



## Implementation of the Government Regulation of the Republic of Indonesia Number 29 of 2018 Concerning Industrial Empowerment (Case Study in the National Shipbuilding Industry in East Java)

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### ABSTRACT

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Indonesia is a maritime and archipelagic country that requires a fleet of ships to support the logistics supply chain throughout Indonesia. The need for the independence of the National Shipping Industry, namely Shipyards, must be developed and maximised so that it can support the reliability of the national shipping fleet. For this reason, Government policies must support the existence and development of the Shipping Industry. PT Adiluhung Saranasegara Indonesia is one of the national shipping industries in East Java which has partnerships with several SMEs (small and medium industries) in the production and operational processes. Researchers conducted research on the Implementation of Government Regulation of the Republic of Indonesia No. 29 of 2018 concerning Industrial Empowerment, especially in the Shipping Industry in the Scope of Institutional Strengthening and Empowerment of SMEs. This type of research is descriptive research with a qualitative approach which is analysed based on Van Meter and Van Horn's theory, namely aspects of standards, goals and activities, resource policies, institutional characteristics, communication, performance, economic conditions, social, cultural, political and attitudes of implementers. As well as Milles, Hubermann and Saldana (2014) theoretical guidelines in data processing.

From the results of the research, there are inhibiting and supporting factors for the implementation of this regulation. The inhibiting factor is that there is still no standard in the implementation of this regulation and the supporting factor is that the government has maritime stakeholders to support the implementation of the regulation. And the government is still not optimal in implementing this regulation. The new thing that the author found in the research is that PT Adiluhung Saranasegara Indonesia has implemented institutional strengthening which should be the obligation of the Government. Based on SWOT analysis (Strengths, Weakness, Opportunities, Threats) and the results of the Cartesius Strategy Diagram (SO-Strengths Opportunities), the strategies that can be applied are collaboration between shipping industry stakeholders to strengthen SMI institutions, increase Domestic Content Levels (TKDN), Technical Policies to support the implementation of these regulations, and maximise Technical Implementation Units (UPT) related to the National Shipping Industry SMI.

### KEYWORDS:

Implementation;  
Policy; Shipping  
Industry;  
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### INTRODUCTION

Indonesia is an archipelago that certainly requires supply logistics in fulfilling the basic needs of the inter-island community and the movement of people from one island to another. In addition, for the purpose of regional development,

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infrastructure development is needed, be it road construction, office buildings, schools, industries and others. So that means of transport is needed to support these needs. Ships are a very efficient and effective means of sea transportation because they can transport in mass quantities and can mobilise between islands. In addition, the ship is one of the means of transport that can reach various remote destinations. Ships are also a tool to unite the nation and a tool to defend the sovereignty of the country.

In 2014, President Jokowi's administration launched a maritime policy with the Sea Toll Concept and the World

## Anita Puji Utami et al, Implementation of the Government Regulation of the Republic of Indonesia Number 29 of 2018 Concerning Industrial Empowerment (Case Study in the National Shipbuilding Industry in East Java)

Maritime Axis. And in 2015, the Government issued Presidential Regulation (Perpres) No.10 of 2015 on the Coordinating Ministry for Maritime Affairs. The main task of this ministry is to coordinate, synchronise and control ministerial affairs in the implementation of government in the maritime sector. With this presidential regulation, the hope at that time was that the maritime programme could run smoothly and be realised quickly.

In 2015, the government started the Sea Toll programme in order to realise Indonesia as the World Maritime Axis. With the basic idea that the sea is the future of Indonesian civilisation, the sea toll programme began to be implemented. One of them is by conducting a ship procurement programme carried out by open tender at domestic shipyards by the Ministry of Transportation. In an effort to realise the realisation of the sea highway and the programme to realise Indonesia as the Maritime Axis. From 2015 to 2017 the Government through the Ministry of Transportation built 188 units of ships that spent around Rp. 11.840 trillion. This is the largest ship project ever undertaken by the Government. It can even be said that after two decades of decline, the national shipbuilding industry can return to glory during 2015 to 2017. (source: News Bureau of Communication and Public Information - 2015)

The maritime concept should be a government programme that is planned, sustainable and has a roadmap for the future so that the maritime programme is growing in Indonesia. Unfortunately, the ship procurement programme in supporting the sea highway is no longer continuing, so that the investment that has been made by the Shipyard Industry is not optimal, be it human resources, facilities, equipment and others. In fact, at this time there is a transition of human resources who were originally trained with Welding skills to become Online Ojek, due to the lack of new building orders that have absorbed a lot of labour. President Jokowi said at the time "We have turned our backs on the sea for a long time, and it is time for us to look at the sea". The President's commitment should be followed up with various maritime-based policies and regulations. Mr President Jokowi also said

"As a maritime country, Indonesia must assert itself as the World Maritime Axis, as a power between two oceans, the Indian Ocean and the Pacific Ocean". (excerpt from Iperindo Directory 2019).

Apart from the above, the Nusantara Capital Development Plan (IKN), of course, requires logistics supply in the construction of infrastructure in the new capital city. For this reason, the most efficient mobilisation of goods and materials and equipment is using ship transportation. Plus, currently the needs in the mining world are very high in the transportation of coal and nickel, so the need for ship construction is very high. It is proven that currently the construction of barges and tugboats has reached hundreds of units. Not to mention that the tourism sector is partly located in the archipelago, where the potential for marine tourism development is still very open to investors.

Based on data, the capacity of shipyards in Indonesia is currently not fully occupied to the maximum. Both in the scope of ship repair work and new buildings. While the current ship needs are still quite a lot, and here are some potential domestic shipbuilding, namely:

- a. Shipbuilding from Ministries/Institutions/BUMN
  - Tanker for Pertamina with sizes of 3,500, 6,500, 17,500 and 30,000 DWT.
  - Ro-Ro Ferry Ships for BUMN, BUMS, Government, and others
  - Harbour Tug for PT PELINDO and PT Pertamina Trans Continental, as well as oil and gas needs.
  - Patrol Boats and OPVs for TNI-AL, BAKAMLA, POLRI and Customs.
  - Patrol Boats and OPVs for Fisheries and Marine Supervisors.
- b. Ship Construction for the Transport of Mining Products which is currently increasing (especially Coal & Nickel):
  - Tug Boat and Barge (demand is high, but there are main engine delivery problems, especially Japanese brands; Bulk carriers.
- c. Shipbuilding through Ship Rejuvenation with age > 25 Years

**Table 1.1 Ship Data in Indonesia**

NO	SHIP TYPE	SIZE	QUANTITY
1	<i>General Cargo</i>	s/d 10.000 DWT	618
2	<i>Bulk Carrier</i>	s/d 70.000 DWT	21
3	<i>Container</i>	s/d 1.800 TEU'S	245
4	<i>Oil Tanker</i>	s/d 30.000 DWT	215
5	<i>Ferry Ro-Ro</i>	s/d 6.000 GT	218
6	<i>Tug Boat</i>	s/d 3.000 HP	336
7	<i>Supply Vessel</i>	s/d 3.000 HP	31
		<b>T O T A L</b>	<b>1.684</b>

Source: DPP Iperindo (data has been processed, 2023)

**Anita Puji Utami et al, Implementation of the Government Regulation of the Republic of Indonesia Number 29 of 2018 Concerning Industrial Empowerment (Case Study in the National Shipbuilding Industry in East Java)**

And for potential ship maintenance needs, based on data from Iperindo as follows:

- According to data from INSA, the number of national commercial fleets in 2020 is around 33,000 units.
- Assuming that the ratio of passenger/ferry vessels to freight vessels is 5%: 95%, then the number of passenger/ferry

vessels is around 1,650 units and the number of freight vessels is around 31,350 units.

- Passenger/ferry vessels must perform docking every year and freight vessels twice in five years, then the potential ship repair market can be simulated as follows:

**Table 1.2. Potential ship repair market**

No.	Description	Number of Vessels	of Rasio	Number of Ship Repairs per-5 Years	Number of Ship Repairs per Year
1	Number of Passenger & Ferry Boats	1.650	5%	8.250	1.650
2	Number of Freight Ships	31.350	95%	62.700	12.540
<b>Number of Commercial Vessels</b>		<b>33.000</b>	<b>100%</b>	<b>70.950</b>	<b>14.190</b>

**Source:** DPP Iperindo (data has been processed, 2023)

According to Hasbullah (2016), seeing the existence of shipyards and production infrastructure used today, it still requires a large investment, both facilities, equipment, working capital and the addition of professional human resources. Nevertheless, as we all know that until now, about 20% of national ship repair/repair is still done in foreign shipyards (Bisnis Indonesia by Sularji). This indicates that the ability of national / public / private shipyards still needs to be addressed / improved, especially in the sector of facilities and infrastructure supporting the production / repair of ships and human resources as personnel responsible for the quality value and quality and quantity of the shipyard's production. Generally, shipyard support facilities have been operated based on sophisticated technology whose purpose is to produce reliable and quality production, and the process of completing the work becomes more efficient and time-saving.

In accordance with SOLAS (Safety of Live at Sea), Chapter 1, Regulation 8 (b). 1 Ferries are required to carry out docking for no more than 12 (twelve) months, while commercial ships are required to carry out docking for no more than 36 (thirty-six) months. And in accordance with the Director General of Sea Transportation Regulation No. HK.103/I/4/DJPL-14 concerning Mooring of Indonesian Flagged Ships signed by the Director General of Sea Transportation, Capt. Bobby R. Mamahit on 30 January 2014. In order to optimise the shipyard industry, a policy related to the development of the industry itself is required. And considering the need for the existence of this industry is mandatory because the shipyard as a support for the shipping industry must exist as a place of ship maintenance, where each ship is required to carry out maintenance / docking every certain time.

The shipping industry in Indonesia has also been supported by several educational institutions ranging from skilled personnel from SMK (Vocational High School) to

Higher Education Departments and Shipbuilding Study Programmes (polytechnics, Institutes, Universities). Although the ship industry in Indonesia is needed, the existing regulations are still not implemented optimally, such as the current regulations related to Government Regulation No. 29 of 2018 concerning Industrial Empowerment. The Shipyard Industry is labour-intensive in nature where the required labour absorption is very large. In the competence of labour both shipyard workers and supporting industries, there are several things that must be considered, including:

- a. That in the field of ship industry, a Decree of the Minister of Labour has been issued, regarding labour competencies, namely:
  - 1) KM. No. 437 of 2015 concerning the Implementation of SKKNI Category of Processing Industry Basic Group of Other Transport Industry Group of Ship and Boat Industry;
  - 2) KM. No. 91 of 2021 concerning the Implementation of SKKNI for Processing Industry Category in the Main Group of Repair and Installation of Machinery and Equipment in the Field of Maintenance and Repair of Ships, Boats, and Floating Buildings.
- b. In order to certify the competence of skilled workers in the ship industry, support from Ministries / Institutions is still needed, especially for:
  - 1) Incentives for training and accreditation for assessors
  - 2) Incentives for training and certification for participants (labour)

Given that shipyards are spread throughout Indonesia, incentives are also needed for skills training for labour in shipyards, especially in Eastern Indonesia. The Shipping Industry in Indonesia is a type of labour-intensive industry that requires a large number of human resources to carry out the business. So that in order to consider operational efficiency and company overheads, shipyards prefer to

## **Anita Puji Utami et al, Implementation of the Government Regulation of the Republic of Indonesia Number 29 of 2018 Concerning Industrial Empowerment (Case Study in the National Shipbuilding Industry in East Java)**

collaborate or partner with SMEs both in the field of services and goods / components. As is the case with PT Adiluhung Saranasegara Indonesia, which is one of the national shipping industries in East Java, has partnerships with several SMEs (small and medium industries) in the production process, both shipbuilding and repairs.

Of course, appropriate and professional human resource competencies are needed in the ship production process both carried out by the internal shipyard itself and by partners. but existing SMEs do not all have adequate competencies and sufficient facilities to be able to support quality production results. So this really requires institutional strengthening to smooth and make the shipping industry better. In Government Regulation No 29 of 2018 in Chapter 2 paragraphs a and d starting from article 4 to article 31, it explains the function of institutional strengthening with various facilities that are likely to be implemented if the implementing components realise this. IKM empowerment, institutional infrastructure and facilitation for development are important things to do. Institutional aspects are required by the Industrial system so that the roles of all stakeholders in Industrial development become clear. In contrast to large industries that are able to build themselves independently, SMEs are often considered to have more weaknesses and barriers to development. This is not entirely true because many SMEs also have advantages in building competitiveness. However, for most other SMI units that are still weak and have obstacles to develop, affirmative actions by the government are needed in the form of various facilities. The success of SMEs that have been empirically successful in building competitiveness is the basis (good practices) for developing SME performance models in the context of overall SME development and guidance.

Researchers have the aim of clearly knowing the application of this Government Regulation, especially those related to the Shipping Industry. With the narrative of Hasbullah (2016), the role that can be performed by the domestic shipyard industry is to provide ships to meet domestic needs competitively. Through the support of the government, the competitiveness of the national ship industry will be higher to develop and empower the shipyard industry itself. The explanation above encourages researchers to take the research title, namely: "Implementation of Government Regulation of the Republic of Indonesia No. 29 of 2018 concerning Industrial Empowerment. Specifically here the author focuses on empowering the shipping industry in the field of strengthening institutional capacity and providing facilities to small and medium industries".

### **RESEARCH METHOD**

In this study, the approach used is a qualitative approach. Qualitative research methods are research methods used to research on natural object conditions, where the researcher is the key instrument, data collection techniques

are triangulated, data analysis is inductive, and qualitative research results emphasize meaning rather than generalisation. In qualitative research, data collection is not guided by theory but guided by facts found during research in the field. Therefore, the data analysis carried out is inductive. Researchers chose this approach because it aims to reveal facts that occur in society.

The type of qualitative method used is a case study. Case study research begins by identifying a specific case. This case can be a concrete entity, such as an individual, small group, organisation or partnership. At a less concrete level, it may be a community of relationships, a decision process, or a specific project (see Yin, 2009). The key here is to define a case that can be limited or described within certain parameters, such as a specific place and time. Typically, case study researchers study recent, ongoing real-life cases so that they can gather accurate information without losing time. A single case may be selected or multiple cases may be identified so that they can be compared.

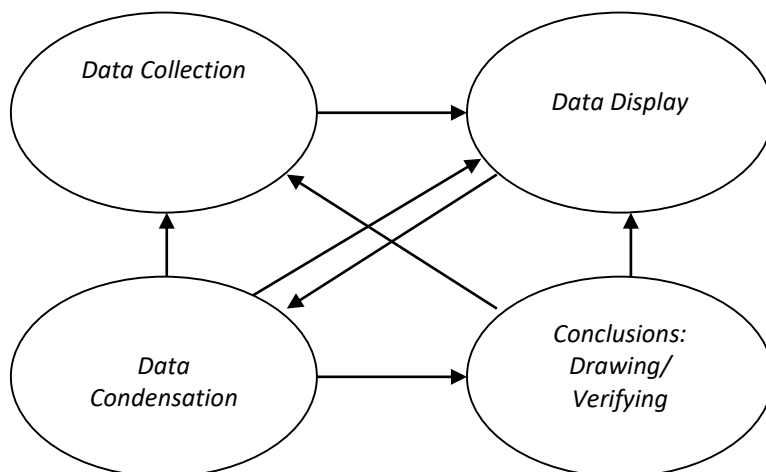
The purpose of conducting such a case study is to understand a specific issue, problem or concern and a case or cases are selected to best understand the problem. A good qualitative case study is one that demonstrates an in-depth understanding of the case. In order to complete this study, the researcher collected various forms of qualitative data, ranging from interviews, observations, documents, to audiovisual materials. Relying on a single source of data is usually insufficient to develop this in-depth understanding. The qualitative method that will be used is expected to answer the formulation of the problem, namely How to Analyse the Implementation of Government Regulation of the Republic of Indonesia Number 29 of 2018 concerning Industrial Empowerment The formulation of the first problem is analysed using the theory of Van Meter and Van Horn by conducting expert interviews on the implementation of the appl This research methodology was conducted with qualitative research methods using interviews that were analysed based on the opinions of Donald S.Van Meter and Carl E.Van Horn. Furthermore, using the theoretical guidelines of Milles, Hubermann and Saldana (2014)

The theory of Miles, Hubermann and Saldana (2014) suggests that qualitative data analysis is closely related to discourse analysis. However, because discourse analysis is a broad field of study, we analyse a particular type of discourse that we consider key to understanding the meaning of social action: argumentative lectures. This article is organised as follows: 1) In the first section we present an overview of the model and the analytical stages the model implies. 2) In the second section we develop each stage of the model through empirical studies, presenting interviewees' arguments regarding their traffic behaviour. 3) In the third section we outline our conclusions.ication of these regulations in accordance with conditions in the field.

**Anita Puji Utami et al, Implementation of the Government Regulation of the Republic of Indonesia Number 29 of 2018 Concerning Industrial Empowerment (Case Study in the National Shipbuilding Industry in East Java)**

In qualitative research, it is possible to carry out data analysis while the researcher is in the field or after returning from the field before the analysis is carried out. In this research, data analysis was carried out simultaneously with

the data collection process. The flow of analysis follows the interactive analysis model as expressed by Miles and Huberman. The techniques used in analyzing data can be visualized as follows:



**Figure 1. Miles & Huberman Interactive Analysis Model**  
 Source: Qualitative data analysis book (2021.95)

The analysis process in this model research is carried out in four stages, namely:

- a. Data Collection  
 Data obtained from interviews, observations and documentation were recorded in field notes which consisted of two parts, namely descriptive and reflective.
- b. Data Condensation  
 Data condensation refers to the process of selecting, focusing, simplifying, abstracting and transforming data that approaches the entirety of written field notes, interview transcripts, documents and empirical materials.
- c. Data Presentation (Data Display)  
 Presentation of data can be in the form of writing or words, images, graphs and tables. The purpose of presenting data is to combine information so that it can describe the situation that occurred.
- d. Drawing Conclusions. (Conclusion: Drawing/ Verifying)  
 Conclusions are drawn during the research process, just like the data reduction process, after the data has been collected sufficiently, then provisional conclusions are drawn, and after the data is completely complete, final conclusions are drawn.

**RESULTS AND DISCUSSION**

Based on data from PT. Adiluhung Sarana Segara Indonesia data on IKM (Small Industry and Maritime) in the services sector which is a partner is as follows:

Data on Small and Medium Industries at PT. Adiluhung Sarana Segara Indonesia services sector 37 companies engaged in steel construction, aluminum construction, piping, propulsion, cleaning, B3 waste, blasting and painting, electricity, power tools and ducting, and interior with a total of 536 employees. Data on IKM (Small and

Maritime Industries) which are engaged in the service sector (attachment table 3). Meanwhile, Small and Medium Industries which are engaged in the procurement of goods in the East Java area, especially Surabaya and its surroundings, with a total of 3321 employees. Details can be seen from the data on SMEs (Small Industries and Maritime) which are active in the goods sector (attachment table 3).

The number of shipyards in Indonesia according to data from the Iperindo Association is:

Ship Industry	= 123 companies
Supporting	= 88 companies
Consultants	= 8 companies
Classification Bureau	= 3 companies
Total	= 222 companies

Implementation of Republic of Indonesia Government Regulation No. 29 of 2018 concerning Industrial Empowerment. This research is limited to the scope of the Shipping Industry with a scope in accordance with article 4, namely Strengthening IKM Institutions, which is the object of the National Shipping Industry Company, namely PT. Adiluhung Sarana Segara Indonesia which is located in Bangkalan City, Madura, East Java. Furthermore, the SMEs in question are partners who collaborate with PT. Adiluhung Sarana Segara Indonesia.

Based on the Van horn and Van meter theory, in the implementation of Government Regulation 29 of 2018 concerning Industrial Empowerment and based on the results of interviews and data analysis, the following were obtained:

- 1. Standards and goals  
 Based on the results of analysis and interviews from several sources ranging from policy makers, in this case the Ministry of Industry, to SMEs in the shipping

## **Anita Puji Utami et al, Implementation of the Government Regulation of the Republic of Indonesia Number 29 of 2018 Concerning Industrial Empowerment (Case Study in the National Shipbuilding Industry in East Java)**

industry, there are no standard standards related to strengthening the SMEs industry in the shipping sector.

### **2. Resource Policy**

Policy not only sets complete standards and objectives in assessing implementation but must also provide adequate resources, including Facilities and Infrastructure Resources, human resources and financial resources in the environment. From the results of the interview, it is known that SMEs have not received resources, whether in terms of facilities or funding from the Government.

#### **a. Human resources aspect**

Based on the results of the interview, coaching has been carried out including:

1. Training (skills, work procedures, etc.)
2. Certification
3. K3 socialization
4. Socialization of BPJS

In this case PT. Adiluhung Sarana Segara Indonesia has implemented institutional strengthening by increasing the capabilities of SMEs where the Company helps business start-ups by providing business opportunities in the Company and providing facilities to small and medium industries.

#### **b. Infrastructure resources**

Based on the research results, it can be interpreted that existing resources are still limited and require additions both in terms of quality and quantity. With the production turnover of PT. Adiluhung Saranasegara Indonesia, according to the data (table 4.1. New ship building data), requires human resources with knowledge and competence who can support the production process in terms of quality, quantity, speed and work safety, where currently PT. Adiluhung Saranasegara Indonesia collaborates with partners. This is an important component that determines the success of implementing government policies, implementing work programs and the control function of a policy. The government has still not implemented this regulation optimally.

In meeting the needs for facilities and infrastructure related to the authority of companies that are in line with IKM (Small and Medium Industry) activities, regarding the need for training and certification and other regulations, they receive full support from the government and company policies. Based on the previous statement, the existence of inadequate facilities and infrastructure can be overcome with full support from the regional government and local community in order to realize national interests. This is in accordance with Chapter II article 3 of Government Regulation Number 29 of 2018 which states that the central government/government regions carry out development and empowerment of IKM to create

competitive IKM, play a significant role in strengthening the national industrial structure, play a role in alleviating poverty through expanding employment opportunities and producing industrial goods or services for export. This can be realized by strengthening institutions and providing adequate facilities. In this case, the Government has still not carried out strengthening in the field of infrastructure, especially in the Shipping Industry.

On the other hand, PT. Adiluhung Saranasegara Indonesia has facilitated SMEs by providing work equipment facilities such as welding machines, work equipment and crane facilities and others. So that IKM service providers who partner with PT. Adiluhung Sarana Segara Indonesia does not need to invest in major equipment. This also includes the provision of consumables, especially for construction work, so that the capital spent by IKM Partners is increasingly smaller.

#### **c. Financial resources**

Based on the results of interviews with informants from Internal Management of PT. Adiluhung Saranasegara Indonesia, that the budget for strengthening institutions and providing facilities from PT. Adiluhung Saranasegara Indonesia (attachment table 2) is the cash flow for ship repair work and the construction of new ship buildings that have been processed by themselves. The costs in (attachment table 2) are overhead costs borne by the company, which in accordance with Government Regulation No. 29 of 2018 are a government obligation. From the statement above, in terms of financial resources, for strengthening institutions and providing facilities in accordance with Government Regulation No. 29 of 2018, there must be support from the government so that this can help implement these regulations for SMEs (small and medium industries).

Apart from that, there are several points of strengthening in the field of financial resources at PT. Adiluhung Seranasegara Indonesia includes the following:

#### **a. Providing advance payment facilities for projects provided**

This facility is a DP (Down Payment) which is given when the work has been carried out a certain percentage in accordance with the applicable work contract in carrying out repairs or building new ships.

#### **b. Ease of Payment**

Payments made to sub-contractors and SMEs (small and medium industries) are made according to cash flow which has been regulated in such a way that nowadays payments which were initially made once a month can change to twice or more. The existence of a BS (Temporary Bond) system is one of the facilities provided by PT. Adiluhung himself, with the BS, it will make it

easier for SMEs and sub-contractors to obtain funds for ongoing work activities or other urgent financial needs. The BS can be paid when there is a fund disbursement schedule.

**c. Equipment Facility Loans**

Equipment facilities provided by PT. Adiluhung itself includes equipment repairs, usually the equipment provided is a welding machine, electric machine, blasting machine, or small tools such as wrenches or wrenches. The company also provides storage for equipment from the company or from the sub-contractors or SMEs themselves.

**d. Tax socialization**

Socialization about taxation is carried out online or by telephone. Providing letters and consultations using WhatsApp social media between sub-con and tax staff. Socialization in the form of FGD (Forum Group Discussion) has not been implemented and is one form of activity that will be planned. Some of these activities should be government programs, where their implementation can be carried out in collaboration with or involving industry associations.

**3. Characteristics of the Implementing Organization**

The effectiveness of implementation requires characteristics and relationships between organizations. In terms of implementation itself, it requires the involvement of stakeholders involved in strengthening institutions and providing facilities to existing SMEs (Small and Medium Industries) in accordance with government regulatory policy Number 29 of 2018. Based on the statement above, it can be seen means strengthening institutions and providing facilities to SMEs (Small and Medium Industries) that the existence of an organization that oversees industry, especially the shipping industry, is the basis for the need for stakeholders to connect SMEs themselves with the central government and regional governments in order to strengthen institutions and provide facilities that have prospects. full impact on the progress of these SMEs. The existence of stakeholders can also be beneficial for making SMEs more flexible in providing aspirations that are useful for industrial progress in their respective fields. Stakeholders who are a forum for aspirations for strengthening institutions and providing facilities can find out the needs of each SME and channel these proposals to the central government and regional government to support policies to strengthen institutions and provide facilities for SMEs in accordance with government regulation Number 29 of 2018 concerning industrial empowerment.

**4. Attitude of Implementers**

In the implementation of Republic of Indonesia government regulations No. 29 of 2018 concerning industrial empowerment, with the aim of strengthening institutions and providing facilities, IKMs are asked to have SOPs that can help in strengthening the IKMs' own institutions in order to

determine the work attitudes of the implementers themselves. that Standard Operating Procedures or commonly referred to as SOPs are one of the points for empowerment. industry with institutional strengthening. There is still no standardization of SOPs in the shipping industry. Meanwhile, the IKM at PT Adiluhung Saranasegara Indonesia stated that the implementation of the SOP had been carried out at PT. Adiluhung Saranasegara Indonesia and in the IKM itself.

**5. Communication between organizations**

Institutional strengthening according to article 3 paragraph (2) letter regarding the provision of facilities is also included in article 13 section 3 providing paragraph (c) of facilities in the form of technical assistance and guidance. Socialization is really needed as a process of strengthening institutions as explained by informant 1, especially maritime aspects. The lack of this can be supported by the existence of government regulation No. 29 of 2018 regarding Industrial Empowerment, especially institutional strengthening, which can also be supported by technical guidance.

Apart from this technical guidance, coordination is an important thing to do in strengthening institutions. In government regulation Number 29 of 2018 article 6, increasing the capacity of technical service units as referred to in market 4 letter a is carried out by optimizing or restructuring machines/equipment, developing the organization and work procedures of technical service units, increasing human resources or expanding work networks. That coordination in institutional development for SMEs is very much needed, especially in providing guidance regarding mastery of technology in the development of the maritime industry itself, so that the institutional development of SMEs themselves and the surrounding industry can be improved.

**6. Disposition or attitude of the implementers**

In implementing government regulation No. 29 of 2018 concerning industrial empowerment regarding institutional strengthening by means of surveys or market research in article 10, part two, in strengthening institutional capacity. Apart from research and supervision in strengthening SME institutions by providing appropriate facilities, assistance with raw materials at the domestic component level in the maritime sector which has been regulated by the government is also a point in strengthening institutions.

Based on data, providing facilities for SMEs (Small and Medium Industries) from the government is one of the hopes that is highly desired to develop the SME institutions themselves and with this institutional development it will also advance parts of the maritime industry in particular, this is also supported by the desire from SMEs. The statement above explains that the provision of facilities is a form of implementation of Government Regulation no. 29 of 2018 concerning industrial empowerment is a good start in

# Anita Puji Utami et al, Implementation of the Government Regulation of the Republic of Indonesia Number 29 of 2018 Concerning Industrial Empowerment (Case Study in the National Shipbuilding Industry in East Java)

supporting success in strengthening the institutions of SMEs (Small and Medium Industries).

## 7. Social, economic and political environment

Government Regulation no. 29 of 2018 concerning industrial empowerment related to strengthening institutions in the social, economic and political environment. In the social sector, the implementation of this government regulation aims to increase success in carrying out work, and it is hoped that it can help develop IKM, that the implementation of Government Regulation No. 29 of 2018 regarding empowerment of this industry, makes the maritime industry in particular better, with the aim of developing IKM in the social sector, Even though the economy and politics are more advanced and better than before, IKM itself is a business practice that requires small capital with the support of technology. The explanation above has led to the desire for the government to be more alert to the desires of SMEs to obtain support as a means of institutional strengthening for SMEs themselves. This is also the basis for good economic needs for the future.

## CONCLUSION

In this study, the following conclusions were obtained:

1. Implementation of Government Regulation of the Republic of Indonesia No. 29 of 2018 concerning Industrial Empowerment, especially in the Shipping Industry in the Scope of Institutional Strengthening and Empowerment of SMEs, which based on the theory of Van meter, Van horn is still not running optimally. For this reason, researchers also conducted research on the Shipyard Industry at PT Adiluhung Sarana Segara Indonesia which has implemented institutional strengthening and empowerment of SMEs to the maximum.
2. The factors that hinder the implementation of these regulations include the following:
  - a) The aspects of standards, objectives and activities in Government Regulation No. 29 of 2018 still do not have standards in the implementation of these regulations. The objectives of this activity can be seen in the scope of the regulation, namely institutional capacity building. The institutional strengthening programme for SMEs that has been made by the Government, especially in the shipping industry, is still not running optimally.
  - b) Aspects of Resource Policy. The government as a coach in this industrial sector does not yet have a real sustainable programme in terms of facilities, equipment and finance for SMEs in the shipping industry.
  - c) Institutional characteristics. The government does not have a clear institution based on SOP (Standard Operating Procedure). On the other hand, PT Adiluhung Saranasegara Indonesia currently has

procedures related to partnerships and work procedures for SMEs in its environment.

- d) Communication Aspect. Lack of effective and maximum communication between the Government and the object of coaching, namely SMEs in the shipping industry. The need for derivatives of this regulation in the form of technical instructions.
- e) Performance Aspect. There is no work programme related to the development and guidance of shipping SMEs.
- f) Aspects of Economic, Social, Cultural and Political Conditions. Many SMEs come from regions with minimal knowledge and skills and low socio-economic conditions, on the one hand, industries in the regions are obliged to utilise human resources in the surrounding environment. With the coaching carried out by PT Adiluhung Sarana Segara Indonesia, there are significant changes to the social and cultural conditions of the surrounding community. The economic ecosystem in the area is also growing.
- g) Aspects of the Implementer's Attitude, although it has been running, it is still not optimal, especially in the shipping industry.

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**Anita Puji Utami et al, Implementation of the Government Regulation of the Republic of Indonesia Number 29 of 2018 Concerning Industrial Empowerment (Case Study in the National Shipbuilding Industry in East Java)**

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