ABSTRACT

JOHN WENRY UTUKAMAN. Local Economic Development (LED) Strategy Based on Fishery Agribusiness in the Regency of Kepulauan Aru. Under Supervision of MA’MUN SARMA and HIMAWAN HARIYOGA.

The Regency of Kepulauan Aru is one of the underdeveloped area in Province of Maluku, where the community’s economy, human resources, facilities (infrastructure), local financial capacity, and economic accessibility are still underdeveloped and has a strong dependence to other areas. To overcome the area bondage, the government of Kepulauan Aru has sought the development of local economy based on agro-fishery in order to enhance Aru Islands regional economic in a sustainable manner, so that the local communities welfare can be increased as well.

The study is aimed to map the status and identify the leverage factors of the Fishery Agribusiness based local economic development (LED) in Regency of Kepulauan Aru, and to formulate strategy and programs of the Fishery Agribusiness based LED in Kepulauan Aru regency. The results of the study show that the value of Kepulauan Aru local economic development sustainability index is 26.90, which indicate LED status is poor. The poor condition or status is caused by the fact that all aspects of the local economic development in Kepulauan Aru are in “poor” category, which the Process Management and Sustainable Development aspects being the worst aspects. To improve the condition or local economic development status, it is necessary to reveal the leverage factors for interventions by the local government. The main leverage factors in every aspect of Hexagonal LED obtained from the analysis resulted from Rapid Assessment Techniques for Local Economic Development (RALED) are: (1) Facilitation efforts of the capital from the local government; (2) Cooperation opportunity in similar industries whether upstream and downstream; (3) Poverty reduction policies in a participatory; (4) LED consider the existence of indigenous and local institutions; (5) Development incentive system reform for human resources and apparatus; and (6) Identification of LED stakeholders.

The leverage factors identified the main strategy for using the local economic development of Kepulauan Aru based on Fishery Agribusiness is formulated as follows: (1) Developing partnerships in the financing of Micro, Small and Medium Enterprises; (2) Establishing a cluster of fishery development; (3) Increasing public accessibility to the Capital, Markets, Technology and Institutions in order to participate in local economic development, thus reducing the number of poor people; (4) revitalizing the existence and roles of indigenous and local institutions to support local economic development of agro-based fisheries; (5) Implementing an incentive and meritocracy in local government apparatus development; and (6) Identifying key stakeholders to establish local economic development.