

## THE IMPLEMENTATION OF INDONESIAN NATIONAL STANDARIZATION BY SME WOODEN TOYS

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**Abstract:** *The Indonesian Ministry of Industry has issued Decree No. Perindus trian 55 / M-IND / PER / 11/2013. The regulation is the change of the Regulation of the Minister of Industry No. 24 / M-Ind / PER / 4/2013 regarding Compulsory Enforcement of Indonesian National Standard (SNI) on Toys. The standards have to start on 1st May 2014. All of The toys production and importers have to implement a the rules. Could the rules is able to be implemented a by a toy manufacturer in Indonesia the which is mostly done by SME. Â This paper discusses the preparedness of SMEs in the implementation of ISO standards required in particular SME m acres of wooden educational toys. The Research conduct by interviews directed toward some of t he SMEs in Central Java and Yogyakarta and Carried out observations of Reviews their products. Research shows that almost all SME know about standardization. But only a few of the wooden Toys SME can reach the Standardization The main obstacles are the cost and the non-technic al requirements.*

**Keywords:** *SME, Standardization, TOYS, SNI, ISO*

### INTRODUCTION

All objects in the environment can be a toy that can be used as a medium of learning to stimulate the development aspects of development (Hurlock, 1993), with the proviso child's play (parents or other adults) to understand the principles of child development and how to develop it. However, because not all parents understand these principles it needs to make the game ready-made tool commonly referred to as Educational Gaming Equipment (APE). Basically, APE is a tool that can help the development of the game aspects child development, namely the aspect of perception, cognitive (Monks, 2002), emotional, social, language (communication) and intelligence (Santrock, 2002). Various types of APE already commonly found in children's education institutions (early childhood, kindergarten, and elementary school). But unfortunately very diverse APE outstanding quality or not yet meet the standards of function often does not include usability and how to play it, so

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the optimal function of the game apparatus can not be perceived by users. In addition, many also found that APE is not safe to use children. In the preliminary study, the weakness in the APE occurs because of limitations of the producers in understanding the function of each object and object combinations for children. The manufacturers conduct production in a way that is simple, which is based on drawing order or mimic APE sample images that have been circulating. Another weakness, manufacture APE often still do not consider the safety of children, as they use paints that are not non-toxic and still the corners sharp game, use colors that are not in accordance with the original object, not considered severe, and others.

The Indonesian government cq the Minister of Industry has issued Regulation No. 55 / M-IND / PER / 11/2013 on the Amendment Regulation of the Minister of Industry No. 24 / M-IND / PER / 4/2013 regarding Indonesian National Standard (SNI) Baby compulsory by enactment from 30 April 2014 SNI mandatory gives a positive value for both consumers and producers. For consumers means assured of getting quality products or safe for children.

We found that its very little Wooden Toys APE have SNI. This raises the question of what the problems faced by SME (Small Medium Entrepise)which produce children toys (especially those made of wood) in implementing SNI Toys Compulsory?

## **RESEARCH METHODS**

This study is exploratory to get answers of our problems for the implementation of mandatory SNI wooden APE. Data retrieval process did with interview against some APE wooden Toys producer. Questions beginning with their knowledge of standardization up to the difficulties of applying the mandatory SNI. To confirm and obtain additional data, then we made observations of the product and manufacturer APE.

The analysis was performed to look for answers as to why they are difficult to implement standards.

## **SNI TOYS COMPULSORY (SOURCE: WWW.BSN.GO.ID)**

The Indonesian government itself is now the Minister of Industry has issued Regulation No. 55 / M-IND / PER / 11/2013 on the Amendment Regulation of the Minister of Industry No. 24 / M-IND / PER / 4/2013 regarding Indonesian National Standard (SNI) Toys compulsory by enactment from 30 April 2014 In these regulations are mandatory SNI applied, namely ISO 8124 2011 (1-4), namely:

1. ISO 8124-1 which applies to all toys. This standard applies to a toy at the earliest time acceptable to consumers, and as addition, once the toy is used under normal conditions and harsh treatment unless there is specific information. In addition, the requirements of ISO 8124-1 explains acceptable criteria for structural characteristics of toys, such as shape, size, contour, spacing (eg rattles, parts - small parts, sharp tip and edges, and split hinge line) as criteria acceptable for certain properties of some categories of toys (such as energy kite maximum value for the projectile tip does not bounce (*non-resilient tipped projectile*) and minimum tip angle (*minimum tip angles*) to toy ride (*ride-on toys*).
2. ISO 8124-2 governing combustible material category of prohibited use in all toys, and flammability requirements on certain toys if exposed to a small flame source.
3. ISO 8124-3 determines the maximum requirements and methods of sampling and extraction prior to testing migration of the elements antimony, arsenic, barium, cadmium, chromium, lead, mercury and selenium from toy materials and parts of toys except for materials that can not be accessed.
4. ISO 8124-4 specifies requirements and test methods for the use of family activity toys intended for children - children under 14 years to play in it. Products included in the ISO 8124-4 includes swings, slides, teeter - totter, carousel / merry-go-round, mounts move, climbing board, baby swing, and other products intended to support the weight of one or more children.

Here are the types of toys that must meet SNI:

- a. Related to security, safety, and health, toys must meet the requirements of ISO 8124-1: 2010, ISO 8124-2: 2010, ISO 8124-3: 2010, ISO 8124-4: 2010, ISO IEC 62 115: 2011.
- b. Types of toys that should meet the SNI number of tariff lines (HS code) as follows:
  1. Baby walker of metal (Ex 9403.20.90.00) and plastic (9403.70.10.00).
  2. Tricycles, scooters, pedal cars and wheeled toys like; doll carriage (9503.00.10.00).
  3. Dolls; parts and accessories (9503.00.21.00, 9503.00.22.00, and 9503.00.29.00).
  4. Electric trains, including rails, signs, and other accessories (9503.00.30.00).
  5. Furniture assembled models reduced-size (scale) and similar recreational models, working or not (9503.00.40.10 and 9503.00.40.90).

6. The device construction and other constructional toys, of materials other than plastic (9503.00.50.00).
7. *Stuffed toy* resembling animals or non-human (9503.00.60.00).
8. *Puzzles* of all kinds (9503.00.70.00).
9. Blocks or chunks of numbers, letters or animal, the authors said; the composer and recite word; *toy printing sets*; *counting frame* toy (abaci); toy sewing machine; toy typewriter (9503.00.91.00).
10. Jump rope (9503.00.92.00).
11. Marbles (9503.00.93.00).
12. Other toys other than those mentioned above are made from all kinds of material either electrically operated or not
  - The Balloon, float pools for children or another toy that is blown / pumped, which is made of rubber and / or plastics.
  - Rifle / pistol toys.
  - Other toys that have tariff heading number 9503.0099.00.

If there are known toy manufacturers who do not meet these parameters, the government will act decisively. Advanced law enforcement will also apply to traders, and, therefore, many traders who had clearance prior to April 30 last because otherwise the product will be destroyed also affect the store's business license.

Also imposition on imported products of toys, when the imported product is not holding SPPT issued by LS-PRO (Product Certification Agency) then the product can not be sold in Indonesia.

Here is the ISO certification process for a product:

1. First ascertain whether the company wants to apply for certification for products SNI (SNI products) or only course management system (ISO 9001: 2008; ISO 14000).
2. If certification is intended for a product, then the next step companies need to check the existing product standards or not, if there are no relevant standards, it can not be done the certification.
3. If the products of its existing ISO standard, then the company needs to look for Product Certification Institution (LS-PRO) which has competence in accordance with the scope of SNI which has been accredited by the National Accreditation Committee (KAN). Can visit the NAC website.

4. Companies can contact LS-PRO is to obtain information about how the process of ISO certification for a product.

## **FINDING**

### **1. Knowledge on Quality and SNI**

Most manufacturers of toys understand about their SNI kids toys. However, there are various knowledge SNI's toys. Some things that can be mentioned:

1. SNI standard that toys are safe toys that are produced for consumers
2. SNI will protect Indonesian toys from foreign Toys.
3. Standards set by the government in producing toys, so that manufacturers can improve the quality of its products, safe for consumers and can compete abroad
4. Standardization toy regulated by the government.
5. Standards are made for the security of its users. This standard serves to improve product quality and product stem from the outsi
6. Indonesian National Standard is pointless to standardize the product.
7. National standards for safe toys for children.
8. SNI is Certificates of toy products for the legalization of product safety.
9. SNI is Standards toys for children under 14 years. Its function is to secure the next generation of the danger of illness or accident and toy imports.

### **2. Application of SNI (For Toys) Compulsory**

Almost all manufacturers of wooden toys already know SNI for toys. They know the SNI from various media. Mostly knowing SNI through socialization Program is carried out by the Ministry of Industry which is passed both central and province level. In addition, the program SNI also many times reported by media (television and newspaper), therefore SME got information of SNI from media too. However, the knowledge is still very limited. Some craftsmen received information from another fellow craftsmen. It is very possible if they are members of the business group.

According to Government Regulation all of Toys Product in Indonesia have to have SNI license by 30 April 2014. But Government (Indonesian Ministry of Trade) gave leeway until November 2014 ([bisniskeuangan.kompas.com](http://bisniskeuangan.kompas.com), 2th May 2014). Its because the Indonesian producer was not ready yet. In wooden toys case, most of producer wooden toys are SME. They have the limitation to get the SNI license. The Barriers will describe below.

### **3. Barriers to obtaining SNI**

Since the year 2013 has been apply SNI compulsory for toys that circulated in Indonesia, both of which are produced by manufacturers in Indonesia or imported toys. In fact a large part of wooden toys manufacturer in Indonesia has not received the certificate. As is well known to most of the manufacturers of wooden toys is a SME which has some limitations. Some of the constraints that they mentioned include licensing, costs, duration, difficulty in the licensing process.

#### *Licensing*

Producer (include SME) applying SNI must have all the licensing requirements of the business. This license includes:

#### *License (license trade)/ SIUP*

Trade Permit issued by local governments and businesses needed by individuals and businesses that have been incorporated. Trade Permit is not only needed by the large-scale effort but also the small and medium enterprises so that the work done to get the recognition and approval of the government. This avoids the problem occurs that can interfere with the development of business in the future. A copy of the deed of incorporation of the business or legal entity as much as 3 pieces. Terms requirement to get License consists of Copy of ID card (Identity Card) as much as 3 pieces, Copy of TIN (Taxpayer Identification Number) of 3 pieces, copy permit interference or HO cm 3 pieces, The company balance sheet as much as 3 pieces, floor plan of the business location. SME generally difficult to fulfill terms of TIN (NPWP) and HO, since most SMEs have not been registered as a taxpayer and SME operating in their homes that do not pay attention to HO.

#### *TDP*

**Company Registration (TDP)** is a list of official record is held by or under the provisions of the law or its implementing regulations, and contains things that must be registered by each company and approved by the competent authority.

Each company must have a Company Registration (TDP) both legal entities, cooperatives, individuals, etc.

Each limited liability company (PT), Cooperative, Kommanditgesellschaft (CV), Firm (Fa), Individual and Other Business Forms (BUL), including a Foreign Company with Head Office status, Single Office, Branch Office, Office Assistant, Subsidiary, Agent Company, and the Company Representative domiciled and operating in the territory of the Republic of Indonesia shall be registered in the list of companies.

As already disclosed above SME often do not have the necessary requirements to apply for official permission like this TDP. So it takes time and cost to meet licensing requirements in the form of TDP.

### **Cost**

To note SNI license costs reached IDR 30 million (kemenperin.go.id). The start of the registration fee of Rp 100,000, Rp 500,000 assessment, field audit Rp 7 million, the cost of the certificate of Rp 100,000, the cost of the technical team of Rp 4 million. While the certification costs reached IDR 1.5 million, and the sampling of products Rp 1 million. There're more testing costs are dependent on the number of samples to be taken and carried out every six months.

After the SNI certification, the company that owns the certificate must be issued in the form of the cost of routine monitoring of the Quality Management System 5.5 million per year. In addition, businesses have to spend to the cost of the extension of the certificate of Rp8.7 million. (Kompasiana.com).

Costs considered burdensome because of SME treated for each type of product. In general, manufacturers producing wooden toys are very diverse, can be up to 20 kinds of products. So if all mandatory SNI product cost will be very expensive.

In addition to the variety of product types, the second objection concerns the validity period is only 6 months SNI. So that it can be calculated that every 6 months how much they must pay SNI.

### **The difficulty of SNI license Process**

Like other standards, SNI Lisense Process also through many steps. Which is not easy for SMEs and also time-consuming. It is very difficult for SMEs because usually they have been very busy with production activities and serve the market in order to keep running the business and income.

If sorted, then the obstacles in taking care of the SNI Toys can be described as follows:

1. License
2. Cost and time period SNI
3. The difficulty of Process Management.

Based on in-depth interviews with the respondents we note that the licensing are the factors / first order as a bottleneck in the maintenance of SNI. However, the producers still assume that the licensing barriers can be overcome with a certain effort.

The cost is a determining factor in deciding SME will take care of SNI or not. As has been described above a very high costs incurred by SME and SNI license have very short life (only 6 months). So it can be said to be very costly and SME are not ready to invest in this form of SNI. SNI cost so far has not been included in their Cost of Production. If it is included in the cost of production or cost of good sold means that their product prices will increase. They expect that the buyers or consumer will not be able to accept price increases.

### **GOVERNMENT ASSISTANCE PROGRAM**

Some of our respondents have received SNI through the facilities / government assistance. The program received from the ministry or province government. These facilities include socialization to add knowledge about SNI and SNI Management (management and advisory fees).

The program is very helpful for SME. However, they are still worried about the sequel situation because that an assistance or facilities from the government will only be given one (1) time. This means that within six months they should be ready to spend and manage their own certificate SNI

### **CONCLUSIONS AND DISCUSSION**

1. SNI Toys standardization as others standardization is important for SMEs which produce Wooden Toys. This is because the SNI means can expand their markets, ensure the safety of consumers and can also protect wooden toys products made in Indonesia from the invasion of foreign products.
2. Through various socialization activities, SME wooden toys in Indonesia already have knowledge of the SNI. Although their knowledge about SNI is in the variation.
3. Only a small proportion of SMEs are willing or have received SNI for Toys. This is due to several constraints. The main obstacle is a Big Cost. The second is the requirements. Beside the technical requirements regarding to the products, SNI need non technical requirement its about the license of SME Business. Generally SMEs doesn't have all of the business license. Then the third constrain is the difficulty of the process to get SNI for Toys. Some SME got SNI because of the presence of facilities or government assistance.
4. Because of the constrains, we estimate that program SNI Toys mandatory it will hinder the development of SME wooden toys that indeed the majority of SME with all its limitations.
5. In addition to the facilities of the government, it needs to make some breakthroughs that SME can be independently and easily get SNI is required.



## ACKNOWLEDGEMENT

This manuscript is fully granted by Penelitian Hibah Bersaing Project 2015 from the Directorate General of Higher Education, Ministry of Education and Culture of the Republic of Indonesia.

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