PROGRAM ANALYSIS OF THE INDONESIAN INDUSTRIAL CHAMBER OF COMMERCE (KADIN) AND ROKAN HULU REGENCY REGENT IN INCREASING ENTREPRENEURIAL INTEREST

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ABSTRACT

Keywords: KADIN; Program; Entrepreneurship.

This study aims to analyze the program of the Indonesian Chamber of Commerce and Industry (KADIN) and Regent Rokan Hulu Regency in increasing entrepreneurial interest. This research uses qualitative methods by conducting case studies on the KADIN program in Rokan Hulu Regency. Data was collected through interviews and documentation and then analyzed using descriptive techniques. The results showed that the KADIN and regent Rokan Hulu Regency programs have a role in increasing entrepreneurial interest in the Rokan Hulu community, primarily through programs held, coaching, and marketing. However, several obstacles to implementing this program remain, such as lack of support from local governments and public understanding that KADIN must provide business capital. Therefore, more effective efforts are needed to realize the KADIN program in Rokan Hulu Regency and increase interest in entrepreneurship in the community.

Introduction

Indonesia has a population of 275.77 million in 2022, up 1.13% from the previous year. However, this fact also presents an unemployment problem in Indonesia, especially among the productive age between 15 and 16 years (Carayannis, Campbell, & Grigoroudis, 2022). According to the Central Statistics Agency (BPS), in February 2022, 5.83% of the total labor force of 208.54 million people were unemployed. Of these, almost 14% are diploma and undergraduate graduates. The imbalance between the number of job seekers and available employment causes this problem (Tjahjanto, Tuhana, Mafruhah, Istiqomah, & Ismoyowati, 2023). The high unemployment rate wastes quality human resources and decreases education (Hornaday, Wheatley, & Hunt, 1989). This situation also negatively impacts the economy, people's emotions, and the family's daily life (www.medcom.id).

One of the factors causing unemployment in Indonesia is the need for more entrepreneurship skills. Many Indonesians need help building a business, so they prefer to find a job rather than create jobs after completing their education (Kantaprawira, 2022). This causes competition in finding employment in Indonesia to be very high. High unemployment rates can also trigger an increase in crimes such as robbery, murder, legal, and fraud (Kuntoro, 2019). To overcome high unemployment, the government needs to create an environment that supports the development of entrepreneurs. In this context, efforts are required to develop entrepreneurial skills and facilitate business establishment.
(Ishak, 2018). By optimizing the demographic bonus that will occur in 2030, where the percentage of the productive age population (70.72%) will be more than the non-productive age (29.28%), the government can take strategic steps to reduce the unemployment rate that continues to increase from year to year (rohulkab.bps.go.id, 2021).

The government of Indonesia has run various programs to develop national entrepreneurship, according to the Presidential Regulation of the Republic of Indonesia Number 2 of 2022, concerning developing national entrepreneurship for 2021-2024 (Sumarsono, 2016). One of the programs carried out is the National Entrepreneurship Movement. This program aims to involve youth in development, considering that youth are a productive age group supporting various development activities. The importance of youth involvement in development is also based on the vast youth population in Indonesia (Nardin, 2019). This significant number has a vital role in determining the progress of the nation and state going forward. Therefore, various policies and programs should be focused on empowering youth to be more productive (Rahmiyati, 2015).

However, the understanding of entrepreneurship could be more widespread throughout the region, including in Rokan Hulu Regency, one of the districts in Riau Province. According to the Directorate General of Population and Civil Registration (Dukcapil) of the Ministry of Home Affairs, Riau's population in June 2021 reached 6.45 million people, with 51.14% men and 48.86% women. Data from BPS (Central Statistics Agency) shows that in 2020, the population of Rokan Hulu Regency grew by 3.78% to 718,321 people. This indicates that Rokan Hulu Regency, as one of the regions in Indonesia, still needs further efforts to increase understanding and empowerment of entrepreneurship among the community. Thus, the government and various relevant parties must implement programs to develop entrepreneurial skills in the region to encourage economic growth and reduce unemployment (BPS 2020).

The people of the Rokan Hulu district still think, "Why study entrepreneurship if they end up opening a business?" later, if their mindset is still like that, it will result in limited employment. The Central Statistics Agency (BPS, 2020) of Rokan Hulu Regency noted that the open unemployment rate (TPT) in Rokan Hulu in 2019 was 4.71 percent. In 2020, it was 4.42 percent, while the number of productive age in 2019 was 455,569 people increased in 2020 to 474,652 people—number of Population by Age Group and Gender (Soul), 2019-2020 Rokan Hulu Regency. To create entrepreneurship in Rokan Hulu Regency at a productive age, the most important thing is to change the mindset and build an entrepreneurial spirit. This requires cooperation from all relevant parties. The government needs to work with partners or community organizations to support economic improvement and develop entrepreneurial spirit among the youth. They aim to open businesses and create jobs to reduce unemployment and achieve better economic growth (Sarifudin & Maya, 2019).

The Indonesian Chamber of Commerce and Industry (KADIN) is an organization that is a gathering place for Indonesian entrepreneurs and a forum for socializing business people. This organization was founded on September 24, 1968, by the Regional Chamber
of Commerce and Industry at level I. Although its existence has existed since 1968, official recognition from the government was only given after issuing the Presidential Decree of the Republic of Indonesia Number 49 of 1973. In 1987, KADIN was re-established through Law Number 1 of 1987 concerning the Chamber of Commerce and Industry, which was decided in the deliberations of Indonesian entrepreneurs on September 24 of that year (Winarta, 2022). In Rokan Hulu Regency, few investors still come to port business activities in Rokan Hulu. KADIN management is in every region and province in Indonesia. Especially in Rokan Hulu Regency is the Rokan Hulu Regency Chamber of Commerce. According to data from the Central Statistics Agency, the population in Rokan Hulu Regency in 2021 reached 570,952 people. For Rokan Hulu Regency to develop and advance in the economy, youth must be encouraged to move into entrepreneurship because the number of entrepreneurs in Rokan Hulu Regency is currently still small, especially among youth and students (rokanhulukab.go.id).

Based on this background, the researcher is interested in conducting a thesis research entitled "Program Analysis of the Indonesian Chamber of Commerce and Industry (Kadin) and Rokan Hulu Regency in Increasing Interest in Entrepreneurship." There is also a formulation of the problem in this study, namely, (1) apa Rokan Hulu Chamber of Commerce Work Program related to Entrepreneurship. (2) What is the Rokan Hulu Regent Work Program related to Entrepreneurship? (3) How is the alignment of the Work Program of the Chamber of Commerce and the Regent of Rokan Hulu related to entrepreneurship? (4) What is the proposed entrepreneurship program for youth in Rokan Hulu Regency? Therefore, the purpose of this study is (1) to learn about the Rokan Hulu Chamber of Commerce Work Program related to entrepreneurship. (2) To discover the Rokan Hulu Regent Work Program related to entrepreneurship. (3) To analyze the alignment of the Work Program of the Chamber of Commerce and the Regent of Rokan Hulu related to entrepreneurship. (4) Provide entrepreneurship program proposals for youth in Rokan Hulu Regency.

Entrepreneurship

Entrepreneurship is a way of thinking, studying, and acting based on business opportunities, a holistic approach, and balanced leadership. The holistic approach refers to value renewal that no longer uses a shareholder approach but is more geared towards a stakeholder approach. The essence of the entrepreneurial process is creativity in finding business opportunities (Carson et al., 2017). Entrepreneurship is not only limited to start-up businesses. Entrepreneurship can occur in old or new institutions, large or small, fast-growing or slow-growing, private or governmental, worldwide, and in various stages of national progress. At the existence stage, entrepreneurship is needed to give direction to a business. However, at the renewal stage, entrepreneurs need to make innovations so the company can grow again.
Research Methods
Types of Research
The type of research analysis of the Entrepreneurship Program of the Indonesian Chamber of Commerce and Industry (KADIN) to increase interest in youth entrepreneurship in Rokan Hulu Regency is descriptive research with a qualitative approach. The researcher will descriptively explain the analysis of the Indonesian Chamber of Commerce and Industry (KADIN) Entrepreneurship Program in increasing the interest in youth entrepreneurship in Rokan Hulu Regency. According to Huberman (2014), with qualitative data, researchers can follow and understand the chronological flow of events, assess cause and effect within the scope of local people's minds, and obtain many valuable explanations.

Data Sources
According to Lofland (Moleong, 2020), the primary data sources in qualitative research are words and actions obtained from informants through interviews; the rest are additional data such as documents and others. There are also data sources in this study, namely primary data and secondary data. The preliminary data in this study were obtained through in-depth observation interviews and recordings of the Rokan Hulu Regency Chamber of Commerce and Industry. Then, secondary data will be accepted from archives and books accessed online and offline that provide data related to this research.

Research Informants
This study examines the Analysis of the KADIN Entrepreneurship Program in Increasing Youth Entrepreneurship Interest in Rokan Hulu Regency so the researcher decided that the most appropriate and appropriate main informant as the Head of the Rokan Hulu Regency KADIN for the 2021-2026 period.

Results and Discussion
Pentahelix Collaboration
Pentahelix collaboration involves five parties or groups interested in innovation and development: government, academia, business, civil society, and media. This concept emphasizes the importance of collaboration and interaction between the five sectors to encourage innovation and progress in a particular region or industry (Shaw et al., 2019). In the Pentahelix collaboration, each group has a different role in promoting innovation and development. The concept of Pentahelix can also be applied in an entrepreneurial context. In this case, the five parties or groups involved in the Pentahelix collaboration are government, academia, business, society, and investors. Each group has a different role in supporting entrepreneurial development and growth. This study categorized the Vice Regent of Rokan Hulu, Indra Gunawan, and the Cooperative Office, Andi Kusnadi, into the government. The government can provide support through policies and regulations that support the development of small and medium enterprises (SMEs) and provide access to funding facilities and other resources. Then, from the academic aspect. In addition to being business-oriented, Kadin also includes education to business actors, including collaborating with educational institutions in Rokan Hulu. Academics can
provide resources and guidance for entrepreneurs and research and develop new technologies to help SMEs thrive.

**Rokan Hulu Chamber of Commerce Program**

Based on the results of an interview conducted by researchers on Wednesday, February 8, 2023, with the Chairman of the Rokan Hulu Chamber of Commerce, namely Evi Juliana, MM. Precisely at The Lingkar Caffe, at 20.00 WIB. At that time, he answered questions about the Rokan Hulu Chamber of Commerce program.

From the quote above, it can be seen that the activities of the Chamber of Commerce are authentic, including the dedication program of the Chamber of Commerce in the form of seminars. From this quote, it can be seen that the KADIN program in 2021 experienced obstacles, but in 2022, efforts have been made to overcome these obstacles by holding seminars and socialization activities at SMK 1 Tambusai. This shows that KADIN is committed to continuing to develop its programs and provide benefits to the community.

Based on these quotes, it can be seen that the Chamber of Commerce and Industry has exemplary commitment and community efforts in carrying out its vision and mission; this can certainly positively impact the entrepreneurial interest of Rokan Hulu Regency Youth.

On February 13, 2023, researchers interviewed one of the essential figures from the local government, namely Indra Gunawan, as Vice Regent of Rokan Hulu Regency; on this occasion, researchers and Indra Gunawan discussed entrepreneurship and the existence of the Chamber of Commerce in Rokan Hulu Regency regarding the existence of the Rokan Hulu Chamber of Commerce Indra Gunawan said:

*Of course, we hope the Rokan Hulu youth community will have the skills to work, especially children and youth. And we see that (C/IG/14)*

Indra Gunawan, as the Vice Regent of Rokan Hulu Regency, wants young people to have the skills of Karya, which in this context is potential in the field of entrepreneurship if it is related to how to foster entrepreneurial interest; of course, this statement can be a motivation and encouragement so that how entrepreneurial commitment in Rokan Hulu Regency can be carried out well.

The statement shows that the existence of KADIN can be a reference for traders in Rokan Hulu to run their businesses in an orderly and organized manner. KADIN can assist in managing the location and place of business so that traders can have a safe and tidy place to trade. However, it is essential to remember that a company's success depends on external support from organizations such as KADIN and internal factors such as management and business strategy. In addition, traders must comply with the rules and regulations set by the KADIN and other authorities to maintain order and security at the trading location.

Based on the interview excerpt above, Evi Juliana, the chairman of the Rokan Hulu Chamber of Commerce, clearly said that the Chamber of Commerce is a government partner. After that, he mentioned that he did not expect the government, arguing that the Chamber of Commerce is an organization of entrepreneurs with a financial basis. However, after that, he views a policy depending on the head of the Kadin. In this
position, it can be understood that Evi Juliana, as the chairperson of the Chamber of Commerce, currently applies the principle of only partially depending on the government.

Furthermore, the researcher interviewed Erik Estrada with the same portion of questions, namely, related to cooperation between the Chamber of Commerce and Industry and the government in fostering interest in Rokan Hulu youth entrepreneurship.

Of course, communication and cooperation are essential, primarily since we should support each other. We are also the government's partner in supporting entrepreneurship in Rokan Hulu. However, we need more local government support (B/EE/24).

In the above statement, he must clearly state how to cooperate with the government. The substance of Erik Estrada's remarks is only in the form of suggestions or suggestions that the government and the Chamber of Commerce should support each other. That is, researchers can assume that the relationship between the Chamber of Commerce and the government needs to be improved or, in other words, have the same commitment and complementary vision-mission in building entrepreneurial interest in Rokan Hulu youth. Erik Estrada's statement further validates Evi Juliana's previous statement.

On February 24, 2023, researchers also conducted interviews with the cooperative office, specifically with the head of MSMEs. The interview aimed to discover the development and relationship between the suitable office as the government and the Kadin. In this section, the researcher has included quotes related to the relationship and Andi Kusnadi's remarks as Head of MSMEs.

The quote indicates that the Chamber of Commerce and Industry (Kadin) in a regency in Riau province opens its doors wide to support the development of fostered businesses, especially in MSMEs and resources. In addition, the quote mentions that the Chamber of Commerce has access to products sold in neighboring countries such as Malaysia and Singapore.

The quote states that Disprindag fosters MSMEs in an area, and when asked about the obstacles faced, many are related to working capital. Although there are development funds from associated agencies, if there is no proper supervision and view of these MSMEs, the use of capital can end up in vain and not produce development.

This shows that the role of the government and related agencies is vital in supporting the development of MSMEs. In this case, proper coaching and assistance from affiliated agencies can help MSMEs overcome their obstacles, such as working capital problems. However, keep in mind that coaching and supervision of MSMEs is not only limited to providing capital or assistance but also needs to involve appropriate assistance and training so that MSMEs can develop well and sustainably. In addition, efforts are also required to increase MSME access to markets, technology, and other resources.

Regarding continuing the coaching, KADIN admits that the coaching carried out could be more sustainable. In this case, it is due to the presence of obstacle factors. Then, this inconsistent sharing is also relied on by the local government. Evi Juliana revealed:

The coaching is not sustainable(A/EJ/15)

The quote suggests that a lack of continuity in coaching or support provided can negatively impact economic or business development. This shows that the coaching or
support must be carried out continuously and consistently to be effective in helping economic or business development. Continuous or irregular coaching can cause business actors to lose direction or motivation to develop their business.

The quote shows that KADIN has a coaching program for MSMEs, which includes field surveys and analysis of MSMEs in the area. This program is essential in helping MSME players improve the quality and competitiveness of the products produced. Regarding this coaching as well.

Based on his statement, it can be understood that the form of coaching that local governments have carried out is only for culinary-oriented MSMEs. He is more interested in preserving Rokan Hulu's specialties. There is also coaching if our MSMEs continue to be coached every year. So there are many forms of coaching; there is institutional coaching, meaning the business, then the development of human resources, one of which is from their efforts we help for NIP (Company Master Number), now MSME actors to get any assistance. We go down to the village, which started this year; we go down while coaching cooperatives. We also help the program, then for halal certification, we also help them to go to the human resource actors, the person, we also come there, we also help their facilities, this is usually their capacity building training activities we carry out this year, there will likely be three classes of MSME actors that we will train. (E/AK/6)

The text above illustrates that MSME development is carried out continuously every year. This guidance is carried out in various forms, such as institutional coaching, human resource development, and coaching to get assistance from the government. The government also went directly to the village to assist the cooperative development program and provide facilities and training to increase the capacity of MSME actors.

Government actions in providing guidance and assistance can help MSME players improve the quality of their businesses and products to compete in the market. In addition, the coaching and training carried out can also improve the skills and knowledge of MSME actors in managing their businesses. This is expected to encourage better future growth and development of MSMEs.

Obstacles in the Implementation of the Rokan Hulu Chamber of Commerce and Industry Entrepreneurship Program

In an interview, researcher and resource person Evi Juliana discussed the obstacles experienced by the Rokan Hulu Chamber of Commerce and Industry to move into the field of entrepreneurship itself.

The quote above shows that the Rokan Hulu Chamber of Commerce and Industry is experiencing obstacles, namely the need for more support from the local government. Based on the statement, there are indications that various parties, including local governments, should support the Rokan Hulu Chamber of Commerce.

In another answer, Evi Juliana also said that the guidance that the government should bear needed to be more consistent. As the following quote:

**The development is not sustainable (A/EJ/15)**

Then, other difficulties or obstacles can be seen as the following statement:
If this Chamber of Commerce is indeed a mandatory entrepreneur, in our area, entrepreneurs who are entrepreneurs are only a few percent who join the Chamber of Commerce. It is like he wants to start, so when he wants to become a manager of the Chamber of Commerce, he will be obliged to have KTA, and we must pay it every year, meaning when we have a company and are registered and can only become managers of the Kadin. So every year it changes, and it costs money. So that is one of the obstacles. (A/EJ/17)

The statement stated that the Chamber of Commerce and Industry (Kadin) is a forum for entrepreneurs in the regions, but only a few percent of entrepreneurs join the Kadin. When someone wants to become a Kadin administrator, they must have a KTA (Member et al.) and pay a fee yearly. This is one of the obstacles for entrepreneurs who want to join the Chamber of Commerce because it requires additional costs every year. However, the costs and requirements that must be met to join the Chamber of Commerce can be an obstacle for entrepreneurs, especially those who are just starting a business and have financial limitations.

Apart from the constraints of lack of government support, some administrative provisions in the form of KTA, and office problems, the next obstacle is that people need capital for entrepreneurship.

The statements regarding the constraints of the Chamber of Commerce by the chairman of the Chamber of Commerce are even more convincing because they are supported by Erik Estrada's statement as a member of the Chamber of Commerce.

The statement underlined the importance of understanding the role of KADIN in helping entrepreneurs, which should be seen not only from a material point of view or capital assistance but also in terms of product dedication and promotion. KADIN is vital in helping entrepreneurs improve their marketing networks and business connections to help grow their businesses. In this case, the role of KADIN is to help create a better business climate and improve community welfare.

The researcher's response to the quote is that the opinion seems to lead to the belief that KADIN (Chamber of Commerce and Industry) can provide significant support for traders in Rokan Hulu, either through the provision of capital or business premises facilities, as well as other support related to the auspices of KADIN. However, researchers also want to emphasize that the success of a business does not only depend on support from outside parties, including from KADIN, but is also strongly influenced by internal factors in a company, such as management, marketing strategies, and product innovation. Therefore, although support from KADIN can help, it also needs to be balanced with the efforts and initiatives of the business actors themselves to achieve success.

The above quote shows possible obstacles in establishing relationships or working together. One of the obstacles mentioned is the difficulty of continuously going into the field or meeting in person, so communication becomes less intense. Nevertheless, the author admits that their busy lives are the main focus, but good relationships and coaching still need to be maintained. In this case, the author is aware that good communication is essential in maintaining good relationships and emphasizes the need for good coaching.
in maintaining these relationships. These responses can be considered to address problems in maintaining good relationships and ensure that coaching continues achieving the desired goals.

**Solutions to the Constraints of Rokan Hulu Chamber of Commerce**

Based on the problems within the scope of the KADIN to increase interest in youth entrepreneurship in Rokan Hulu Regency, the researcher proposed the following solutions:

*Improve communication and coordination between the Chamber of Commerce and Industry and local governments.*

**Encourage the central government to provide support to Kadin.**

Increase the capacity of the Chamber of Commerce and Industry to fight for business interests.

1. Encourage the government to create a conducive business climate.
2. Provide more accessible access to information.
3. Simplifies and simplifies the registration procedure.
4. Conduct regular evaluations.
5. Provide incentives for members and administrators of KADIN.
6. Optimize coaching and training programs.
7. Increase the involvement of entrepreneurs in the area.
8. Implement virtual communication.
9. Optimize the use of social media.
10. Apply coaching methods that are based on pandemic conditions.
11. Improve collaboration with other related parties.
12. Conduct campaigns to obtain grants.

**Managerial Implications**

In the research process and the researcher's analysis of the role of the Chamber of Commerce and Industry and Local Government in the development of entrepreneurship in the district of Rokan Hulu, namely:

1. There has been no sustainable development program by the Chamber of Commerce and Industry and the local government of Rokan Hulu district
2. The local government's attention to the development of MSMEs in Rokan Hulu is still experiencing obstacles, for example, regarding budget constraints, collaboration, and intense communication
3. Kadin and the local government still need to thoroughly carry out work programs that meet the needs of the people of Rokan Hulu.

Based on this, the managerial implications that can be put forward are: There are also implications for economic development, business, and entrepreneurial dedication in Rokan Hulu Regency:

1. There is an economic gap between Rokan Hulu and other regions that have implemented better coaching and support programs for MSMEs. To overcome this, efforts must encourage more aggressive economic development, such as strengthening potential sectors, creating new jobs, and encouraging investment.
2. There are work programs that do not meet the community's needs, and existing business opportunities may need to be fully explored. The implication is that the company or entrepreneur may not have used the existing market potential well. So, it is necessary to have a managerial concept in formulating a business development strategy that is more targeted and focuses on developing sectors that have high growth potential in the area.

3. There are obstacles for MSME actors in developing their businesses, such as a need for business knowledge and skills and access to capital and other resources. The implication is that there is a need for more motivation and entrepreneurial spirit in the area. Hence, it is essential to increase entrepreneurial dedication, such as providing training, mentoring, and access to the resources necessary to help MSMEs thrive and survive in a competitive market.

4. Based on the description above, it can be understood that these three implications are very influential on entrepreneurial or economic aspects in the Rokan Hulu district.

Conclusion

The study advocates for synergizing the Government, Business People, Academics, Communities, and Mass Media in designing work programs, emphasizing the necessity of holding meetings and coordination to identify community needs, facilitated by government, academics, and business actors, followed by creating practical, time-bound work programs, and evaluating them to inform future program development.
Bibliography


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