Government's Role in the Development of Blacksmiths Home Industry in Kampar Regency

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Abstract

This article discusses the home industry of blacksmith crafts which is a form of community business that can be empowered by the government. The aim is to find out and explain the role of the Kampar Regency Government in empowering blacksmith crafts. The collection of data and information is done through observation, interviews and documentation with qualitative data analysis methods. The results of the study prove that the role of the government in fostering the home industry of blacksmiths is as a coordinator by issuing various policies, as a facilitator (coordination, synchronization, and control), stimulator (integrating investment programs), and as mediator (intermediary) that cooperates with other business actors in the form of providing raw materials and marketing the handicrafts. The conclusion of this study is that the government plays a role in fostering blacksmiths as a policy-making coordinator, as a facilitator for business and environmental development, and as a stimulator by opening up investment opportunities for companies.

Keywords: Role; Governmental; Development

Introduction

This research focus on the role of local government in the development of blacksmith crafts in Kampar Regency. Blacksmith crafts are one of the home industries that can increase the economic growth of the community. Tools the blacksmiths produced are in the form of agricultural equipment that can be used by people in Kampar Regency and outside Kampar Regency which has the potential to be marketed to fulfill plantation equipment demand in various plantation companies in Riau Province. Thus, it is necessary for the blacksmiths/craftsmen to be empowered by the government so that they can develop their businesses.

Industry can be defined as all human activities in the field of productive and commercial in nature to meet life necessities (Ahyani, 2019). Home industry has three important underlying reasons for its existence: first, it is there to be able to produce a productive workforce; second, to achieve increased productivity through investment and change technology; third, to have an advantage in terms of flexibility over large undertakings (Literate & Indonesia, 2020). The industrial sector has a very strong influence on other sectors, one of which that has potential in rural areas is small industry or folk crafts (Syahdan, 2019).
Domestic industry is expected to take part in solving problems of industrial development in Indonesia (Andini Rahmatika Putri, 2017). Small industry occupies a strategic position in national development policy because small industry has better characteristics and use more labor than capital and equipment (Azmi, A. R., K. P. Hastuti, 2015). Home industry is categorized as a small industry, but it can absorb many workers in its daily activities (Sumanti, 2020). The blacksmith craft is hereditary industrial activities which were initially still very traditional and simple (Sukardi; et al., 2020). Optimizing the blacksmith industry center in rural areas will make a good impact, one of which, beside an increase in income, is a decrease in unemployment rate that can be felt by the surrounding community (Adinugraha et al., 2016). Moreover, the development of this blacksmith business will have a good impact on the productivity of business units because the company knows the production is on the run even though the level of business productivity often experiences ups and downs (Ramadhani et al., 2020). The existence of traditional blacksmith crafts is now in danger of being evicted by machine technology (Abubakar & S., 2020). Therefore, local government policies are needed to provide guidance to blacksmith business group (Adiputra, 2020).

The function of government is divided into four parts: public service, development, empowerment, and regulations (Rasyid, 2002). Through regional autonomy, it is expected that the government will get close to the people not only to provide services but also to empower them by carrying out guidance to the community. Coaching is important as an effort to realize community independence. One of the coachings that were carried out was the coaching of home industry.

Government organizations have implemented a number of information management initiatives that are designed to meet the needs of the organizations (Park & Neal, 2012). Industrial development is very important to increase job opportunities since it opens new jobs and increases people's income which can advance the economy. The development of small and medium industries is expected to provide benefits to the community as it is one of the development sectors in the economic field (Nori Yusri et al., 2019).

This community development is also an effort to increase the dignity of all levels of the community which in its current state is unable to be free from the trap of poverty and underdevelopment (Usrotun et al., 2019). The process of empowering the community requires concerted efforts on the part of the community and development partners (Ahmad et al., 2013). Empowering the community in the economic field can improve the welfare of the community that can be done through coaching, providing business capital for the community's economy including the development of the home industry. One of the characteristics of a country's economic development can be seen from the development of its industrial sector. The economic development that has taken place in developed countries shows that economic development must goes along with the development of the industrial sector. Small industries have a large role in driving development, especially in rural areas. As in Kampar district, the authors see the rapid development of the region but the concern, availability and community empowerment carried out by the government is still not optimal. Therefore, the home industry has the prospect to be considered and developed in order to improve the community's economy and create jobs for the community.

The business of blacksmith crafts have good prospects, in addition to being able to open jobs, boost the economy, and can be a choice of agricultural equipment that is selling well in local market targeting the farmers, companies in Kampar and Riau and the national domestic market. Large Oil Palm Plantation (PSB) is a palm oil plantation owned by a company with a minimum area of 5 hectares and a maximum area determined by the minister. The PSB studied were PT. Perkebunan Nusantara V (PTN), PT. Kebun Pantai Raja (PT. KPR), PT. Peputra Masterindo (PT. PMI), and PT. Adimulya Agrolestari (PT. AMA). Data from BPS showed that the number of companies engaged in plantations is 96 companies, but their goal was only to meet the needs of traditional farmers.

So many companies engaged in the area can become an opportunity for the blacksmith to market their products in meeting the needs of company equipment. But in reality, the production is only to meet the needs of traditional farmers. Therefore, the policy must be made by the regional government so that the company that uses blacksmith equipment for its plantation can buy equipment made by the blacksmiths in Kampar Regency including Rumbio Jaya District. But in reality, no effort was made in mediating and issuing policies that required companies to use blacksmith production from Kampar District. If this is done, there will certainly be an increase in production, income, and the number of new workers that can reduce unemployment in Kampar District.

Rumbio Jaya subdistrict has provided employment opportunities through the blacksmith industry. This industry is an individual business engaged in blacksmiths. The products produced are traditional agricultural tools such as Machetes, Dagger Knives, Hoes, and other agricultural tools. Here are some types of equipment and unit prices for blacksmiths.where is the table
From the above data, it is known that there are 108 blacksmith craftsmen and about 80 of them are located in Rumbio Jaya District. This industry has the opportunity to improve people's economy and create jobs because Kampar district has a very large area of plantations both companies and community plantations. Based on the Regulation of the Regent of Kampar Number 59 of 2016 concerning Position, Organizational Structure, Duties and Functions and Work Procedures of the Industry and Labor Agency of the Kampar Regency, as stated in article 14 letter d, the development and development section of Small and Medium Enterprises provides guidance to business actors and counseling of industrial and handicraft business actors to improve and develop industries, compile plans and develop materials for various handicraft industries.

The role of the Kampar Regency Government in the development of the blacksmith industry can be done by providing guidance to business actors and counseling and developing industries, as well as preparing plans and developing materials for various handicraft industries. Thus, the blacksmith can improve the quality of production and the number of craftsmen does not decrease since the facts on the ground show that out of 80 craftsmen only 50 operate and the rest have changed professions.

Government is a multi-process system that aims to meet and protect the needs and demands of the governed public services and civil services (Ndraha, 2010). Management is defined as "the ability associated with efforts to achieve certain goals by using humans and the various resources available in the organization in the most efficient way possible" (Rahman, 2019). There are a challenge to local governments as they become autonomous and resist central guidance (Rhodes, 1996).

Government management can be defined as "an activity or effort to achieve the goals of the state by using various sources controlled by the state. The core of government management lies in the process of mobilizing all sources to achieve the goals of the state, which is closely related to what we are familiar with as the function of civil service" (Suryadinata, 1999). The governance implementation requires government management that is oriented towards efforts for the interests of the government and the people. Government management is the process of government activities that are generally associated with efforts to run governmental power within the state by implementing management functions.

The government as the owner of state power has a role in developing the country. The role is a dynamic process of status; if a person exercises his rights and obligations according to his position, he carries out a role. The difference between position and role is in the interest of science. The two cannot be separated because one depends on the other and vice versa (Soekanto, 2013).

Four roles can be taken by local government, namely as an entrepreneur, the local government is responsible for running a business; As a coordinator, local governments can act as coordinators to create policies. Policies that lead to business success is the convenience to get a business license and government scheme funding (Khouroh et al., 2019). Industrial policy is defined as the use of power and government resources to implement a policy to meet the needs of a particular sector or industry (Saing et al., 2005). Local governments can also involve community groups in the process of gathering and evaluating economic information; As a facilitator, the local government can accelerate development through improving the attitudinal environment (behavior or culture of the people) in the area; As a stimulator, local governments can stimulate the creation and development of businesses through specific actions that will influence companies to enter the area (Arsyad, 1999).

In carrying out its role, the government conducts the fostering function to business world that runs entrepreneurship in globalization. "All actions are directly related to the planning, preparation, development, direction, use and control of all things efficiently and effectively" (Suherman, 2019). Coaching is an ongoing task in decision making in the form of a special order/general and instructions and to act as a leader in an organization or institution. Coaching efforts are normative issues, namely explaining how to change and renewal in coaching.

One of the coaching done by the government is coaching for the small industry. The small industry is an industrial activity carried out at the houses of residents whose workers are members of their own family who are not bound by working hours and places. The small industry is a productive business outside agricultural business, whether it is the main livelihood or side (Tambunan, 1999). The small industry is an industry that operates with several workers and small capital, using simple technology but the total number of workers may be large since it is a home industry (Sandy, 1990).

Some previous research shows that the role of government in helping the business world is needed. Small industries are unable to survive in competing with the global world involving international trade. A study concluded that the development of traditional blacksmith's business on the income of labor in Kuala Subdistrict, Nagan Raya District was largely influenced by seasonality.
It is because during the growing season and harvest season many people need equipment so that the income of blacksmith family businesses increases (Ajeni, 2014). Besides that, the implementation of the village program by blacksmith in Kajar Village has the potential to be formulated because of the excellence of its high-quality work products and historical value. With the empowerment of local communities through the work villages, the number of poor and unemployed people can also be overcome or reduced (Hendri et al., 2017). The ability to master marketing strategy will be related to the ability to recognize the internal environment and external industry in the form of environmental factor analysis to choose a strategy that suitable to run based on capital, equipment, and resources (Musthofa, 2014).

Based on the background above, the problem of research can be formulated as follows: "What is the Government's Role in the Development of Home Industry of Blacksmith in Rumbio Jaya District, Kampar Regency?" The purpose of this study is to determine and analyze the role of government in the development, to find out what role the government can play in the development of the home industry of blacksmith crafts, and to find out the inhibiting factors of the government in the development of blacksmith crafts in Rumbio Jaya District, Kampar Regency.

Research Method

This type of research is descriptive qualitative by conducting data collection techniques gradually through field observations by looking directly at the production process of blacksmith crafts and then analyzing the results of observations. The researchers then conducted in-depth interview with a number of informants, which were people from the Department of Industry and Trade of Kampar Regency, the blacksmiths, communities, and plantation companies. After that, the researchers carried out documentation process by analyzing documents related to the policies of Kampar district government in the development of home industries.

The research data needs to be prepared for analysis, to perform different analyses, to deeper understanding the data, to present the data, and to make a broader interpretation of the meaning of data (Creswell, 2014). The procedure is to summarize the findings as a whole, discuss the research findings based on the researcher's personal views and make limitations on research, and also plan for future research. When the results of data collection carried out through observation, interviews and documentation have been obtained, the data will be recorded, sorted, and processed according to the needs of the researchers. The process of data analysis is carried out continuously during data collection process to find out and answer research problems so that conclusions can be made as the results of this research.

Results and Discussion

There are still some weaknesses in the production process of the products produced by the blacksmiths that are caused by: a) Raw materials that are not original; b) Product quality has no standard (in weight, sharpness, and size ); c) Limited durability; d) The marketing system is still traditional; e) Relying on consumers who come directly to buy products.

In previous studies, the research was more focused on the policy side of business success in obtaining business permits and government funding schemes (Khouroh et al., 2019). In addition, previous research has shown that the government's role in assisting the business world is very much needed. Small industries are not able to survive in competition with the global world that involves international trade. The research concludes that the development of traditional blacksmith business on labor income is largely affected by seasonality (Ajeni, 2014). In addition, the implementation of village programs by blacksmith can be seen at the empowerment of local communities through work villages and the number of poor and unemployed people that can also be overcome or reduced (Hendri et al., 2017). Meanwhile this study views at the government's strategy for the development of home industries of the blacksmith in Kampar Regency.

In this study, researchers want to see the role of government in fostering home industry of blacksmith. 4 roles can be taken by local governments: 1. As an entrepreneur, the local government is responsible for running a business; 2. As a coordinator, local governments can act as coordinators to create policies; 3. As a facilitator; 4. As a simulator, creating and developing businesses (Arsyad, 1999).

The role of the government in fostering home industry is very important to realize the welfare of the community through economic empowerment. The increased community income and the reduction of unemployment will create an independent and competitive society in the global economic system. It is expected that this role can advance the blacksmith's business in Kampar District.
especially Rumbio District. That way, the products produced are of high quality and able to compete
with the same products from other region. Besides, production results can meet the demands of the
community and the private sector, especially agricultural equipment needed in Kampar Regency. To
see this role, the following is the indicators used by the researchers, which describe the results of the
study.

**The Role of an Entrepreneur**

The role of the government in fostering entrepreneurship is to help this business continue to
grow. The official program does not regulate how to run a business. There is no policy on how to run
a blacksmith industry. This industry is a home industry which is run by the community individually or
in the form of business entities. The business is carried out by the craftsmen themselves, both in
purchasing raw materials and marketing the products made.

The blacksmith's business is a business that is engaged in the private sector run by individuals
and business entities that have been there for generations. The government does not have a
blacksmith business, so this business is not run by the government. The role of the government, in
this case, is expected to be able to assist so that this business can continue to grow. The assistance
can be in the form of training on how to use capital, bookkeeping and business administration
systems, and provide venture capital.

The explanation above show that the government has no direct role in running a blacksmith
business because the business is a home industry run by individuals and business entities. The results
of observations in the field show that the business carried out by blacksmiths is similar to other home
industry businesses. The equipment they made is traditional, namely agricultural tools that are
marketed in traditional market while some are sold to containers to be sold to other areas outside
Kampar Regency.

The government is not responsible for running a home industry business such as a blacksmith
crafts. However, the government can carry out business development by providing guidance and
assistance, for example, by promoting a product in the form of an exhibition and assisting in improving
product quality. Craftsmen can also explain how to make the equipment so that it can attract the
attention of consumers.

**The Role of Coordinator**

In developing the home industry, the government acts as a coordinator by making policies. The
policy aims at making the home industry continue to grow, for example, by making regional
regulations regarding blacksmith product standards and a regional regulation that impose the private
sector or companies in the plantation sector to use equipment produced by the blacksmith home
industry.

Regarding the role of the government as the coordinator or policy maker, it is found that no
policy regulates development policies or guidance for blacksmith craftsmen; there was only technical
assistance and guidance provided. The head of the home industry department and the workforce of
Kampar Regency admitted that guidance and assistance had been carried out in collaboration with
members of the Riau Province Parliamentary through the aspiration fund program.

Society needs the role of government in policy-making, especially in marketing the products of
blacksmith crafts. Besides, the community is also in need of assistance in the supply of quality raw
materials so that the products are no less competitive than foreign products. Government attention
is needed through policies that become the basis for the government to assist in the form of capital
and product marketing by collaborating with companies. Thus, the products are not only bought by
agents and then sold in the market, but also can be marketed through business industries in the
Kampar Regency.

**The Role of Facilitator**

This role as a facilitator is important to accelerate industrial development in both behavior and
the environment. In this case, the government can conduct training and assessment to increase the
understanding and expertise of craftsmen to produce quality products, the use of good raw materials,
and the formation of cooperatives. Besides, assistance in the form of equipment is carried out through
physical construction of workplaces and iron waste disposal bins of the blacksmith industry.

The role of government in developing business both physically and environmentally has not yet
significant. Whether or not a blacksmith industry develops depends on the seriousness of the
blacksmith owner or craftsman. While craftsmen need the help of equipment or machines used for pumping and business capital assistance, the government only provides assistance and training. Besides Kampar district has an integrated service center by providing consultants in the field of production and marketing to foster small and medium businesses.

The equipment used in this industry is very simple, the craftsmen desperately need government assistance in developing business in the form of equipment and capital assistance. This business development can increase the income of the community, not only craftsmen but also sellers of handicraft products. The equipment made or products are agricultural or plantation tools such as hoes, machetes, axes.

### The Role as a Stimulator

The role of a stimulator is to create and develop business through specific actions that affect the company to enter and develop a business. The role of the government, in this case, can be done by convincing private parties to engage in plantations by using iron equipment made by blacksmith in Kampar Regency, especially in Rumbi Jaya sub-district; collaborating with private parties to play a role in providing raw materials; training and providing business capital through company assistance sourced from social corporate responsibility (CSR) funds.

The results of interviews with the head of the industry and labor department of the Kampar district revealed that the government had opened opportunities for cooperation with outsiders, one of which was Krakatau steel. The cooperation is in the form of providing iron raw materials used for the production of blacksmith crafts, but up until now it is only limited exploration. The observation results in the field showed that there were no raw materials from the company. Signing the cooperation contract until the time the research was conducted had not been carried out by both parties.

Demand for quality raw materials is highly needed so that the product produced will be no less competitive than those from the outside. But the drawback is the large capital; if good raw materials are brought from outside, of course, the price is expensive and the product will also become expensive, while users of the product are only ordinary farmers. Therefore, the government can explore option of cooperation with plantation companies in the Kampar regency to use plantation ties made by blacksmith in Kampar Regency, specifically in Rumbio Jaya District.

From the research discussion, it can be concluded that the roles of the government in the development of the blacksmith crafts industry in Rumbio Jaya District, Kampar Regency are as a coordinator, a facilitator, and a stimulator.

Relating to the role as a coordinator, the results of the study note that there is no policy issued by the government in the development of home industries, specifically for blacksmith crafts. However, the government can carry out this role by making policies in the form of regional regulations on home industries which contain about industrial development, including blacksmith crafts, and issued a policy that every company in Kampar Regency is recommended to use agricultural equipment from the blacksmith. Thus, the craftsmen community has no difficulty in marketing the products so that this business continues to grow and can increase people's income. As a facilitator, the government accelerate business development by building marketing venues, providing industrial facilities as well as investment assistance and business capital. The construction of physical facilities is needed as a place of business, including the production market so that there is a convenience spot for prospective buyers to get agricultural equipment from the craftsman. As a stimulator, the government does actions to affect the company's engagement by offering products to companies and providing raw materials for manufacturing equipment.

Researchers found another role that can be performed by the government, namely the role as a mediator. The role as a mediator is a role in business development that carried out by collaborating with companies in the supply of raw materials and marketing the blacksmith products. Of course, this role must be supported by government policy. Besides, the low quality of the blacksmith's business products causes the company to use more products from outside areas, in addition to the difficulty of marketing production that forces business owners to market products traditionally.

From the above research, it can be seen that there are several obstacles faced by the government in developing a particular blacksmith's home industry. The first obstacle is financing. In developing the business, the role of the government depends on the budget. If a development program is proposed but the budget item is not available, then this will certainly be a obstacle. The second one is there is no regulation governs the development of blacksmith businesses. The third obstacle is about the quality of product which is still low that cannot compete with similar products.
from other regions; it is caused by the lack of quality raw materials and human resources. The fourth obstacle is in terms of marketing, since there has been no effort from the government or private parties to assist in marketing the products.

Conclusions

This research is more focused on the government's strategy in developing the home industry of blacksmith crafts in Kampar Regency. Whereas, previous studies emphasized more on policy aspects. Based on the results of the study, it can be concluded that the government plays a role in fostering the home industry of blacksmith crafts in Rumbio Jaya District, Kampar Regency. The role that can be performed by the government is the role of a coordinator by making the policy, a role as a facilitator through business development both behavioral and environmental, and a role in the field of stimulator by opening investment opportunities for companies. Another role that can be played by the government based on the findings of the researchers is the role of mediator by cooperating with private sector. This collaboration can be in the form of supplying raw materials and marketing craft products, and also cooperate with banks, especially in the provision of capital.

Government’s obstacles in fostering the blacksmith home industry in Rumbio Jaya District in Kampar Regency can be stated as follows: obstacles in financing; obstacles of no regulations governing the development of blacksmith businesses; obstacles due to the low quality of products; and obstacles in marketing so that production only reaches the needs of traditional farmers which is distributed only in Kampar Regency.

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