**Conference Paper** 

# Endogenous Development in The Optimization Minapolitan Program in Kalanganyar Village, Sidoarjo Regency

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## ABSTRACT

In 2010, the Ministry of Marine Affairs and Fisheries released a policy of accelerated development of the area based on the potential of marine and fisheries, or Minapolitan. Minapolitan is implemented in several regions in Indonesia, one of which is in the Village of Kalanganyar, Sidoarjo Regency. Kalanganyar is known as a producer of premium milkfish and shrimp, processed milkfish, as well as being the location of the most prominent fishing tours in Sidoarjo. This potential causes Kalanganyar to be called "the village of the fish". Hence, this study aims to identify the endogenous development factors in the implementation of Minapolitan in Kalanganyar. This study uses a qualitative approach with the following data collection techniques: interviews, observation, document collection, and focus group discussion. Specifically, data analysis techniques using an interactive model consist of the stages of reduction, display, and conclusion. As for the test of the data validity, the writer utilized tools for trust checking, transferability, dependence, and certainty basis. The results showed that in general, the factors of entrepreneurship are quite fulfilled. However, there are some aspects to be considered; such as the provision of seedlings banding, an increase in capital for small businesses, the modernization of production equipment for processed milkfish, assistance for market expansion, and the construction of a hub for souvenirs and gift shops. Nevertheless, the leadership factor has been fulfilled. Formal and informal leaders have given good support in the optimization of Minapolitan. As for the third factor, the institution has also been well construed. It can be seen from the formation of village-owned enterprises, which are expected to become an economic catalyst, as well as the presence of rules in the implementation of the business. Thus, it can be concluded that in general, the factors of endogenous development in the implementation of minapolitan di Kalanganyar village have been well accomplished.

Keywords: Minapolitan, endogenous development, Kalanganyar Village

## Introduction

"The largest archipelagic state in the world" is a predicate that is frequently used to describe Indonesia's maritime potential. Data from the Ministry of Marine Affairs and Fisheries for the year 2020 indicates that the vast waters of Indonesia amounted to 6.4 million Km square with 17.504 islands and a long coastline reaching 108,000 km. In regards to such massive islands shaping the country, Indonesia deserves to accentuate the title of "the Largest Archipelagic State in the World". Immense geographical portrait size also contains the economic potential, in particular, abundant resources of the marine and

How to cite:

Hardjati, S., Wahyudi, C. E., Prathama, A., & Putri, S. (2022). Endogenous development in the optimization minapolitan program in Kalanganyar Village, Sidoarjo Regency. *International Seminar of Research Month 2021*. NST Proceedings. pages 132-138. doi: 10.11594/ nstp.2022.2423

fisheries sector. Furthermore, data from the Ministry of Marine Affairs and Fisheries 2020 illustrates the potential of marine resources and fisheries in Indonesia as follows.

- The potential of fish resources in the sea is as much as 12,54 million tons per year.
- Extensive coral reef areas reach 2.5 million hectares or about 10% of the coral reefs in the world.
- Extensive mangrove areas are up to 3.5 million hectares and the seagrass area is as much as 293,464 acres.
- Aquaculture land potential is as much as 17,91 million hectares with a potential annual production of 100 million tons per year.

The data above shows that the potential for marine affairs and fisheries in Indonesia is very large. If the potential can be optimized, then it possibly becomes the capital of great development to improve the community welfare.

In addition, the data also shows that the potential of aquaculture is also massive, reaching 100 million tons per year. Dahuri demonstrated that the value of aquaculture production in 2019 reached USD 251 billion. Meanwhile, the Statistics Indonesia (BPS) data portrays that the contribution of the aquaculture subsector to the total value of non-oil exports in the year 2018 is 1.13% and 37.71% compared to the value of fisheries exports. These data indicate that the subsector of aquaculture has a very high potential, and it is very significant to be optimized.

To accelerate the optimization of marine and fisheries potential, including aquaculture, the Ministry of Marine Affairs and Fisheries released a program called minapolitan. Regulation of the Minister of Marine and Fisheries No. 12 of 2010 explained that the minapolitan is a conception of the economic development of the marine and fishing-based area according to the principles of integration, efficiency, quality, and acceleration. The purpose of the minapolitan program is as follows:

- To increase production, productivity, and product quality of marine and fisheries.
- To increase the fair and equitable income of fishermen, fish farmers, and fish processors.
- To develop a designated area as a center of economic growth in the area.

According to the aforementioned above, the minapolitan program is expected to be a driving force in the development of these areas/regions with high potential for marine and fisheries. In terms of the implementation purpose of the minapolitan program, it has the following characteristics:

- An economic hub consists of the production, processing, and/or marketing venue and other business activities, such as services and trade.
- It has the means and infrastructure to reinforce the economic activity.
- It accommodates and employs human resources in the district and the surrounding area.
- It has a positive impact on the economy in the surrounding area.

One area that has been designated as the location of the implementation of the program minapolitan is Kalanganyar village, Sedati, Sidoarjo Regency. Kalanganyar village is a coastal village that has immense potential in the aquaculture field. This potential can be seen from the entire pond area that reaches 75% of the village. In other words, about 20,475 km square out of 27,30 km square of the entire Kalanganyar, is the pond. This figure accentuates the high potential for aquaculture. Due to the massive pond area, Kalanganyar is prominent as "the village of the pond". In addition, Kalanganyar is also given the title "the Fishing Village", due to the presence of ponds that are managed as a location for fishing. The location of fishing in the Kalanganyar is the most popular in the Sidoarjo Regency. It also received the title "the village of fish". This is because its primary commodity is milkfish. It is cultivated in grow-out farms developed by the community in ponds within the village. The potential of milkfish farms in the community is the largest in the district of Sidoarjo.

Aside from its relatively large quantity of production, the quality of milkfish from Kalanganyar is also considered the best among its commodity. Milkfish cultivation in Kalanganyar is distinguished by its savory flavor, its better meat texture, and its aroma which does not exude sandy smell. Therefore,

the value of milkfish in Kalanganyar is higher compared to the other villages. Another characteristic that distinguishes a milkfish cultivated in Kalanganyar from the other is the color of the lips. Its color is red; hence, the milkfish is mentioned as red-lip milkfish. The milkfish was partly used as a raw material for the production of processed products such as boneless milkfish, smoked milkfish, crackers, condensed fish sauce (petis), and other food. Most of the other milkfish harvest would be traded with third parties. The milkfish would also be delivered to customers in Bali and Central Java.

Considering the high potential of milkfish farms, the government of Sidoarjo regency declared Kalanganyar Village as one of the designated areas for minapolitan program. The declaration was made in the year 2015. The declaration is a continuation of the policy of the Governor of East Java which has managed Sidoarjo regency as one of the minapolitan areas in 2012. In other words, in chronological order, there is continuity among the central government, provincial authorities, and district administration in the minapolitan program implementation. This declaration aims to be the starting point in the implementation of the minapolitan program.

The program is perceived as one of the important breakthroughs of regional development with high marine and fisheries potential. As a consequence, the minapolitan program requires to be implemented appropriately to achieve its vision: developing a high-prosperity and sustainable area. Theoretically, the development programs require paying attention to several factors to run effectively. One of the guides to do such development is endogenous development factors. Endogenous development in simple terms can be defined as a development approach that relies on the internal/endogenous potential as the support of the main potential. In this case study, the strategy focuses on the analysis of the internal aspect. Helmsing cited by Widodo (2015), stated that endogenous development is an alternative development of the region based on the actors, resources, and local capacity. Endogenous development is an approach to the construction to analyze and calculate the potential that exists in development through internal aspects, such as the initiative of the local community. Furthermore, Bakri (2012) stated that several factors can be used as an analysis for endogenous development: entrepreneurship (entrepreneurship), leadership (leadership), and institutions (institutions). Three factors are considered determinants of the effectiveness of the implementation of a development program.

In this regard, this article is the output of research that aims to explore and describe how the conditions of the factors of entrepreneurship, leadership, and institutions in the implementation of the minapolitan program in Kalanganyar, Sidoarjo regency. The theory is selected because only a few specific research utilized the theory, especially in the minapolitan program. Several notable sample researchers in minapolitan program are Onibala et al. (2018), who used the approach of SWOT Analysis. The second study is the study of Maya et al. (2018) on the implementation of the minapolitan program with an approach that emphasizes the aspects of participatory planning.

The third research is from Sulistiyanti and Wahyudi (2015). This research is a study about regional economic development (minapolitan) - that was based on its fisheries potential using an endogenous development approach. However, the main distinguished factor is that this research was conducted with a quantitative approach and implemented in a wider area, within the province. This study was conducted on a small scale, particularly within the village with a qualitative approach to gain a more in-depth understanding. The description portrays the uniqueness of the theme of this research. Thus, this article is expected to be able to contribute as a new thinking tool in the implementation of the minapolitan program.

## **Material and Methods**

This study used a qualitative approach to explore and describe the factors of endogenous development in minapolitan implementation program. According to Satori and Komariah (2018), qualitative research is exploratory and in-depth research of a phenomenon or social environment consisting of the actors, events, place, and time. The explorative definition is considered to be suitable

for this study. This research was conducted in Kalanganyar village, Sedati, Sidoarjo regency. The time interval of this research was from July to August 2021.

This study utilized several data collection techniques, such as observation, in-depth interviews, collecting documents, and focus group discussion. After collecting the data, it was analyzed by using data analysis techniques, such as the interactive model of Miles and Huberman (1994). An interactive model is one of the techniques that can be used to analyze data in a qualitative approach. There are three stages in the interactive model; they are data reduction, data display, and conclusion. These stages have a cyclical, interactive, and even overlapping relationship. Meanwhile, the technique to test the validity of the data used the four aspects from Moleong (2005), instance, the degree of confidence, transferability, dependence, and certainty.

## **Results and Discussion**

As outlined in the introduction section, this research aims to explore and describe the factors of endogenous development in the implementation of the minapolitan program. The factors of endogenous development are entrepreneurship, leadership, and institutions. Below is the description of the factors of endogenous development in minapolitan implementation program in Kalanganyar village.

## Entrepreneurship factor

This factor is strongly associated with two substances. The first is related to how the system of the business community manages existing fishery potential. This system consists of some components: input/raw materials, process/implementation of the business/production, and the output/results of operations and marketing. The second is related to innovation/creation in the development of the fisheries-based business potential.

The business that becomes the fulcrum in the minapolitan program in Kalanganyar is the products of ponds, especially milkfish. There are several successful businesses from milkfish commodity, for instance: milkfish farms, fishing ponds, milkfish-based culinary, steamed milkfish, crackers, milkfish, milkfish-shrimp paste, and milkfish floss. Those businesses are categorized into two types; milkfish farms and processed milkfish businesses. From the businesses above, the economy based on fishing in the Kalanganyar village is growing rapidly.

In the aspect of input, some problems occur. For milkfish cultivation, the problem is related to the availability of milkfish seeds. The community in Kalangayar village has not been able to produce milkfish seeds independently. Thus, the fish seeds must be imported from outside of the area. As a result, the price is considerably high. In a processed milkfish business, the raw materials are from the fish ponds in Kalanganyar, so the availability of raw materials is not a problem. Another problem is the capital. The results showed that the capital of their business comes from personal funds. Besides, there are some capital assistance and equipment from the village administration, Jasa Tirta, Bank Indonesia, and the Department of Industry and Trade of Sidoarjo. These data indicate that the government through the few institutions has granted the capital to the owners of the business.

The second aspect of the business system is the process of business/production. In this aspect, there are a few things that were analyzed, namely labor and process/production methods. For milkfish cultivation, a major constraint is the availability of labor to work on/maintain a pond which can be called a labor of the pond. The role of these men is very important in the cultivation of milkfish. However, the availability of labor can not be filled internally by the community of Kalanganyar. As a consequence, the owners of the cultivation fishpond invite contract workers from outside of the village to work on their fishpond. In the processed milkfish business, the workforce for the production process is relatively problematic. Labor is available with either a, i.e. the mother-housewife who joins in the business. If one of the businesses obtains specific orders that exceed the capacity of production, it will spare the orders to other similar businesses for supply fulfillment. However, there is a significant

constraint in the production process; the production method of the conventional. As a result, the processed products do not have long durability.

The third aspect of the production system is the aspect of output/marketing. For the raw milkfish, marketing is conducted within the Sidoarjo regency and around the East Java, Central Java, and Bali provinces. Entrepreneurs have not been able to reach more distant areas, such as the opportunity for exporting the products. For the processed milkfish business, there are some constraints of marketing, namely marketing system is based on the order and does not yet have the shopping centers. Besides the pond and processed milkfish, Kalangayar village has some location with a great view and are suitable for marine tourism. However, the constraints are unavailable road infrastructure and minimum promotions.

In general, the factors of entrepreneurship can be quite fulfilled. There are merely a few things that need to be addressed and improved. The first is the availability of input/raw material for the cultivation of milkfish; or the seed of milkfish. The Kalanganayar village has not been able to be selfsufficient in seeds banding. A study by Wijaya, Mandey et al. (2016) showed that the availability of raw materials in the fishery-based business is a very important aspect, especially for the degree of competitiveness. In other words, the insufficient availability of raw materials will minimize the cost of seedlings procurement, and thus will increase the competitiveness of the milkfish products. Second, the aspect of availability/quantity/amount of workforces to work in the fishponds. Third, for the processed milkfish business, the problem of capital availability should be improved to enlarge the scale of production. According to Munandar and Cider (2019), the factor of the amount of labor and capital had a positive influence on the productivity of fisheries. The fourth is the improvement in the production method of the processed milkfish business. This is in line with the results of a study by Zuliarni (2017) which demonstrated that the modernization of facilities and processing technology of fishery products was a very important aspect to do. The fifth is the marketing aspect of the milkfish processed business merely relied on the placed order, so the expansion of the market is required. This is in line with the results of Setiyorini et al. (2018) study which conveyed that the optimization of the promotion needs to be improved for the market expansion of fishery products.

# The leadership factor

Leadership is an aspect that determines the success of a program. Leadership providing support will optimize the implementation of a program. Similarly, in the minapolitan program. Minapolitan program will be conducted optimally when there is a support from leadership. The aspect of leadership includes how the formal and informal leadership supported the program. Formal leadership is associated with the support of the government of the village (the village head and ranks); while informal leadership is related to support from community leaders in the success of the program.

The formal leader of the village (the village head and ranks) has shown good support. There are several forms of visible support. The first is in the aspect of capital. Secondly, the aspect of skill development is conducted through training. The third aspect is mentoring; assistance through the maintenance of legality, grants, etc. The last aspect is through opening market opportunities with the fish festival in the village. The informal leadership also provides support to the implementation of the minapolitan, through some activities of the community in Kalanganyar village. Two large communities play a role; they are GAPOKKAN/POKDAKAN and associations of SMES.

It can be seen that the leading factor has also met good standards. Support from both formal and informal leadership is indeed very important in the implementation of a program/policy. Even in the theory of policy implementation, support elements of leadership are one of the main factors. For instance, in the theory of policy implementation from Rondinelli and Cheema (in Subarsono, 2015), states that the main factors affecting the policy implementation are the environmental conditions, the relationship among the organization, resources, and characteristics/capabilities of the implementing

agency should be maintained. As one of the elements of the resource is the aspect of the support of leadership.

# The institution factor

This factor is strongly associated with two substances. The first is the existence of rules of the game in the implementation of the program. The existence of rules is highly significant in program implementation, including minapolitan. The rules of the game are closely related to the division of roles and governance guidelines for the program. The existence of the rules of the game is to manage the implementation of the program to be more optimal. The second is the presence of the organization as the leading sector in program implementation.

Community groups of Kalanganyar village, a group of SMES, have developed habitual patterns that become the main rules of the game related to the governance of the milkfish processing business to execute the program successfully. One of the rules, among others, is in the form of an agreement to share the job (job sharing) when an overloaded order is placed. The second, an agreement binds the members of the SMES group in the use of the means of production such as a large oven and vacuum equipment for product packaging. From these two things, it can be concluded that the rules have been well developed.

In milkfish cultivation, some rules govern the management of the business, which is the distribution of profits. In the management of milkfish cultivation, tenants receive 20% shares of the production. Meanwhile, fishing ponds are expected to contribute to the village. In addition, an implementing organization is also established to become the leading sector in the minapolitan program. This organization is a village-owned enterprise (BUMDESA). It was newly formed in Kalanganyar. It is expected to be the driver of the success of the minapolitan program in Kalanganyar.

Such description shows that the institution factor has met with expected standard. It can be seen from the rules and implementing organizations to support the implementation of the program, that is the village-owned enterprises (BUMDESA). The advent of the institution factor can be observed from some of the implementation theories. Although they have different titles. In the implementation theory of the Meter and Horn (Subarsono 2015), this factor is referred to as the standards and objectives of the policy (to call the rules of the game) as well as the characteristics of the executive agency (to refer to the implementation of the policy.

# Conclusion

The communication/leadership factor has met good standards, meaning that the leadership of the formal and informal communities in the village of Kalanganyar has given support by both in the program implementation. The institution factor has also met good standards. It is demonstrated that the business activity followed certain rules that regulated the governance of business as well as had formed implementing organization, a business entity owned by the village, as a catalyst for fishing-based economic development. These two factors can encourage the optimization of the minapolitan program in Kalanganyar, Sidoarjo regency.

However, the entrepreneurship factor should have been more considered to gain more attention. This is due to several aspects of the factor that have not met such a good standard on self-sufficiency in seeds banding, the availability of labor tenants, the capital increase, the production modernization of processed milkfish, and the marketing expansion of processed milkfish products. If these aspects are not given attention, then it will become a bottleneck obstacle in the optimization minapolitan program in the village. To overcome the problems, the presence of cross-sectoral collaboration, as both central and local government, community organizations, the private sector, and universities would be required

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