



## **Analysis of Developing Batik Industry Cluster in Bakaran Village Central Java Province**

**Hermanto<sup>1✉</sup>, Y. Titik Haryati<sup>2</sup>**

<sup>1</sup>PT BFI

<sup>2</sup>Economics Development Department, Economics Faculty, Universitas Negeri Semarang

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SMEs grow in a cluster in a certain geographical area. The entrepreneurs grow and thrive through the business cluster. Central Java Province has a lot of business clusters in improving the regional economy, one of which is batik industry cluster. Pati Regency is one of regencies / city in Central Java that has the lowest turnover. Batik industry cluster in Pati develops quite well, which can be seen from the increasing number of batik industry incorporated in the cluster. This research examines the strategy of developing the batik industry cluster in Pati Regency. The purpose of this research is to determine the proper strategy for developing the batik industry clusters in Pati. The method of research is quantitative. The analysis tool of this research is the Strengths, Weakness, Opportunity, Threats (SWOT) analysis. The result of SWOT analysis in this research shows that the proper strategy for developing the batik industry cluster in Pati is optimizing the management of batik business cluster in Bakaran Village; the local government provides information of the facility of business capital loans; the utilization of labors from Bakaran Village while improving the quality of labors by training, and marketing the Bakaran batik to the broader markets while maintaining the quality of batik. Advice that can be given from this research is that the parties who have a role in batik industry cluster development in Bakaran Village, Pati Regency, such as the Local Government.

## INTRODUCTION

In the economic development in Indonesia including in Central Java Province, the Micro, Small and Medium Enterprise (MSME) is always portrayed as a sector that has an important role. SMEs can contribute to poverty alleviation (Ashley, 2006; UNCTAD, 2009) in (Carlisle et al., 2013). Most people in Central Java Province are the low education population. Small business is very appropriate for the people's lives, both traditional and modern ones (Anisyah, 2011: 1). At the time of the economic crisis that occurred in Indonesia a few years ago, many large-scale efforts got stagnated and stop their activities, The Micro, Small and Medium Enterprises was able to survive in facing the crisis. In accelerating the recovery of economic activity due to the crisis, the government aggressively implemented the development and improvement in various sectors of economy, in which one of the strategic factors of concern is the MSME sector (Polnaya, 2015: 1). Besides the attention of the government, the attention of the public is also very important in the development of the Small and Medium Enterprises (SMEs) and the Micro, Small and Medium Enterprises (MSMEs) in order to grow more competitive along with other economic actors. The importance network in the innovation system, then in the development of competitiveness through the system of the regional innovation was needed by collaboration between the academy, the industry/the business and the government (Herliana, 2015).

The Micro, Small and Medium Enterprises (MSMEs) grow in a cluster in a certain geographical area. Through this business cluster the members or entrepreneurs grow and develop. Various efforts are made by the government, universities, non-governmental organizations (NGOs), and other parties through the business cluster (Eva, 2013: 68). The proposed framework allows the identification of the factors driving SMEs performances and the capture of holistic firm performance within the craft industry (Rahman

& Ramli, 2014). Central Java Province has many business clusters in improving the local economy, one of which is the business cluster that develops well that is batik industry cluster. In its development, the batik industry cluster is one of the potential of local economies in Central Java Province that needs to be developed further. The potential of batik industry cluster in developing the local economy is to preserve the ancestral culture while improving the local economy. Besides, almost all cities and regencies in Central Java Province have their own characteristics in batik, which can be seen from the style, color, culture, and more. The local economic development increases followed by the preservation of local culture. The development of batik industry clusters in Central Java Province can be seen in table 1.1 below.

In the data in table 1, it can be seen that the batik industry clusters in Central Java Province are highly fluctuating from the turnover revenue of batik industry cluster in Pati Regency. It is characterized by the turnover decrease in 2011 and 2014. In 2011 the turnover revenue from the batik industry cluster in Pati Regency was Rp 300,000,000.00. In 2012 it increased to be Rp 360,000,000.00 and in 2013 there was no decrease or increase in the turnover revenue, in other words the turnover in 2012 was as much as that in 2013.

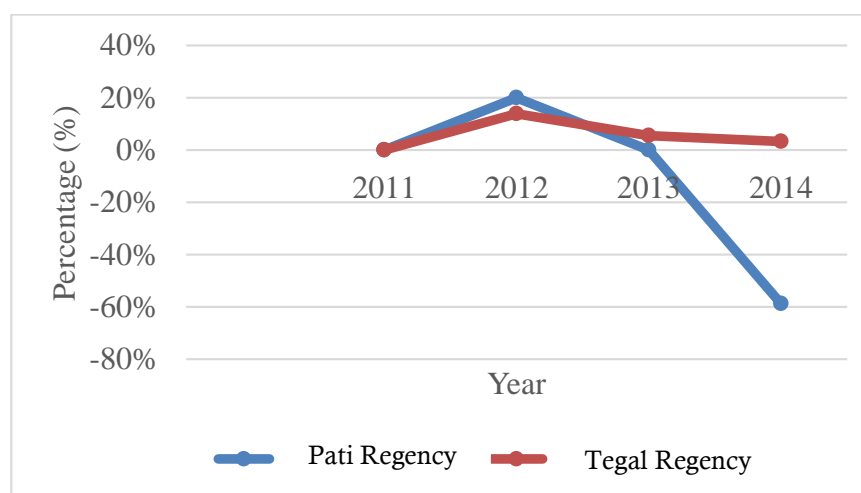
In 2014 the turnover revenue decreased to be Rp 148,000,000.00. Compared with the turnover revenue decrease of the batik business cluster in Tegal, the turnover revenue decrease of the Bakaran batik industry cluster in Pati Regency was worse. The turnover decrease of batik industry cluster in Tegal Regency can be seen from the turnover revenue growth in 2012 by 0.14% that decreased in 2013 by 0.06% and continued to decrease in 2014 by 0.03%. While the decrease in turnover revenue of the Bakaran batik industry cluster in Pati Regency can be seen from the turnover growth in 2012 by 0.20%. Afterwards there was no turnover growth in 2013 or 0%, and in 2014 it dropped to -0.59%.

So compared with the turnover revenue of the batik business cluster in Pati Regency, the Bakaran batik in Pati Regency has more severe lower revenue from 2011 to 2014. A graph of the turnover development of batik business cluster in Pati Regency can be seen in Figure 1.

**Table 1.** Turnover Development of Batik Industry Cluster in Central Java Province  
In 2011 - 2014 (in Rupiah and Percentage)

No	Regencies/Cities	2011	2012	2013	2014
1	Blora	Rp 250,000,000	Rp 550,000,000	Rp 1,250,000,000	Rp 2,500,000,000
2	Rembang	Rp 21,150,000,000	Rp 23,850,000,000	Rp 30,150,000,000	Rp 35,100,000,000
3	Pati	Rp 300,000,000	Rp 360,000,000	Rp 360,000,000	Rp 148,800,000
4	Kota Semarang	Rp 410,000,000	Rp 530,000,000	Rp 820,000,000	Rp 1,300,000,000
5	Grobogan	Rp 60,000,000	Rp 94,000,000	Rp 104,000,000	Rp 110,000,000
6	Klaten	Rp 5,960,622,000	Rp 6,228,390,000	Rp 6,626,302,000	Rp 7,389,588,000
7	Laweyan (Surakarta)	Rp 36,000,000,000	Rp 36,000,000,000	Rp 126,000,000,000	Rp 126,000,000,000
8	Kauman (Surakarta)	Rp 500,000,000	Rp 750,000,000	Rp 750,000,000	Rp 750,000,000
9	Sukoharjo	Rp 1,400,000,000	Rp 1,800,000,000	Rp 2,400,000,000	Rp 3,000,000,000
10	Temanggung	Rp 276,000,000	Rp 300,000,000	Rp 324,000,000	Rp 420,000,000
11	Karanganyar	Rp 30,000,000	Rp 35,000,000	Rp 40,000,000	Rp 45,000,000
12	Kebumen	Rp 69,120,000	Rp 79,920,000	Rp 86,240,000	Rp 96,000,000
13	Cilacap	Rp 1,000,000,000	Rp 1,000,000,000	Rp 1,000,000,000	Rp 1,000,000,000
14	Purbalingga	Rp 200,000,000	Rp 200,000,000	Rp 200,000,000	Rp 200,000,000
15	Batang	Rp 2,015,000,000	Rp 2,020,000,000	Rp 2,020,000,000	Rp 2,021,000,000
16	Tegal Regency	Rp 395,000,000	Rp 450,000,000	Rp 475,000,000	Rp 490,500,000
17	Tegal City	Rp 48,600,000	Rp 72,000,000	Rp 90,000,000	Rp 128,700,000
18	Brebes	Rp 1,866,240,000	Rp 2,239,488,000	Rp 2,275,309,728	Rp 2,300,330,934
19	Banjarnegara	Rp 550,000,000	Rp 900,000,000	Rp 1,250,000,000	Rp 1,300,000,000
20	Pekalongan City	Rp 105,752,000,000	Rp 114,980,000,000	Rp 115,220,000,000	Rp 120,049,000,000

Source : The Regional Development Planning Board, Central Java Province



**Figure 1.** Turnover Development of Batik Business Cluster in Pati Regency and Tegal Regency in 2011 - 2014 (in Percentage)

Source : The Regional Development Planning Board, Central Java Province

In accordance with the graph in figure 1.1, it shows that the batik industry clusters in Pati Regency and Tegal Regency have problems on the side of the turnover in 2011 – 2014, which can be seen from the fluctuations of the turnover revenue of batik industry product. The turnover decrease received by the Bakaran batik industry cluster in Pati Regency is worse than that received by the batik business cluster in Tegal Regency. This indicates that the Bakaran

batik industry cluster in Pati Regency has greater problems in turnover revenue compared with the turnover revenue of batik industry cluster in Tegal Regency.

Besides the amount of turnover, the Bakaran batik industry cluster in Pati Regency also has a number of business units that join the members of the Bakaran batik business cluster in Pati Regency. The development of a number of business units that join Bakaran batik business cluster in Pati Regency can be seen in Table 2.

Table 2 shows that the development of the Bakaran batik industry clusters in Bakaran Village in Pati Regency has made a quite good improvement. The development can be seen from the results of the Bakaran batik industry products produced by the Bakaran batik industry

clusters that develop their products from only in the form of handmade batik cloths then add their products in the form of Bakaran batik clothes. Besides being seen from the business product, the Bakaran batik industry clusters have been developing quite well in a number of business units, which is incorporated in the Bakaran batik industry clusters. In 2009 - 2011 there are six Bakaran batik industry units incorporated in the Bakaran batik industry clusters in Pati Regency. The number of business units continued to increase in 2012 as many as 13 business units of the Bakaran batik, and the next year in 2013 - 2014 there was no increase in the number of business units of the Bakaran batik incorporated in the Bakaran batik industry cluster in Pati Regency.

**Table 2.** Number of Business Unit in Bakaran Batik Industry Clusters in Pati Regency  
In 2009 - 2014

Year	Business Product	A Number of Business Unit
2009	Handmade Batik Cloths	6
2010	Handmade Batik Cloths	6
2011	Handmade Batik Cloths	6
2012	Handmade Batik Cloths	13
2013	Handmade Batik Cloths and Batik Clothes	13
2014	Handmade Batik Cloths and Batik Clothes	13

Source: The Regional Development Planning Board, Central Java Province

All Bakaran batik industry incorporated in the Bakaran batik industry cluster can only be found in Bakaran Kulon Vilage and Bakaran Wetan Village. Besides, the owners of the Bakaran batik industry are the native people of those villages. Many members of the Bakaran batik industry clusters in Pati Regency indicate that there are still many people, especially in Bakaran Kulon Village and Bakaran Wetan Village who want to preserve the culture of the ancestors in the form of the Bakaran batik and also to improve the local economy and the household economy.

## RESEARCH METHOD

The data used in this research is the primary and secondary data. Primary data is the data that is collected and processed by the organization that publish or use it, while the primary data for the formulation of strategic alternatives in Strengths, Weakness, Opportunity, and Threats (SWOT) is obtained through the use of a list of questions (questionnaire) to the batik entrepreneurs who are the members of the Bakaran batik industry clusters.

The secondary data is obtained from the Department of Cooperatives and SMEs, the Central Bureau of Statistics (BPS), and the Regional Development Planning Board (Bappeda) of Central Java Province and Pati Regency and the literature that is related to this research.

The research uses the analysis method of Strengths, Weakness, Opportunity, and Threats (SWOT) in order to determine the appropriate strategy developing the Bakaran batik industry clusters in Pati Regency. Therefore, this research requires some parties such as the respondents and key-persons. The respondents in this research are the batik entrepreneurs in Bakaran Village, Pati Regency, amounted 13 people who have joined in the Bakaran batik industry cluster. The key-persons in this research are the head of the Bakaran batik industry cluster and the head of business in the Regional Development Planning Board, Pati Regency. SWOT analysis is to identify various factors systematically to formulate the company's strategy. The analysis is based on the logics that can maximize the strengths and opportunities, but simultaneously can minimize the weakness and threats. Based on the SWOT matrix, four main strategies can be composed; SO, WO, ST, and WT. Each of these strategies has its own characteristic, and further the strategies should be implemented together and supporting each other.

## RESULT AND DISCUSSION

### Strategy of Developing Bakaran Batik Industry Cluster through SWOT Analysis Tools

This research discusses the strategy of developing batik industry cluster in Bakaran Village, Pati Regency, using the SWOT analysis (Strengths Weaknesses Opportunities Threats). From the results of research, which are knowing the laws of SMEs, the general guidelines of cluster, seeing the overview of batik industry cluster, the available human resources and natural resources, the strategies that have been taken, and the performance that has been

achieved, there are some internal and external factors that can be seen from the batik industry in Bakaran Village.

The identification of internal factors (IFAS) is conducted in developing the batik industry cluster. Based on the identification result of the internal factors of the batik industry cluster, there are the strengths and weaknesses that can be found in the batik industry cluster in Bakaran Village as follows:

#### 1. Strengths

- a. There is a division of labors based on the skills and abilities
- b. There are activities to improve the quality of labors
- c. Bakaran village is known as the Handmade Bakaran Batik
- d. It is easy to access to acquire the raw materials
- e. Bakaran Batik still maintains the quality of the Handmade Batik
- f. The labors come from Bakaran Village

#### 2. Weaknesses

- a. The business owners use the private money for running batik industry
- b. The procedure to borrow the business capital is too complicated
- c. The tools used for operating the batik industry is still traditional
- d. The products of Bakaran Batik have not much known by the people

Based on the identification result of the external factors (EFAS) of batik industry cluster in Bakaran Village, there are some opportunities and threats that can be found. The opportunities and threats for batik industry incorporated in the cluster are:

#### 3. Opportunities

- a. The production of batik is not influenced by the external conditions
- b. Promoting the production of batik relies on the exhibition
- c. There are supports from the government (Department of Industry and Trade, Department of Cooperatives, SMEs, Regional Development Planning Board, and other agencies)

- d. There is a specific policy that makes Bakaran batik as the uniform of the civil servants in Pati Regency
  - e. The marketing is conducted in Java and outside Java
  - f. The total number of consumers will not decrease if the batik price is increased
4. Threats
- a. The raw materials are booked from outside the city
  - b. The price of raw materials is often increased following the dollars
  - c. There are some competitors of Bakaran Batik Product from outside the region (Lasem and Pekalongan)
  - d. The marketing is not widespread and still waiting for the orders
  - e. There is a lack of role of the cluster to the members

### Matrix Analysis of IFAS

IFAS matrix is used to determine the internal factors of batik industry cluster in Bakaran Village, Pati Regency, related to the strengths and weaknesses that are considered to be important. Having obtained the internal strategic factors of batik industry cluster in Bakaran Village, Pati Regency, which include the weaknesses and strengths, then the questionnaire filling on weighting by using the method of paired comparison matrix is conducted, followed by the ranking (rating) to the variables of the strengths and weaknesses. The following table 1.3 is the analysis result of IFAS matrix on batik industry cluster in Bakaran Village.

**Table 3.** Analysis of IFAX Matrix on Batik Industry Cluster in Bakaran Village

No	Internal Strategic Factors as Strength Indicators	Ranking	Weight	Score of Weighting
1	There is a division of labors based on the skills and abilities	4	0.11	0.42
2	There are activities to improve the quality of labors	3.5	0.09	0.33
3	Bakaran village is known as the Handmade Bakaran Batik	3.5	0.08	0.27
4	It is easy to access to acquire the raw materials	3	0.10	0.29
5	Bakaran Batik still maintains the quality of the Handmade Batik	4	0.11	0.45
6	The labors come from Bakaran Village	4	0.11	2.19
<b>Total Score of Weighting</b>			0.59	2.19
No	Internal Strategic Factors as Weakness Indicators	Ranking	Weight	Score of Weighting
1	The business owners use the private money for running batik industry	1.5	0.13	0.19
2	The procedure to borrow the business capital is too complicated	2	0.10	0.20
3	The tools used for operating the batik industry is still traditional	2	0.07	0.14
4	The products of Bakaran Batik have not much known by the people	2	0.11	0.23
<b>Total Score of Weighting</b>			0.41	0.75
<b>Total Score of Internal Weighting</b>				<b>2.94</b>

Source: Primary Data, Processed

Table 3 above shows that the internal strategic factor as the strength indicator that obtains the highest weighting score is that the Bakaran batik still maintains the quality of its handmade batik with the score of 0.45. It is because the batik industry owners really maintain the quality of the Bakaran batik in order to compete with the quality of batik from other regions. Besides, by maintaining its quality, it will make the consumers' trust to the batik products also increased. The high quality of the Bakaran batik products are as follows: the batik paint is not easily diluted, the product can survive long if worn, the product has the unique motifs and contains coastal area and agricultural cultures of Pati Regency, and many others. Preserving the quality of batik products will be an opportunity to develop the batik industry.

The result of the internal strategy with the weakness indicator for the aspect factor of the Bakaran batik product that has not known yet by many people becomes the aspect that has the highest weighting score of 0.23. The conditions show that the aspect of the Bakaran batik

product being less familiar becomes the biggest weakness in developing the business. Being less familiar, the demand for batik products decreases and batik industry is difficult to develop. The Bakaran batik is only known by the people who live in Pati Regency and the surrounding areas.

#### Analysis of EFAS Matrix

EFAS matrix is used to determine the external factors of batik industry cluster in Bakaran Village, Pati Regency, which relates to the threats and opportunities that are considered to be important. Having obtained the external strategic factors of batik industry cluster in Bakaran Village that is considered to be important, the questionnaire filling on weighting by using the method of paired comparison matrix is conducted, followed by giving ranking (rating) to the variables of opportunities and threats. Below is table 1.4 as the analysis result of EFAS matrix on the Batik Industry Cluster in Bakaran Village.

**Table 4.** Analysis of EFAS Matrix of Batik Industry Cluster in Bakaran Village

No	External Strategic Factors as Opportunity Indicators	Ranking	Weight	Score of Weighting
1	The production of batik is not influenced by the external conditions	2.5	0.09	0.23
2	Promoting the production of batik relies on the exhibition	4	0.09	0.35
3	There are supports from the government (Department of Industry and Trade, Department of Cooperatives, SMEs, Regional Development Planning Board, and other agencies)	3	0.08	0.23
4	There is a specific policy that makes Bakaran batik as the uniform of the civil servants in Pati Regency	4	0.12	0.46
5	The marketing is conducted in Java and outside Java	1.5	0.08	0.28
6	The total number of consumers will not decrease if the batik price is increased	2.5	0.11	0.28
<b>Total Score of Weighting</b>			0.57	1.67
No	External Strategic Factors as Threat Indicators	Ranking	Weight	Score of Weighting

1	The raw materials are booked from outside the city	2	0.08	0.17
2	The price of raw materials is often increased following the dollars	3.5	0.09	0.31
3	There are some competitors of Bakaran Batik Product from outside the region (Lasem and Pekalongan)	2	0.09	0.18
4	The marketing is not widespread and still waiting for the orders	1.5	0.10	0.15
5	There is a lack of role of the cluster to the members	1.5	0.07	0.11
<b>Total Score of Weighting</b>			0.43	0.92
<b>Total Score of External Weighting</b>				<b>2.59</b>

Source: Primary Data Processed

Based on the data from table 4 above, it shows that the external strategic factor as the opportunity aspect, which is the specific policy to make the Bakaran batik as the uniform of the civil servants in Pati Regency, obtains the highest score of weighting compared with the other factors. The aspect of a specific policy to make the Bakaran batik as the uniform of the civil servants in Pati Regency obtains a score of 0.46. It shows that the specific policy by the government of Pati Regency has encouraged the handicraftsmen and the owners of the Bakaran batik industry to develop their business and involve them in a policy.

The aspect that obtains the highest score of weighting on the external strategy with the threat indicator is the price of the raw materials that is often increased following the dollars with the weighted score of 0.31. It shows that the increase in the raw materials will burden the batik industry owners in Bakaran Village. The frequent increase in the price of the raw materials following the dollar foreign currency is because the raw materials for making batik are imported from abroad. The business owners are forced to follow the increased price of the raw materials.

		Kuat	3	Rata-rata	2	Lemah	1
4							
Tinggi		I Pertumbuhan		II Pertumbuhan		III Penciutan	
3							
Menengah		IV Stabilitas		V Pertumbuhan Stabilitas		VI Penciutan	
2							
Rendah		VII Pertumbuhan		VIII Pertumbuhan		IX Likuiditas	
1							

**Figure 2.** Total Score of Strategy Factors

Source: Primary Data Processed



In the internal-external matrix above, the score of weighting obtained from the internal factor is 2.94 and the external factor is 2.53. It points the coordinates in the growth area V. The right strategy used for developing the batik industry cluster in Bakaran Village, Pati

Regency, is the concentration strategy through the horizontal integration or stability, which means the strategy that adopt more defensively, by optimizing the management of the batik industry to avoid the threats.

#### Analysis of SWOT Matrix

**Table 5.** Analysis of SWOT Matrix

Internal Factors (IFAS)	Strengths (S)	Weaknesses (W)
	<ol style="list-style-type: none"> <li>1. There is a division of labors based on the skills and abilities</li> <li>2. There are activities to improve the quality of labors</li> <li>3. Bakaran village is known as the Handmade Bakaran Batik</li> <li>4. It is easy to access to acquire the raw materials</li> <li>5. Bakaran Batik still maintains the quality of the Handmade Batik</li> <li>6. The labors come from Bakaran Village</li> </ol>	<ol style="list-style-type: none"> <li>1. The business owners use the private money for running batik industry</li> <li>2. The procedure to borrow the business capital is too complicated</li> <li>3. The tools used for operating the batik industry is still traditional</li> <li>4. The products of Bakaran Batik have not much known by the people</li> </ol>
External Factors (EFAS)		
Opportunities (O)	Strategy SO	Strategy WO
<ol style="list-style-type: none"> <li>1. The production of batik is not influenced by the external conditions</li> <li>2. Promoting the production of batik relies on the exhibition</li> <li>3. There are supports from the government (Department of Industry and Trade, Department of Cooperatives, SMEs, Regional Development Planning Board, and other agencies)</li> <li>4. There is a specific policy that makes Bakaran batik as the uniform of the civil servants in Pati Regency</li> <li>5. The marketing is conducted in Java and outside Java</li> <li>6. The total number of</li> </ol>	<p>Utilizing the labors from Bakaran Village to increase the number of products and the quality of batik products</p> <p>Getting involved actively in supporting the local government in improving the labor quality and the batik product marketing</p> <p>Marketing the batik product out of Java and the entire Java by maintaining the quality of batik products</p> <p>Optimizing the management of batik industry in Bakaran Village</p>	<p>The local government provides facilities and information about capital loan and capital aid for the business owners in order to develop their business</p> <p>The government support in promoting batik needs to be increased and optimized in order to reach greater market</p> <p>The government role in donation in the form of tools needs to be increased and the need of innovation and more modern technology utilization</p>

consumers will not decrease if the batik price is increased		
Threats (T)	Strategy ST	Strategy WT
1. The raw materials are booked from outside the city 2. The price of raw materials is often increased following the dollars 3. There are some competitors of Bakaran Batik Product from outside the region (Lasem and Pekalongan) 4. The marketing is not widespread and still waiting for the orders 5. There is a lack of role of the cluster to the members	1. Maintaining the quality of batik products to compete with the ones from out of the region (Lasem and Pekalongan) 2. The owners have had the customers as the raw material suppliers despite from out of the region 3. There are labor training despite lack of the cluster's role 4. It needs to increase and optimize the cluster's role in developing batik industry from the members of Bakaran batik cluster	1. Following the local government programs that have been made and designed for the business owners in developing batik industry 2. Building partnership cooperation with various parties having competency in their objects to develop batik industry in Bakaran Village

Source: Primary Data, Processed

Based on the SWOT analysis, some strategies can be proposed to develop the batik industry clusters in Pati Regency. The first strategy is by applying the SO strategy, which is a strategy that uses the strengths to take advantage of the opportunities in the batik industry cluster in Pati Regency. The SO strategies include: utilizing the labors from Bakaran Village to increase the number of products and the quality of batik products, getting involved actively in supporting the local government in improving the labor quality and the batik product marketing, marketing the batik product out of Java and the entire Java by maintaining the quality of batik products, and optimizing the management of batik industry in Bakaran Village.

A second strategy is the WO strategy, which is minimizing the weaknesses to take advantage of the opportunities. The WO strategies include: the local government provides the facilities and information about the capital loan and the capital aid for the business owners in order to develop their business, the

government support in promoting batik needs to be increased and optimized in order to reach greater market, the government role in donation in the form of tools needs to be increased, and the need of innovation and more modern technology utilization.

The third strategy is the ST strategy, which is a strategy that uses the strengths to overcome the threats including : maintaining the quality of batik products to compete with the ones from out of the region (Lasem and Pekalongan), the owners have had the customers as the raw material suppliers despite from out of the region, there are labor training despite lack of the cluster's role, it needs to increase and optimize the cluster's role in developing batik industry from the members of the Bakaran batik cluster.

The fourth strategy is the WT strategy, which is a strategy that minimizes the weaknesses and avoiding the threats including: following the local government programs that have been made and designed for the business owners in developing batik industry, building

partnership cooperation with various parties having competency in their objects to develop batik industry in Bakaran Village

## CONCLUSION

The result of research that has been done can be concluded in the following are the internal strategy factor as the strength aspect in developing the batik industry cluster in Bakaran Wetan Village and Bakaran Kulon Village in Pati Regency is that the Bakaran batik maintains the quality of the handmade batik by obtaining a score of 0.45. The internal strategy factor as the weakness aspect in developing the batik industry cluster in Bakaran Wetan Village and Bakaran Kulon Village in Pati Regency is that the Bakaran batik products have not known yet by many people by obtaining a score of 0.23.

The external strategy factor as the opportunity aspect in developing the batik industry cluster in Bakaran Wetan Village and Bakaran Kulon Village in Pati Regency is that there is a specific policy to make the Bakaran batik as the uniform of the civil servants (PNS) in Pati Regency by obtaining a score of 0.46. The external strategy factor as the threat aspect in developing the batik industry cluster in Bakaran Wetan Village and Bakaran Kulon Village in Pati Regency is that the raw material price is often increased following the dollar or the foreign currenc by obtaining a score of 0.31.

The strategies of developing the batik industry cluster in Bakaran Village that should be conducted among others by optimizing the management of batik industry clusters in Bakaran Kulon Village and Bakaran Wetan Village to avoid the threats such as : the raw materials are ordered from outside the town, the price of the raw materials is often increased following the dollars, there are competitors of the Bakaran batik products from outside the region (Lasem and Pekalongan), the marketing is not broad and still waiting for the order, and the lack of the cluster's role to the members.

Based on the analysis result and the discussion, some suggestions can be submitted as follows (1) The batik industry owners in

Bakaran Kulon Village and Bakaran Wetan Village should maintain the quality of the Bakaran batik in order to be able to compete with the batik products from other regions, and the owners also should maintain the quality of batik to maintain the consumer's trust in wearing batik. One way to maintain the quality of the Bakaran batik is by using the high quality of the raw materials as well. (2) The batik industry owners in Bakaran Kulon Village and Bakaran Wetan Village should actively participate in the exhibition organized by the government, and through the Bakaran batik industry cluster, the government also should provide space to the members of the Bakaran batik industry clusters to showcase their Bakaran batik products alternately at the exhibition held by the government. The cluster members that are the owners of the Bakaran batik industry should be able to market their batik by taking part in their own exhibition.

The Local Government of Pati Regency should not change the Decree (SK) on the wearing of the Bakaran batik as the uniform of the civil servants (PNS) so that the Bakaran batik can be worn sustainably. (4) The government should provide subsidies or aids to the entrepreneurs of the Bakaran batik, especially when the value of the rupiah gets weakened against the dollar to ease the burden of the Bakaran batik entrepreneurs due to the increase in the raw material prices. (5) The parties who have a role in the development of batik industry cluster in Bakaran Village in Pati Regency such as the Local Government (the Regional Development Planning Board, the Department of Cooperativs, SMEs, the Department of Industry and Trade, Pati Regency) and the batik entrepreneurs in Bakaran Village incorporated in the cluster should cooperate in developing the Bakaran batik industry clusters in Pati Regency. To avoid the threats by providing such assistance like subsidies due to the increase in the raw materials prices of the batik making, the batik handicraftsmen should maintain the quality of the Bakaran batik in competing with the batik products from other regions. The government agencies in Pati Regency related to the

development of the batik industry clusters should hold the exhibitions frequently, and the owners of the Bakaran batik industry should be able to take part in their own exhibition and expand their marketing area.

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