

JOURNAL OF ASIAN BUSINESS

Volume 13 · Number 1 · 1997

ARTICLES

Market, Culture, and State in the Emergence of an Indonesian Export Furniture Industry

JIM SCHILLER AND BARBARA MARTIN-SCHILLER

The value of carved teak and mahogany furniture produced for export in Jepara (a district and town on the north coast of Central Java in Indonesia) has grown at least fifty-fold since 1988 and total exports (direct and indirect) may be approaching \$500 million dollars. More amazingly, the bulk of the production is done by more than 2000 rural small businesses employing about 80,000 people. Even more remarkably, most of the furniture businesses seem to be owned and managed by indigenous Javanese rather than by the Chinese Indonesians who tend to dominate Indonesian manufacturing. A rural, labor-intensive industry with rapidly expanding exports which seems to indicate a positive link between deregulation and indigenous entrepreneurial success deserves more attention.

This study portrays the major features of the Jepara furniture industry, describes the rise of the export industry and explores market, cultural, and state-connected factors associated with the industry's rapid growth. The authors argue that a convergence of cultural, market and state-connected factors accounts for the industry's growth and is likely to affect its sustainability. Finally, the paper makes some tentative conclusions about the search for "genuine" entrepreneurial behavior in a neo-patrimonial political system.

Developmental States and Developmental Entrepreneurial Groups: Asian Experiences

RICHARD GRABOWSKI

Rapid growth in East Asia has been attributed to the efforts of strong states to solve various collective-action and coordination problems. However, Doner (1991) has argued that other institutional solutions to these problems can occur. In particular, entrepreneurial groups can become developmental in terms of providing coordination and collective-action solutions. The rise of such groups is linked, in this paper, to rapid growth in the domestic market, with the latter dependent upon dynamic development of the agricultural sector.

Philippine Privatization: Experience, Issues, and Lessons

EPICLETUS E. PATALINGHUG

The pace of privatization in the Philippines is in its final stage. The relative success in the initial stage of disposing of non-performing assets immediately shifted the efforts towards privatizing large enterprises in competitive or potentially competitive markets. Private sector participation in the construction of energy and road infrastructure projects has likewise been promoted. The current plan to deepen the privatization program by including state hospitals and educational services in its coverage has aroused some public criticism. Due to the recent interest in

privatization efforts and lack of definitive studies in this area, an attempt is made in this paper to assess their performance, discuss some related issues, and describe some lessons of experience. It is the desire of this paper to provide some information on the progress of our privatization program and to the literature in this area. One of the most remarkable aspects of the privatization program has been its success against political opposition. Unfortunately, as a result of this success, there is some danger that the government may grow to rely on privatization as a source of revenue.

Advertising Beliefs and Attitudes: Are Students and General Consumers Indeed Different?

SRINIVAS DURVASULA, SUBUBHASH C. MEHTA, J. CRAIG ANDREWS AND STEVEN LYSONSKI

Studies of advertising beliefs and attitudes are crucial because these measures are shown to affect brand attitudes and purchase intentions. Previous studies in this area used either student or general consumer samples; no comparisons were made between the two groups. Therefore, it is not known whether and to what extent responses of student samples are likely to differ from those of general consumers. Differences would indicate that the two segments view advertising dissimilarly. However, by applying covariance structure analysis on a sample of students and a sample of general consumers from India, our study found no significant differences between them in their beliefs toward advertising in general, attitudes toward the institution of advertising, attitudes toward the instrument of advertising, or attitudes toward advertising in general.