Obi Island Development Strategy in South Halmahera Regency

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Abstract
This research is a combination of explanatory research and descriptive research. The research method used is this method is used to find out the development strategy method through SWOT analysis by analyzing external factors (opportunities and threats) and external factors internal factors (strengths and weaknesses) with the EFE and IFE matrices. External Factor Evaluation (EFE) matrix is used to analyze factors in the form of opportunities and threats faced. Research Results Internal factors that support the development of the Obi Island Region in South Halmahera Regency are potential natural resources owned as a source of PAD and development in the context of economic growth; geographical position of Obi Island in supporting the creation of economic growth points and distribution of goods and services in the context of economic growth; Obi Island as an agricultural/fisheries/livestock area in the context of supporting ng economic structure. The external factors of Obi Island in South Halmahera Regency are that Obi Island has the potential for investment in the mining and fishery sector as well as agriculture; Excellent potential that can attract the private sector to invest.

Keywords: strategy, regional development, island

INTRODUCTION

The growth of strategic areas is expected to have a positive influence on the economic growth of the surrounding regions (hinterland), through the empowerment of leading sectors/subsectors as drivers of the regional economy and economic linkages between regions. The emphasis on economic growth as a policy direction for determining strategic areas is considering that "Economic growth is one of the economic variables that is a key indicator in development" (Kuncoro, 2000).

Industrialization is an important stage in the efforts of developing countries to increase their prosperity, including overcoming the problems of unemployment and increasing work productivity as one of the causes of low incomes. In general, countries are trying to develop industries that can earn in a relatively short time and can save foreign exchange. Therefore, the choice often falls on the business of first developing the import substitution industry. This is felt by almost all developing countries. Therefore, the development of the initial stage is relatively fast, then it gets slower when the easy and protected period must be released. It turns out that few developing countries can include new industrialized countries.

It is undeniable that industrialization in Indonesia since Pelita I until now has achieved the expected results. At least, industrialization has resulted in structural transformation in Indonesia. The pattern of sectoral economic growth in Indonesia seems to be in line with the tendency of structural transformation processes that occur in various countries, where there is a decrease in the contribution of the agricultural sector (often called the primary sector), while the secondary and tertiary sectors tend to increase (Kuncoro, 2004).

The industrial sector has a strategic and important role in realizing development goals, but it should also be noted that the industrial sector currently has challenges in the form of clashing industrial activities with impacts related to environmental issues and their relation to
sustainable development processes. The role of the industrial sector in economic development is to expand employment opportunities, produce goods and services needed by the community, generate foreign exchange through exports and save foreign exchange through the substitution of imported products (Ministry of Industry, 2005). There is a Research Objectivew, As a direction for the realization of spatial plans, especially in industrial designation areas; As a basis for formulating policies and strategies for structuring industrial allotment areas; Provide direction for the preparation of indications of development programs in industrial allotment areas; As a basis for determining the provisions for controlling the use of space in industrial allotment areas; The availability of plans for the provision and utilization of industrial allotment areas in South Halmahera Regency and the creation of industrial estates that are developing and truly successful and effective in order to answer industrial investment opportunities.

METHOD

The location of the feasibility study work is located in Obi Pulu which is focused on the Obi district, South Halmahera Regency. This research is a combination of explanatory research and descriptive research. Explaining research is research that concerns the search for answers to research problems. This kind of research, in its description also contains descriptions, but its focus lies on the analysis of the relationship between variables (Hadari, 1998).

This research was carried out using a descriptive study approach by collecting data consisting of primary data and secondary data. Primary data obtained from field surveys regarding objects to be studied and adjusted to the needs, in this case recording and direct observation of the condition of the industrial area on Obi Kabupaten Island, South Halmahera. Data were also obtained from interviews with respondents in the form of tourists and local communities at the research site. For government policy data related to tourism; existing tourism infrastructure facilities at the research site; tourist visit data; geographical and demographic circumstances; socio-cultural and economic data.

SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)

This method is used to find out the method of development strategy through SWOT analysis by analyzing external factors (opportunities and threats) and internal factors (strengths and weaknesses) with the EFE and IFE matrices. The External Factor Evaluation (EFE) matrix is used to analyze factors in the form of opportunities and threats faced. External factor data is sought to analyze matters related to economic, cultural, social, environmental, demographic, political, legal, governmental, technological, and market competition issues. The Internal Factor Evaluation (IFE) matrix is used to analyze factors in the form of strengths and weaknesses.

RESULTS AND DISCUSSION

SWOT analysis is the identification of various factors systematically to formulate a strategy or policy, according to Rangkuti (2006). SWOT stands for internal environment of strengths and weaknesses as well as the external environment of opportunities and threats faced in the business world. Analysis is based on logic that can maximize strengths and opportunities, but can simultaneously minimize weaknesses and threats).

The process of making strategic decisions is always related to the development, mission, goals, strategy, and policies of the company. Thus strategic planning (strategic planner) must analyze the company's strategic factors (strengths, weaknesses, opportunities and threats) in the current conditions. In preparing a strategy
for the development of an industrial allotment area in Pulai Obi, researchers conducted a SWOT analysis by first identifying strengths, weaknesses, opportunities and threats.

**a. Internal Condition Analysis**

**Strengths**
1. The potential of natural resources owned as a source of PAD and development in the context of economic growth
2. The development of the Obi Island Area can provide business opportunities
3. The development of the Obi Island Area can increase people's income
4. The geographical position of Obi Island in supporting the creation of economic growth points and the distribution of goods and services in the context of economic growth
5. Obi Island as an agricultural / fishery / livestock area in order to support the economic structure

**Weaknesses**
1. Lack of availability of basic infrastructure such as education, health, irrigation, and road infrastructure, ports in order to better economic growth
2. Economic facilities and infrastructure such as markets and other economic zones (shops) in order to achieve good economic growth
3. Work ethic, tenacity and entrepreneurial spirit of the community in the economic sector
4. Low quality and quantity of Human Resources in the context of economic development and growth
5. Lack of community participation in planning, implementation, and supervision in development.

**b. External Condition Analysis**

**Opportunities**
1. Has the potential for investment in the mining and fisheries and agriculture sectors.
2. Superior potential that can attract the private sector to invest
3. Excellence in the mining sector, will increase public demand for basic needs
4. Excellence in the mining and fisheries sector requires the government to prioritize basic infrastructure development
5. Obi District has abundant natural resources so that there is high mobilization of both people and goods.

**Threats**
1. Decline in the quality of agricultural land due to mining activities
2. Environmental pollution in the form of mining waste
3. Lack of government attention in the development of superior potential or fishery and agricultural resources
4. Control of agricultural land and exploitation of fishery resources by the private sector and fishermen from outside the area.
5. The lack of infrastructure and community skills in the fisheries and agriculture sectors has led to the control of both sectors by the community by a group of people.

Score IFAS–EFAS (Internal – External Strategic Factor Analysis Summary). The following is the calculation of the weights of internal and external factors contained in the IFAS and EFAS analysis tables.
Table 1. IFAS and EFAS analysis tables

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>OPPORTUNITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The potential of natural resources owned as a source of PAD and development in the context of economic growth</td>
<td>1. Has the potential for investment in the mining and fisheries and agriculture sectors.</td>
</tr>
<tr>
<td>2. The development of the Obi Island Area can provide business opportunities</td>
<td>2. Superior potential that can attract the private sector to invest</td>
</tr>
<tr>
<td>3. The development of the Obi Island Area can increase people's income</td>
<td>3. Excellence in the mining sector, will increase public demand for basic needs</td>
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<td>4. The geographical position of Obi Island in supporting the creation of economic growth points and the distribution of goods and services in the context of economic growth</td>
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</tr>
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<td>5. Obi Island as an agricultural / fishery / livestock area in order to support the economic structure</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>WEAKNESSES</th>
<th>TREATHES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lack of availability of basic infrastructure such as education, health, irrigation, and road infrastructure, ports in order to better economic growth</td>
<td>1. Decline in the quality of agricultural land due to mining activities</td>
</tr>
<tr>
<td>2. Economic facilities and infrastructure such as markets and other economic zones (shops) in order to achieve good economic growth</td>
<td>2. Environmental pollution in the form of mining waste</td>
</tr>
<tr>
<td>3. Work ethic, tenacity and entrepreneurial spirit of the community in the economic sector</td>
<td>3. Lack of government attention in the development of superior potential or fishery and agricultural resources</td>
</tr>
<tr>
<td>4. Low quality and quantity of Human Resources in the context of economic development and growth</td>
<td>4. Control of agricultural land and exploitation of fishery resources by the private sector and fishermen from outside the area.</td>
</tr>
<tr>
<td>5. Lack of community participation in planning, implementation, and supervision in development</td>
<td>5. The lack of infrastructure and community skills in the fisheries and agriculture sectors has led to the control of both sectors by the community by a group of people</td>
</tr>
</tbody>
</table>

Policy and Strategy

From the SWOT analysis produced four (4) possible alternative strategies, namely:

1. SO (Strength and Opportunities) strategy, which is a strategy that optimizes strength to take advantage of opportunities (Opportunities), is:
   a. The development of the Obi Island Area can encourage investment
   b. Development of superior potential can increase PAD and community income
   c. Optimal management of natural resources and leading sectors can boost the regional economy
   d. Encourage industrial development so as to encourage high economic growth and investment
2. The WO (Weaknesses and Opportunities) strategy, which is a strategy that minimizes weaknesses to take advantage of opportunities, is:
   a. Development of industrial allotment areas by building infrastructure can boost the regional economy.
   b. Development of economic infrastructure such as markets and so on will be able to increase people's income
   c. The abundance of natural resources requires policies in encouraging the quality of human resources
   d. The development of the Obi Island Area requires active community participation.
3. ST (Strength and Threats) strategy, which is a strategy that uses strength to overcome threats, is:
   a. It is necessary to build agricultural infrastructure to facilitate farming activities
   b. Special attention is needed from the government in the fisheries sector as a leading sector.
c. There needs to be a team that can protect the control of land in the agricultural sector and the control of fishery resources from the community from outside.

d. Community skills improvement programs in the fisheries and agriculture sectors

4. WT (Weaknesses and Threats) strategy, which is a strategy that minimizes weaknesses and avoids threats, is:
   a. Development of basic infrastructure such as electricity, water, farm roads and assistance in facilities to encourage community production in the agricultural and fisheries sectors.
   b. Improve the skills of the community in the agricultural and fisheries sector through training and extension activities.
   c. Agricultural input assistance program and fishery facilities as well as capital for communities in both sectors.
   d. Grow the entrepreneurial spirit of the community in business in the MSME sector.

### SWOT Analysis Matrix

<table>
<thead>
<tr>
<th>Internal Factors</th>
<th>Strength (Strength)</th>
<th>Weakness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The potential of natural resources owned as a source of PAD and development in the context of economic growth</td>
<td>Lack of availability of basic infrastructure such as education, health, irrigation, and road infrastructure, ports in order to better economic growth</td>
</tr>
<tr>
<td></td>
<td>Obi Island Area Development can provide business opportunities</td>
<td>Economic facilities and infrastructure such as markets and other economic zones (shops) in order to achieve good economic growth</td>
</tr>
<tr>
<td></td>
<td>The development of the Obi Island Area can increase people's income</td>
<td>Work ethic, tenacity and entrepreneurial spirit of the community in the economic sector</td>
</tr>
<tr>
<td></td>
<td>The geographical position of Obi Island in supporting the creation of economic growth points and the distribution of goods and services in the context of economic growth</td>
<td>Low quality and quantity of Human Resources in the context of economic development and growth</td>
</tr>
<tr>
<td></td>
<td>Obi Island as an area of agriculture / fishery / animal husbandry in order to support the economic structure</td>
<td>Lack of community participation rate in planning, implementation, and supervision in development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>External Factors</th>
<th>Opportunity</th>
<th>SO Strategy</th>
<th>WO Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>It has the potential for investment in the mining and fisheries and agriculture sectors.</td>
<td>Development of Obi Island Area can encourage investment inflow</td>
<td>The development of industrial allotment areas by building infrastructure can boost the regional economy.</td>
</tr>
<tr>
<td></td>
<td>Excellent potential that can attract the private sector to invest</td>
<td>Development of superior potential can increase PAD and community income</td>
<td>The development of economic infrastructure such as markets and so on will be able to increase people's income</td>
</tr>
<tr>
<td></td>
<td>Excellence in the mining sector, will increase people's demand for basic needs</td>
<td>The optimal management of natural resources and leading sectors can boost the regional economy</td>
<td>The abundance of natural resources requires policies in encouraging the quality of human resources</td>
</tr>
<tr>
<td></td>
<td>Excellence in the mining and fisheries sector requires the government to prioritize in the development of basic infrastructure</td>
<td>Encourage industrial development so as to encourage high economic growth and investment</td>
<td></td>
</tr>
</tbody>
</table>
- Obi District has abundant natural resources so that there is a high mobilization of both people and goods.

**Threats (Treath)**
- Decline in the quality of agricultural land due to mining activities
- Environmental pollution in the form of mining waste
- Lack of government attention in the development of superior potential or fishery and agricultural resources
- Land tenure – agricultural land and exploitation of fishery resources by the private sector and fishermen from outside the area.
- The lack of infrastructure and skills of the community in the fisheries and agriculture sector led to the control of both sectors by the community by a group of people

**ST Strategy**
- It is necessary to build agricultural infrastructure to facilitate farming activities
- Special attention is needed from the government in the fisheries sector as a leading sector.
- There needs to be a team that can protect the control of land in the agricultural sector and the control of fishery resources from the community from outside.
- Community skills improvement program in the fisheries and agriculture sector

**WT Strategy**
- Development of basic infrastructure such as electricity, water, farm roads and assistance in facilities to encourage community production in the agricultural and fisheries sectors.
- Improve the skills of the community in the agricultural and fisheries sector through training and extension activities.
- Assistance program for agricultural inputs and fisheries facilities and capital for communities in both sectors
- Grow the entrepreneurial spirit of the community in business in the MSME sector.

**CONCLUSION**

1. Internal factors that support the development of the Obi Island Region in South Halmahera Regency are the potential of natural resources owned as a source of PAD and development in the context of economic growth; The development of the Obi Island Area can provide business opportunities; The development of the Obi Island Area can increase people's income; The geographical position of Obi Island in supporting the creation of economic growth points and the distribution of goods and services in the context of economic growth; Obi Island as an agricultural/fisheries/livestock area in order to support the economic structure.

2. External factors that support the development of the Obi Island Region in South Halmahera Regency are that Obi Island has the potential for investment in the mining and fisheries and agriculture sectors; Excellent potential that can attract the private sector to invest; Excellence in the mining sector will increase public demand for basic needs; Excellence in the mining and fisheries sector requires the government to prioritize basic infrastructure development; Obi sub-district has abundant natural resources so that the mobilization of both people and goods is high.

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