

STRATEGY FOR DEVELOPMENT OF POTENTIAL SECTORS IN THE LEAST DEVELOPED REGIONS (CASE STUDY OF SINTANG DISTRICT)



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Abstract

This study aims to analyze and review the Potential Sector Development Strategy of the Least Developed Region of Sintang Regency, West Kalimantan Indonesia. The analysis method used in this research is Location Quotient (LQ) & Shift Share analysis. The data used are Gross Regional Domestic Product (GRDP) and Infrastructure Conditions and Supporting Facilities in 2018-2022. The results of the Location Quotient (LQ) calculation in Sintang Regency show that those included in the base sector are Agriculture, Forestry and Fisheries, Mining and Quarrying, Construction, Wholesale and Retail Trade; Car and Motorcycle Repair, Information and Communication, Financial Services and Insurance, Real Estate, Corporate Services, Educational Services and Health Services and Social Activities. Meanwhile, the non-base sectors are the Processing Industry, Electricity and Gas Procurement, Water Procurement, Waste Management, Waste and Recycling, Transportation and Warehousing, Accommodation and Drinking Food Provision, Government Administration, Defense and Compulsory Social Security and other Services. The results of the Shift Share Analysis show that the potential sectors that can be developed are Agriculture, Forestry and Fisheries, Mining and Quarrying, Construction, Wholesale and Retail Trade, Wholesale and Retail Trade: Car and Motorcycle Repair, Information and Communication, Financial and Insurance Services, Real Estate, Corporate Services, Educational and Health Services and Social Activities. These ten sectors have a positive influence so that they can be developed and can increase economic growth in Sintang Regency. In addition, the sustainable development process can be carried out in a good way if the leading sectors of the 17 sectors in Sintang Regency are known.

Keywords: Potential Sectors, the Least Developed Region, GRDP, Location Quotient, Shift Share

INTRODUCTION

The Indonesian state as a country based on law has several objectives for state administration, as mandated in the Preamble to the 1945 Constitution of the Republic of Indonesia (hereinafter referred to as the 1945 Constitution). The aim of the Indonesian state, among other things, is to protect the entire nation and the entire nation of Indonesian blood, advancing general welfare, making the nation's life intelligent, and participating in implementing world order based on freedom, eternal peace, and social justice. The concept of the goal of the state is not only a formal state to maintain security and public order but also must improve the welfare of its citizens (Marzuki et al, 2023).

Achieving the general welfare of the Indonesian people is not an easy thing, especially since Indonesia's geographic condition as a very large archipelagic country makes it difficult for the Indonesian government to implement a centralized government. Various efforts have been made by the Indonesian Government to improve the general welfare of its people, one of which is by implementing the concept of village autonomy which is defined as the authority of the village government to manage the interests of local communities (villages) based on local origins and customs which are recognized and respected and play a role in realizing the ideals of Indonesian independence (AB et al, 2023). Based on this, the village government has the authority and responsibility to improve the welfare of village communities.

Indonesia has implemented various programs to improve community welfare and political sovereignty which are summarized through the Nawacita program. This program was initiated to demonstrate the priority path of change toward an Indonesia that is politically sovereign, economically independent, and culturally distinctive. One of the Nawacita programs which is based on improving the welfare of rural communities is to develop Indonesia from the periphery by strengthening regions and villages within the framework of a unitary state.

In general, development performance is shown by the level of economic growth which tends to improve, and the levels of poverty and unemployment which tend to decrease

(Prahara, et al, 2023). However, this trend is accompanied by increasing inequality. The existence of disparities in the quality of human resources between regions, differences in economic capabilities between regions, and the unequal availability of infrastructure between regions supports the fact that there are disparities between regions. There are still many districts whose areas and communities are less developed than other regions, indicating that equitable development has not yet been fully achieved.

Development of underdeveloped areas is a planned process, effort, and action to improve the quality of communities and regions which are an integral part of national development (Ariani, 2021). As a form of affirmation of development policies in peripheral areas, including underdeveloped areas, accelerated steps need to be taken. Accelerating the Development of Disadvantaged Regions means taking sides with the development of disadvantaged regions in the fields of planning, funding, and financing as well as implementing the development of disadvantaged regions.

Problems in Underdeveloped Regions and Certain Regions are generally due to several factors such as (1) The low quality of human resources and the level of welfare of communities in underdeveloped areas; (2) Limited availability of basic public facilities and infrastructure in underdeveloped areas; (3) Low productivity of people in underdeveloped areas; (4) The management of local resource potential in developing the economy in underdeveloped areas is not yet optimal; (5) Lack of accessibility of underdeveloped areas to regional growth centers; and (6) There are no incentives for the private sector and business actors to invest in underdeveloped areas.

In phase III development, the National Medium Term Development Plan (RPJMN) 2015-2019 is aimed at further strengthening overall development in various fields by emphasizing achieving economic competitiveness based on the superiority of natural resources and quality human resources as well as scientific and technological capabilities. continue to increase.

Through the Decree of the Minister of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia Number 79 of 2019 concerning the

Determination of Disadvantaged Districts that are Endangered for 2015-2019, 62 districts have succeeded in leaving the status of disadvantaged regions, one of which is Sintang Regency. In 2019, based on 2018 measurements, in Sintang Regency there were 86 very underdeveloped villages, 180 underdeveloped villages, 104 developing villages, 14 developed villages and there were already 6 independent villages (Developing Village Index (IDM), 2020).

However, if we look at the realized revenue of the Sintang Regency Government, the original regional income of Sintang Regency is still far from other funds, which can be seen in Figure 1.

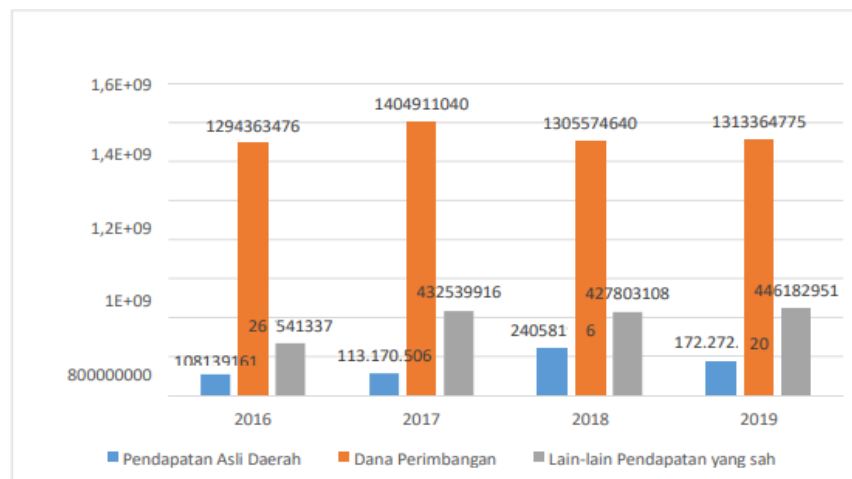


Figure 1.

Graph of Realized Sintang Regency Government Income According to Type of Income for the 2016-2019 Period (Thousand Rupiah)

Source: APBD 2019 (www.sintang.go.id)

From the data seen in the graph above, the original regional income of Sintang Regency itself is only around 8.9% of the total realized income of the Sintang Regency government and even experienced a decline in results in 2019. In 2019 the PAD target was 177 billion, but it was able to be realized at 172 billion or 96.83%.

RESEARCH METHOD

The approach used in this research is a quantitative approach and a regional linkage approach. The quantitative approach is an approach carried out by recording and analyzing research data in numerical form (numbers). A quantitative approach in terms of objectives is used to test existing theories, presenting existing conditions through descriptive statistics to achieve an explanation of the relationship between research variables. Therefore, this approach is equipped with a descriptive method, namely a method that describes or explains events or phenomena that occur in a certain unit of time in the form of meaningful numbers.

The method used in this research is the descriptive statistical method, to analyze the data available in the form of statistical reports and explain each research statistical data to achieve the research goals and objectives. In this research, descriptive statistics are used to explain regional economic conditions in the form of explanations of economic growth and basic sectors as well as the linkages between industries in the basic sectors in Sintang Regency.

RESULTS AND DISCUSSION

Shifts in the Economic Structure of Sintang Regency

Based on the results of the Shift share analysis, the influence of (N_{ij}) on 17 sectors has a positive impact on producing the GRDP value of West Kalimantan Province, but the Proportional Shift component or sector growth due to the influence of the industrial mix (M_{ij}) can be seen in table 1.

All economic sectors in Sintang Regency have negative values or have slow growth at the regional level of West Kalimantan Province where there are no sectors that show positive values, in fact, there is the potential for slowing growth in almost all sectors but the impact of competitive advantage (C_{ij}) has strong competitiveness which has a positive value, namely in the agriculture, forestry and fisheries, processing industry, transportation, and warehousing sectors.

SWOT Analysis of Sintang Regency

The SWOT analysis results on the LQ & Shift Share analysis results are as follows:

Strengths

- a. The leading business sectors are agriculture, forestry, and fisheries.
- b. In terms of regional potential, all GRDP sectors will receive a positive influence from the economic growth of West Kalimantan Province in 2018-2022 in
- c. Sectoral productivity in the construction sector, wholesale and retail trade, transportation and warehousing, information and communications.

Weaknesses

- a. A total of 7 non-base sectors.
- b. In terms of sector growth due to the influence of the industrial mix, all economic sectors in Sintang Regency are negative or have slow growth at the regional level in West Kalimantan Province.
- c. The education services sector is very low at 0.00 in sectoral GDP growth.

Opportunities

- a. The mining and quarrying sector of Sintang Regency is only 0.20 different from the sector in West Kalimantan in calculating the Sectoral GRDP growth rate.
- b. Extractive sector commodities can be developed through downstream industry.
- c. The retail trade industry sector is needed through MSMEs in the form of cooperatives.

Threats

- a. Competition for superior products is almost the same as surrounding districts.
- b. The leading plantation sector cannot experience growth if there is no Master Plan for sustainable plantation management in Sintang Regency.

Discussion

In the research results for the Sintang Regency area, the base sector means that the commodities in this sector can meet the needs of the Sintang Regency area because the agricultural sector is the sector with the most strategic production results so it can be used as a determinant of the economic development process in the future as well as The agriculture,

forestry, and fisheries sectors are a mainstay because Sintang Regency has a quite extensive land and fertile soil conditions, so it can produce agricultural products such as rice, corn, soybeans, chilies, and other vegetables. Apart from that, Sintang Regency also has quite large fisheries potential because Sintang has potential fisheries resources, especially along rivers and lakes. Aquaculture development could also be an option to support community economic growth.

As the capital of Sintang Regency, Sintang city can become a trade and service center for the surrounding area. Developing this sector can increase economic activity and attract investment from the private sector. Based on the presentation of research results for the non-base sector, there are several things and policies to encourage the non-base sector in Sintang Regency, several things that can be done included:

1. Increased investment and infrastructure development: Considerable investment is needed in infrastructure development so that the non-base sector can develop well. Good infrastructure will facilitate the accessibility and mobility of goods and services, thereby increasing the productivity and competitiveness of the non-based sector.
2. Improved human resources: Quality and skilled human resources are very necessary in the development of the non-based sector. For this reason, there is a need for quality training and education for the community and workforce so that they can improve their skills and abilities in developing the non-based sector.
3. Development of the small and medium enterprise (SME) sector: SMEs have an important role in the economy of Sintang Regency. Good support and accessibility are needed for SMEs in terms of capital, markets, and technology so that they can develop and make significant contributions in the non-based sector.
4. Improving product quality and marketing: Improving product quality and marketing can increase the competitiveness of the non-based sector in local and national markets. Appropriate promotion and good branding are needed to increase the selling value of non-based sector products.

5. Local Potential Development: Exploring and utilizing the unique potential and local culture of Sintang Regency to produce products and activities that can improve the local economy.
6. Infrastructure Development: Improve road, bridge, and public transportation infrastructure to support connectivity between regions, increase accessibility, and facilitate economic growth.

By taking these steps, it is hoped that the non-based sector in Sintang Regency can develop well and make a significant contribution to regional economic growth. Apart from that, there needs to be good coordination and cooperation between the government, community, and business actors in developing the non-based sector in Sintang Regency.

Meanwhile, based on the Shift Share results, shows more detailed results, of the seventeen sectors for the growth rate in Sintang Regency, only the other service sectors have a negative value. This shows that in other service sectors, when compared with the growth rate in West Kalimantan Province, it is slow and the utilization of these sectors is less than optimal. Several policy strategies need to be considered by the regional government to increase the growth rate in Sintang Regency, including:

- a. Infrastructure Development: Improving the quality and accessibility of roads, bridges, and other transportation infrastructure. This will help facilitate the mobility of people and goods, which will support the growth of service sectors such as transport, logistics, and tourism.
- b. Human Resources Training and Development: Providing quality training and education for workers in the service sector. This effort will help improve the skills and competencies of workers in the service sector so that they can provide better and more innovative services.
- c. Improving Information Technology Access: Ensuring fast and affordable internet access will help accelerate the digital transformation of the services sector, including online commerce, fintech, and other digital services.
- d. Facilitation and Support for Business Actors: Creating a conducive environment for business actors in the service sector, including providing incentives and financial support

for start-ups, and small and medium-sized companies. This will encourage creativity and innovation in the service sector.

- e. **Tourism Promotion and Development:** Carrying out intensive promotions to increase tourist visits to Sintang Regency. Support for tourism development will have a positive impact on the service sector such as accommodation, restaurants, and tour guides.
- f. **Improving Public Services:** Improving the efficiency and quality of public services, including business licensing and other administrative services. Good public services will support public comfort and trust in transactions in the service sector.
- g. **Partnerships and Collaboration:** Encourage partnerships between local governments, the private sector, and academic institutions to encourage innovation and development of the service sector. This collaboration can help in creating a dynamic and sustainable business ecosystem.
- h. **Development of Special Economic Zones:** Introducing special economic zones or industrial areas that focus on certain service sectors. This step can help attract investment and expand business opportunities in the services sector.
- i. **Increased Security and Stability:** Ensuring regional security and stability will provide a sense of security for entrepreneurs and tourists, which in turn will support the growth of the service sector.
- j. **Sustainable Environmental Management:** Ensure sustainable environmental management for service sectors related to tourism or ecotourism. Environmental sustainability will be an additional attraction for service industry players and tourists who care about environmental issues.

CONCLUSION

Based on the research results, discussion, and data analysis techniques carried out by the researchers, the researchers can draw the following conclusions:

1. Based on the results of the Location Quotient (LQ) calculation in Sintang Regency, the basic sectors included are the Agriculture, Forestry, and Fisheries Sector, Mining and

Quarrying, Construction, Wholesale, and Retail Trade; Car and Motorbike Repair, Information and Communication, Financial Services and Insurance, Real Estate, Corporate Services, Educational Services and Health Services and Social Activities. In the analysis and for non-basic sectors, these are the Processing Industry, Electricity and Gas Procurement, Water Procurement, Waste, Waste and Recycling Management, Transportation and Warehousing, Accommodation and Food and Drink Provision, Government Administration, Defense and Mandatory Social Security, and other services.

2. Based on the results of the Shift Share Analysis, potential sectors that can be developed are Agriculture, Forestry and Fisheries, Mining and Quarrying, Construction, Wholesale and Retail Trade, Wholesale and Retail Trade: Car and Motorbike Repair, Information and Communication, Financial Services and Insurance, Real Estate, Corporate Services, Educational Services and Health Services and Social Activities. These ten sectors have a positive influence so they can be developed and can increase economic growth in Sintang Regency. Apart from that, the sustainable development process can be carried out in a good way if the leading sectors of the 17 sectors in Sintang Regency are known.

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