

Analysis of Local Government Efforts in Local Economic Resources Development

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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 grapyak 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 Sumenep 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 seeding, 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 Minapolitan 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 down streaming, 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.

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