ABSTRACT

JAFAR SIDIK. Budget Allocation and Leading Sector Linkage to Optimization Regional Development Performance in Tarakan City. Advice by SETIA HADI and MUHAMMAD ARDIANSYAH

Proper budget allocation should give positive impact to development and economics growth, thus create balanced, synergy, and sustainability for region development. In this context, national budget allocation in leading sector can initiate significant impact for other sectors, which in time will create a sustainable economic growth. This research is aimed to : Searching of leading sector, potential and development plan of leading sector and indentification budget allocation to leading sector also compiling budget allocation strategy supporting to leading sector. Analysis result indicates that government expense allocation feature of Tarakan, consist of several sectors : government administration sector, nature and human resource, financial and cooperation, trading, monitoring and security, and industrial and service sector. In this case, leading sectors are: food and beverage industrial sector, wood and non-forest product sector, Other Industrial Sector, government and defense sector, Ranch and his Results Sector, civil construction sector, Drinking Water, Sea Transportation and Bank Sector also Fishery Sector. It is also indicated that there is no connection between budget allocation with the leading sectors, development budget structures are oriented to complete the base requirement and minimal of public serving. Regional analysis result of sector activity using human resources data in three priority sectors, showed that range of entropy index is 0,068 -0,380, i.e. Kelurahan Karang Anyar (0,380), Karang Anyar Pantai (0,312) and Selumit Pantai (0,312), while the district that lower entropy index is East Mamburungan (0,068)). Skalogram analysis indicates that there is imbalance interregional development in Tarakan. Gini ratio analysis showed unevenness of income distribution in Tarakan City, where 40 % from people low rate income whose benefited from 13,50% of total regional income and 20 % high incomes people, that is 51,29% too. Whereas 80% people just has to benefit 48,71% from total regional income of Tarakan City. Evetnthough IPM of Tarakan City in 2008 is higher than Kalimantan Timur province and also Indonesia IPM, live expectation number 71,4 year, literacy number 97,9 %, and average of school duration 9,3 year with purchasing power parity 639.400 IDR, and IPM 75,59.

Keywords: Budget allocation, Leading Sector, Regional Hierarchy, Income Distribution.