

Institutional Economic Analysis Of Bugis Merchants In The Inter-Island Trade

Ansar, Umi Farida, Muhammad Yahya, Yusriadi Yusriadi, Saidna Zulfiqar Bin-Tahir

ABSTRACT: Trade is the activity of exchanging goods or services or both which based on an agreement, not coercion. One of the famous tribes in Indonesia in trading is the Bugis tribe. Bugis merchants are known as inter-island traders who use the sailboats of Pinisi, Lambo, and Benggo. The goods traded by them are earth productions, including rice, tobacco, nuts, etc., but the most popular product to trade was rice. This research uses descriptive qualitative design research, which is the process of getting information for research purposes by way of questioning during face to face with the respondent. The sample is taking by using the purposive sampling technique to gain descriptive data, personal documents, field notes, the speech of the respondents and an existing document. The results of the study show that Bugis merchants in the inter-island trade have developed "a sense of trust, honesty, and justice" as well as "a sense of achievement" in order to uphold justice among them, so "the Amanna Gappa Cruise Law" is upheld, setting the rules in cruise and trade.

Index Terms: Bugis Merchants, Institutional Economics, Inter-Island Trade

Introduction

Trade is the activity of exchanging goods or services or both which based on an agreement, not coercion. One of the famous tribes in Indonesia in trading is the Bugis tribe. Bugis merchants are known as inter-island traders who use the sailboats of Pinisi, Lambo, and Benggo. The goods traded by them are earth productions, including rice, tobacco, nuts, etc., but the most popular product to trade was rice. This research uses descriptive qualitative design research, which is the process of getting information for research purposes by way of questioning during face to face with the respondent. The sample is taking by using the purposive sampling technique to gain descriptive data, personal documents, field notes, the speech of the respondents and an existing document. The results of the study show that Bugis merchants in the inter-island trade have developed "a sense of trust, honesty, and justice" as well as "a sense of achievement" in order to uphold justice among them, so "the Amanna Gappa Cruise Law" is upheld, setting the rules in cruise and trade. The cruise support with various types of cruise or boat types makes Bugis traders trade among islands, reach many different areas of commerce in Nusantara and the Malay Archipelago, particularly in the eastern part of Indonesia such as Toli-Toli, Donggala, Luwu Banggai, Gorontalo, Manado, Morotai, Ternate, Saparua, etc. according to the national archives of South Sulawesi Province. The names of some Bugis merchants recorded in the series of native entrepreneurs of Indonesia who were engaged in trades of Earth production especially rice. They successfully built their businesses but eventually suffered a setback and even stop or leave the rice trade venture. Most of them switched to other types of companies such as transportation, industrial businesses, etc.

Literature Review

Abu Hamid in Abdullah (1996) explains that the English word 'merchant' comes from the Latin word "mercere" meaning trade. When the Kings of the middle ages held power, the mercantilist ideology developed in which the central figure of this doctrine was Jean Babsiste Calbert. He argues that the best system of economy is an economy where the state government intervenes the corporate world (business) in foreign trade. It recorded that the Bugis-Makassar sailors had ever visited various continents and foreign countries, from the Southern Tip of the African continent to the Americas, which was in Vancouver, Canada, Northern Australia and the Northern Part of China. The attitude and behaviour of the Bugis-Makassar sailors were not like the imperialists who tried to conquer other regions to expand its possessions. Instead, they only visited the areas they stopped at and traded with the local residences they made a deal with (Darwis: 1999). In the book of the cruise law of the Sultan of Malacca in 1424 and 1445, the people of Makassar and Bugis had sailed to Java, Sumbawa, Timor, Sumatra, Aceh, Johor, Malacca, Palembang, South Sumatra, Banjarmasin, and Manila as well as to the West Coast of South Sulawesi, where the Kingdom of Gowa and Tallo and the capital of Makassar located. The Kingdom had already built relations with foreign merchants, (Ramto in Palisuri, 2000). Kampong Wajo is locating in the north part of Makassar, in between Kampong Melayu and Ujung Tanah. According to the historical records of the past (lontara), the people (tribe) of Wajo scattered high dignity, and many of them mastered the science of Government, agriculture, and economy. They inhabited Makassar since 350 years ago. The people of Wajo who moved to Makassar were mostly former sailors and merchants, in the world of trading, these people known as honest and commendable (Palisuri, 2000). The Bugis people who wandered were met by Korzeniowsky (Conrad) in every single port he entered, including the seaport Singapore to Bulungan, because the people of Bugis were able to be found everywhere in Indonesia and Malaya. It said that the Amanna Gappa was the Bugis person from Wajo, who lived in the seventeenth century. The people of Wajo like to wander and trade. Since the beginning of the seventeenth century, there were groups of Bugis people in many essential harbors throughout Indonesia and the Malay Archipelago. At that time, the people of Bone, Wajo, and Makassar raised "Ammana Gappa" as the Matoa (Chair, head) because of its

- Ansar, *Sekolah Tinggi Ilmu Ekonomi Amkop, Makassar, Indonesia*
- Umi Farida, *Sekolah Tinggi Ilmu Ekonomi Amkop, Makassar, Indonesia*
- Muhammad Yahya, *Sekolah Tinggi Ilmu Ekonomi Amkop, Makassar, Indonesia*
- Yusriadi Yusriadi, *Sekolah Tinggi Ilmu Hukum Pengayoman, Makassar, Indonesia*
- Saidna Zulfiqar Bin-Tahir, *University of Iqra Buru, Maluku, Indonesia*

experience and understanding. They discussed it at the porch of the Mosque and agreed on rules of boating in terms of trade (Tobing, 1977). Until 1669, the move out of South Sulawesi limited to the people of Bugis and Makassar who made the trade (Abustam, 1979). Bugis-Makassar people had played an important role both in political history as well as in maritime trade. They did the trading cruise to all corners of the archipelago, since the middle age to the sixteenth century. At that time, they built trading relationships with the people in Java, Sumatra, and Malacca in the West and Eastern Maluku islands (Mattulada, 1998). Mattulada in Mukhlis (1986) states that Bugis-Makassar businesspeople reserve a decent place in its tradition, people who become entrepreneurs occupy the social functions that aligned with social features, such as power holders of Government function or the function of scientists/scholars. In the functional classifications in society Bugis-Makassar, someone ascends the hierarchy or a higher social class through success in practical activities within this categorization: 1) To the *acca panrita sulesana* (the smart, wise scholars); 2) *To-sugi ' mapanre na saniasa* (wealthy people/skilled businessman adept), and 3) *To-warani mapata'e* (intrepid/heroes who always alert).

Research Method

This research uses descriptive qualitative design research that aims to describe the institutional economics of Bugis merchants in the inter-island trade. In collecting the data, the researcher used several methods namely the in-depth interview, which is the process of getting information for research purposes by way of questioning during face to face with the respondent. The meeting was done with the subject or with the closest family member who knew better about the merchants. The observation is direct observation at the place of doing business to get a realistic picture of the object, behavior, and events in an attempt to trade conducted respondents. The sample is taking by using the purposive sampling technique to gain descriptive data, personal documents, field notes, the speech of the respondents and an existing document. Further analysis of the data is from the beginning of the time when the information directly obtained and analyzed, and then the researcher looked for more data to be examined and so on until it deemed that the researcher got the adequate results.

Result and Discussion

The Institutional Demographic Characteristics

Demographic characteristics of the Bugis merchants in inter-island trade, if it is a view from the gender of the merchants, then they are dominated by male entrepreneurs. Bugis women, in general, are involved in small business scale, e.g., in the rice trade venture retail in stores and the public markets. Other women's involvement in the trade is in the profession of rice. They generally help their husband in running the business every day. They support their husband in the trade activities as labors who do daily business administration, but not as policymakers or decision makers. The business office is usually placing not far from the House where they live, and even generally take half of their house as an office to be used as part of the activities of the administration. It happens in some areas such as in the town of Parepare, Barru Regency Pinrang, Soppeng Regency Sidereng Regency Rappang, and Wajo Regen.

Age

If we see the age of the people, Bugis merchants in the inter-island rice trade have a variety of ages from 21 to 60 years old. They started selling since President Sukarno held power, and now they are over 70 years old, and many of them had died. Those who began trading in the time of Suharto are now 45 to 50 years old. They who are relatively young started selling after Suharto lost his power in the government. Young entrepreneurs make the rice trade partly because they used to involve in their parents' business. Age is a significant factor to consider for the merchants because it determines the behavior and maturity of the merchants.

Level of Education

Bugis merchants who traded in the past had different levels of education: First, most of the merchants who sold in 1945-1980 only completed Junior High Schools and Primary Schools. Some of them even did not finish Elementary education (elementary school); Second, those who traded over the year of 1980-90s generally finished Junior and Senior High Schools.

Family Dependents

The number of the family dependents of Bugis merchants vary, in which those who were 60 years old and over, had more dependents than those who were relatively younger. For those who were older, the number of family dependents had decreased because his children had grown up and had married. Bugis young entrepreneurs just had 1 to 2 dependents.

Trading Period

The period or age of the business of Bugis merchants had reached 11-20 years in the year of 1980s to 1990s. Latanro (1988) explains that the age of the companies of Bugis entrepreneurs is less than 40 years. From the author's observations, it can tell that the age of the oldest business entity in Suharto's Government is 42 years since its start in 1965. The period of the business of young entrepreneurs who recently launched the marketing of rice trade is in the range of 10-15 years old.

Condition/Advancement of the Business

These five indicators can determine the success of Bugis merchants' business:

1. The number of employees

There are four categories of employees who work. They are administrative employees (between 1 – 2 persons), warehousing (above four people), purchasing and marketing (1-2 people), as well as Warehousing and transportation (according to needs was taken from daily power).

2. Warehouse capacity

Some units of tonnes measures in warehouse capacity. In the past, farmers in South Sulawesi generally store rice in the woven basket or wooden box placed under/under the house. The number of the stored rice is usually limited to their consumption needs during two harvests periods; they usually keep it in one corner of the room of the house. These deposits can be a pile on a mat of bamboo, bamboo basket or box. None of the ways of storing rice in this household is safe from rats and other

animals. Since the 1980s, rice store in the form of grain, where farmers store grain at his home like in the ceiling that known among the Bugis as "rakeang" rice storage or in the corner of the House which is considered safer to store grain. Gatherers usually have a place under their house that is more widely used to accommodate a larger amount of rice to be sold to merchants abroad or to make purchases directly to the gatherers. For a merchant who is a miller, they usually built a building that functioned as a warehouse as well as a mill. They keep rice or grain close to the factory. The warehouse built usually has a drying area in the form of floor beside or around the mill to make it efficient. The capacity of the warehouse owned by the Bugis merchants in developing their business is one of the indicators that can be seen to assess how dynamic the inter-island rice trade. The warehouses of rice vary in its capacity. The average size of the warehouse is between 501 – 1000 tons, and has a warehouse with a capacity of over 100 – 500 tons can found in the Regency Srikalahasthi and Pinrang. While the warehouses whose position is under 100 tons more domiciled in the town of Parepare. They assume that the needs of possession of the warehouse are not significant, but in trading rice, we need to pay attention to the rice in-and-out circulation. Because the rice is not expected to stay long in the warehouse and when rice is no longer need to go into the warehouse but directly from the area is raised over the ship, so it is minimizing the labor costs and spending on transport. Therefore, they argue that the ownership of the warehouse which is too large is adjusting to the ability of capital and marketing capabilities.

Purchase of transporting vehicle

The possession of transporting vehicles like trucks varies among the merchants. The merchants have 1 to 4 units of trucks. For those who do not have trucks, they use the transporting system served by a company which is ready to help and transport goods from one place to another. They generally use car brands like Toyota Nissan, and Fuso.

Production and Milling

In South Sulawesi, the grinding process through an open way, after the year of 1968, Small Rice Milling Units (RMU) became popular. Several types of grinding types which used were: first, the Engel berg Type Huller (ETH). It is a milling machine which uses steel knives. Broken grains mixed with the rice is the result of this milling; Second, Rubber Roll Huller (RRH). It a more modern rubber-tired grinding machine which has a better cleaner and is usually operate with Engel-berg or jet type; third, Rice Milling Unit. This unit consists of the rice-skin breaking machine with rubber wheels. They all work in one compact unit.

Marketing

Sales capabilities for merchants in the inter-island rice trade begin from 120 to 360 tons per month. That ability is not the same every month in a year, but it very much determined by the fluctuations in harvest seasons throughout the area districts in South Sulawesi. The capacity or ability of the sale by a trader has the distinction, depending on their efforts. Inter-island rice trade remains based on the conditions of the carriage of the sea

available. When the activity of maritime transport is experiencing interference, then automatically the number of rice between islands disrupted so that it could affect market prices. Rice sold in Balikpapan, Banjarmasin, Pasir, Batulicin, with the trading system which develops at that time. It traded to the trader, not the consumers who came to the harbor. The people of Kalimantan also needed rice very much because they did not have enough stock, so there was no worry that the rice would not be sold. Besides trading rice, they also sold salt and mattress pad, etc. which was produced by the women. This trading system was known as mappacoe tradition. Bugis merchants started their business by selling rice. In this type of trade, there was a trading structure that showed a hierarchy: Firstly, the small entrepreneurs; secondly, the intermediary traders; thirdly, the prominent entrepreneurs.

Conclusion

Merchants in their effort to make inter-island trade have experienced ups and downs, they were able to live and thrive until the year 1970, the next phase, namely the years 1970-1990 's to 40s part has experienced a decline and even bankruptcies. And then their businesses were continued and expanded by their children. Merchants with relatively younger ages have the same fate with the older ones; they were not able to survive to the second generation. Bugis merchants categorized as people who can do business. These capabilities include the ability in possession of capital, the ability to communicate, connect and collaborate with partners and have courage bear the risk of the business.

REFERENCES

- [1] Abdullah, Taufiq (1996), Agama dan perubahan Sosial, PT. Raja Grafindo Persada, Jakarta.
- [2] Abidin, A. Zainal (1982), Persepsi Orang Bugis Makassar Tentang Hukum Negara dan Dunia Luar, Alumni. Bandung.
- [3] Abustam, M. Idrus (1970), Mobilitas Penduduk Sulawesi Selatan. Kertas Kerja Lokakarya Mobilitas penduduk, Lembaga Kependudukan UGM, Yogyakarta.
- [4] Alma, Buhari (2001), Kewirausahaan, Alfabet, Bandung.
- [5] Alvin Y So (1994), Perubahan Sosial dan Pembangunan di Indonesia. LP3ES, Jakarta.
- [6] Badaruddin, M. (1986) Sistem Ekonomi Tradisional Sebagai Perwujudan Tanggapan Aktif Manusia Terhadap Ungkapan Daerah. P&K, Makassar.
- [7] Darwis (1999) Majalah Saudagar Bugis, Jakarta.
- [8] Damsar (1997), Sosiologi Ekonomi, PT. Raja Grafindo Persada, Jakarta.
- [9] Farida, U., Bustamin, Wagiyanto, E., & Salam, R. (2017). Analysis of Empowerment Program that was Implemented in Mamuju Regency East Sulawesi Indonesia. In 2nd International Conference on Education, Science, and Technology (p. 19).
- [10] Mattulada (1988), Sejarah Masyarakat dan Kebudayaan Sulawesi Selatan, Unhas Press, Makasar.
- [11] Palisuri, Udin (2000) Makassar Doeloe Makassar Kini Makassar Nanti, Yayasan Losari, Makassar.

- [12] Rahim, A.Rahman (1984), Nilai-Nilai Utama Kebudayaan Bugis, Disertasi Universitas Hasanuddin.Ujung Pandang.
- [13] Rasjidi, Suherman (1995),Pengantar Teori Ekonomi, Rajawali Press, Surabaya.
- [14] Robert, H.Laver (1993), Perspektif Tentang Perubahan Sosial, Rineka Cipta, Jakarta.
- [15] Tobing (1977), Hukum Playaran dan Perdagangan Ammana Gappa, Yayasan Kebudayaan Sulsel. Ujung Pandang.
- [16] Twan Djie (1995), Pedagang Perantara Distribusi Orang-Orang Cina di Jawa (Suatu Studi Ekonomi
- [17] Weiner, Myron (1980), Modernisasi Dinamika Pertumbuhan,UGM Press. Yogyakarta.
- [18] Yusriadi. (2018a). Reformasi Birokrasi Indonesia: Peluang dan Hambatan. Jurnal Administrasi Publik (Public Administration Journal), 8(2), 178–185. Retrieved from <https://ojs.uma.ac.id/index.php/adminpublik/article/view/1824>
- [19] Yusriadi. (2018b). Tantangan Reformasi Birokrasi Berbasis E-Procurement di Indonesia. Publikauma : Jurnal Administrasi Publik Universitas Medan Area, 6(2). Retrieved from <https://ojs.uma.ac.id/index.php/publikauma/article/view/1635>
- [20] Yusriadi, Sahid, A., Amirullah, I., Azis, A., & Rachman, A. A. (2019). Bureaucratic Reform to the Human Resources: A Case Study on the One-Stop Integrated Service. The Journal of Social Sciences Research. Retrieved from [https://arpgweb.com/pdf-files/jssr5\(1\)61-66.pdf](https://arpgweb.com/pdf-files/jssr5(1)61-66.pdf)