

Fishermen's Financial Efficiency Strategy for a Prosperous Life

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Abstract

The purpose of this study was to find out how the Muncar Sub-district fishing community handled poverty throughout their lives. This research is a qualitative descriptive study using in-depth interviews conducted on 110 respondents from Fisher. The results of this study find out the main reason for being a fisherman because this work is derived from generation to generation, this is due to the low education of fishing families with most of the income of 1-10 million per year. This amount is not a large number and makes this profession attractive to fight for, therefore the priority of primary needs is higher than secondary, awareness of the use of insurance is quite low, low post-harvest financial planning and difficult capital gains cause fishermen to obtain capital through debt and the majority of fishermen have loan. The loan source is very friendly, and many are chosen by fishermen with a loan system to ship owners because it will make it easier for fishermen to make payments by deducting the honorarium as a crew

Keyword: Fisherman, Poverty, Income

I. Introduction

The Indonesian state is included in a maritime country that has large islands and waters. The extent of the Indonesian State waters has an impact on abundant marine wealth, but this is not accompanied by an increase in the welfare of fishermen. The country of China is the main fishing country followed by the State of Indonesia, the State of India, and the United state of America. In 2016 major producers in aquaculture fields including aquatic plants and nonfood products were China, India, Indonesia, Vietnam, Bangladesh, Egypt, Norway, Chile and Myanmar and Thailand. This country contributed 8.3 percent to quantity production in the world [1]. This causes a lot of theft committed by other countries

that take the wealth of the sea with ships and large nets with good technological support so that small-scale fishermen can only enjoy a small amount of fish from their own sea. One of the government's contributions by sinking foreign vessels without permission, is a preventative effort carried out to protect the country's marine resources. This can have a positive impact on the lives of fishermen. Although in reality it is not felt by most small fishermen. These facts and perceptions make the profession of fishermen in the eyes of the community always synonymous with the community with a low level of welfare, people who are considered poor and even the poorest (the poorest of the poor).

However, definite data on the number of poor fishermen in Indonesia to date has never been available [2].

Fishermen only rely on the season with traditional equipment, but this problem still cannot be resolved until now because it is too complex [3]. Coastal communities are socio-culturally a community group whose cultural roots were originally built on a blend of marine, coastal and market-oriented maritime culture [4]. Indonesian fishermen are still classified as poor with monthly per capita income of around US \$ 7-10 [5]. This is not only related to socioeconomics, but also related to environment and technology[6]. According to Smith in Yusuf 2011 there are 3 obstacles in efforts to increase traditional, technical and socioeconomic fishermen's income. The biological constraint relates to fish stock and overfishing, technological constraints related to fishing gear, machinery, motors or other driving infrastructure such as length of ship, large and cold storage facilities, or other supporting equipment. Socio-economic constraints are more for the fishermen themselves and formal and informal institutions, private and government that facilitate production and distribution [7].

Fishing in Muncar is carried out in the waters of the Bali strait with catches dominated by Sardinellalemuru. Lemuru fisheries resources are the most dominant and economically valuable fisheries resources in the Bali Strait that are shared by fishermen from Bali and East Java, Muncar is the most important fishing port area for lemuru. The dominance of lemuru fish from the catch results in Muncar reaches more than 80 percent while 10 percent is flying fish, the other 10 percent.

The number of marine fisheries / public companies and public waters in the East Java region is 75,056 or 8.70 percent of the number of households / companies in Indonesia. The dominating areas are Sumenep, Sampang, Tuban, Lamongan and Banyuwangi. The following is the distribution of fishermen in Banyuwangi Regency.

Table 1.Number of Fishermen per District

| No | District | Amount (person) |
|--------|-------------|-----------------|
| 1 | Muncar | 13.177 |
| 2 | Pesanggaran | 1.77 |
| 3 | Purwoharjo | 3.825 |
| 4 | Wongsorejo | 1.422 |
| 5 | Kalipuro | 1.118 |
| 6 | Banyuwangi | 1.125 |
| 7 | Kabat | 343 |
| 8 | Rogojampi | 1.623 |
| 9 | Tegaldlimo | 1.34 |
| 10 | Siliragung | 19 |
| 11 | Bangorejo | 17 |
| Jumlah | | 25.779 |

Table 1.1 shows that the highest number of fishermen from 11 sub-districts is MuncarSubdistrict which is 13,177 people. While the number of fishermen who were the least in Bangorejo sub-district were 17 people. Although Muncar District has the largest fishing population in Banyuwangi Regency, the majority of them still live in poverty, it can be said to experience a setback in the economy. They don't have income every month. According to the results of Ismail SuardiWekke's [8]

research, all prove that in the coastal areas of Bone Indonesia the strategy used to survive is diversification carried out by various types of businesses, involving the whole family, two meals and diversification of the types of food eaten, and a sense of solidarity and trust among these neighbors is quite high. They can borrow money and rice when their neighbors need it. This is based on high awareness and kinship to maintain life. Research on coastal communities in Madura [4,9] shows the fact that the number of poor people in the coastal areas of Madura is increasing from year to year. The main factor that causes the increase in the number of poor people is the decline in catches as a result of over fishing. Research by J. José Cota Nieto [10] at the Punta Abreojos Fisheries Cooperative, Baja California, Sur Mexico shows that cooperatives have managed to maintain fishermen's income in adaptive change so that it is considered an example of successful small-scale fisheries cooperatives. The results of M. Phil Sholar [11] show that the socio-economic conditions of fishermen in Bali NoliaSahi, India are not good with indicators of low levels of community education, lack of government attention to meeting basic fishermen needs, the need for education to help modern fishermen.

The results of the Crawford et al [12] study show the tendency of the Minahasa coastal communities, Indonesia to be poorer than non-coastal communities in the area. Based on these conditions researchers are interested in conducting a study of financial efficiency of fishermen to reduce poverty in Muncar Sub-District, Banyuwangi Regency. It is hoped that the results of this study will contribute to fishermen in financial

planning and related parties in formulating appropriate policies to improve fishermen's welfare, can be the next reference for research.

II. Theoretical background

2.1. Fishermen's poverty

Traditional fishermen generally live below the poverty line [13]. This is due to the characteristics inherent in them, namely a subsistence condition, with small capital, technology used and traditional abilities / skills and behaviors in terms of skills, psychology and mentality [14]. Traditional fishermen use sailboats in their activities on shallow sea beaches. As a result, the average productivity and income is relatively low, in addition to catching in shallow seas is over (over-fishing) [15]. The northern coast of Java indicates that the capacity of fisheries in the region has exceeded 35 percent of optimal bioeconomic capacity. Damaged environmental conditions, large numbers of fishermen, simple technology, leads to low income for fishermen [3].

III. Method

This study aims to look at the ways in which small-scale fishermen manage finances and financial service sources, the first paper process by choosing a sample using simple random sampling of 110 fishermen consisting of boat owners, crew, this to find out the profile of fishermen and ship ownership from fishermen to financial sources. Second, do data reduction. Third, the appearance of data is in accordance with the description of the research and draw conclusions

IV. Discussion and Result

Table 2. Ship Ownership

| Ship Ownership | Amount of household | Persen(%) |
|----------------|---------------------|-----------|
| Own | 16 | 14,55 |
| Not own | 94 | 85,45 |
| Total | 110 | 100 |

From 110 respondents, it can be seen that 85.45% of fishermen do not have their own vessels. This means that the majority of the population of Muncar are crew or traditional fishermen with simple motorized boats, only around 14.55% of the fishermen in this sub-district have their own vessels, usually they have 4-5 crew members.

Tabel 3.the reason for being a fisherman

| Reason | Amount of household | Persen (%) |
|------------------------------------|---------------------|------------|
| Work from generation to generation | 90 | 81,82 |
| Generate profit | 7 | 10,91 |
| Other reason | 3 | 7,27 |
| Total | 110 | 100 |

From the results of table 3, it can be seen the reason for 110 respondents to be fishermen not because they work as fishermen to make a profit but 81.82% of respondents become fishermen because fishermen are derivative work from their families.

Table 4.Average annual income of fishermen

| Average income year | Amount of household | Persen(%) |
|-------------------------|---------------------|-----------|
| <1.000.000 | - | - |
| 1.000.000–10.000.0000 | 87 | 79,09 |
| 10.000.000 – 20.000.000 | 3 | 2,73 |
| 20.000.000 – 30.000.000 | 11 | 10 |
| > 30.000.000 | 9 | 8,18 |
| Total | 110 | 100 |

The average income of fishermen per year is dominated by revenues of 1-10 million per year amounting to 79.09%, this is related to ship ownership, the majority of fishermen do not own ships or as crew members. Fishermen are very dependent on changes in weather when the weather is bad or not going to sea, so most of these fishermen turn jobs into construction workers, farm laborers or open small shops managed by their wives.

Table 5.consumption expenditure

| Type of expenditure | Average expenditure/year | Persen(%) |
|----------------------|--------------------------|-----------|
| Food | Rp.18.822.000 | 23 |
| Clothes, electricity | Rp.2.809.800 | 87 |
| Total | Rp.21.631.800 | 110 |

From the results of Table 5, there were 87% of fishermen averaging Rp. 2,809,800 expenditures per year for electricity and clothing, this is because fishing communities are more concerned with food consumption as a basic necessity for survival.

Table 6. Insurance owned by fishermen

| Insurance ownership | Amount of household | Persen(%) |
|----------------------|---------------------|-----------|
| Have insurance | 30 | 27,27 |
| Don't have insurance | 70 | 63,64 |
| Other insurance | 10 | 9,09 |
| Total | 110 | 100 |

Insurance ownership is only 27.27% of the fishing community respondents who use insurance while 63.64% do not use insurance. So that if something is not desirable it will increase the burden on the fishermen's family expenses, for example by increasing family debt. The perception of the fishermen community that the need for health and safety and also a low level of income makes them not think about safety while working for fish.

Table 7. Debt held by fishermen households

| Loan | Amount of household | (%) |
|---------|---------------------|-------|
| Loan | 78 | 70.91 |
| No Loan | 32 | 29.09 |
| Total | 110 | 100 |

From the survey conducted, the majority of fishermen in the Muncar area have loans to meet their needs. From the data above, it is seen that 70.91% of fishermen have loans, and those who do not have loans are only 29.09%. Erratic income and lack of income management by fishermen make fishermen make loans to meet their daily needs, register school children to repair boats, purchase ships, repair nets, repair homes and also pay for health care.

Table 8. Loan Source

| Loan Source | Amount of household | (%) |
|---|---------------------|-------|
| Commercial bank / financial institution | 10 | 9,09 |
| Moneylender | 10 | 9,09 |
| Brokers and Factories | 15 | 13,64 |
| Friends & family | 15 | 13,64 |
| Ship owner | 60 | 54,55 |
| Total | 110 | 100 |

The education of the majority of low fishing communities makes fishermen choose to borrow more from ship owners if they are the crew of the ship, as evidenced by the number of households borrowing from shipowners having the highest percentage of 54.55%. This loan is usually used by the crew in the ship where he works. The system is like a work contract whose payment is given in advance. This debt is often used because according to the Fishermen it is quite easy to repay it. When

fishermen owe money to ship owners, they automatically have to become crew members. from the owner of the ship being debited, and by working on the ship to pay off the debt they have. The duration of work is in accordance with the amount of debt owned by the crew. The limited information, fishermen want a practical and simple loan, the small amount of assets held by fishermen makes it difficult for them to provide collateral as a loan to commercial banks / financial institutions, the majority of users of debt from commercial banks / financial institutions are shipowners, so loans from banks This commercial / financial institution is only used by 9.09% by fishermen Muncar, considering the risk of uncollectible receivables is very high so that commercial banks / financial institutions are very careful in providing debt. The condition of the Muncar fishing community, as above, is an opportunity for loan sharks to offer lending services to fishing communities. Economic conditions are uncertain, making loans to loan sharks very high risk. This makes people think again to get loans from loan sharks. However, there are still those who use the service by reason of attractive offers from moneylenders, insistence on needs, and cannot borrow from other alternative loan sources. So that loans from loan sharks used by the community are only 9.09%. This is in line with Barclay, [15] which says that poverty is influenced by multidimensional factors, one of which comes from economic policies that do not favor the fishing community, for example fishermen are not given adequate access to the main resources needed to manage their lives with right so forced to make him live below the poverty line. The fishing community of boat owners uses loan sources from Tengkulak and

factories. Usually like a contract system, when fishermen get a catch, they must be given to Middlemen and Factories that provide loans. These loans are often capital in nature which will later be used as operations.

This lending system makes it easier for ship owners because there is no need to have difficulty selling fish because there are already middlemen who buy. The debt held by the ship owner is paid for by the catch to the Tengkulak and the factory that gives the loan. The alternative source of lending to friends and family is rarely done by the Muncar Fishermen community, because the average economy of the Muncar community is middle to lower.

Table 9.Type of debt payment

| Type of payment | Amount of household | (%) |
|-----------------|---------------------|-------|
| Paid off | 27 | 24,55 |
| in installments | 83 | 75,45 |
| Total | 110 | 100 |

Erratic income from the Muncar Fishermen community has an impact on the different ways of paying debt to people who have debt. The method of repayment, this type of payment is on average carried out by fishermen boat owners, because when getting abundant sea produce the results can be directly used to pay off debts held. Unlike crew who have a small and erratic income that is only enough to meet personal needs, it is more difficult to pay off debts by repayment so that this method is 24.55%. The installment method, this type of payment is easier to do by all Muncar fishing communities, especially those that

have a middle to lower economy. The community of Muncar fishermen, who mostly work as crew, are certainly more difficult to repay debts with repayments than installments. Installments that are usually carried out by crew are salary deduction systems for those who owe the ship owner. Whereas for debt originating from friends and family will be paid when they have excess money and by installments, this method is used at 75.45%.

Table 10. Problems experienced by fishermen

| Problem | Amount of Household | (%) |
|---|---------------------|-------|
| Season that varies | 70 | 63,64 |
| Difficulties in post-harvest financial planning | 30 | 27,27 |
| Other problem | 10 | 9,09 |
| Total | 110 | 100 |

Fishermen are jobs that are very dependent on natural conditions. In addition, luck factors can also be involved in every voyage carried out. But capital is the main aspect to get a large catch. Uncertain conditions will cause various problems, including regarding the economy of the Muncar Fishermen community.

Season that varies, season is a matter that greatly affects the condition of the fishermen, both those related to weather conditions, water flow, or the season of the

fish itself. The majority of Muncar's fishermen when questioned about irregular catches were grounded because the seasons were uncertain and difficult to predict. However, fishermen continue to go to sea even with difficult conditions to predict. This results in often planning that is made not in accordance with the results obtained, where income is not proportional to expenditure.

Post-Harvest Financial Planning Difficulties, Lack of knowledge about how to manage finances post-harvest well and tend to do everything based on the experience that has been commonly done results in the community often not aware of the changes that occur. Over time and with the many changes that occur especially in economic conditions, we must realize and continue to make changes to adapt so that what is done is really right according to existing conditions. Muncar fishermen, if they see the data that has been obtained, actually have sufficient income, but because of poor financial management and mixing all the needs in the same financial situation, it makes it difficult for the community to fulfill their daily lives.

Another problem, the fluctuating price level, limited information and so on resulted in the lack of prosperity of the Muncar Fishermen community.

V. Conclusion

The decision to become fishermen is dominated by jobs from generation to generation, this is due to the low level of education provided by their parents, the environment where they live close to the sea, so the fishing profession is a proven means of livelihood for 110 fishermen around 97 percent for this reason, the

average income is around 1-10 million per year. This number is not a large number that makes this profession interesting to be engaged in. Whereas to develop a larger income is obtained by requesting a loan from the ship owner because it will make it easier for fishermen to make payments by making payments from the honorarium as crew members for fishermen who do not have their own vessels. Meanwhile, boat owner fishermen use loans to banks or cooperatives because their income is greater, providing guarantees to get loans.

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