Disorders Faced, Strategies of Survival, and Characteristics of MSME Entrepreneurs in the Fisheries Sector in the Era of Uncertainty

Syamsari\(^1\) \& M Syamsul Maarif\(^2\), Elisa Anggraeni\(^3\) and Siti Amanah\(^4\)

\(^1\)School of Business, IPB University, Indonesia
\(^2\)Department of Agricultural Industrial Technology, Faculty of Agricultural Technology, IPB University, Dramaga 16680, Bogor, Indonesia
\(^3\)Department of Communication Science and Community Development, Faculty of Human Ecology, IPB University, Dramaga 16680, Bogor, Indonesia

Corresponding Author: Syamsari, E-mail: syamsariitp@gmail.com

ABSTRACT

Micro, small and medium enterprises are the backbone of the economy in all countries, including Indonesia. Various disturbances that occur, especially in the era of uncertainty, have selected MSMEs. MSMEs that continue to exist show that these MSMEs have high resilience. This study aims to explore the disturbances faced and the survival strategy of MSMEs in the fisheries sector of Takalar Regency in an era of uncertainty. The research was conducted from August to October 2021. MSMEs in the fisheries sector in Takalar Regency are the object of research because this sector has experienced many disturbances but still exists and is one of the main contributors to the GRDP of Takalar Regency. The research method uses descriptive analysis and focuses on group discussion. Descriptive analysis data were obtained from in-depth surveys and interviews of 100 MSME entrepreneurs in the fisheries sector of Takalar Regency, and data for focus group discussion analysis were obtained from 10 MSME experts in the fisheries sector. The results showed that internal factors of MSMEs and external factors caused supply disruptions and price stability in MSMEs in the fisheries sector of Takalar Regency. Internal factors of MSMEs are the quality and quantity of human resources, lack of technology, limited MSME finances, and low quality of the products produced. External factors are environmental damage, the phenomenon of climate change, water pollution, overfishing, high input prices, and fuel scarcity. MSMEs have tried to solve the causes of disruption in new ways and methods. The conclusion of this study is the disruption that occurs in MSMEs in the fisheries sector, namely, supply disruptions and price stability faced by MSMEs with innovative strategies.

KEYWORDS

Fisheries Sector, Disturbances Faced, Economic

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1. Introduction

Micro, small and medium enterprises (MSMEs) are the backbone of economic growth in all countries (Csath, 2020). The significant contribution of micro, small and medium enterprises (MSMEs) to the economy is job creation, income generation, poverty alleviation, encouraging the birth of innovation, producing products, and, in general, maintaining a stable and sustainable global economic environment (Fatoki 2018; Anzules-Falcones et al. 2021; Hartati et al. 2021, Wiid & Cant, 2021; Endris & Kassegn, 2022). This significant contribution is what causes the Indonesian government to place MSMEs as a priority in the country’s economic development (Rahmi & Yuzaria, 2021).

The existence of MSMEs has been tested by the turmoil that occurs in all sectors of life, namely the economy, politics, social, and environment, which causes an uncertain situation termed the era of uncertainty (Duchek 2018; Liu 2020). The era of uncertainty is...
characterized by a large number of disruptions to businesses that are increasing in number (Pal et al. 2014; Varona 2017). Disruptions to the existence of MSMEs in Indonesia include economic and monetary crises that weakened the national economy so that many large-scale businesses have closed while micro, small and medium enterprises remained afloat (So 2007; Quarterderari and Sawitri 2018) and the last incident, namely restrictions on business activities due to the Covid-19 pandemic that has never been experienced before by MSMEs (Etemad, 2020; Lim et al. 2020; Official et al. 2020; Hardilawati, 2020; Czainska et al. 2021; Caraka et al. 2021). All disruptions that occur in this era of uncertainty have an impact on business instability and pose greater risks to the sustainability of MSMEs (Gunasekaran 2011; McLellan et al. 2012; Bautista et al. 2015; Mari et al. 2015; Duchek 2020).

Resilience is a chosen concept used to deal with continuous and increasingly complex disturbances (Burnard and Bhamra, 2011; Acquaah et al., 2011; Kantur and Say, 2012; Fatoki, 2018). Resilience is defined as the ability to restore business performance after experiencing a fatal situation due to an unexpectedly occurring disturbance (Pasman et al., 2020). Resilience in micro, small and medium enterprises is very important to maintain high MSME performance and maintain business sustainability so that they can continue to contribute to the economy (Abeysekara et al., 2019; Suryaningtyas et al., 2019; Duchek et al., 2020).

Some of the abilities shown by MSMEs are a form of resilience such as the ability to adapt and innovate (Kantar and İşeri-Say 2012; Quendler 2017; Seville 2018); the ability to anticipate and cope with disruptive events (Dahles and Susilowati 2015; López and Solano 2021); and the ability to rise up after the organization fails to deal with disruption, so that the conditions are stronger than before, more ideas to deal with the disorder and push to achieve success in the future ( Vogus and Sutcliffe 2007; Linnenluecke and Griffiths 2010; Kantur and İşeri-Say 2012; Albasrawi et al. 2014; Dahles and Susilowati 2015; Xiao and Chao 2017; Duchek 2018).

Conditions in the era of uncertainty have encouraged a shift in business research from a management aspect approach that focuses on economic factors such as innovation and technology to a business resilience approach (Linnenluecke and Griffiths 2010). MSME resilience needs to be researched because resilience in MSMEs is different from resilience in larger organizations (Sullivan-Taylor and Branicki, 2011; Branicki et al., 2017). According to Audretsch & Belitski (2021), the resilience of MSMEs is interesting to study because MSMEs continue to survive in volatile environmental conditions despite a lack of resources, skills, and time, but continue to innovate, offer new knowledge and create new jobs. Garcia et al. 2022 also stated that MSMEs have many weaknesses in organizational structure, financial aspects, technology, and management strategies but still survive, so it is necessary to conduct research to find out the factors that are dangerous to the sustainability of MSMEs, including disturbances in this era of uncertainty.

Some of the previous research has enriched insights into resilience. Qualitative studies on small businesses in rural Canada found that challenges such as market size, labor availability, access to urban centers, infrastructure gaps, and time demands are faced by utilizing locally available resources, such as personal entrepreneurs, families, and already run businesses and communities (Siemens 2010). Narrative research on resilience conducted by Corner et al. (2017) shows that an entrepreneur’s ability to bounce back post-failure is to relearn and try to find ways to cope with the situation and re-operate his business. Korber and McNaughton (2017) argue that entrepreneurial resilience should focus on dynamic and process-oriented characteristics. The results of research on MSMEs in South Africa show that there is a significant positive relationship between entrepreneurial resilience and the success of individuals and organizations (Fatoki 2018). Research on business resilience through the biographical analysis of highly resilient entrepreneurs has enriched the discussion of organizational resilience at the stages of anticipation, coping, and adaptation (Duchek 2018; Duchek, 2020).

This research is even more interesting because it focuses on the resilience of MSMEs in the fisheries sector, which are part of the agri-food industry. MSMEs in the fisheries sector in this era of uncertainty are facing global and local level shocks (Pornparnomchai and Rajchamaha, 2021; Wisdom and Nasution, 2018; Nurhayati et al., 2020). Fisheries business groups are micro, small, and medium enterprises (MSMEs) that absorbed a lot of labor during the Indonesian economic crisis and have been established for decades. Its role has been proven as a source of food, and a safety net, especially for low-income people carrying out productive economic activities in rural areas (Rochman et al., 2021). Takalar Regency was chosen as the research location because this regency has a large potential for fishery resources (Haidir, Hamzah & Jusni, 2020), so the fisheries sector is one of the three main contributors to the GRDP of Takalar Regency, namely agriculture, forestry, and fisheries (BPS, 2021). This research is corroborated by Saad et al. (2021), who states that the number of research on resilience that focuses on the context of MSMEs in developing countries is still small.

This study aims to identify the disturbances felt by MSMEs and MSME survival strategies in facing disturbances that occur in the era of insecurity. This research is very much needed because it supports the sustainability of MSMEs and is in accordance with the recommendations of Xiao and Cao (2017), who suggest the need for research on several management topics such as organizational culture, organizational structure, collective thoughts or ideas, social capital, psychological security, supply chains and everything relevant to organizational resilience. The same suggestion was put forward by Spivey (2016) to examine the factors that influence failure and success and that support the sustainability of microenterprises and their relationship with the type of business or
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business environment. Herbane (2019) stated that the resilience formed is influenced by the history, development of MSMEs, and company strategies and proposed further research that examines the relationship between resilience and social capital, business location and based on the stages passed by MSMEs starting from the stages of growth, survival, and maturity. According to López-Castro and Solano-Charris (2021), resilience in uncertain environments is carried out through the evaluation of scenarios, namely strategi and processes.

2. Research Methods
The methods used in this study are descriptive analysis and focus group discussions. Descriptive analysis using data obtained from the survey results, in-depth interviews with 100 MSME entrepreneurs in the fisheries sector of Takalar Regency, and focus group discussion analysis using respondents of 10 MSME experts in the fisheries sector (Sumarwan et al. 2018). This research was held in Takalar Regency from August to October 2021. Takalar Regency was chosen as the research location because this district has a large potential for fishery resources (Haidir et al. 2020), so the fisheries sector is one of the three main contributors to the GRDP of Takalar Regency, namely agriculture, forestry, and fisheries (BPS, 2021). Fisheries businesses in Takalar Regency have a great potential to experience disruption, especially by environmental pollution (Rahatiningsi, 2019) because it is directly adjacent to Makassar City as the center of economic growth and rapid development in Takalar Regency because it is part of the metropolitan Maminasata in accordance with Presidential Regulation number 55 of 2011 concerning the Spatial Plan for the Makassar, Maros, Sungguminasa, and Takalar (Maminasata) Urban Areas.

3. Results and Discussions
Disruption in the era of uncertainty and strategy bmentahan UMKM sektor perikanan Kabupaten Takalar

MSMEs in the fisheries sector of Takalar regency consist of MSMEs that act as producers, collectors and processors, collectors of processing and marketing of products, and MSMEs that are specifically engaged in product marketing. These MSMEs do business in fishery commodities produced from aquaculture and capture fisheries. The main commodities produced from aquaculture are seaweed, shrimp, and milkfish. Capture fisheries produce the main commodities, namely fish and flying fish eggs. Based on the results of descriptive analysis and focus group discussions, an overview of the disturbances experienced by MSMEs in the Takalar fisheries sector was obtained, namely, supply disruptions and price instability. The causes of disruption and the survival strategies of MSMEs engaged in aquaculture and capture fisheries are each described in detail below:

1. MSMEs based on Aquaculture
MSMEs based on aquaculture with the main products of seaweed, shrimp experience the following problems:

A) Supply interruption.
This disturbance is experienced by MSMEs due to low production caused by internal factors and external factors. Internal factors are cultivators who do not apply cultivation aspects according to standards, including the seeds used are not superior seeds, lack of fertilizer, and lack of feed, dominated by traditional systems. External factors, namely the high price of production inputs such as feed and equipment so that farmers cannot afford to buy according to their needs, environmental damage, the phenomenon of climate change, and water pollution, are problems faced in producing fishery commodities.

B) Price stability disturbance Stability disturbances occur because MSMEs in Takalar must follow the prices that have been determined by buyers, especially large companies in the Makassar industrial area. This situation shows that MSMEs do not yet have the power to influence prices, especially if the quality of the commodities traded does not meet the standards set in the market and the lack of supporting infrastructure, such as cold storage. The inability to maintain product quality is one of the weaknesses that still occur in the MSMEs in the fisheries sector in Takalar Regency. An example of low product quality is grass harvested in less than 45 days. According to Hikmah (2015), the behavior of producers who harvest seaweed for less than 45 days has caused the quality of seaweed to be unfulfilled, namely a maximum salt content of 5% with a water content of 35%.

Some of the ways that MSMEs have applied to survive are: • look for the same commodity in several surrounding regencies or in producing areas outside the island of Sulawesi, such as Nusa Tenggara and Maluku. • establish warehouses that can accommodate excess production and withstand price volatility. • implement a polyculture system so that several commodities can be harvested in one season. • cooperate with extension workers to educate producers to apply proper cultivation, harvesting, and post-harvest handling.

2. Capture Fisheries-based SMEs
MSMEs based on capture fisheries with the main commodities of pelagic and demersal fish, crabs, and flying fish eggs are experiencing disruptions as follows:
a. Supply disruption,
This disruption occurs due to internal and external factors. Internal factors that cause a shortage of supply include the fishing technology used is still low, and the catch is still dominated by small fishermen, which is also in accordance with the findings of Kusdiantoro et al. (2019). External factors that cause supply disruptions include the scarcity of fuel, the waters around Takalar have experienced overfishing, the phenomenon of climate change, environmental damage, especially to coral reefs and mangrove forests, pollution, reduced labor force interested in working in the capture fishery business, the increase in the price of equipment that does not work. This can be followed by an increase in product prices in the market and many unfavorable government regulations.

b. Price volatility disturbance.
This disturbance occurs because MSMEs are still price takers from large companies, and there are several internal weaknesses of MSMEs, including the low use of technology, the knowledge of entrepreneurs and workers involved in capture fisheries is still low both at the catching stage and at the post-harvest stage.

Some of the ways that have been applied by SMEs to survive are

1. Looking for fishing areas whose fish habitats are still preserved.
2. The limitation of labor is overcome by recruiting workers from surrounding districts

The description of the ways taken by SMEs in the fisheries sector of Takalar Regency to deal with disturbances shows that these SMEs already have a strategy of surviving disturbances in the era of uncertainty, namely being innovative. Wickham (2007) states that innovative behavior is indicated by new ideas, new production techniques, new operating practices, and new ways of managing relationships between organizations and unfavorable regulations and can be solved by MSMEs themselves and requires the involvement of other stakeholders, especially the government.

4. Entrepreneur’s Character
The results of the focus group discussion determined that the main character possessed by entrepreneurs in dealing with disturbances is anticipatory. Entrepreneurs in Takalar implement anticipatory plans, especially on resources, namely assets and savings. The profits earned will be kept in the form of savings, and part of it will be used to purchase assets. Savings will be reused if MSMEs need additional capital, or assets are used as collateral in financial institutions or sold to meet capital needs to recover the business.

Quendler (2017) states that resilience capacity can be developed through anticipatory plans. Savings and assets are a form of readiness of SMEs in the fisheries sector in Takalar Regency to face the worst conditions, namely experiencing losses. The anticipatory character of MSMEs in the fisheries sector in Takalar Regency is in accordance with the opinion of Duchek (2020), which states that the way to anticipate disturbances is to prepare for unexpected events.

5. Conclusion
The disturbances experienced by MSMEs in the era of uncertainty are supply disruptions and price stability disturbances caused by MSME internal factors and external factors. The strategy used by MSMEs in the fisheries sector in Takalar Regency to survive these disturbances is an innovative strategy. The character that has been owned by MSME entrepreneurs in the fisheries sector in Takalar Regency to deal with disturbances is an anticipatory character.

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