

## Financing management of small scale fishermen businesses: A new institutional analysis

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**Abstract.** Many studies show that small-scale fishermen are highly dependent on financiers, through patron-client social relations. The government has made policies (at a macro level) through various programs and implemented them at the meso-level (bank and non-bank) to improve access to financing for small-scale fishermen. This study uses Victor Nee's new institutional theory to analyze the dynamics of interaction between government policies and informal institutions in understanding the behavior of small-scale fishermen on fishing business financing. The research was conducted in July-December 2022 in Marunda Village, North Jakarta. This research uses a constructivist paradigm with qualitative methods and case study techniques with 30 case subjects. Data analysis was carried out descriptively qualitatively by identifying regulations related to financing at the macro level, describing the implementation of regulations at the meso-level and confirming the practical level at micro level. The results showed that at the macro level, the government has provided financing policy support. Financing policies and regulations at the macro level become the legal umbrella and guidelines for institutions at the meso-level to implement financing at the technical level. There is 'close coupling' (alignment) between policies and regulations (rules of the game) and norms, and interests between macro and meso levels in financing fishermen businesses. On the other hand, there is 'de-coupling' (misalignment) between formal and informal rules, norm and policies at the meso level, with the micro level in pursuing economic interests (financing small fishermen businesses). 'De-coupling' occurs due to social inequality in the social network of small-scale fishers. Not all small-scale fishers can access the financing programs set by the government, giving rise to a typology of small-scale fishers based on financing institutions (formal institutions, mixed, informal institutions, independent).

**Key Words:** access to finance, business financing, fisheries sector, multi-level.

**Introduction.** Small-scale fishers are defined as fishers who catch fish to meet their daily needs, both those who use fishing vessels with a maximum size of 10 GT and those who do not use boats (Law No. 7/2016). In 2020, the number of marine capture fisheries vessels (<10 GT) in Indonesia was 1614658 units in Indonesia (97.31%) (KKP 2022). This shows that fishing activities in Indonesian territory are dominated by small-scale fishers.

The existence of small-scale fishers is often marginalized, despite the fact that small-scale fishers contribute to the welfare and livelihoods of coastal communities (Teh et al 2011; Stacey et al 2021), provide a substantial role to rural livelihoods (Béné 2006), contribute to GDP (Zeller et al 2006), and are a driver of the regional economy (Wardono & Muslih 2020). On the other hand, small-scale fishers have not been addressed comprehensively (Schuhbauer & Sumaila 2016).

The challenges faced by small-scale fishers are limited technology and fishing gear (Berkes et al 2001; Nainggolan et al 2021) that affect the income generated (Pratama et al 2012), seasonal dependence and limited fishing distance (Imron 2003; Anggara & Ricky 2019), polluted resources (Sachoemar & Wahjono 2007), difficulty accessing fuel (Rizal et al 2021; Saptanto et al 2016; Wulandari et al 2023), limited capital in business management (Salatan et al 2018), fluctuating fish prices (Rahim et al 2016), low human resource quality (Indiradewi & Marhaeni 2016; Hikmawati et al 2023; Hapsari et al 2023).

However, the research findings that have been described have not been able to explain the reasons for the survival of small fishers in the midst of all the limitations that constrain them.

Economic capital is a major factor in the development of capture fisheries. The limited ownership of economic capital makes fishers dependent on financiers since the initial investment (Wardono 2015). In terms of small-scale fishers' business financing institutions, only a few fishers (7-10%) have access to banks and financial institutions (BI 2017). The constraints of small-scale fishers in accessing capital from banks are lack of collateral and business risk (Nadjib 2013) and high-risk and nonpriority fishing businesses (Velentina 2018). This shows that financing institutions for small-scale fishers at the macro level (policy) and meso level (organization) are not in line with the economic behavior of small-scale fishers. Financing institutions at the micro (informal) level play a major role in fishers' businesses because fishers have difficulty accessing formal financing institutions (BBPSEKP 2015). Informal financing has capabilities that formal financing institutions do not have. Informal financing institutions are individuals or groups that provide capital and financial services to people in need without having a legal entity (Robinson 2001; Schreiner 2001). Rosales et al (2017) state that informal financing is characterized without the use of contracts and agreements, based on mutual trust, and long-standing relationships. In coastal communities, including in Marunda, informal financing activities are found in the relationship between bosses and fishers. The bosses (bakul) provide economic roles and protection to fishers informally, without requiring administrative prerequisites. Fishers prefer informal financing because they have limitations in fulfilling formal financing requirements.

Government policies have paid attention to formal financing sources for fishers. Regulations related to formal financing for fishers are directed so that fishers can access financing sources. Regulations at the macro level have been passed down to the meso level (organizations: banks, non-bank financial institutions, and cooperatives). However, in reality, at the micro level, small-scale fishers have not received the maximum impact of these regulations. This research will discuss the management of small-scale fishers business financing in Marunda (North Jakarta) using the new economic institutional perspective (Nee 2005), which looks at institutions from the macro (policy), meso (group/organization) and micro (individual) levels.

## **Material and Method**

**Description of the study sites.** Data collection was conducted in July-December 2022 in Marunda Sub-District, Cilincing District, North Jakarta Municipality, Indonesia. The location of this study is presented in Figure 1.

**Method of collecting data.** Primary data was obtained through observation, and in-depth interviews. In-depth interviews were conducted using an interview guide with the topics: characteristics of fishing businesses, and financing patterns of fishers. Secondary data in the form of an overview of the area, rules and policies related to financing obtained from relevant agencies. The case subjects in this study were 30 small-scale fishers. Information was also obtained from informants consisting of extension workers, fish collectors/bosses, Ministry of Marine Affairs and Fisheries (MMAF), Fisheries Service, cooperatives, LPMUKP (Marine Fisheries Business Capital Management Institution), which were selected and considered to know about fishers' financing information or the condition of the fishing business at the location. Triangulation was conducted to validate the information collected.

**Data analysis.** Data analysis was carried out descriptively qualitatively by identifying regulations related to financing at the macro level, describing the implementation of regulations at the meso level and confirming their practicality at the micro level. At the micro level, the characteristics of fishers' businesses in Marunda were presented by describing the financing patterns that have been carried out so far.

The following stages were carried out in analyzing data qualitatively (Creswell 2014): 1) processing data based on interview results; 2) coding process to generate a

description of the setting or people as well as categories or themes for analysis; 3) description and themes will be represented in narrative; 4) reflecting on the data and interpretation.

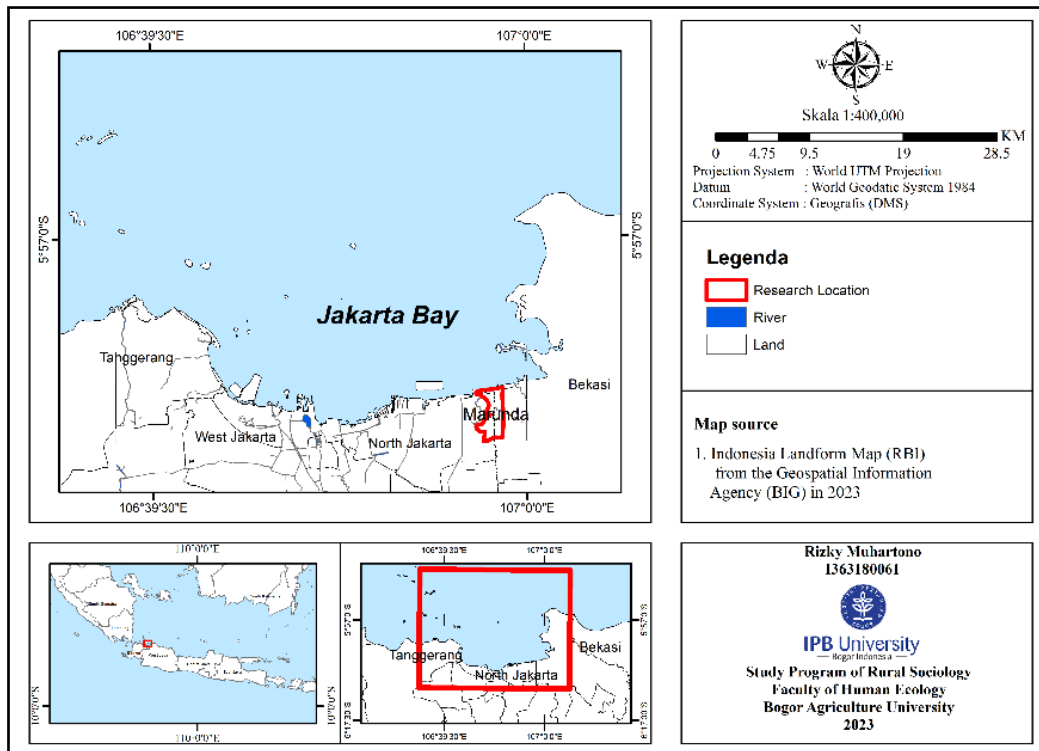


Figure 1. Research location.

## Results and Discussion

**Macro policies and regulations for financing small fishers' businesses.** Since 2000, there have been several macro-level regulations that are related to financing. These regulations are related to policy-making agencies, including the Ministry of Finance, Bank Indonesia, Financial Services Authority, Ministry of Cooperatives and SMEs, Ministry of Marine Affairs and Fisheries. There are at least nine regulations related to fishermen financing (Table 1). These regulations have different scope/reach at the national or sectoral level and have direct linkages to fishermen financing or indirect linkages.

Based on the results of the identification of regulations in Table 1, in general, macro-financing policies have provided many legal umbrellas and guidelines in efforts to provide or distribute financing to MSMEs (micro, small, and medium enterprises). The government prepares regulations from various aspects with the aim of facilitating the implementation stage. These regulations cover various sectors, including trade, agriculture, industry, tourism, fisheries, and others. As long as they fall into the MSME category and meet the requirements, they can apply for financing. The common thread is that the financing distribution process is carried out through formal institutions such as banks, cooperatives, or other institutions with a variety of programs offered.

At the macro-level policy of fisheries sector financing, the regulation that is directly related and specifically mentions fishermen is Law No. 7 of 2016 concerning the protection and empowerment of fishermen where the government provides facilitation and funding assistance and financing assistance, in the form of: a) capital loans for business facilities and infrastructure; b. provision of credit interest subsidies and / or guarantee fees; c. utilization of social responsibility funds and partnership and environmental development program funds from business entities.

Table 1

## Identification of financing regulations

<i>No</i>	<i>Year</i>	<i>Regulation identification</i>	<i>Linkage to fishers' financing</i>
1	2008	Law of the Republic of Indonesia Number 21 on Islamic Banking	Not directly related
2	2008	Law No. 20 on Micro, Small and Medium Enterprises (MSMEs)	Not directly related
3	2009	Regulation of the Minister of Maritime Affairs and Fisheries No. PER.20/MEN/2009 on the establishment of LPMUKP (Marine and Fisheries Business Capital Management Institution)	Directly related
4	2013	Law of the Republic of Indonesia Number 1 Microfinance Institution (MFI)	Not directly related
5	2012	Bank Indonesia Regulation No. 14/22/PBI on the provision of credit or financing and technical assistance in the context of developing micro, small, and medium enterprises	Not directly related
6	2014	Financial Services Authority Regulation Number 29/POJK.05/2014 concerning the Implementation of the Financing Company Business	Not directly related
7	2016	Law of the Republic of Indonesia Number 7 concerning Protection and Empowerment of Fishermen, Fish Cultivators, and Salt Farmers	Directly related
8	2016	Regulation of the Minister of Maritime Affairs and Fisheries of the Republic of Indonesia Number 73/PERMEN-KP/2016. General guidelines for the implementation of people's business credit in the marine and fisheries sector.	Directly related
9	2020	Regulation of the Minister of Maritime Affairs and Fisheries No. 60/PERMEN-KP on Technical Guidelines for the Distribution of People's Business Credit (KUR) for the Marine and Fisheries Sector	Directly related
10	2020	Regulation of the Coordinating Minister for Economic Affairs of the Republic of Indonesia Number 15 of 2020 concerning Guidelines for the Implementation of People's Business Credit	Not directly related

The central and regional governments with their authority can assign central/regional financing institutions to serve fishers in obtaining business financing with conventional and sharia principles in accordance with the provisions of laws and regulations. Financing institutions are obliged to carry out business financing activities with simple and fast procedures with due regard to the principle of prudence. Financing institutions play an active role in assisting: a) fulfilling the requirements for obtaining credit and/or financing; and b) obtaining credit and/or financing facilities. These rules are contained in the third section on financing.

The Regulation of the Minister of Marine Affairs and Fisheries No. 20/2009 establishes the LPMUKP (Marine Fisheries Business Capital Management Institution). This institution provides development and capital strengthening to micro, small and medium enterprises, to individuals and groups directly, or through marine and fisheries microfinance institutions, and through banks/non-bank financial institutions. LPMUKP is also directed to distribute revolving funds to customers who are recipients of KKP assistance, so that the results of the assistance can continue to be used as a sustainable source of income. In the LPMUKP business process, the proposal is examined and approved by the facilitator. The next stage was the analysis of data feasibility and business feasibility by credit analysts. The next stage is a credit risk review by the loan committee to be recommended by the loan approval officer. For the LPMUKP program, there are liaisons in each province.

There are at least three regulations related to KUR (People's Business Credit),

namely the Regulation of the coordinating minister for Economic Affairs of the Republic of Indonesia Number 15 of 2020 concerning Guidelines for the Implementation of People's Business Credit, Permen KP (Regulation of the Minister of Marine Affairs and Fisheries) Number 73 of 2016 concerning general guidelines for the implementation of people's business credit in the marine fisheries sector, and Permen KP No. 60 of 2020 concerning KUR distribution. These three regulations become the umbrella and guidelines in KUR financing policies in the fisheries sector.

**Implementation of small fishers' business financing regulations at the meso level.**

Financing policies and regulations at the macro level become the legal umbrella and guidelines for institutions at the meso (organizational) level to implement financing at the technical level. The distribution of formal financing can be done in 3 ways, namely: through banking, through non-bank financial institutions, and through cooperatives (Figure 2).

Small-scale fishers have several ways to access formal sources of financing to meet investment and capital needs. In the first pattern of financing through banks, fishers can use KUR and non-KUR lending schemes. Through non-bank financial institution financing, fishers can apply for loans through microfinance institutions (MFI), BMT (House of Funds and Financing), Bumdes (village-owned enterprises), online loans, Mekaar (private financing program) BLU (Public Service Agency). In the Ministry of Maritime Affairs and Fisheries, BLU funds are channeled through the LPMUKP (Marine Fisheries Business Capital Management Institution). Third, fishermen can also obtain loans through cooperatives. Every formal financing institution applies high prudential principles. One of the prerequisites that is always applied is using assets as collateral in every loan process.

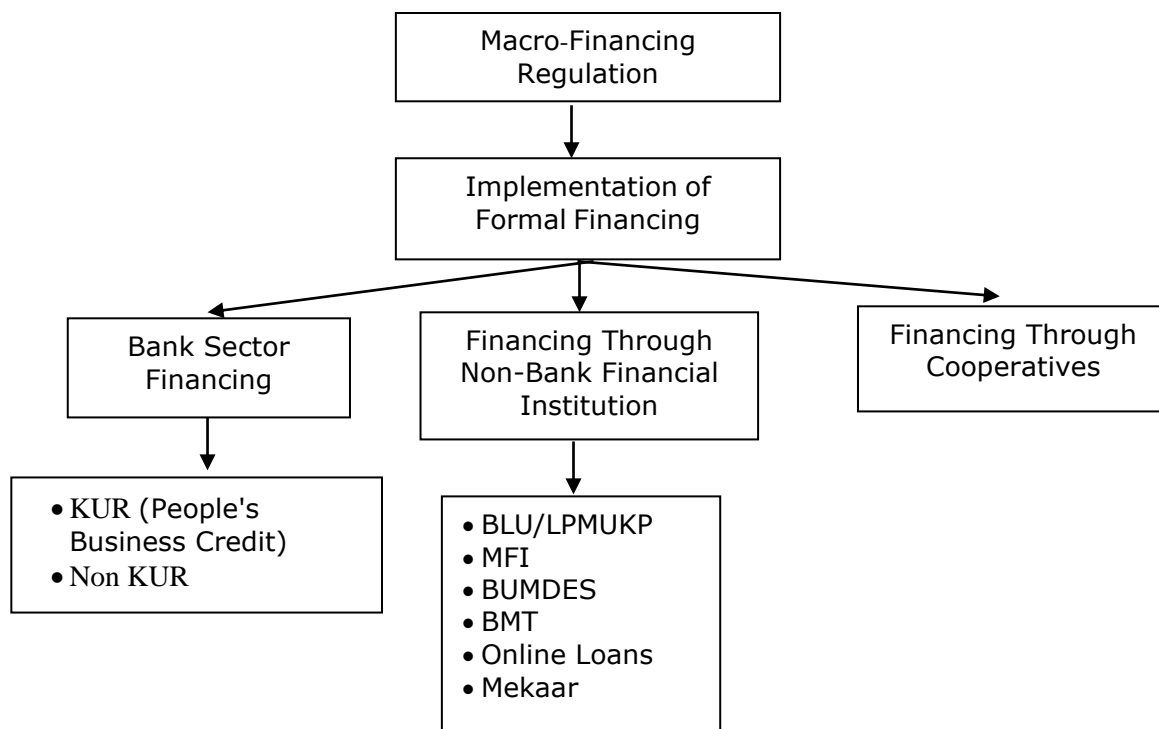


Figure. 2. Financing distribution scheme.

The lending process through formal financing institutions must be passed using strict procedures. One of them is using collateral in every loan. The collateral used is usually in the form of assets, such as motor vehicle BPKB (Motor Vehicle Ownership Certificate) or land certificates. The payment pattern is also carried out in regular monthly installments (fixed interest), regardless of the conditions of the season. Fishers must adjust the installment payments to the catch pattern. The strategy taken is to set aside income strictly

to fulfill the obligation to pay monthly installments.

There are no banks that have fully implemented these principles. One challenge that needs to be overcome is the perishable nature of fish, which requires quick handling. In this case, when the fish arrives on land, it should not linger to find a buyer at a favorable price. One of the weaknesses of banks is that they only focus on the financing process and do not touch the post-harvest stage after the fish is landed. This is different from the *bakul*, who dares to bear the risk of playing a role from upstream to downstream (selling the catch), so that fishermen feel benefited.

In the case of formal financing in Marunda, only a small number of fishers are able to access sources of financing from the banking sector through the KUR program. Fishers in Marunda prefer to come to the bank, which is located close to the residential area, in the Marunda Center area, even though administratively it has entered the West Java Province (Bekasi). The main reason is ease of access and travel time. Going to Marunda Center takes about 10-15 minutes using a motorcycle, while going to the bank in Cilincing can take up to 20-30 minutes, depending on traffic. Ease of access is one of the determinants of fishers in choosing a bank.

Marunda fishers who borrow from formal financing institutions are required to provide assets as collateral. Assets are in the form of land certificates or BPKB. In Marunda, formal financing institutions where fishers apply for loans include BRI (KUR program), cooperatives and the Mekaar financing program. The ease of accessing the location to make monthly installment deposits is one of the reasons fishermen choose these formal financing institutions. However, not all fishermen are willing and able to access formal capital sources, because they are unable to fulfill administrative requirements in the form of collateral (Sari et al 2022).

In Marunda, there is a fisheries cooperative called Marunda Makmur cooperative established in 2018 and has 79 members. This cooperative has obtained legal entity ratification in 2018 and the deed of establishment of the cooperative in 2018. Based on cooperative data from the Ministry of Cooperatives (<https://nik.depkop.go.id/>) accessed on December 25, 2023, this cooperative has an uncertified status and has never reported the results of the Annual Member Meeting (RAT). Financing activities (savings and loans) by cooperatives are not running because this cooperative is a type of consumer cooperative, which organizes business activities to provide goods for its members.

Financing activities through BUMDES were not found. This is because Marunda has the status of a sub-district and not a village, while financing through LPMUKP has not targeted the Marunda location. The financing program issued by the DKI Jakarta Provincial Government is the *Jakpreneur* program. The *Jakpreneur* program is a platform formed by the DKI Jakarta Provincial Government to accommodate creative and innovative people in order to advance MSMEs. Based on the identification of 30 case subjects, there were no fishermen who made online loans for fishing activities.

***Existing conditions of small fishers' business financing at the micro level.*** The majority of Marunda fishers in the early stages of investment fulfill investment needs that come from their own capital or from their closest family. For fishers with limited capital, one of the strategies is gradual purchase, or buying used and quality goods (boats, engines, fish traps). In informal financing, fishers cannot position themselves as equal to the capital provider and tend to be the inferior party when compared to the capital provider. For fishers who do not have assets, borrowing from the boss/*bakul* becomes one of the strategies to fulfill capital. Another strategy used by fishers to fulfill capital is by saving, especially when the catch is abundant.

Initially, fishers did not expect to borrow from bosses (*bakul*) or banks for fishing activities, due to the burden of tied sales or the fear of not being able to pay monthly installments. However, slowly, when fishing activities start and fishers experience business losses or run out of capital, they are forced to go into debt in order to cover urgent needs such as boat repairs, engines, fishing gear, and operational costs. Going into debt to cover capital needs by borrowing from bosses/*bakul* or banks is an action done by fishers.

Small-scale fishers who want to borrow and have difficulties in fulfilling the formal prerequisites access informal financing institutions as a rational step amidst their

helplessness in accessing financing sources. In this case, fishers become resigned and do not realize the consequences of being bound by debt with the bakul. If the fishers do not take this step, then the fishing business activities that are the mainstay of the family cannot run.

On the other hand, there are fishers who deliberately have a relationship with the boss/bakul for more convenient sales. Bosses/bakul have an important role in Marunda as the spearhead of marketing. Small-scale fishers in Marunda spend their time on fishing activities at sea and preparation activities on land. Thus, they do not have much time and do not want to be preoccupied with operations related to the sale of catches. There are also fishermen who deliberately have attachments with the bakul for protection reasons. For fishers who live far from the river, it is difficult to secure the boat and the assets inside. By being tied to bakul, fishers feel they have a safe location to moor their boats and sell their catches. During the fishing season, fishers with ties with bakul do not need to think about where to sell their catches, because this is the responsibility of the boss/bakul.

***Analysis of institutional dynamics.*** According to Scott (2013), the institutional pillar consists of three elements: regulative, normative, and cultural-cognitive. The regulative element is simply defined as the existence of rules, the normative element is represented by agreed norms, and the cognitive-cultural element is the knowledge that individuals and communities have (culture). In the new institutional view (Nee 2005), actors in the economic system are not independent atoms in the context of society and social relations, but are linked to formal-informal institutions and macro policies. Nee (2005) suggests an integration mechanism of formal and informal relationships at each level, namely at the macro level in the form of policy (policy), in the meso level in the form of groups or organizations, and in the micro level in the form of individuals. Nee (2005) explains the issue of close-coupling and decoupling between formal and informal institutions in pursuing economic interests (Achwan 2014). The analysis of institutional dynamics looks at changes in institutional elements and the resulting impacts.

Zarida (2013) divides financing institutions into formal financing and informal financing. Formal financing institutions consist of banks, cooperatives, and other private financing institutions. Informal financing institutions include land captains who control fishing infrastructure, fish traders who control the distribution of fishers' catches and others.

The capture fisheries sector financing policies at the macro level have not fully adopted the characteristics and risks of small-scale capture fisheries businesses that include elements of seasonal influences, fleets and fishing gear, uncertainty of catches. The introduction of financing programs to the fisheries businesses has not run optimally and some are considered failures (Firmansyah 2013). One of the causes of failure is program bias that equates fishers with farmers (Masyhuri 2013). These financing programs have not been able to touch the lowest layer of fishers, namely fishers who do not have capital and do not have assets to be pledged as collateral. So far, the financing programs implemented (in practice) still include administrative requirements that are not simple for small fishers.

In the case of fishers financing in Marunda, North Jakarta, it was found that there is close coupling (alignment) between policies and regulations and norms, interests between macro and meso levels in financing fisher' businesses. This condition can be seen because of the existence of derivative rules that are more technical and operational, so that they can be applied at the meso level. For example, the national level MSME policy is translated into the existence of KUR regulations and programs in general or sector scope, while not all small fishers are able to access financing through KUR. In the KUR program, the government has also provided direction to not use collateral in the lending process, but this is not fully effective. Formal financing institutions that channel KUR still use assets as collateral. This is applied to minimize the risk of loss. The form and value of the collateral and the amount of funds obtained are determined based on the policies of each institution.

Small fishers do not have access to change formal policies at the macro and meso levels, so the strategy carried out in fulfilling capital focuses on the micro level. Small fishers in Marunda who have limited capital will try to meet their needs through internal

strategies (micro level), namely the fulfillment of financing through relatives and family and informal financing institutions (boss/bakul). Meanwhile, a small number of fishers who have assets access capital at formal financing institutions. Fishers in Marunda try to fulfill their capital needs by accessing various sources of financing. This is in accordance with research conducted by Akhmad et al (2017), which states that one of the efforts made by small fishers is to make loans in various places.

There is de-coupling (misalignment) between formal and informal rules, norms and policies at the meso level and micro level in pursuing economic interests (fishers financing). Decoupling occurs due to social inequality in small-scale fishers' business, so not all small-scale fishers can access financing programs set by the government. This is in line with research conducted by Triguswinri (2021), which found that the government at the macro level has a weak role, because there was no integration of regulations with the implementation of economic activities at the meso and micro levels.

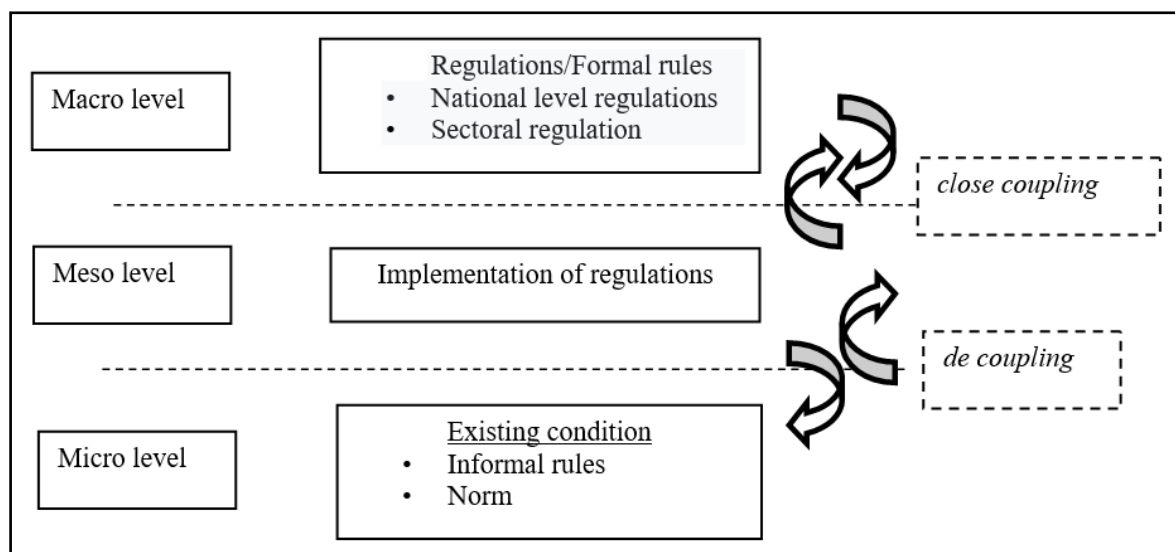


Figure 3. Multi-level institutionalization of small fishers' business financing.

**Typology of small fishers based on access to financing.** Table 2 shows the typology of fishers in accessing financing. Fishers who have capital independently have the freedom to sell their catches and determine the selling price. Fishers can choose bidders/bosses that offer more favorable selling prices. This is because fishers do not have a debt attachment to the bakul. Fishers who rely on sources of financing from formal institutions must fulfill administrative requirements to access capital, such as asset collateral and written agreements. For fishers who obtain financing from informal institutions, the agreement is made verbally and relies on trust, but the fishers are bound by the place of sale and the price set by the bakul. For fishers who rely on mixed sources of financing, the requirements are adjusted to the existing institutions.

Table 2. Typology of fishers based on access to financing

<i>Aspect</i>	<i>Formal</i>	<i>Informal</i>	<i>Mixed</i>	<i>Independent</i>
Sales attachment	X	√	√	X
Fish selling price linkage	X	√	√	X
Asset guarantee	√	X	√	-
Oral agreement	X	√	√	-
Written agreement	√	X	√	-
Administrative requirements	√	X	√	-

Table 3 shows the source of fishers' business financing. 11 fishers (36.67%) rely on informal financing from bosses/bakul. This type of fishers only relies on financing from

bosses/bakul because they are unable or unwilling to access formal financing from banks. In Marunda, for fishers who have two types of fishing gear (bubu, rajungan net) it is possible to have two different bosses. There are bosses who only accept one type of commodity, namely shrimp or only accept crab commodities, but there are bosses who accept all types of catches, including fish.

Table 3. Sources of fishing business financing (%)

<i>Formal institutions</i>	<i>Formal and informal institutions</i>	<i>Informal institutions (Boss/Bakul)</i>	<i>Independent</i>
16.67%	23.33%	36.67%	23.33%

The differences in the types of bosses/bakul are due to differences in the network and economic capital owned to receive fishers' catches. Bosses that have a wide network (marketing) and high capital will be ready to receive all types of catches, and vice versa, if they have limited capital, they will also be limited in the types of catches they receive.

For fishers who have ties with a crab boss/bakul, the financing that can be accessed is related to crab nets. Similarly, for shrimp fishers who have ties with shrimp bosses/bakul, the financing is related to shrimp traps. However, fishers can also borrow for other purposes, such as engine and boat repairs. Fishers with ties to bosses cannot switch sales activities as long as they are still in debt. If the fishers are not indebted, they are free to sell to any boss they want.

5 fishers (16.67%) have been able to access capital from formal financing institutions, such as banks, Mekaar and cooperatives. This type of fishers has good formal financing literacy and can fulfill the requirements in applying for financing at these institutions. Although they are bound to pay installments monthly, it is clear how long the debt repayment period is. Therefore, if the debt is paid off, fishers can borrow again.

Not all fishers want to borrow from formal financing institutions due to the monthly installment pattern, which is considered incompatible with uncertain fishing activities. The amount of a loan application in formal financing institutions is adjusted to the ownership of assets, usually in the form of BPKB. In this case, fishers do not borrow from informal financing institutions because they are afraid of being tied down and unable to move to a place of sale because they are still bound by debt.

There are 7 fishers (23.33%) who access both formal and informal financing. These fishers have ties with bosses, but on the other hand have been able to access financing at formal institutions. The form of bond with the bakul is not a large debt bond, but a bond where the bakul is used for protection and sale of catches. For fishers whose houses are located far from the boat dock, having a bond with a boss/bakul will provide a safe place to dock the boat.

13.33% of fishers rely on independent and family financing for their fishing business. This type of fishers has the principle of not wanting to be bound by bidders, which means they are free to sell their catches, and they do not want to be bound to formal financing institutions, where they are required to pay monthly installments. Capital is obtained by saving by setting aside a portion of the catch every day. If they have savings, then they make easy investments, for example in jewelry. Jewelry is used as an option because it is easy to disburse. These types of fishers are few.

**Economic conditions of small scale fishers in Marunda.** Jakarta Bay is an attraction for small-scale fishers. It provides great economic benefits for fishers (Ramadhan et al 2016). The existence of small-scale fishers in Jakarta Bay is scattered at several points, one of which is Marunda Village. The Marunda coastal area is located at the eastern end of Jakarta, and borders Bekasi Regency (BPS 2018).

The majority of small-scale fishers living in Marunda have Jakarta ID cards and most are second-generation, i.e. born in Marunda, but whose parents come from other areas. Most of the fishers are descendants from West Java (Indramayu), Jakarta area (Betawi descendants) and some are from Banten, Sulawesi and Central Java.

Small-scale capture fishers in Marunda Village are concentrated in two areas,

namely Rukun Warga (RW) 01 and RW 07. Fishers in the RW 01 area live around the Blencong River, while fishers in RW 07 are in the Marunda Kepu area. The fishers living in RW 01 use Blencong River and Tirem River as the only access to Jakarta Bay and to their settlements, while the access to and from fishing boats in RW 07 is through BKT (Banjir Kanal Timur). The fishing gear used are nets, fish traps (bubu and sero). Net fishing gear is mostly used by fishers in RW 01 and sero fishing gear is mostly used by fishers in RW 07.

Marunda does not have a special facility for selling fishers' catches or a fish auction place (TPI). Fish buying and selling activities are carried out directly to the boss/bakul after the fishers land their catches. The catches of Marunda fishers are dominated by shrimp and king crab.

Becoming a fisher is not the main choice, but is conditioned by circumstances caused by several factors, including not finishing school. Thus, fishers do not have a formal certificate for employment. However, some fishers want to continue the family business. Fishers in Marunda are mostly comprised by small-scale fishers with the total investment value per complete fishing business unit ranging from 2000 to 7000 USD (Rp 33500000 - Rp 98000000). The investment value of fishing businesses is adjusted to the capital capabilities of each fisher. The size of the boat, boat engine, type and number of fishing gear to be used and purchase status (new/used) also affect the amount of investment required.

**Conclusions.** At the macro level, the Indonesian government has provided support in the form of financing policies. Financing policies and regulations at the macro level become the legal umbrella and instructions for institutions at the meso (organizational) level to implement financing at the technical level. There is close coupling (alignment) between policies and regulations (rules of the game) and norms, interests between macro and meso levels in financing fishers businesses. There is de-coupling (misalignment) between formal and informal rules, norms and policies at the meso level with the micro level in pursuing economic interests (fishers financing). De-coupling occurs due to social inequality in small-scale fishers' businesses, so not all small-scale fishers can access financing programs set by the government. Therefore, there must be harmony between government regulations and values in the small-scale fishers community (rules used in informal institutions: e.g. no collateral). There are economic actors (banks, cooperatives) who are able to synergize formal and informal rules for the benefit of small-scale fishers. Social networks of small-scale fishers must be developed for accessing financing through local actors.

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**Conflict of Interest.** The authors declare that there is no conflict of interest.

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