


**FORCE FIELD ANALYSIS OF SUPPORTING AND INHIBITING FACTORS
PRODUCERS' INCOME IN THE RI-PNG BORDER AREA**



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| ARTICLE INFO | <u>ABSTRACT</u> |
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| <p>Article history:</p> <p>Received 30 Dezember 2021</p> <p>Accepted 07 February 2022</p> | <p>Purpose: The purpose of this study was to determine the factors supporting and inhibiting the income of traders in the RI-PNG border area.</p> |
| <p>Keywords: Supporting factor; Inhibiting factor; Income; Trade; Border area.</p> | <p>Theoretical framework: In the trade process, Producers have a very important role in the process of buying and selling transactions. Producers are faced with driving factors which can support and influence the business so that it can progress and develop so as to increase the income received.</p> |
|  | <p>Design/methodology/approach: This study uses secondary data in the form of interviews using questionnaires. The analytical tool used is Force Field Analysis (FFA) to see the factors supporting and inhibiting the income of producers (traders) in the RI-PNG border area.</p> <p>Findings: The results of the study based on the FFA analysis conducted stated that the highest key success factor in the supporting factor was the cooperative relationship between producers (traders) and the government, while the inhibiting factor was the low quality of human resources.</p> |
| | <p>Research, Practical & Social implications: The results of this study can be used by policy makers, namely the government in connection with the known supporting and inhibiting factors in order to make policies that can increase the income and welfare of producers as well as provide benefits to the state. The results of this study can also be useful for the community at large because it opens their understanding of trade conditions in the RI-PNG border area, as well as factors that support and hinder, so that it can become new knowledge in the community.</p> |
| | <p>Originality/value: The RI-PNG border area can become an area of economic growth because of the economic activities that occur. Various potential products can be traded through trade that occurs at the border. Therefore, besides focusing on infrastructure development around the border area, the government also needs to improve the character of the community so that they are able to compete in the trade to increase the community's income. The difference from previous research and this research is that most of the previous research only focused on the topic of producer income. Meanwhile, this study focuses on the factors supporting and inhibiting the opinion of producers in the RI-PNG</p> <p>Doi: https://doi.org/10.26668/businessreview/2022.v7i3.0462</p> |

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ANÁLISE DO CAMPO DE FORÇAS DOS FATORES DE APOIO E INIBIÇÃO RENDA DOS PRODUTORES NA REGIÃO FRONTEIRIÇA DA RI-PNG

RESUMO

Objetivo: O objetivo deste estudo foi determinar os fatores que sustentam e inibem a renda dos comerciantes na área fronteiriça RI-PNG.

Estrutura teórica: No processo comercial, os Produtores têm um papel muito importante no processo de compra e venda de transações. Os produtores são confrontados com fatores que podem apoiar e influenciar o negócio para que ele possa progredir e se desenvolver de modo a aumentar a renda recebida.

Design/metodologia/abordagem: Este estudo utiliza dados secundários na forma de entrevistas utilizando questionários. A ferramenta analítica utilizada é a Análise de Campo de Força (FFA) para ver os fatores que sustentam e inibem a renda dos produtores (comerciantes) na área de fronteira RI-PNG.

Descobertas: Os resultados do estudo baseado na análise FFA realizada afirmaram que o maior fator-chave de sucesso no fator de apoio foi a relação de cooperação entre produtores (comerciantes) e o governo, enquanto o fator inibidor foi a baixa qualidade dos recursos humanos.

Pesquisa, implicações práticas e sociais: Os resultados deste estudo podem ser utilizados pelos formuladores de políticas, ou seja, o governo em conexão com os conhecidos fatores de apoio e inibição, a fim de elaborar políticas que possam aumentar a renda e o bem-estar dos produtores, bem como proporcionar benefícios ao Estado.

Os resultados deste estudo também podem ser úteis para a comunidade em geral, pois abre seu entendimento das condições comerciais na área fronteiriça RI-PNG, bem como de fatores que apóiam e dificultam, de modo que possa se tornar um novo conhecimento na comunidade.

Originalidade/valor: A área fronteiriça RI-PNG pode se tornar uma área de crescimento econômico por causa das atividades econômicas que ocorrem. Vários produtos potenciais podem ser comercializados através do comércio que ocorre na fronteira. Portanto, além de focar no desenvolvimento da infra-estrutura em torno da área de fronteira, o governo também precisa melhorar o caráter da comunidade para que ela possa competir no comércio para aumentar a renda da comunidade. A diferença da pesquisa anterior e desta pesquisa é que a maior parte da pesquisa anterior focava apenas o tema da renda do produtor. Enquanto isso, este estudo enfoca os fatores que sustentam e inibem a opinião dos produtores no RI-PNG

Palavras-chave: Fator de apoio, Fator inibidor, Renda, Comércio, Área de fronteira.

ANÁLISIS DE CAMPO DE FUERZAS DE LOS FACTORES DE APOYO E INHIBICIÓN INGRESOS DE LOS PRODUCTORES EN LA ZONA FRONTERIZA RI-PNG

RESUMEN

Objetivo: El propósito de este estudio fue determinar los factores que apoyan e inhiben los ingresos de los comerciantes en la zona fronteriza entre RI y Papúa Nueva Guinea.

Marco teórico: En el proceso comercial, los productores tienen un papel muy importante en el proceso de las transacciones de compra y venta. Los productores se enfrentan a factores impulsores que pueden apoyar e influir en el negocio para que éste pueda progresar y desarrollarse con el fin de aumentar los ingresos recibidos.

Diseño/metodología/enfoque: Este estudio utiliza datos secundarios en forma de entrevistas mediante cuestionarios. La herramienta analítica utilizada es el Análisis de Campo de Fuerzas (AFC) para ver los factores que apoyan e inhiben los ingresos de los productores (comerciantes) en la zona fronteriza RI-PNG.

Resultados: Los resultados del estudio basados en el análisis de FFA realizado afirmaron que el factor clave de éxito más alto en el factor de apoyo fue la relación de cooperación entre los productores (comerciantes) y el gobierno, mientras que el factor inibidor fue la baja calidad de los recursos humanos.

Investigación, implicaciones prácticas y sociales: Los resultados de este estudio pueden ser utilizados por los responsables políticos, es decir, el gobierno en relación con los factores de apoyo e inhibición conocidos, con el fin de elaborar políticas que puedan aumentar los ingresos y el bienestar de los productores, así como proporcionar beneficios al Estado. Los resultados de este estudio también pueden ser útiles para la comunidad en general, ya que abre su comprensión de las condiciones comerciales en la zona fronteriza RI-PNG, así como los factores que apoyan y obstaculizan, de modo que puede convertirse en un nuevo conocimiento en la comunidad.

Originalidad/valor: La zona fronteriza RI-PNG puede convertirse en una zona de crecimiento económico debido a las actividades económicas que se desarrollan. Se pueden comercializar varios productos potenciales a través del comercio que se produce en la frontera. Por lo tanto, además de centrarse en el desarrollo de la infraestructura en torno a la zona fronteriza, el gobierno también debe mejorar el carácter de la comunidad para que sea capaz de competir en el comercio para aumentar los ingresos de la comunidad.

La diferencia entre la investigación anterior y esta investigación es que la mayoría de las investigaciones anteriores sólo se centran en el tema de los ingresos de los productores. Mientras tanto, este estudio se centra en los factores que apoyan e inhiben la opinión de los productores en la RI-PNG

Palabras clave: Factor de apoyo, Factor inhibitor, Ingresos, Comercio, Zona fronteriza.

INTRODUCTION

Papua is a territory of Indonesia that has border areas with several countries, both land and sea. Indonesia's land borders are directly adjacent to Papua New Guinea (PNG). Papua has a characteristic condition of the border area that varies between regions. This border area is far from the city center so the area around the border is often left behind in terms of development. This triggers development gaps and inequality and tends to be seen as underdeveloped, isolated, and considered poor because it has not experienced equitable development (Timisela, 2015; Sasongko et al., 2018). People living in border areas live their lives with inadequate facilities and infrastructure and low economic conditions. For this reason, it is very necessary for equitable development and economic improvement in border areas (Lee et al., 2022).

The RI-PNG border area in Jayapura is directly adjacent to the capital city of Papua Province, namely Jayapura (Sasongko et al., 2018). So this situation makes it a strategic area for the development of trade areas between countries. The Skow border area is the foremost region of the Republic of Indonesia which has a strategic position. Efforts to maintain the existence of this border become interesting because it involves so many aspects, one of which is the economic aspect. With its unique position, generally, border areas include isolated areas, lack of facilities and infrastructure, and limited access. Apart from the above conditions, it is realized that the border area also has a lot of potential such as natural resources that can be utilized and able to support the welfare of the community so that it can ultimately encourage the economic development of the region (Timisela, 2015; Pramita et al., 2018; Sasongko et al., 2018; Arifin et al., 2022).

Judging from these conditions, it is necessary to make efforts to support the development of the border area. The continental territory of the Republic of Indonesia (RI) is directly adjacent to the state of Papua New Guinea (PNG). The continental border areas are located in the Jayapura and Vanimo City Regions, which have different social, economic, political, and cultural characteristics. The wheels of the economy are turning quite rapidly in the border region of Indonesia and Papua New Guinea. There, people from Indonesia to Papua New Guinea are the main drivers of the economic pace.

The Cross-Border Market (PLB) in the Muara Tami District shows that several goods such as groceries, ready-to-eat food and beverages, clothing, electronic equipment, and automotive equipment seem to dominate the movement of goods from Indonesia to PNG. This is in line with the results of research conducted by Sinyo Gamma Timisela, who took the research location in the RI-PNG border area by looking at the impact of cross-border trade on the economy of local communities. The research resulted in the finding that the potential for trade in the RI-PNG border area is very promising in increasing people's income, because of the potential they have. This makes the RI-PNG border area different from other border areas in Indonesia because it has a fairly large trade potential and can attract buyers from neighboring countries.

Meanwhile, this is inversely proportional to the border area between Indonesia and Malaysia in the Badau sub-district, Lubok Antu district, which can be seen in the research conducted by Habitatul Aula, Firsta Rekayasa Hernoviyanti and Gusti Zulkifli Mulki (2019) which took the topic of cross-border trade between Indonesia and Malaysia. In the results of the research conducted, it can be seen that the condition of the border area still needs to be improved because there are still many shortcomings in terms of economy and infrastructure. The condition of the border which is far from the capital makes the goods sold expensive so people tend to buy goods in Malaysia that are relatively cheap.

Border trade is a trade that is included in the international category because it involves two countries, namely Indonesia and Papua New Guinea (PNG). This is in line with what was stated by John D. Daniels that international business or trading is a unit consisting of various forms of transactions carried out by two or more countries. Where the perpetrators of the carried out trading are people from two countries, namely Indonesia and Papua New Guinea (PNG).

The border area can become the economic foundation of a country due to the mobilization of resources that have an impact on the country's foreign exchange. This means that various potential products can be traded through cross-border trade (Yusuf, 2017; Aula et al., 2019). Therefore, besides focusing on infrastructure development around the border area, the government also needs to improve the character of the community so that they are able to compete. In encouraging economic development and improvement in the RI-PNG border area, one of the things that support the existence of the Skouw border market, Jayapura city, which is the center for the distribution of goods and services between the people of Indonesia and Papua New Guinea (PNG). The RI-PNG border area has also now

become one of the tourist attractions that is quite popular among tourists in the city of Jayapura.

The purpose of the establishment of the border market is to improve the economy and welfare of the people in the border areas, minimize the practice of black market transactions, fulfill the basic needs of the surrounding community, create new jobs, and open up business opportunities for entrepreneurs, especially small entrepreneurs who live in border areas (Cassidy et al., 2018). The existence of this border market also provides benefits for traders who sell around the border. With the border market, people can get basic needs without having to spend more expensive transportation costs and also get profits from sales.

Markets located in the RI-PNG border area create a cross-border trade process in the area. Cross-border trade is trade carried out by residents living in border areas of neighboring countries to increase income. In general, the process of managing cross-border trade is still traditional and involves the surrounding community. It is said that it is still traditional because the approach pattern is still using the traditional way even though the interaction is carried out between people from different countries. Trading is an activity that is classified as important for the process of increasing economic development and community welfare. Therefore, trade in the RI-PNG border area is an important aspect that must be continuously improved. This can contribute to increasing the wheels of the economy and people's welfare and will have a positive impact on increasing economic development in the RI-PNG border area. Table 1 present value of trade transactions at the RI-PNG.

Tabel 1. Value of Trade Transactions at the RI-PNG Border

| No | Year | Value of Trade Transaction |
|----|------|----------------------------|
| 1 | 2010 | Rp60.678.407.071 |
| 2 | 2011 | Rp56.600.706.699 |
| 3 | 2012 | Rp50.502.470.800 |
| 4 | 2013 | Rp60.000.000.000 |
| 5 | 2014 | Rp23.039.981.000 |
| 6 | 2015 | Rp32.610.220.000 |
| 7 | 2016 | Rp25.751.136.250 |

Source: Department of Industry and Trade of Papua Province, 2017

Viewing the data above, the RI-PNG border located in the Skouw area, Muara Tami District has a very large trade potential and must be increased. Skouw Market is the center of economic activity in the border region. People from Indonesia to Papua New Guinea are busy shopping at Skouw Market. A number of producers (traders) in the Skouw Market claim to be able to get a turnover of up to millions of rupiah in the range of 1 million to 10 million per day because of the hectic economic activity. The buying and selling transactions

that occur in the area are very high. With the high economic activity taking place in the RI-PNG border market area, the lives of people who become traders also increased. This increase mainly occurs in the economy of the people who trade, through the trading process the income of producers (traders) can increase. With this increase in income, it can be used to finance daily needs, expand a business, ownership of supporting facilities such as two-wheeled and four-wheeled vehicles, and provision of decent housing and sanitation, to the level of children's education which can be continuously improved up to college.

To be able to encourage an increase in the economy in the RI-PNG border area, this study will analyze the factors supporting and inhibiting the income of local producers (traders) at the RI-PNG border.

The purpose of the research itself is to analyze and find out what factors are supporting and inhibiting trade in local communities in the RI-PNG border area.

LITERATURE REVIEW

Trading concept

Trading is an exchange of goods and services or money that has a mutually beneficial impact or provides benefits and is based on the voluntary will of each existing party. (Wahono Diphayana, 2018).

According to law number 7 of 2014 concerning trade, it is stated that trade is an order of activities related to transactions of goods and/or services in the country and beyond the borders of the country with the aim of transferring rights to goods and/or services to obtain compensation.

From the several understandings of trade above, it can be concluded that trade is an activity where people buy goods from distributors which are then resold to consumers, with a higher price difference in order to make a profit. With the trade carried out, the level of public consumption will also increase. If public consumption increases, it will encourage increased production in order to meet market demand. Furthermore, the process of increasing production will have a good impact on increasing people's income. Increased production will ultimately be able to encourage the wheels of the national economy where there is an increase in national income and economic growth.

International Trading Concept

International trade can be regarded as a business transaction between parties involving more than one country. Examples of business transactions in question are exporting products

from one country to another, investing in factory construction in foreign countries, purchasing raw materials from abroad, producing one part of the product abroad and then assembling it domestically, and borrowing funds from banks of a country to finance business operations in another country. The actors in international trade are residents of a country with residents of other countries (Diphayana, 2018). International trade is an important thing for a country to do, in addition to the existence of free trade and globalization, but it is also realized that no single country in the world is able to fulfill all its needs without conducting trade or business processes with other countries.

Revenue Concept

Personal income can be interpreted as part of all types of income received by residents of a country which includes also income earned by the community without doing any activities. If personal income is reduced by taxes that must be paid on the income received, the remaining amount is referred to as disposable income which is income that is ready to be spent on activities to consume goods and services by the community (Sukirno, 2015).

Force Field Analysis

Force Field Analysis (FFA) is a tool used to obtain a comprehensive complete picture of the various strengths that exist in the main issue of an activity as well as to estimate the sources of these strengths. The data analysis technique used Force Field Analysis (FFA) was developed by Kurt Lewin 1942 (Cartwright, 1951). This analysis is useful for studying a situation that requires a change. It is based on the idea that there are two opposing forces in a change effort. The first force supports the change and the second force resists change. In the end, this analysis provides an offer that can be done to strengthen the supporting forces and neutralize the inhibiting forces.

The steps involved in the force field analysis are as follows:

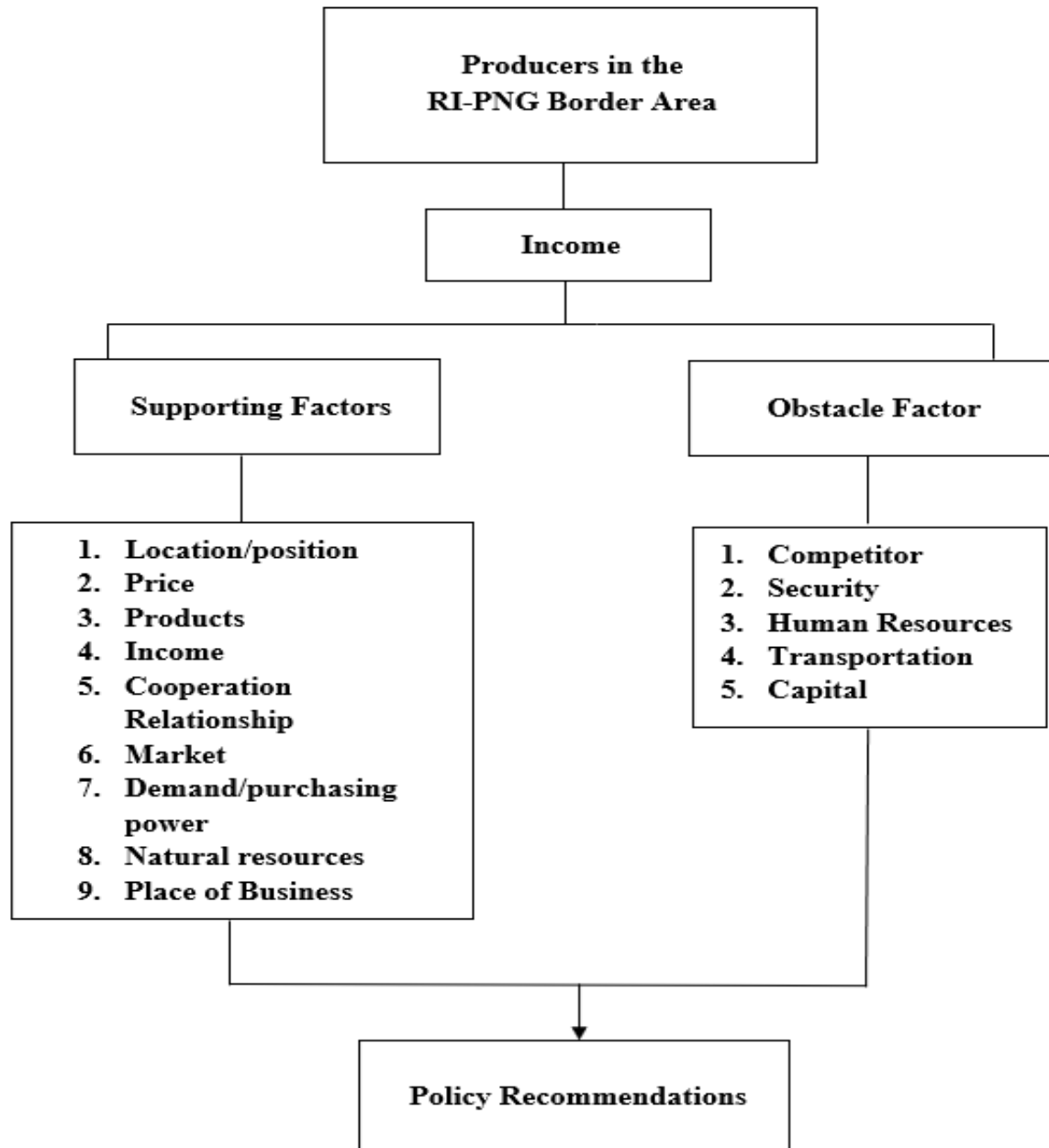
1. Identifying the driving and inhibiting factors.
2. Assessing the driving and inhibiting factors.
3. Determining key success factors and force fields.
4. Arranging policy recommendations.

THEORETICAL FRAMEWORK

In the trade process carried out in the RI-PNG border area, producers have a very important role. And the process of buying and selling transactions that are often carried out by

producers in border areas are faced with driving factors which can support and influence their business so that they can progress and develop so that they can increase the income they receive. And there are also inhibiting factors that can hinder producers and affect the decrease in income received. These two factors can affect the income of producers in border areas. And by knowing the supporting and inhibiting factors, it can be determined and made the necessary policy recommendations. Figure 1 brings theoretical framework.

Figure 1. Theoretical Framework



RESEARCH METHODOLOGY

The research location is in the Indonesia-Papua New Guinea (PNG) border market, in the Muara Tami district, Skouw, Jayapura city, Papua Province.

The data collection technique in this study was unstructured (in-depth) interviews, the resource persons or informants needed were employees of the Papua Province Border Management and Foreign Cooperation Agency.

Force Field Analysis (FFA) Data Analysis Method

This analysis is used to find and analyze the driving forces that can affect the situation and cause changes in a positive direction and suppress the factors that can hinder these changes. The stages of the analysis carried out are:

1. Identifying the driving and inhibiting factors, this identification process is carried out by means of interviews with key informants.
2. Conducting an assessment of the driving and inhibiting factors,
 - UV (Urgency Value) by using a rating of 1 –5 where (a) the number 5 means very high value of urgency, (b) the number 4 means high value of urgency, (c) the number 3 means quite high, (d) the number 2 means less value of urgency, (e) the number 1 means very lacking value of urgency.
 - FW (Factor Weight), expressed in decimal numbers by the formula

$$FW = \frac{UV}{TVU} \times 100\%$$

Description:

FW : Factor Weight.

UV : Urgency Value

TVU: Total Value of Urgency

-SV (Support Value), determined by the results of an interview with Narasource, with a score of 1-5.

-SWV (Support Weight Value), can be determined by, $SWV = SV \times FW$

- IV (Interrelationships Value), is determined by the relationship between the driving and inhibiting factors by rating from a scale of 1 – 5.

-TIV (Total Interrelationship Value), is determined from the total number of values of the association between the driving factors and also the inhibiting factors within a row.

-AVI (Average Value of Interrelationships), is determined by the formula

$$AVI = \frac{TIV}{\sum n-1}$$

Description:

TIV = Total Interrelationship Value of a factor

N = Number of supporting and inhibiting factors assessed

1 = Factors that cannot be related to the same factor

-IWV (Interrelated Weight Value), determined by the formula: $NBK = NRK \times BF$

-TWV (Total Weight Value), determined by the formula: $TNB = NBD \times NBK$

3. Determining the key success factor (KSF) based on the largest TNB value. And make a diagram of the magnetic field.

4. Developing policy recommendations in terms of the highest value of key success factors. Focused on improving the driving factors and minimizing or even eliminating the inhibiting factors.

RESULT AND DISCUSSION

RESULT

Overview of the Object of the Study

1. Location of the RI Border - PNG

Indonesia has several areas bordering other countries or can be called neighboring countries. Some are bordered by land and sea. One of them is the border between Indonesia and Papua New Guinea (PNG) which is located in the territory of the province of Papua. Papua Province has an 820 km border with PNG, which starts from the MM1 monument (Meridian Monument) in Skouw village, leads straight to the south until the Flyriver, which then follows the Fly river Thalweg to MM10, and so on until MM14 in the mouth of the Bensbach river on the south coast in the Merauke region of Papua. When viewed at a macro level along the border, there are 5 (five) regencies and 1 (one) city, namely the districts of Keerom, Pegunungan Bintang, Boven Digul, and Merauke, and the city of Jayapura.

The border between Indonesia and Papua New Guinea in the city of Jayapura has been equipped with an official border gate or post in the Skouw area, Muara Tami district. The opening of the border between the two countries was carried out in July 2006 by the governments of Indonesia and Papua New Guinea, so that trade traffic in the area could run smoothly.

2 Trading Activity of RI – PNG border area

Trade transactions carried out at the RI-PNG border are based on traditional kinship relations that were created long before the establishment of these two countries. This triggers

trade activities carried out in this border area to be cross-border trade and normal trade. In general, almost 95% of buyers in border markets come from Papua New Guinea.

Trade in border areas can be one of the mechanisms for the economic empowerment of local communities. The market in the border area of Skow was established and started operating in 2012 on an area of 3.5 hectares with a building area of 2,300 m² and using APBD funds of Rp. 10 billion. There are 200 units of kiosks in the market, 100 of which are occupied by producers (traders) from Indonesia (non-Papuans) and 100 kiosks for indigenous Papuans (Skow). In carrying out traditional trade in the border market area, the surrounding community often conducts trading transactions on market days. Market day is a day where people from both countries meet and trade. Market days are held every Tuesday, Thursday, and Saturday. People who come from PNG usually visit this border area twice a month. According to data from the Department of Industry and Trade (Disperindag) of Papua Province in 2017, from the results of data collection, there were around 200 permanent traders selling at the RI-PNG border market.

The trading in the RI-PNG border market usually sells various goods ranging from clothes, hats, basic necessities, electronic equipment, kitchen utensils, food, DVD cassettes, to handicraft products in the form of noken and bags. The types of goods traded usually mostly come from distributors located on the island of Java. This market is widely used by the people of PNG to buy their daily needs. PNG people tend to shop in Indonesian markets because of the cheaper prices and better quality of goods. The currencies agreed upon in the trade transactions at the Skouw – Wutung border markets are rupiah and PNG kina. The exchange rate from the kina to the rupiah itself is higher, where 1 PNG kina is equal to 4,161 rupiahs.

This higher comparison of the kina exchange rate against the rupiah makes the people of PNG feel that Indonesian products are relatively cheap and lead to high demand. This makes the Indonesian producers (traders) who sell in the border market get big business profits. In 2019 the tax revenue obtained from trade carried out was as much as 16 billion and the turnover that can be obtained by producers (traders) ranged from 1 million to 10 million per day. According to the Department of Industry and Trade (Disperindag) of Papua Province, in 2017 the income of producers (traders) in the RI-PNG border area reached 600 million per month.

In the pattern of trade in this border area, people who come from the PNG area and want to shop at the border market have a Cross-Border Card which is valid only in cross-border areas as a substitute for passports, visas, and vaccination cards. This Cross-Border Card has limitations in buying goods or products from Indonesia. In the cross-border trading mechanism, the allowable transaction value is \$300 or Rp.4.200.000, which means that transactions made

in this value range are considered as traditional trade transactions which are then referred to as cross-border transactions. Meanwhile, the value of \$300 is classified as normal trade, which means that in the transaction made, the trader is obliged to report the export of the goods being transacted. As an exporter, producer or entrepreneur, Indonesia is not subject to the burden of exporting goods. On the other hand, consumers from PNG as buyers will be charged import fees in their country based on reporting on the export of goods.

In the trade carried out by local traders from Indonesia, the government has provided kiosk stalls to be used as a place to sell, currently there are around 300 stalls available and in the future there will be an additional 250 kiosks for traders.

DISCUSSION

Factors That Support and Hinder the Increase in Merchant Income at the RI Border – PNG

The researcher conducted interviews with parties related to the field of territorial boundaries at the Border Management and Foreign Cooperation Agency, related to strengths, weaknesses, opportunities, and threats to increase trade revenues at the RI - PNG border. After the data from the interviews are obtained, the next step is to see what factors can support and hinder the increase in the income of producers (traders) in the RI-PNG border area.

1. Identifying supporting and inhibiting factors for increasing the income of producers (traders) at the RI-PNG border

The factors that can support and hinder the increase in the income of traders who trade on the RI-PNG border are determined based on interviews conducted with key informants, namely the Border Management and Foreign Cooperation Agency and also direct observation of the place that is the object of research, namely the RI-PNG border. PNG located in Skouw, Muara Tami district, Jayapura, Papua. Table 2 present supporting and inhibiting factors.

Tabel.2 Supporting and Inhibiting Factors

| Supportive factors (D) | | Inhibit factors (H) | |
|------------------------|------------------------|---------------------|---------------------------------------------------|
| D ₁ | Geographical location | H ₁ | Lack of trade participation of indigenous Papuans |
| D ₂ | The number of visitors | H ₂ | Human resource quality |
| D ₃ | The price of the goods | H ₃ | Lack of access to border areas |
| D ₄ | Cooperative relations | H ₄ | Limited capital |
| D ₅ | Income from trading | H ₅ | Lack of product variety |
| D ₆ | Distributor partners | | |
| D ₇ | Good quality | | |

Source: Processed data, July 2020

a. Supporting factors:

- The geographical location or position of the RI-PNG border area is strategic to be used as a place of trade because it is a meeting place between the inhabitants of Indonesia and Papua New Guinea (PNG).
- The high number of visitors or tourists. According to data from the Papua Province Border Management and Foreign Cooperation Agency, between January and September 2017, visitors at the RI-PNG border market reached 70,998 people with an average monthly visitor of 7,887 people.
- The price of goods sold at the RI-PNG border market has an advantage in terms of price, which is cheaper than the product from PNG itself, therefore many people from PNG usually come to visit 2 times a month to buy daily necessities.
- The cooperative relationship between producers (traders), with the government, and the community is good. This good cooperative relationship can support the trade process that takes place at the RI-PNG border to run well and even increase. The Indonesian government through the Border Management and Foreign Cooperation Agency has collaborated with the PNG government in the form of a free trade fair (border trade fair RI - PNG) and pacific countries to increase trade. The government is also building additional selling points in a special market for Papuan women selling areca nuts and vegetables.
- Very high income from trading traffic. The high number of visitors and the strategic position of the border area make producers (traders) get big profits. Judging from the trade taxes received by the government of 16 billion in 2019.
- Having distributor partners where producers (traders) have good cooperative relationships with suppliers.
- Good quality goods make buyers who mostly come from PNG happy to buy goods from Indonesia.

b. Inhibiting factors:

- Lack of trade participation from indigenous Papuans, which when viewed based on the existing percentage, there are more non-Papuan producers (traders).
- Human resource quality

The quality of human resources in terms of the entrepreneurial spirit possessed especially by indigenous Papuans is still low, this was said by Mr. DolfinusKareth as the sub-regional boundary of the Border Management and Foreign Cooperation Agency

that the presentation of non-Papuan producers (traders) was higher than Papuan native producers (traders).

- Access to the border is still lacking where transportation or public transportation services to be able to go to the border area are still lacking. This makes people who want to visit have to use a private vehicle or rent a vehicle but the price is quite expensive.
- Business capital
Limited capital can prevent producers (traders) from increasing their business and also increasing income.
- Lack of variety in product sales.

2. Conducting an assessment of the supporting and inhibiting factors

The assessment is carried out based on a predetermined formula and will see the value of urgency (VU), factor weight (FW), support value (SV), support weight value (SWV), average correlation value (ACV), linkage weight value (LWV), total weighted value (TWV) and key success factors (KSF), see Table 3.

Table.3 Evaluation of Supporting Factors on Increasing Merchant Income on the RI-PNG Border

| No | Supporting factors (D) | VU | FW | SV | SWV | ACV | LWV | TWV | KSF |
|----|------------------------|----|------|----|------|------|------|------|-----|
| D1 | Geographical location | 3 | 0,14 | 5 | 0,71 | 3,36 | 0,48 | 0,34 | |
| D2 | The number of visitors | 4 | 0,19 | 5 | 0,95 | 2,64 | 0,50 | 0,48 | |
| D3 | The price of the goods | 3 | 0,14 | 4 | 0,57 | 2,18 | 0,31 | 0,18 | |
| D4 | Cooperative relations | 5 | 0,24 | 5 | 1,19 | 3,27 | 0,78 | 0,93 | *1 |
| D5 | Income from trading | 4 | 0,19 | 4 | 0,76 | 3,45 | 0,66 | 0,50 | |
| D6 | Distributor partner | 1 | 0,05 | 3 | 0,14 | 2,27 | 0,11 | 0,02 | |
| D7 | The goods quality | 1 | 0,05 | 3 | 0,14 | 1,91 | 0,09 | 0,01 | |
| | Total | 21 | 1 | | | | | 2,46 | |

Source: Processed data, July 2020

Based on the assessment of the supporting factors in table 3 above, it can be seen that the key success factor that has the highest value is the D4 factor, namely Cooperation Relationships with a total weighted value of 0.93. Good cooperative relations between producers (traders), the government and the community in the RI-PNG border area. The cooperative relationship has the highest urgency value because the cooperative relationship between producers (traders), the government and the community is very important which can affect the continuity of trade in border areas. Producers (traders) who sell in the RI-PNG border area are under government supervision through the Border Management and Foreign Cooperation Agency. Therefore, any regulations or steps taken by the government can affect the trade process that takes place at the border. In supporting the trade process that takes place in the RI-PNG border area, the Indonesian government, which through the

Papua Province Border and Foreign Cooperation Agency cooperates with the PNG government in the form of a free trade fair (border trade fair RI - PNG) and pacific countries to increase trade. The government is also building an additional selling point in a special market for Papuan mamas selling areca nut and vegetables. And also adding places to sell or market inns. The highest value of support (SV) is cooperation relationship, geographical location and number of visitors. This shows that these three factors are the supporting factors that have the most relevance in supporting the increase in the income of producers (traders) at the RI-PNG border (see table 4).

Tabel. 4 Evaluation of Inhibiting Factors in Increasing the Income of Traders at the RI-PNG Border

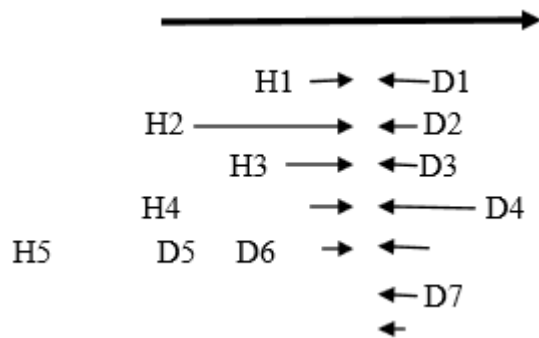
| No | Inhibiting factors (H) | VU | FW | SV | SWV | ACV | LWV | TWV | KSF |
|----|---------------------------------------------------|----|------|----|------|------|------|------|-----|
| H1 | Lack of trade participation of indigenous Papuans | 4 | 0,24 | 3 | 0,71 | 1,64 | 0,39 | 0,27 | |
| H2 | Human resource quality | 5 | 0,29 | 5 | 1,47 | 2,91 | 0,86 | 1,26 | *1 |
| H3 | Lack of access to border areas | 4 | 0,24 | 4 | 0,94 | 2,36 | 0,56 | 0,52 | |
| H4 | Limited capital | 2 | 0,12 | 4 | 0,47 | 2,73 | 0,32 | 0,15 | |
| H5 | Lack of product variety | 2 | 0,12 | 2 | 0,24 | 2,45 | 0,29 | 0,07 | |
| | Total | 17 | 1 | | | | | 2,27 | |

Source: Processed data, July 2020

Based on the assessment of the inhibiting factors in table 4 above, it shows that the key success factor (KSF) inhibiting the increase in income of traders at the RI-PNG border is factor H2, namely the quality of human resources (HR) with a total weight value of 1.26. The quality of human resources in this case is the entrepreneurial spirit of the producers (traders) which will determine the trade carried out and the income benefits that will be received. The low quality of human resources can make producers (traders) unable to run their businesses with good sales strategies and in the financial calculations that are carried out, so this can make the trades carried out unable to increase and affect the income earned. The highest value of support (SV) on the inhibiting factors is the lack of quality of human resources, access to the border which is still lacking and limited capital. These are the inhibiting factors that have the highest correlation to the increase in producers (traders) at the RI-PNG border.

The strength field of the supporting and inhibiting factors in increasing the income of producers (traders) at the RI-PNG border is presented in Figure 1.

Figure1. Strength Fields on Increasing Traders’ Income at the RI-PNG Border



Based on Figure 1 above, it shows that the highest supporting factor is D4, namely the cooperative relationship between producers (traders) and the government and the community. While the highest inhibiting factor is H2, namely the low quality of human resources related to the entrepreneurial spirit of producers (traders). A good cooperative relationship between producers (traders) and the government is something that can encourage an increase in trade and income of producers (traders) but on the one hand it can be hindered by the low quality of human resources which is the entrepreneurial spirit of producers (traders). The total number of supporting factor TNB was 2.46 while the total number of inhibiting factor TNB was 2.27. This shows that the total number of supporting factors of TNB is higher than the total number of inhibiting factors, this means that producers (traders) at the border have the advantage of increasing their income.

After knowing the direction of increasing the income of producers (traders) at the RI-PNG border, policy recommendations are made according to the results of the FKK. Based on the results of the FFA analysis above, the most effective policy recommendation is to strengthen the cooperative relationship between the government and traders (producers), and the government can develop entrepreneurship training programs to improve the quality of human resources of producers (traders), as well as develop market and build a public transportation route from Jayapura city to the border area in Skouw.

FINDINGS

1. Some of the findings regarding the factors that support producer income in border areas are as follows:
 - Geographical location or strategic position of the RI – PNG border area. The location of the Skouw market area on the border makes the market a center of economic activity in the border area. This also has an impact on the high level of community visits to the border area, which can reach thousands every month.

- The price of goods sold tends to be cheaper than the price of products from PNG. And also has good quality and quality.
 - Good cooperative relations between producers and the government and the community as well as with distributors.
 - High producer income from the sale of goods in the border area which reaches millions in the range of 1 million to 10 million per
2. Some findings regarding the factors that inhibit producer income in border areas are as follows:
- Facts in the field show that there is less trade participation from indigenous Papuans where the percentage of producers is mostly from non-Papuans. This also shows that the quality of human resources in terms of entrepreneurship is still low and needs to be improved.
 - Access to border areas is still very lacking because there is no direct transportation to the RI-PNG border area.
 - Capital owned by producers is still limited so that there is a lack of variety of products sold.

PRACTICAL AND SOCIAL IMPLICATIONS

1. The results of this study can be used by policy makers, namely the government in relation to the known supporting and inhibiting factors in order to make policies that can increase the income and welfare of producers as well as provide benefits to the state.
2. The results of this study can also be useful for the community at large because it opens their understanding of trade conditions in the RI-PNG border area, as well as supporting and hindering factors, so that it can become new knowledge in the community.

ORIGINALITY/VALUE

Based on the five journals used in this study, the similarities and differences between previous studies and this study are as follows:

1. The similarity between previous studies and this research is to focus on the factors that can support and hinder trade and what things should be done in order to get good results.

2. The difference from previous research and this research is that previous research mostly only focused on the topic of producer income. Meanwhile, this study focuses on the factors supporting and inhibiting the opinion of producers in the RI-PNG region.

CONCLUSION AND SUGGESTIONS

Conclusion

From the results of the FFA analysis (force field analysis) which was carried out by looking at the key success factors on the supporting factors, namely the cooperative relationship between producers (traders) and the government. And the highest key success factor in the inhibiting factor is the quality of human resources. Therefore, policy recommendations are made in the form of strengthening cooperative relations between the government and producers (traders), and the government can develop entrepreneurship training programs to improve the quality of human resources of producers (traders), and also carry out market development and build public transportation routes from Jayapura city to the border area at Skouw.

Suggestions

1. The government needs to continue to support traders on the RI – PNG border with programs that can improve the quality of traders in selling and their income levels.
2. Producers/traders in the RI-PNG border area are expected to continue to develop their business in selling and use every available opportunity to increase their income.

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