

Regional Development in Indonesia



Edited by
D.S. Priyarsono
Ernan Rustiadi

Foreword by
Armida S. Alisjahbana



Copyright@2010 Crestpent Press.

All rights reserved. No Part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Library of Congress in Cataloguing in Indonesia / edited by D. S. Priyarsono and Ernan Rustiadi.

160mm x 240mm, xli + 272pp

ISBN: 978-979-25-7256-2

Published by

CRESTPENT PRESS

Center for Regional Systems Analysis, Planning and Development

Kampus IPB Baranangslang, Jl. Pajajaran Bogor 16144 Indonesia

Ph. +62 251 8359072, email: p4w@ipb.ac.id

In collaboration with

Indonesia Regional Science Association (IRSA)

Contents

PREFACE	iii
FOREWORD	v
INTRODUCTION	

1. Regional Development in Indonesia: Problems, Policies, and Prospects.....2
D. S. Priyarsoro and Ernan Rustiadi

PART I

Problems of Regional Development: Poverty, Unemployment, Disparities, and Sustainability

2. Java Island: Regional Disparity and Sustainability Perspectives.....22
Ernan Rustiadi, Dyah R. Panuju, and Andrea E. Pravitasari
3. Investigating the Economic Growth Impact on Poverty Reduction
in East Java49
Mega Puspitasari, Vitri NurmalaSari, and Achmad Sjafii
4. Poverty as Child Labour Internal Migration's Determinant.....73
Eva Nurwita and Rullan Rinaldi
5. Regional Persistent Unemployment in Indonesia100
Iman Sugema

PART II

Political Economics of Regional Development: Spatial Planning and Fiscal Policies

6. Politics of Local Budgeting: the Main Hurdle for Stimulus Efficacy118
Wahyudi Kumorotomo
7. Reconciling Industrial Cluster and Urban System through Regional
Network Governance145
Prihadli Nugroho

8. Decentralization and its Impact on Primary Education Outcomes 174
Denney A. Purwanto
9. Fiscal Decentralization and Regional Disparities in Indonesia:
Dynamic Panel Data Evidence 200
Ahmad Fawaid Suwanan and Eka Heni Sulistiani

PART III

Prospect of Regional Development: Optimizing Partnership and Local Potential Resources

10. Promoting and Sustaining Multi-stakeholder's Process to Make Local
Governance Works for Poverty Reduction In Less Developed Region:
The Case of Nusa Tenggara Barat 216
Astia Dendi
11. Large-Small Industry Contracting and Regional Development:
The Case of Mitra Produksi Sigaret (MPS) – PT. HM Sampoerna 244
Catur Suglyanto
12. The Roles of Agroindustries in Regional Economic Development:
A Case Study in South Kalimantan 257
Luthfi Fatah

This book contains selected papers presented in the Second IRSA International Institute held in Bogor, 21-23 July, 2009. They report important findings from the studies on three big issues of regional development in Indonesia: Problems of Regional Development (Poverty, Unemployment, Disparities, and Sustainability), Political Economics of Regional Development (Spatial Planning and Fiscal Policies), and Prospect of Regional Development (Optimizing Partnership and Local Potential Resources).

D. S. Priyarsoro & Ernan Rustiadi
Editors

As one can read in the papers of this book, the problem of regional development in Indonesia is very diverse. Each region has its particular potential and problems. As the Minister of National Development Planning I hope each district can identify and explore the potential and problems of their regions. In this way, the advantages of these areas can then be taken in synergy with one another. Eventually, the ultimate goal of regional development is the creation of integrated domestic economy strength.

Armida S. Alisjahbana
President of Indonesia Regional Science Association (IRSA)
Minister of National Development Planning

ISBN 978-979-25-7258-2


9 789792 572582



CRESTPENT PRESS
Center for Regional Systems Analysis, Planning and Development (P4W)
Kampus IPB Baranangsiang, Jl. Raya Pajajaran, Bogor 16144 - Indonesia
Ph: +62-251 8359072 | e-mail: p4w@ipb.ac.id