

# INFLUENCE OF FACTORS DETERMINANT TO EFFICACY OF DEVELOPMENT OF SMALL INDUSTRIAL CLUSTER RATTAN IN PADANG

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## Abstract

This research aims to analyze the industrial clusters. Industry cluster is a group activity that consists of a core industry, related industries, industries supporting mutual support increased efficiency. Some factors cluster affecting the development of the industry is internal network and partner, entrepreneurship, skill of management, availability of infrastructure physical, quality of support local government, quality of big company support, research into and development, quality of industrial support association and commerce, access to financial business, availability of transportation service, and access marketing of output. Furthermore, giving more attention to the variables that are considered influential. The result showed that among 11 cluster variables having an effect on significant only one variable that is access to financial business variable.

**Keywords** : key success factors, cluster

## INTRODUCTION

Since long time ago, rattan has come to be the one source of production in society and it makes rattan most wrestled by small society. This small industry has important role in creating work field in society especially in Padang. The center of small industries in the city of Padang is the Tanah Sirah Pitameh village districts Lubuk Begalung Padang. Small industrial rattan furniture rattan handicraft desert is the expertise gained from generation to generation of parents. Most furniture makers have kinship families. Small industries rattan in Padang are great potential to be developed. For areas of West Sumatra, rattan commodities including commodity most likely to be developed (core commodities), and plant rattan as raw material, rattan has the best quality in Indonesia. In the city of Padang, small industry rattan came second for seed industry (Department Perindagtamben Padang, 2012). With its potential, small industry Rattan in Padang deserve to be developed. Related to industrial cluster, this study aims to look at the factors that significantly affect any successful development of industrial clusters of small rattan in Padang. Through excellence of competitive, strategy able to be used to develop rattan Kota Padang to be owning competitiveness is strategy of cluster.

Industrial cluster is a group of work which consist of industry of core, related industry, supported industry which is supporting each other to make-up of efficiency that create competitiveness and innovation. The Policy of industrial cluster is a policy of government that developed small industry in order to make taft industry and have good competition in global and local market as well. The factors that can create this small industry are internal network and partner, entrepreneurship, skill of management, availability of physical infrastructure, quality of support local government, quality of big company support, research and development, quality of industrial support association and commerce, access to financial business, availability of transportation service, and access marketing of output. Particular factors which influence efficacy of development of small industrial cluster of rattan, so that can be conducted by emphasis of priority assumed variable have an effect on in development of rattan. following some research related to items of industrial clusters, for example; Boja (2011) in his research about the concept

of cluster analysis, the main characteristics and determinants of cluster models. Benefits of the cluster as a form of economic organization helping the government to implement policies, Deliver initiative for the government to support an existing group or a new group: Small and Medium Enterprises (SMEs), industrial development area; obtain external funds and investors; research and innovation. Mawardi et al (2011) describes the development of SME clusters by identifying the factors that influence. They want to know the factors driving the growth cluster including availability of skilled labor, raw materials and domestic market demand. However, the policy is carried out in a cluster development have a little effect because there is no serious action taken by the Government Pasuruan.

DAI/Nathan Group, (2012) said that source competitiveness of SMEs in Indonesia is the level of innovation, entrepreneurship, human resources, financial aspects, the potential market/ buyers and business strategy. The rate of innovation is key to the competitiveness of SMEs, create new networks and marketing products. The factors involved in the condition factor model is the human resource skills, capital, innovation and risk capital. Important factors in the demand for product development model conditions, prospective buyers, industry structure and market segmentation. Important factors in the model related industries and supporting the supply chain and business network. Small rattan industry squeezed by constraints that do not develop as large industries that dominate the national economy.

Tambunan (2006) studying about clusters in West Europe. The result is some facts that make them develop quickly: they expand at full speed. For example: In sentra there are supplier of raw material, production appliances, machine, finished goods producer and components. Besides lessening production fare, one another synergy, related accelerate their business. Existence tight emulation combination one party and good cooperation other party, between fellow entrepreneur. In cluster there are service centers especially provided by local government able to be used collectively by all existing entrepreneur there.

Falck et al (2009) to analysis incentive for innovation by incumbent firms. The threat posed by the possibility of leading-edge firms entering the market influences incumbent innovation. They found evidence that domestic entry has a negative effect on incumbent product innovation, which is a strong indication of new entrants' comparative advantage in commercializing new ideas. Iqbal and Urata (2001) said that firms have proportionally role in economic activity. So the big companies can help smaller companies that do not have a capital or economies of scale to invest. Also in the field of research and development. This indicate that the focus of public policy should be shifted from the environment to a size that allows all companies can contribute to innovation and improvement work.

Mhede (2012) found that there is good interaction between the sales, purchase of raw materials and inputs, subcontracting, machine loans, marketing furniture products, and workers. These findings indicate that the level of cooperation among businessmen in the industrial cluster for furniture manufacturing firms should be entitled enough business skills. This collective mechanisms including inter-company sales, subcontracting, machine loans, purchase of raw materials and inputs, and helps reduce transaction costs through a mechanism of collective efficiency, promotion furniture.

Meghana et al (2005) show that business environment inhibits the growth of the company. In particular, examining factors such as taxes and regulations, judicial efficiency, infrastructure weaknesses, and financing issues. High bank interest rates and lack money is common cause on the issue of small business finance. Simply Macroeconomic they find the financial constraints that directly affect the company's growth rate. Need to reform the financial sector to ensure the growth and effectiveness of the business. Rehman (2012) said that the provision of public infrastructure is a primary responsibility of government in modern industry. The government should provide advice, infrastructure and other assistance to the industry. Beddig (2008) found that through small business people, central government and local governments can promote economic growth, through a combination of externalities associated with cooperation through collective efficiency, need growth, innovation and increased productivity, so as to achieve efficiency and effectiveness

of business. Minh (2003) describe about market access is the most important in industry groups to reduce poverty. In addition, important industry also noticed an increase in credit / micro-finance, training, technological innovation and/or production, marketing, supply markets, access to information, access to distribution channels, and others. Sanobe et al (2011) his analysis, change in perception about the value of gaining new knowledge as classroom training participation affects the assessment of the training program manager. He also found that business practices have a positive effect on company performance indicators. Business practices and good value in management. Business practices to realize the importance of knowledge and learning about management training, management is expected to perform the analysis of costs and benefits. Funabashi (2013) esaid that the most important measure for evaluating the business is profit. However, there are difficulties in obtaining financial data from smaller companies. These results also indicate that the development of new products and improved quality significantly affect earnings growth. In addition, an in-depth analysis of the quantity sold and price changes for each product revealed that the variables are more significant, reduction in unit costs of raw materials, used to develop existing products and new. Arif (2012) found it is important to develop industrial clusters because not only create employment opportunities in the manufacturing industry but also for further development. The importance of innovation for cluster-term survival in the long term, have sustainability, and competitiveness. By providing training to entrepreneurs, the construction industry can be achieved. To increase the production rate should be given training programs that suit their needs. Provision of education will increase the ability of the entrepreneur or manager to address the changing business environment. The program was initiated for the purpose of long term and short term. Long-term goals to ensure sustainable development of the cluster. While short-term training program is to equip entrepreneurs with new knowledge about management, such as quality control, labor management, production organization, and new knowledge in marketing

## **LITERATURE REVIEW**

### **Small Industry**

Small Industry is industry owning equipments invesment below Rp 70 million, amount of labour below 20 people and have company asset at the most Rp 100 million (Perindagtamben 2001). While according to Bappenas (2004) small industry represent done by economic activity is household or civil or a person aim to produce service and goods for commercial having net worth at most Rp 200 million and have sale value every year equal to Rp 1 Billion or less. Small industry show its resilience energy, seen from existence of ability of stay to change of environment and run its function in permeating additional labour every year around 1,8 % (BPS Indonesia, 2006). For that small industry as effort people should be able to be defended and improved again and also given attention by all holder stake.

### **Cluster And Determinant Efficacy Of Its Development**

Cluster represent woke up specialization asset by through years representing geographic concentration among related company and work along among others supplier of goods, supplier of related industry and service and also some special intitution like college institute, standardization institute, functioning commerce association and others as complement ( Bappenas, 2004).

Activity group which consist of industry core, related industry, supporter industry which is supporting each other the make-up efficiency that created competitiveness and innovation. Policy of industrial cluster represent policy of government which good for small industrial develop in order to be a taft industry and have good competitiveness global and also local market to be development of small industry with format of cluster. Can succeed to be felt important to know and comprehend factors any kind of able to determine its efficacy of factors determinant of efficacy of development of small Industrial cluster in Indonesia is: (Bappenas,2004)

1. Internal network and partner  
Internal network and partner needed so the development of small industrial of cluster succeed in supported industry (supplier), industrial related industry and nucleus;core (distribution channel) must have good relation, interaction, working along, and equipping each other.
2. Entrepreneurship  
Entrepreneurship had will be able to see opportunity of business and useful ideas which relative have never there is, developing and improving it through creation of innovation able to improve value utilize product so that have global and local market competitiveness
3. Skill of management  
So that succeed hence performer of small industrial cluster (especially internal network) must have skill and ability which related to various management science area. To increase mount ability and skill of small industrial performer is management area, performer of industrial cluster have to be active follow courses training of performed management by governmental and also professional circle.
4. Availability of physical infrastructure  
Availability of physical infrastructure like electrics, water, transportation medium and infrastructure and communications by adequate will very is determining efficacy of development of small industrial cluster, because this matter of expedite operate it of cluster small industrial physical infrastructure which relative goodness will be able to improve to access at raw material, and also water down to access at labour.
5. Quality of support local government  
Role of government needed in supporting small industry of rattan especially local government. Local government require to release by law which arrange everything that related to development of small industrial cluster.
6. Quality of big company support  
Big company can share active assist small industrial performer by providing people train able to be rented, providing promotion facility like exhibition, and support development of human being resource through trainings.
7. Research into and development  
Research and development very needed in developing small industry cluster. Research which applicative in technology produce and relevant management to small industry can be provided by college, institute research into & development.
8. Quality of industrial support association and commerce  
The needing of active support of industrial association and commerce. Through commerce association can be brought into contact all performer of small industrial cluster so that created to be dialogued, cooperation and communications among them, so that can depress the expense of facility and transaction learn with in the field of marketing, purchasing, training, usage of technology and facility.
9. Access to financial business  
Limitation access and inability to fulfill formal condition related to business proposal, collateral, and a number of other administrative equipment make small industry unable to continue its effort. Hence needed role of banking financial institution and non banking (conventional and moslem law) to responds requirement of small industrial performer especially concerning requirement of working capital.
10. Availability of transportation service  
Supplier of service transportation also can become determinant efficacy of development of small industrial cluster. They earn to provide transportation service to small industrial performer which do not have transportation medium. Availability of adequate transportation medium will water down to access at raw material, contiguity with market and supplier
11. Accessing marketing of output  
For the efficacy of development of small industrial cluster, small industry must have ability in the case of marketing strategy. For that small industry must have access to accurate market

information, objective, adequate and well-balanced so that industrial performer can market its product better.

### **Hypotesis**

- H1: Internal network and partner affecting the development of industrial clusters of small rattan Padang.
- H2: Entrepreneurship affecting the development of industrial clusters of small rattan Padang.
- H3: Skill of management affecting the development of industrial clusters of small rattan Padang.
- H4: Availability of physical infrastructure affecting the development of industrial clusters of small rattan Padang.
- H5: Quality of support local government affecting the development of industrial clusters of small rattan Padang.
- H6: Quality of big company support affecting the development of industrial clusters of small rattan Padang.
- H7: Research and development affecting the development of industrial clusters of small rattan Padang.
- H8: Quality of industrial support association and commerce affecting the development of industrial clusters of small rattan Padang.
- H9: Access to financial business affecting the development of industrial clusters of small rattan Padang
- H10: Availability of transportation service affecting the development of industrial clusters of small rattan Padang
- H11: Accessing marketing of output affecting the development of industrial clusters of small rattan Padang

## **RESEARCH METHODOLOGY**

Research executed in Tanah Sirah kelurahan Pitameh kecamatan Lubuk Begalung kota Padang. This Research use primary data and secondary data. Primary data obtaining through spaciousness survey, passing interview and use questionnaire. This research have population all entrepreneur of rattan which is have location in Kota Padang. Sample selected to use method of purposive sampling. This sample selected has two consideration, (1) sampel have permit effort and enlist Dinas Perindag kota Padang. (2) sampel have location in Sentra Alam Lestari Tanah Sirah kelurahan Pitameh kecamatan Lubuk Begalung kota Padang.

Through interviews and questionnaire covered the 11 entrepreneurs selected as the sample of rattan. Secondary data was obtained through a search of the institutions associated with research consisting of Industry and Trade Department of the city of Padang, West Sumatra Office of Industry, Central Bureau of Statistics (BPS) of Padang, and other related agencies.

Method analysis using test validity and reliability instrument research. Test validity used to test accuracy of measuring instrument if obtaining information matching with the one which in expecting. Test of reliability show the nature of a measuring instrument whether accurate enough, stabilize or consistent in measuring what wishing in measure. It is using test data normality, test Normality done to know whether a model of regression, independent variable, dependent variable or both having normal distribution or not. To knowing it used by test of Kolmogrov-Smirnov. It is also using multicollinearity and heteroscedasticity. Test multicollinearity aim to test do in model of regression found by the existence of correlation between independent variable. Test this multicollinearity done seen value of variance factor inflation (VIF). At model of good regression shall not happened correlation among free variable. Test heteroscedasticity aim to test do in model of regression happened inequality of variance of existing data residual. model of good regression is which do not experience of symptom of heteroscedasticity. Finally, examination of Hypothesis, to test 11 hypothesis used by SPSS (Statistical Product and Service Solutions) program. Examination of significant with aim to to see influence of independent variable to dependent

variable.

#### Variables and indicators

The successful development of the rattan industry cluster (Y):

- a. Rattan company succeeded in developing a business.
- b. The Company has a good competitive advantage.
- c. Utilization and development of resources (funds, human resources, networks, and other resources) are managed.
- d. Company rattan growth or develop well.

#### Dependent variables (X1):

1. A network of internal and partnership / collaboration with suppliers rattan entrepreneurs (X1)
  - a. Low price of raw materials.
  - b. The quality and quantity of raw materials either.
  - c. Services (continuity and speed of supply raw materials) available continuously.
  - d. Entrepreneurs in the industry has remained supplier.
2. Entrepreneurship (X2)
  - a. The ability of entrepreneurs in the field of entrepreneurship is good.
  - b. It takes talent and entrepreneur personality.
  - c. Skills, knowledge and experience entrepreneurs.
  - d. High entrepreneur creativity.
3. Expertise management (X3)
  - a. Entrepreneurs in the industry have the ability to cope with new entrants or potential competitors and existing.
  - b. Entrepreneurs in the industry has the ability to overcome the bargaining power supplier owned by supplier.
  - c. Entrepreneurs in the industry has the ability to overcome the bargaining power of being owned by consumers.
  - d. Entrepreneurs in the industry has the ability to overcome the threat of substitute goods / replacement.
4. Availability of physical infrastructure (X4)
  - a. The availability of physical infrastructure.
  - b. Supports rattan industry events such as: electricity, water, adequate facilities and infrastructure.
5. Local Government Support (X5)
  - a. Education and training of government.
  - b. Assistance loan from the government and tax incentives.
  - c. Technical assistance from government.
  - d. Local Government to form a trade association.
6. Support large companies (X6)
  - a. The existence of the development of human resources / labor.
  - b. Qualification (capability and experience of personnel work).
  - c. Education and training workforce.
7. Research and development / technology (X7)
  - a. The presence of production facilities (production capacity) are provided.
  - b. Research and development of technology helps in technical improvements to reduce production costs.
  - c. Research and development of technology helps in technical improvements to improve product quality.
  - d. Research and development of technology helps in technical improvements to save time production process.
  - e. Research and development of technologies that provide applied research results that are

- relevant for the rattan industry.
8. Support industry and trade associations (X8)
    - a. Necessary cooperation with parties concerned.
    - b. Climate competition among companies and healthy environment.
  9. Access business / finance (X9)
    - a. Planning and good financial control.
    - b. How easy payment.
    - c. Entrepreneurs in the industry have the funds (capital) is quite.
    - d. Entrepreneurs in the industry have the ability to gain access to the financial institution (bank, etc.)
  10. Transport Service Availability (X10)
    - a. Transportation providers facilitate access to sources of raw materials.
    - b. Transportation providers facilitate access to consumers.
    - c. Transportation providers streamline transportation costs for employers rattan.
  11. Marketing outputs (X11)
    - a. Compliance with the quality of the product price
    - b. Entrepreneurs in the industry give discounts when consumers purchase products in bulk
    - c. activities to introduce product promotions marketing
    - d. Suitability of distribution channels

## RESULTS AND DISCUSSION

Figure 1 Profile respondents of gender, age and education ladder.

No	Profile of respondents	Frequensy (People)	Persentage
1	Gender		
	1. Male	5	45,5
	2. Female	6	54,5
2	Age		
	1. 17-22 years	1	9,1
	2. 23-28 years	3	27,3
	3. 29-34 years	1	9,1
	4. 35-40years	1	9,1
	5. > 40years	5	45,5
3	Education		
	1. Junior high school	7	63,6
	2. Senior high school	3	27,3
	3. Graduates	1	9,1

From figure 1 data on the number of respondents who are men and women are 5 people 6 people. Profile in terms of age, there is 1 person 17-22, 23-28 there are 3 people, there 29-34 1 person, 35-40 1 person there, there are 5 people over 40. While in terms of graduate education junior high school is 7, while the high school there are 3 people and schollar is 1 person.

For further testing validity and realibility which are variable Y is realible, only number two, indicator variable Y not valid and exlude it. Variable of X1,X3,X4,X8,X10, X11 there are which is not valid and realible so that input do not in test of multiple regression. X2, X5,X6,X7,X9 Variable are realible so that can be processed. Indicator number b for X2 not valid so that excluded. All item indicator of X5, X6, X7, X9 variables are valid. Then continued test normality data, multicollinearity, heteroscesdatisity. Everything passed no problem in assuming the classical. Next has done regression. The result showed by figure 2

Figure 2. Test of Multiple Regression

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.318	.960		.332	.754
X2	.093	.310	.076	.300	.777
X5	-.280	.399	-.204	.701	.515
X6	.056	.317	.040	.177	.866
X7	.086	.245	.099	.351	.740
X9	.924	.266	.875	3.469	.018

a. Dependent Variable: Y

X2, X5, X6, X7 Variables are have an effect on do not significant because the significancy above alpha 5 percent, X9 variable have an effect on significant because the significancy smaller than alpha 5 percent. Among 11 industry cluster having an effect on significant variable is access to financial business.

### Discussion

All industrial clusters are interrelated and affect between each others. Among the 11 variables studied, only one variable that significantly, while the other variables but not significant effect. The variable affect significant is Access to financial business ( X9). Here Discussion

#### 1. Internal Network and partner / cooperation entrepreneur of rattan with supplier (X1)

Used rattan worker of rattan in pitameh come from Mentawai have very good quality. After exportation of raw rattan prohibited hence worker of rattan get raw material quality of goodness. Prohibition order government to export rattan raw material go out country very effective to overcome the rare of domestic raw material. Worker of rattan to in this time not lack of raw material. So that entrepreneur of difficulty rattan do not in getting raw material. But that way raw material to be exported to to have the quality of good at the price of costly also.

Not all worker of rattan of Pitameh use raw material of quality of exporting, because in the end price sell which come up with costly consumer relative. Consumer do not want to buy furniture of rattan if its compared to costlier price furniture of wood. Most entrepreneur of rattan do purchasing of raw material only at the time of there is ordering of rattan product of consumer. Entrepreneur of rattan do not dare to do depositoryly raw material stock if not there is order of consumer. Entrepreneur of rattan fear if product they is not saleable, whereas capital they have been embedded.

#### 2. Entrepreneurship (X2)

Entrepreneur of rattan shall have competitiveness sell in market and also make product which is inovative and creative. Lack of creative idea and inovative of entrepreneur of rattan. Entrepreneur of rattan accept order as according to desire of consumer. Consumer bring representative of then worker of rattan make product pursuant to picture form given by consumer. Matter this means in the case of product design entrepreneur of rattan tend to to follow what consumer appetite and entrepreneur of rattan behave passive with product model, its meaning buyer wishing model remain to show its picture and entrepreneur of rattan make asked model

It is model do not vary, otherwise there is request of consumer bringing picture model furniture of rattan. Entrepreneur of very rare rattan give created design by himself which is



innovative to buyer. This matter of course make entrepreneur of difficult rattan compete between their humanity and also with product of substitution other like furniture of wood which serve newest design which not left behind mode which in demand in market.

Technological which used still modestly (manual). Needed new membership specially worker of usage of nail; axis shoot and compressor, knowledge concerning more modern product design and recognition of new matting form and more is varying. Production process which still manual because of lack of labour applying process technology. Usage of nail; axis shoot and time efficiency compressor will in course of production and make the quality of good product.

### 3. Skill of management ( X3)

Ability and skill of management pertained to lower. Management of effort having the character of familiarity. Membership of management only degraded hereditarily. There is generation entrepreneur of rattan. The importance of training for the development of rattan effort and repair of design. progressively its goodness made by design all worker expected can compete in national market and international market

There is no record-keeping of company transaction clearly. With existence of skill and ability in the field of management. Entrepreneur of rattan will be able to overcome threat of newcomer potential, strength drive a bargain consumer and supplier, goods threat of substitution To overcome emulation between entrepreneur of rattan, require to do product difference, interesting product design. Also improve the quality of product become better again. Each worker of rattan have 1 worker which remain to at area forming of frame, and some worker of weaver, and 1 worker at painting area, what generally represent family.

### 4. Availability of physical infrastructure ( X4)

Though all activities of production process depend on human being resource, a production process will walk eminently if supported by availability of physical infrastructure and facility and also adequate equipments. Uliginous facility, electrics, wide activity area and support and also machines more is facilitating not a production. Availability of electrics and water enough. Activity area which must be extended. Area work entrepreneur of rattan also represent their place sell goods. Become place sale of goods for them also represent production process place. So that less natty and clean if placed as sale place.

### 5. Support Local Government ( X5)

Governmental support in this case in the form of passed to aid entrepreneur of rattan, good aid in the form of morale support and also monetary support aid. Governmental aid which have there is, have lifted a hand machine peel of rattan husk and patrick machine give training of development of product furniture design (handycraft ) rattan. Policy of government supporting will improve sale of rattan product

Suggestion and wanted solution worker and entrepreneur of rattan to government is worker of rattan hope government form the place of like co-operation able to give raw material or capital to worker of rattan and accomodate again its result according to crosscut marketing price given raw material or debt rattan to ctaftman so that worker of rattan can produce more without fearing capital embeded. And marketing done by co-operation run by people of governance. Entrepreneur of rattan also wish their to rattan product weared by local government at office, like guest chair or flowerpot. According to them, if the mentioned done by government, hence have assisted them in the case of sale. for that needed intertwining of better cooperation again on duty and related institution and other industrial cluster

### 6. Quality of big company support (X6)

Big Support Company to small industry rattan still lower. Only small number of entrepreneur of rattan which work along with small number of big company in the case of finishing. Some from them sell their product to Silungkang. Skill had rattan labour still spelled

out members to lower because most them only learning self-educatedly and entrepreneur of rattan do not also suggest to give training to its labour because of the limited time and expense

In effort support development of small industrial cluster Kota Padang rattan, big company can assist entrepreneur of rattan provide past master facility or people who train, providing exhibition facility, supporting development of marketing management and finance and production and also labour through training. Doing training and development of membership to rattan labour in the form of technical training, design etcetera. Hereinafter local government of facility can meeting, communications, dialogued and interaction and also collaboration among company of rattan with big company

#### 7. Research and development / technological (X7)

Research into and development/technological still pertained to lower in supporting development of small industrial cluster rattan. Though institution research into to have role in providing result research into which applicative in the case of technology produce and also management which related to small industry rattan. Beside that institution research like college can also give training facility and work along with entrepreneur of rattan. Institution research to do research about rattan industry along with its him and give suggestion and input for the shake of efficacy of development of rattan industry.

There is no institution research into doing research which related to cluster. This matter can be caused by there is no communications him among institution research with entrepreneur of rattan. Research and development of product/ technological of vital importance in fulfilling requirement and desire of consumer. The importance of creation of efficiency produce to through machines technology weared economical energy, extension of market through creation of new product and have excellence of competitive. In the case of improving to research into and development of technology entrepreneur of rattan can work along with research institute and college perform research of technology which is applicative.

#### 8. Industrial Association support and commerce (X8)

Role of commerce association in supporting growth of industrial cluster rattan is lowering. Commerce association ought to as place meet him entrepreneur of rattan with other supporter like institution research, financial and others. Through commerce association all performer of small industrial cluster so that created to be dialogued, cooperation and communications. With formed his industrial association activity in depressing costs of transaction facility and learn with in the case of marketing management, monetary, training etcetera. Through association commerce of government can bring into contact all performer of small industrial cluster rattan so that created to be dialogued, good cooperation and communications among performer of cluster. Small Industrial cluster Kota Padang rattan have so called commerce association rattan sentra alam lestari. Worker and entrepreneur of rattan residing in area of Kelurahan Pitameh Kota Padang progressively. Many from them close down with various problems.

#### 9. Access to financial business ( X9)

Result of this research supported by research of Bappenas (2004) at industrial cluster batik of Pekalongan, finding that efficacy of development of industrial cluster influenced by support of financial. Entrepreneur of rattan require big capital for its activity. Monetary capital which they have limitedly. Done investment limited still modern machine and equipments. Small entrepreneur rattan still fear to owe at financial institution for fear of not be paid. Ought to monetary institution provide fund for the entrepreneur of rattan. Even so entrepreneur of rattan borrow money to banking institution, they asked to give guarantee of their loan that. Besides loan to bank the borrowed big in number also result payment of flower which big also. Though credit done with low interest rate. Inflation rate which knock over national economy situation also make excelsior credit rate of interest. Hereinafter such situation affect to redemption of debt or obligation paid by

entrepreneur of rattan along with its flower. Whereas rotation of tardy existing sale. Its meaning there's only one sold goods then entrepreneur of rattan must await weekly few days even so that furniture of its saleable rattan.

Ability access defrayal of have contribution at efficacy of development of rattan industry. Cooperation among entrepreneur of rattan with monetary institution like other financial institution and bank very is assisting entrepreneur of rattan in developing its effort. As for institution of financial which have given fund aid or credit at entrepreneur of rattan is bank of BRI, Bank Syariah, loan of Jasa Raharja

#### 10. Availability of Service Transportation (X10)

Availability of transportation service have an effect that do not significant to efficacy of development of small industrial cluster. Transportation used by entrepreneur is personal transportation. For the delivery expense of finished goods product to be sold by them account himself. There is also worker and entrepreneur of rattan selling its product to Silungkang, its transportation fare of them bisect. To avoid the expense of transportation, entrepreneur of rattan more tend to to sell their rattan product with only display in themselves shop or shop which do not need transportation fare.

#### 11. Marketing of output (X11)

Worker of rattan cannot produce too much resulting capital embeded. Promotion which have been done by exhibition. Have there is exhibition to introduce worker industry but many among they do not hanker to follow because rent of costly place. Have there is bargain which giving government for the exportation of result worker of rattan but there no its follow-up. Consumer of Kota Padang rattan consist of hotel sector, salon, crafting shop and household society. Area product marketing of rattan only is limited just domestic market

Price sell which still costly make to fail to emulate in market. Rattan product in marketing Kota Padang, Silungkang, Bengkulu, Jambi and Pekan Baru. There is no market export and difficult to access rattan product distribution go out country. Consumer society chosen furniture of rattan as second choice. Society prefer product of furniture of wood. Besides emulation of price sell indisposed rattan product of humanity entrepreneur. Also there is entrepreneur of rattan sell its rattan product below sold market mean price humanity entrepreneur of rattan. That thing make atmosphere emulation of indisposed industry.

### **CONCLUSION**

Industrial cluster consisting of internal network and partner, entrepreneurship, skill of management, availability of physical infrastructure, quality of support local government, quality of big company support, research into and development, quality of industrial support association and commerce, access to financial business, availability of transportation service, and access marketing of ouput influence growth of rattan industry. Among industrial clusters, access to financial business have effect on significant to growth of Kota Padang rattan industry.

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