

ABSTRACT

This research aims to examine the condition of wooden furniture industry in Jepara regency. Structure – Conduct – Performance approach is used to examine the phenomenon on this industry. On the Structure – Conduct – Performance there are influential relation between variables, those are structure will influence to conduct, then conduct will influence to performance although this relationship is more difficult on the reality.

Using secondary data from the statistic of medium and large industry, research is analyzed by regression. Then empirical research was done by indepth interview to make justification about the topics. The independent variables that include on this research are : CR4 as the measurement of structure, CLR as the measurement of conduct, and x-efficiency as the measurement of performance. The dependent variable is PCM as the proxy of profitability.

The result of this research showed that two independent variables, CR4 and x-efficiency, were positive and significant to dependent variable. But, CLR wasn't significance to dependent variable. It means that change in the dependent variable on the positive direction will affect the dependent variable on the same direction and otherwise, ceteris paribus. From the analysis it concluded that market structure is on the monopolistic competition. It is because there are many producers on the industry, low entry to barrier, there are heterogeneity on the product, and low concentration ratio.

Keywords : SCP paradigm, concentration ratio, Capital to Labour Ratio (CLR), Price Cost Margin (PCM), x – efficiency, monopolistic competition.