermen and the second fishermen is the cost of the auction, cigarette money and the provisioning costs for the second fishermen during the sea. Article 4 paragraph 1 (b) explained that operational costs and vessels repairs are borne by the main fishermen as the owner. The difference of wages system income compared to UU No.16/1964 describe at the table below.

Table 4. The Difference Of Wages System Income Compared To UU No.16/1964 in PPS Belawan 2018

Based on Table 3 wages system applies at PPS Belawan received by second fishermen smaller than using profit sharing system. Based on the local profit sharing system second fishermen for ships 30 Gt could be received IDR 46.132.000 (24.47%) and for the wages system the second
fishermen got IDR 43,522,000 (23.09%). This situation causes poverty in second fishermen. According to Fauzi (2005) the main cause of fishermen's poverty is the lack of policies directed at efforts to increase income and lack of understanding of the fishermen's poverty problem itself.

According to [14], factors that hinder implementation of UU No.16/1964 in Sukabumi lack of socialization of the existence of the regulations for fisheries products, the strength of the coastal society maintains the profit sharing customs, and weaknesses of the profit sharing regulations.

**Table 5. Revenue Difference of Profit Sharing System Compared to UU No.16/1964 in PPS Belawan 2018**

| No. | Profit Sharing System (1,000) | %       | The regulations of profit sharing system (1,000) | Revenue Difference (1,000) |
|-----|------------------------------|---------|-----------------------------------------------|----------------------------|
| 1.  | Acceptance                   | 188.480 | Acceptance                                    | 188.480                    |
|     | Operational Cost             | 58.550  | Operational Cost                              | 58.550                     |
|     | Consumption Cost             | 14.600  | Consumption Cost                              | 14.600                     |
|     | Income (net)                 | 115.330 | Income (net)                                  |                            |
|     | Main Fishemen                | 68.198  | Main Fishemen                                 | 47.238                     |
|     |                               |         |                                               | +20.960 (11.12%)           |
|     | Second Fishermen             | 46.132  | Second Fishermen                              | 68.092                     |
|     |                               |         |                                               | -21.960 (11.65%)           |
| 2.  | Acceptance                   | 259.880 | Acceptance                                    | 259.880                    |
|     | Operational Cost             | 83.400  | Operational Cost                              | 83.400                     |
|     | Consumption Cost             | 20.800  | Consumption Cost                              | 20.800                     |
|     | Income (net)                 | 155.680 | Income (net)                                  |                            |
|     | Main Fishemen                | 91.408  | Main Fishemen                                 | 62.128                     |
|     |                               |         |                                               | +29.280 (11.26%)           |
|     | Second Fishermen             | 62.272  | Second Fishermen                              | 93.552                     |
|     |                               |         |                                               | -31.280 (12.03%)           |

*Source: Data Processing Results 2018*

**Description:**

1. 30 GT vessel - Shortage of second fishermen's wages
2. 40 GT vessel + Excess in main fisherman income.

Based on comparison of the Profit Sharing System applies in PPS Belawan compare to regulation of profit sharing system second fishermen are disadvantaged as much as IDR 21,960,000 (11.65%) while, main fishermen benefited as much as 20,960,000 (11.12 %). According to profit sharing regulations UU No.16/1964 article 5 that if benefits of the profit sharing received by second fishermen is less than this law, the provincial government can set another part of the figure for with the condition that the profit sharing received by second fishermen is at least the same as the law.

According to [15], the state needs to have a reconstruction and implementation of the production sharing concept that should pay attention to the contract between second fishermen and main fishermen and also review the regulations UU No.16/1964 article 1 paragraph 1 (b) concerning profit sharing.
Conclusion
1. The income of second fishermen working on the local profit sharing system of 30 GT vessels are IDR 46,132,000 and 40 GT vessels are IDR 62,272,000. Whereas, with a 30 GT vessel wage system as much as Rp.43,522,000 and 40 GT vessels amounting to Rp. 57,282,000.
2. According to regulations agreed income of second fishermen for 30 GT vessels should be IDR 68,092,000,- and for 40 GT vessels IDR 93,552,000,-
3. Based on wages and profit sharing system applies at PPS Belawan compared to the regulations agreed can be concluded that second fishermen on 30 GT Vessels lost as much as IDR 21,960,000 (11.65%) and IDR 36,270,000,- (17.96%) for 40 GT vessel.

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