

# Phenomenology Study of the Sustainability of Rattan Industry Cluster in Cirebon District, Indonesia

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***Abstract.* The current study aims to analyze the sustainability of the rattan industry cluster in the Cirebon District, Indonesia. This research uses a qualitative approach, with the method of phenomenology. Research informants consisted of business people, academics, and government, totaling 16 people. The data is processed using Nvivo 12. The results of this study indicate that the efforts to maintain the rattan industry covered 4 (four) strategies, namely strengthening the supply of raw materials, branding the international rattan market, strengthening local culture, and monitoring environmental issues.**

***Keywords:* SMEs Cluster, Rattan Industry, Sustainability**

## INTRODUCTION

Nowadays, competition pushes countries to create additional values for their commodities to provide greater economic benefits [1], [2]. The regions are supported by resources, enabling the growth of the local economy, so the cluster is one of the approaches to the regional economy. Many countries at various levels of government tend to encourage the development of programs and policies related to improving the performance of industrial clusters [3]. In line with this concept, the rattan industry cluster in Cirebon District is one of the growing clusters with the support of the local wisdom and become the largest rattan cluster in Indonesia with target markets are Europe and America [4]. The growth of the rattan SME clusters in Cirebon District starting in the 1970s, even though this area did not have raw material resources. Historically, these clusters grew from artisanal clusters to active and advanced clusters [5].

As a cluster that grows in an area not supported by local resources, the sustainability process of this

cluster is interesting to be investigated. This is because not all clusters are able to survive in the long run. The success of the development of SME clusters in Cirebon District is also important to be studied because not all SME clusters in Indonesia succeeded, and even not all SME clusters in Java were successful [6].

Various regions that have resources of raw materials of rattan are still struggling to create the rattan industry cluster such as in Cirebon, [4]; however, various obstacles are still faced by stakeholders in the region. The availability of raw materials, not necessarily producing regions, will succeed in developing the cluster, as happened in India [6]. In a developing economy, clusters are originally processing local resources, but non-sustainability resources will limit the age of clusters [7].

The development of a cluster can not be separated from a variety of long business activities that lead to specialization. However, in some cases, new clusters can emerge along with existing clusters, for example, the biotechnology clusters that grew as complementary to software in Korea, including Jepara furniture industry clusters [8], [9].

As an urgent approach in industrial development, the existence and efforts to build cluster sustainability is essential [10], [11]. For this reason, the development of the rattan industry cluster in the Cirebon District is critical, especially rattan is one of the products related to environmental issues, which is usually sensitive in advanced societies [11]. The concept of sustainability at least covers business, social, and environment, and based on the three aspects of the sustainability concept, the cluster is expected to be more advanced and survive in the long term [12].

## METHOD

The current research uses non-mainstream research with the Schutz phenomenological

analysis model. Phenomenology research seeks to gather information about the sustainability process in rattan industry clusters from the main actors in clusters [13].

Data is collected from informants representing academics, business people, and government. The total number of informants is 16 people. The data is processed using various stages of qualitative data analysis, which consists of data description, harmonization, meaning construction, and conceptual description [13]. To obtain credible information during the research and data analysis, a data validity process is carried out to ensure the information collected is valid and reasonable [13]. All qualitative data collected were processed using Nvivo 12 software.

**RESULT AND DISCUSSION**

**Mind Map**

The mind map represents global research findings, and it is the essence of the results of the study. The sustainability of the rattan industry Cluster in Cirebon District is broadly carried out with various patterns that can be described as follows:

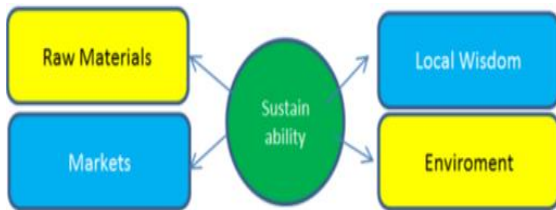


Figure 1. Mind Map

Efforts to build sustainability of rattan SME clusters in the Cirebon District are key to the industry's competitiveness. Without support from various stakeholders, competitiveness and sustainability will be disrupted.

**1. Looking for Rattan to Continuously Supply Raw materials.**

The inconsistency of the government's policy in opening and closing raw material export has had an impact on the survival of the Cirebon District rattan industry. This inconsistency forced much foreign direct investment in Cirebon as the grounds of raw materials. Efforts to maintain the supply of raw materials are critical, considering the availability of raw materials has an impact on the competitiveness of rattan SMEs in the Cirebon District. Strengthening of raw materials supply is carried out by three different levels, namely among businesses, among regional governments, and by the state in the context of closing of rattan raw material exports, as in figure 2.

At the lowest level, companies are to build links with other companies in raw material producing

regions. At the beginning of the development of the cluster, many rattan industries in Cirebon District made direct purchases in Kalimantan, Sumatera, and Sulawesi. The second and first pattern is strengthening the supply of materials in the government areas as a regulator. The government includes local and central government. Strengthening the raw materials supply by strengthening relations in regional governments can be described as follows:

“When Mr. Rusdi is the Mayor, and Mr. Dedi is the Regent, they met and sat together; however, some issues still exist because of the bureaucratic approach.” (SU)

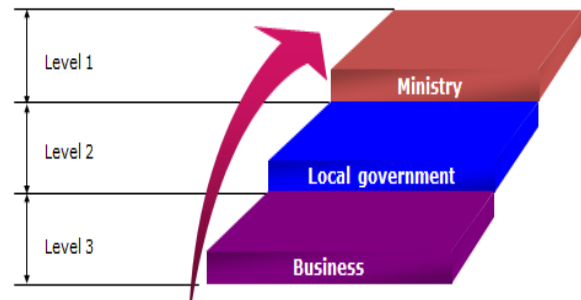


Figure 2. Three-level governance in strengthening raw material.

The third pattern is the ministry level as a policy level. For this reason, the role of the association is vital to express ideas to the government. The informant stated:

“We always push the government through the ministry so that the ban on exporting raw rattan is always maintained so that the supply of raw materials for domestic industrial clusters can be fulfilled (SU).”

The supply of raw materials is very urgent to maintain the life of the cluster in the long run [12], [13]. Clusters supported by the availability of raw materials will guarantee the stability of production, so that industrial relocation can be avoided. As an area that does not have raw materials from the natural surroundings, a collaboration with other regions must be done with a win-win solution scheme, so that Cirebon District and raw material producing regions will get economic benefits in the long run, which will extend the life of the cluster. [4], [14], [15].

**2. Focusing on Local Markets and Strengthening International Markets as a Rebranding**

Strengthening rattan as a leading commodity in Cirebon District and even nationally requires continuous efforts in the long run. Efforts to build the love of rattan through rebranding include

expanding domestic market share. The domestic market has potential. Now the challenge is how to build the image that rattan is also a good product. Building a love of domestic rattan through education or rattan tourism villages is one of the real efforts to build branding. Informant said:

“So marketing is also not only for export, but we also encourage rattan love through rattan tourism villages, as a form of preservation of our culture.” (SUR)

In addition, to penetrate the domestic market, rebranding is essential in foreign markets. The existence of a national rattan innovation center (PIRNAS) is one of its forms. If RADEC (Rattan Cirebon Design) is more oriented on how the development of product design in the Cirebon District, the National Center for Rattan Innovation (PIRNAS) places more emphasis on the invention. In this way, the two institutions have different rails. Rebranding in the country is aimed at building a love for rattan. This love will encourage people to prefer rattan products.

For foreign markets, rebranding is intended to remind the existence of rattan. Product knowledge about rattan is important for customers. This is consistent with the informant's statement as follows:

“So there must be a more specific program called rebranding rattan, which means it needs to be introduced again. That is where the role of the center of rattan innovation plays a role in repromoting rattan.” (AN)

The market will be the determinant of the sustainability of cluster life. A dynamic and advanced cluster is characterized by its ability to expand market coverage through existing innovations in the cluster [11]. Markets can be created through public education so that the process of strengthening clusters can be done by increasing new product segments produced by clusters [12]. Cluster strengthening efforts can also be carried out through the positioning of specific products so that the products produced by the cluster always have a good image in the long run [11], [14], [15]

### 3. Maintaining Local Wisdom

The local culture of weaving is a fundamental "key" to the growth of the cluster. Local wisdom that has developed over a long time has given characteristics that cannot be easily adopted by competitors. This preservation is intended to maintain local wisdom as a spirit in this industry. The informant said as follows:

“So through the rattan tourism village, we give the capacity building to the businesses. So that the image of rattan is

not associated as a cheap product.” (SUR).

“Some schools have a local content of rattan ... Yesterday, a school came here for a comparative study... how to weave, finishing.” (DA)

“... which is near Plered, batik, and around Plumbon sub-district, is woven rattan. Let them love local skills...” (HIS)

Efforts to strengthen culture and maintain local wisdom are not only socially meaningful. The approach that drives the increase in economic value is also important to realize. Local wisdom has become an important force in various cluster growths. [16], [17]. The power of local wisdom causes each cluster to be unique and not easily adopted by other regions. [5], [18], [19]. The involvement of educational institutions is also important considering the cluster must have regeneration so that the local uniqueness must be a wealth that must be preserved; this means cultural factors become something important to consider in strengthening the cluster [8]. Strengthening the cluster can also be developed by the region, so that business clusters not only develop in terms of production but also develop other sectors which are mutually supporting each other for the clusters. [6], [20]

### 4. Addressing Environmental Issues in European Markets

Environmental issues have become a sensitive issue in the decade. The issue of environmentally friendly is getting stronger, not only faced by rattan products. Other products, such as oil palm and wood, have been banned in the past few years.

The dynamics of the behavior of export destination communities, especially Europe and America, are the fact to be faced. This phenomenon makes the Cirebon District rattan industry must be able to adapt themselves to the industry's long-term sustainability. The initiation of strengthening the role of industry players (exporters) to build cooperation with rattan farmers is one of the efforts to build synergy. This information is based on the following informant's statement:

“Furniture exporter... He supplies to IKEA. We facilitate Vindora to Palu, Aceh, etc. There are benefits from Palu if you can sell directly to farmers. Later we encourage Vindora to provide training to Palu. The funding from us.” (SUR)

Understanding the market demands is also necessary, as the informant said :

“Environmental issues become very strong. This means that if a buyer buys rattan, it means

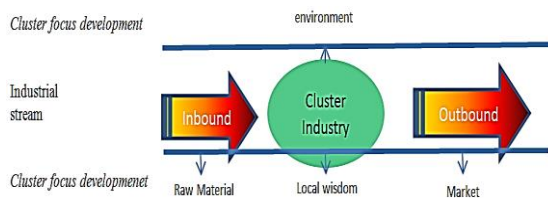
protecting the forest, preserving the nature, and supporting many people.” (SUR)

Non-environmentally friendly products become expensive because of the taxation in the destination country. The high taxes will impact the competitiveness of rattan products in the European and American markets. To that end, efforts to improve competitiveness can be made by cutting import tax costs abroad.

The shift of environmentally friendly production paradigm has shifted conventional production patterns, which only lead to partial productivity[21]–[23]. Environmental issues cannot be ignored because awareness of conservation and survival of life has become a global issue today. This means that industrial products must guarantee long-term life through a balance between the economy and a sustainable environment. [14], [22]. For this reason, natural resource management must have a balance between exploitation and reforestation, so that inbound logistics will support industrial life [8], [24].

Based on the description above, the activities related to efforts to maintain the sustainability of the rattan industrial cluster in Cirebon District can be described as follows:

Figure 3. Industrial stream and sustainability activity



The picture above justifies that the effort to maintain the sustainability of the rattan industry in the Cirebon District has a pattern in supporting the flow of industry that starts from inbound, the conversion process in the industry, and outbound aspects, as downstream from the production process.

### CONCLUSIONS

Based on the analysis of the field data and the description of the information above, the conclusions of this study can be drawn as follows:

1. Rattan SMEs Industrial Cirebon District grows because it has local wisdom as a determinant of Cluster competitiveness, not easily imitated by other regions.
2. The cluster of Cirebon District's rattan industry grows in areas that naturally do not have natural resources, but are supported by strong local cultural forces in the long run.

3. Sustainability of the Cirebon District rattan industry cluster, carried out with four main pillars: strengthening inbound logistics raw materials, maximizing the potential of local markets and rebranding international markets, maintaining local wisdom, and addressing environmental issues.

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