Analysis of Local Government Efforts in Local Economic Resources Development

1st Mochammad Rozikin
Faculty of Administrative Sciences
Brawijaya University
Malang, Indonesia
mochrozikin@ub.ac.id

2nd Rillia Aisyah Haris*
PhD (candidate) in Public Administration, Faculty of Administrative Sciences
Brawijaya University
Malang, Indonesia
rillianaharis@gmail.com

3rd Zahidur Rahman
Magister Program of Public Administration, Faculty of Administrative Sciences
Brawijaya University
Malang, Indonesia
zahidur.rahman0405@gmail.com

Abstract—The local economic development approach is widely used by local governments because it is holistic so that it is considered capable of overcoming various problems. This research was conducted to analyze efforts to develop local economic potential based on local economic resource development, in the main commodity of Sumenep Regency, namely onion. This study uses a qualitative method. A series of structured observations, documentation and interviews were carried out at the head of the agriculture, food crops, horticulture, plantations and their staff, the head of the Rubaru Agricultural counseling center, academics, local media journalists, the Gapoktan chairman who together wanted to improve the quality of community life. The results of the study indicate that efforts have been made to develop local economic resources but have not been optimal. Local governments must still commit to remain consistent in increasing the potential of the local economy, especially by developing regulations related to marketing networks that protect farmers. In addition, it also requires an increase in competitiveness with the use of agricultural technology to produce processed shallots products that are currently being pioneered. Local governments also need to collaborate with relevant stakeholders.

Keywords—local economic resources development, superior commodity, collaboration

I. INTRODUCTION

Regional autonomy is the right momentum for all local governments in Indonesia to move up to carry out regional development by maximizing the potential of their local economy to realize the welfare of society. This is indicated by the enactment of Law No. 23 of 2014 concerning regional government. Local governments are given the authority to regulate their own households, encourage the development process in their respective regions and subsequently participate in encouraging the overall national development process [1].

In the current era of regional autonomy and globalization, local governments must increasingly increase their capacity and ability to dare to make changes and be able to adjust to the changes that occur. The demands on the regions to carry out development appropriately and be able to improve the regional economy are becoming increasingly sharp. Various problems faced in the region are not far from economic problems, and are often caused by the inability of the region to respond to changes in economic conditions that continue to occur. The local economic development approach is considered capable of overcoming these problems because of the holistic nature of the approach [2].

Sumenep Regency has superior potential, namely Sumenep Shallot. This is a potential commodity to be developed. Sumenep shallot is a local variety "Rubaru" which comes from the selection of the local cultivator Sumenep Madura proven to be resistant in all weather. This variety is also resistant to Fusarium and Alternaria disease, as well as graypak caterpillar (Spodoptera Exigua) attacks. In addition Rubaru can adapt well in the lowlands to the medium both in the rainy season and dry season, with the potential yield of dry tubers of around 14-17 tons per hectare. This causes farmers to still be able to reap profits even in the rainy season or off season. This then becomes the advantage and differentiates it from other onion producing regions in Indonesia such as Brebes, Batu or Probolinggo. Rubaru District is currently the center of onion production in Sumenep Regency, with a planting area of 1,300 hectares and a productivity of 8 tons per hectare. Local farmers can grow shallots 3 times a year, namely in February-March, May-June, and October-November. Another added value of the Rubaru variety is the processed product which has a crisper characteristic, more fragrant aroma, and is better for fried onions [3].

However, this promising potential for development also saves various problems including the availability of production facilities and infrastructure that are still minimal and traditional, access and road facilities that are still inadequate, meeting the needs of seeds that are still minimal because currently only have two breeders. In addition, there are also capital problems, network marketing, lack of knowledge and skills in processing shallots into processed products that have higher economic value. These problems need to be addressed immediately in order to be able to realize an increase in farmers’ welfare and increase the regional economy based on the potential of local resources [4].

This research was inspired by several previous studies which have the same theme, namely the development of local economic potential, including research conducted by Rokhim, Wahyuni, Wulandari, Pinagara [5] with their research entitled “Analyzing Key Success Factors of Local Economic Development in Several Remote Areas in Indonesia”. Rokhim, Wahyuni, Wulandari, Pinagara [5] underline that the regional development of the local economy to improve the quality of local life is highly dependent on the quality of the local community, the characteristics of production resources, stakeholder participation, entrepreneurial activities and local empowerment. Economic development at the local level is a process of local stakeholders working cohesively. The process will stimulate and facilitate partnerships between local stakeholders, enabling joint design and implementation of strategies. The results showed several variables that were key factors in local economic development in Indonesia, namely...
institutions, natural resources, infrastructure technology, local
government, social capital and financial capital.

As for the position of this research is to continue or complement the diversity of research with the same theme of
local economic development. The novelty value of this research is in the perspective used, namely Local Economic
Resources Development, which is photographed from one of the potential local resources of Sumenep Regency, namely
shallots.

II. MATERIALS AND METHODS

This research uses qualitative research methods with
descriptive research design. This research has clear
boundaries and is supported by relevant data. The focus of this
research is the effort to develop local economic potential based on local economic resources development in Sumenep
Regency, which is analyzed from several components, including: 1) Human resource development; 2) Availability of
infrastructure; 3) The use of technology for added value.

Sources of data in this study were obtained through three
categories, namely: 1) Informants; 2) events; 3) documents.
Informants were selected by purposive sampling. The
selection is based on the consideration that the informant has
an understanding of the research phenomenon. Additional
information was obtained from other informants determined
by the snowball sampling technique. The search for
informants ended when no additional information was
obtained or faced with funding and time constraints. The
informants in this study were the Head of the Sumene
Regency Agriculture Office, the Head of Agricultural
Extension Center Rubaru, a combination of farmer groups.

III. RESULTS AND DISCUSSION

The development of local economic potential is often
interpreted as a process of establishing collaborative
cooperation between the government, the business community
and the non-government sector and the community to identify
and utilize optimally the resources they have in an effort to
stimulate and create a strong, independent and sustainable
local economy [2]. Based on this definition, it can be seen that
there are at least two keywords that can be taken, namely: 1)
cooperation between all components and 2) optimal use of
local resources. Both of these keywords are both components
of the approach to local economic development and of course
they are very relevant to the spirit of decentralization in which
the regional government together with all the components in
it and are required to be able to manage their own regions and
be able to change their local potential into economic power as
a source growth and improvement of the quality of life of its
population.

The efforts to develop local economic potential in the form
of superior agricultural commodities namely Sumenep
shallots have been carried out since 2011 when Sumenep
shallots were released as superior varieties by the Ministry of
Agriculture based on the Decree of the Minister of Agriculture:
Number: 2525 / Kpts / SR.120 / 5/2011. The decree explained
that in the context of increasing the production, consumption
and trade of shallots, the determination of superior varieties
had an important role. Rubaru shallot varieties have the
advantage of high productivity, good for fried onions, adapt
well in the lowlands to the medium in the rainy season and dry
season. So for this reason it is deemed necessary to remove
Rubaru shallots as superior varieties derived from selection of
local cultivars from Sumenep Regency. As a commitment
from the regional government of Sumenep Regency to
develop superior commodities of shallots, it is demonstrated
by efforts to develop human resources, the development and
fulfillment of the availability of infrastructure and the use of
technology for added value that has been carried out especially
in the last five years.

A. Human Resource Development

The success of agricultural development in the region
cannot be separated from the role of agricultural extension
workers in carrying out their duties in agricultural extension
activities. To be able to do their job properly, extension
workers must have certain competencies. The development of
these competencies needs to be adjusted to the conditions and
challenges of today, the development of science and
technology, and the existence of globalization. The availability of functional officers of agricultural extension
officers in Sumenep Regency is 122 personnel spread
throughout villages in Sumenep Regency. In Rubaru District
as the location of the development of superior shallots
commodity as many as 8 field instructors. To increase the
capacity and competency of the field extension workers, the
Sortepeg’s horticultural food crop and plantation agriculture
service department involves and engages field instructor to
take part in a number of professional training and technical
guidance that support the implementation of their functional
duties.

Human resource development is a long learning process
that takes place continuously and continuously to draw
knowledge, insight, skills and experience that are always in
line with technological and information advancements that are
expected to increase agricultural productivity and benefit
farmers’ welfare. In agricultural development, qualified
human resources are needed. More than that, the availability
of quality human resources is the main capital for the region
to become an actor, the driver of agricultural development in
the region. Therefore, to carry out agricultural development,
the first effort that needs to be implemented and developed is
the development of human resources in the agricultural
community, so that agricultural extension activities are
directed towards agricultural development targets.

Various education and training activities as well as
technical guidance participated by field instructor and farmer
groups in Sumenep Regency. This activity in general has been
able to produce a good impact on improving farmer
competence, increasing productivity and being able to
overcome problems that arise in the production period from
seedling, planting, handling of pest problems, irrigation,
harvesting to marketing of the harvest. The competency of
extension agents in carrying out extension activities is related
to their ability to develop farmers’ independence in
agricultural activities. The efforts to increase the competency
of instructors in developing independence can be focused on
improving aspects of their knowledge, skills and experience.

Agricultural counseling aims to produce competent
agricultural development human resources so that they are
able to develop resilient agricultural businesses, better
farming, try to farm more profitable (better business), live
more prosperously (better living) and the environment
healthier. Agricultural counseling is demanded to be able to
move the community, empower farmers, fishermen,
agricultural entrepreneurs and agricultural traders, and
provide assistance to farmers in overcoming situations and
problems that arise.
Human resource development also not only focuses on developing the competency of agricultural instructors as functional officials but also relies on farmers, in this case farmer groups as direct subjects in agricultural development. The farmer group is a farmer institution that has an important role in agricultural extension activities. Therefore, farmer groups have an important function and role in the development of farmer human resources, namely as a teaching-learning class, as a production unit and as a means of collaboration.

B. Availability of Agricultural Infrastructure Facilities

The availability of agricultural production equipment is still in the form of traditional farming tools such as sickles and hoes. Likewise with the current irrigation system in Rubaru District is a very conventional irrigation system, which is watering plants by taking water from wells and some are accommodated with tarpaulins that are non-permanent. In Rubaru sub-district there are warehouses and shops for agricultural production facilities, including in the villages of Karangnangka, Banasare, Duko and Basoka. Nevertheless the existing stores still need to be improved both in quality and quantity, so as to be able to support agricultural activities in the planning area. In Rubaru District, there are still no agricultural production facilities loading and unloading locations. Agricultural production facilities loading and unloading facilities are a facility that is integrated with storage kiosks and warehouses, where they are very much needed in the agricultural production facilities distribution process. This is not only the duty of the Agriculture Office, but also must be supported by the Public Works Department of Public Works, the Public Works Cipta Karya, the Irrigation Service and also involves the Farmer Group.

The success of agricultural development is inseparable from the support of the availability of agricultural infrastructure. Infrastructure that supports various onion agribusiness activities has basically been pursued and realized in the development of agricultural onion infrastructure. There are some criteria for supporting the availability of agricultural infrastructure as outlined and described in the Agropolitan and Minropolitan book Concepts of Regions Towards Harmony [6]. However, infrastructure facilities that have not been realized still require commitment from the local government to schedule, budget for the realization. This certainly requires quite a bit of budget support from both the state budget and regional income and expenditure budget funds.

C. Use of Technology for Added Value

Agricultural product processing technology is an activity that utilizes agricultural products as raw material, designs and provides equipment and services for these activities. Efforts to use agricultural product processing technology responded positively by farmer groups as subjects of agricultural development. Farmer groups have high enthusiasm to support the success of the program to develop local economic potential with the superior commodity Rubaru shallot. The enthusiasm of these farmer groups is also supported by the role of field extension workers as farmers' supervisors and facilitators to increase the knowledge, skills and attitudes of the farmers.

The use of agricultural products processing technology is expected to increase farmers' income and welfare. Considering that agricultural products are perishable and more quickly experience a decrease in the quality / quality of products so that the impact of selling prices is lower or cheaper. So far, the concept applied by field instructor and farmers is to sell crops directly when prices are high, but to process them into processed products when the selling price of crops is very cheap / low. So that being processed into processed products such as onion crackers, onion chili sauce and fried onions can increase the selling value and increase farmers' income.

The challenge faced by the Department of Agriculture and field instructor here is how to change the mind set of farmers to continue to process their crops despite high prices. Because when compared to selling crops directly, the selling price and economic value are still more expensive in the form of processed products. For this reason, socialization and persuasive action are needed to change the understanding of the farming community.

An effort to optimize the utilization of agricultural processing technology, there are 5 aspects that must be conditioned so that agricultural processing technology becomes a common goal, namely as a driver of downstream, strengthening agribusiness, upstream-downstream integration, support for bioenergy development, and encouraging food diversification. Agricultural product processing technology must encourage the downstream process associated with efforts to increase the added value of agricultural products. It also needs to be given an understanding that the added value of processed products will be higher compared to fresh products.

According to Abbas and Suhaeti [7] said that the increase in agricultural productivity and value added is basically not only implemented through the use of postharvest technology, standardization of products, processes and equipment also needs to be applied. Regarding added value, the quality of agricultural products determines the amount of added value obtained from these products. The role of standardization here becomes important and must be applied in the agro-industry development process. Determination of products that meet national standards will be marketed nationally at a good price so that farmers' income will increase. In this context farmers are required to start implementing a standardization process, both for raw material products and processed products. Socialization of the importance of applying standardization is needed so that farmers and the community understand the benefits to be gained.

The impact of applying standardization enjoyed by small farmers in rural areas is in the form of increased production, income and welfare of farmers. If Indonesian national standardization has been applied, of course the price will be better compared to products without standardization, and the products can be exported. The added value generated from industries conducted in rural areas will be enjoyed by farmer groups [7]. The development of agro-industry that provides added value to agricultural commodities, is the basis of the government in continuing the program of utilizing agricultural products processing technology as an instrument of agro-industrial development. This condition is expected to be a way to improve the welfare of the farming community.

IV. CONCLUSION

Based on the results of the study it can be concluded that the efforts of the local government in Local Economic Resources Development have not been implemented optimally. Local government need to collaborate with relevant
stakeholders in developing the potential of local economic resources based on Local Economic Resources Development in Sumenep Regency. Collaboration can be carried out with the private sector, academics and the media.

ACKNOWLEDGMENT

We express our deep gratitude for the opportunity given as one of the recipients of doctoral research grant funds in 2019 through the FIA UB BLU DIPA fund in 2019. Hopefully this research will contribute and add insight into local development and local economic resources development.

REFERENCES

[1] Undang-Undang Republik Indonesia No. 23 Tahun 2014 tentang Pemerintahan Daerah.

[2] Rahma, Hania.. “Acuan penerapan pengembangan ekonomi lokal untuk kota dan kabupaten”. Jakarta: Direktorat Jenderal Cipta Karya, Kementrian Pekerjaan Umum. 2012

[3] Epa. “Varietas rubaru, berkah petani bawang merah sumenep saat off season”. 25 Maret 2019. (https://www.litbang.pertanian.go.id/info-aktual/3521/diakses pada 14 Mei 2019 pkl.08.20 wib).

[4] Koran Madura. Rabu, “Penangkar Bawang Merah Varietas Rubaru di SumenepMinim”. (http://www.koranmadura.com/2019/03/penangkar-bawang-merah-varietas-rubaru-di-sumenep-minim/ diakses pada 14 Mei 2019 pkl.09.00 wib).

[5] Rokhim, R. S.Wahyuni, P.Wulandari, FA.Pinagara. “Analyzing key success factors of local economic development in several remote areas in Indonesia”. Journal of Enterprising Communities: People and Places in the Global Economy Vol. 11 No. 4, 2017 pp. 438-455 Emerald Publishing Limited 1750-6204 DOI 10.1108/JEC-09-2015-0049

[6] NN. “Agropolitan dan minapolitan, konsep kawasan menuju keharmonisan”. Direktorat Jenderal Cipta Karya, Kementrian Pekerjaan Umum. 2012.

[7] Abbas, Akhmad dan Rita Nur Suharti.” Pemanfaatan teknologi pascapanen untuk pengembangan agroindustri perdesaan di indonesia”. Jurnal Forum Penelitian Agro Ekonomi, Vol. 34 No. 1, Juli 2016: 21-34

[8] Angelina. “Persepsi Pengertian tentang Economic Development dan Development Economic” Jurnal Ilmiah Abdi Ilmu Vol.4 No.1 2011. ISSN:1979-5408

[9] Anggara, Sahya dan Li Sumantri. “Administrasi Pembangunan, Teori Dan Praktik”. Bandung: Pustaka Setia. 2016.

[10] Miles, Matthew B, A.Michael Huberman, Johnny Saldana. “Qualitative Data Analysis A Methods Sourcebook”. Arizona State University. Sage Publication Ltd. 2014.

[11] Moleong, Lexy J. “Metodologi Penelitian Kualitatif Edisi Revisi”. Bandung: PT Remaja Rosdakarya. 2013.

[12] Sugiyono. 2012. Metode penelitian Kualitatif dan Kuantitatif. Bandung: PT. Alfabeta.

[13] Utomo, Tri Widodo W. 1998. Administrasi Pembangunan. Bandung: Lembaga Administrasi Negara.

[14] Wiranta, Dayat NS. 2015. Penguatan Peran Pemerintah Daerah dalam Mendorong Pertumbuhan Ekonomi Lokal: Peluang dan Tantangan Masyarakat Ekonomi ASEAN (MEA). Jurnal Lingkar Widyaiswara Edisi 2 No.3, Juli-September 2015 p.33-50 ISSN: 2355-4118