THE MAPPING OF GROWTH POLE AREA THROUGH LOCAL POTENCIES UTILIZATION

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ABSTRACT

There are economic inequality and high economic disparity among regencies in Central Java Province. One of the solutions is determining the growth pole areas. According to the previous research, one of the growth poles in Central Java Province is Cilacap Regency. Furthermore, it needs a planning programs to accelerate the economics growth. This research discuss about regional mapping of local potential utilization. The objective of this research is to decide the leading sentors which could be developed. This research belongs to explorative research. The analysis tools are location quotient, shift share and klassen typology. The result shows that not all subdistricts at Cilacap Regencies has a leading sector. There are several subdistricts which have the leading sectors such as; Wanareja subdistrict has the only one leading sector, it is agriculture sector. Secondly, Kawunganten subdistrict has two leading sectors, they are agriculture sector and finance, tenancy and company services sector. Next, Kampung Laut subdistrict has agriculture sector as the leading sector. Then, South Cila Dubdistrict has mining and excavating sectors as the leading sector. And North Cilacap District has electricity, Gas, and clean water; manufacture industry; construction and services sectors as the leading sectors. The leading sector is strengthen for each subdistrict as an instrument to develop the economy. Moreover; the potential sectors output can be developed its quantity or quality to be the leading sector. Therefore, retarded sectors can be developed to make it to be a leading sectors. The limitation of this research is related to the coverage analysis.

Type of Paper: Empirical/Review

Keywords: Planning, Development, Local Potencies, Leading Sectors.

1. Introduction

Region economic growth varying in intensity will cause imbalances or economic disparity and inequality of income among regions (Sinurat, 2016). Many regencies and cities in Central Java Province have the different potencies and economics conditions. Thus; the economic inequality among regencies and high disparity happened in Central Java Province. It is showed by the calculation of Williamson index for Central Java Province is 0.727; it means the high level of disparity. Therefore; it needs the solutions to overcome the problems. One of the solutions is deciding the growth pole area.

The disparity problem between region needs a solution from the government. The high disparity between regencies in Central java provincescould be resolved with the implementation of growth pole area. It could spreads the development and make it not

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concentrate in several regions. Recently, the high development only concentrate in the north coast of Central Java, while southern coast and centre of the province part were retarded.

According Jacob (2016) each region has potentials and economic advantages that can be used as the source of its regional growth. Regarding to the Growth Pole theory which states that to grow quickly, a region needs to choose one or more regional growth centers which have the strongest potencies. Afterwards, to strengthen the application on adaptive approach, it needs the certainty that the implementation of growth pole development is appropriate with the social and economic condition of the region. (Viktor Komarovskiy, 2013)

After the implementation of growth map area, Cilacap regency are expected to be the growth pole area in the western part of central java province. Hopefully, the tricle down effect and polarization effect could be happened.

Based on the previous research, the Economics Planning of Central Java Province, shows that the first growth pole is Cilacap regency, the second growth pole is Semarang City, and Kudus Regency becomes the third growth pole. Therefore, it needs to create a further analysis to arrange more details planning at the growth pole regions so the planning strategies are fit to the condition of each region and could be implemented to each region. Furthermore, to create and to implement the good development strategy, it can be done through spatial development according to the model of growth pole. (Christofakis, 2011).

The formulation of any development strategy must consider a number of basic conditions (Suhada, 2016). The objective of the study is to decide the leading sectors which could be developed in each subdistrict at Cilacap Regency as one of the growth pole areas. By identifying the leading sectors, it is expected to increase and develop the regional economic of growth pole areas by utilizing the local potencies. After the development of growth pole areas, it is expected to make multiplier and positive effects on the regions around the growth pole. So, the inequality problems can be solved.

2. Literature Review

2.1 The Theory of Growth Pole and The Growth Centre

Perroux and Boudeville defined that the growth pole as the industrial group which can drive the economic growth of a country since the industries have the strong forward and backward linkages with the superior industry. They said that the industry group tend to choose the centralized location in the big cities which is supported by the strong hinterland area. The growth pole, the city centre and the development axis are the main type of concentration pole. (Vinula-Jimenez et al, 2010)

Perroux said that the economic growth would not appear in various areas in the same

time. The growth only happens in several places which is calles the growth center. The theory of the growth centre is in the development process, there will be a leading industry which can be the main driver of regional economic development. Since the linkage among industries is tight so the development of the leading industry will affect the development of other industries which have the close relationship with it.

The growth pole will make the trickling down and polarization effects on an economic growth. These effects were found by Hirschman (1958). He argued that the disimilarity potential of natural resources among regions will make the each region grow heterogenity. To grow faster, a country needs to choose one or more economic growth centres which have the strongest potencies.

If the strong regions grow up, it will influence the weak regions. This growth spread will affect positively (trickling down effect), i.e the strong development and give more jobs/ employment in weak regions. Then, the weak region can produce the complementry product of the strong region's products. Whereas; the negative effect (polarization effect) happens if the production activities in the strong region are competitive with the same product produced in the weak region, which actually needs the guidance.

2.2 Economics Base Theory

The theory states that economic growth in a region depends on its ability to export the goods or services. North (1975) in Temenggung (1999) argued that the regional economic growth in long-term depends on its export industry. The main power of regional growth is the demand of produced and exported good and services. The demand from the outside will affect the using of capital, labour and technology to produce the export commodity. So, it will create the economic backward or forward linkages.

Hoover (1984) stated that the growth of several base sectors could decide the comprehensive regional economic growth, whereas; the non base sectors only became the consequences of regional development. The base sectors commodities which are exported will give the regional income and increase the consumption and investment. The increasing income does not only make the demand increase on the base sectors but also demand increase on non base sectors which consequently push the non base sectors investment. The using of economic base theory on this study is intended to identify the development sectors either on base or non base sectors in a region.

3. Research Methodology

The study used the secondary data. The data were collected from the Central Statistic Bureau of Cilacap Regency, Regional Planning and and Development Bureau of Cilacap Regency and the other related institutions. Then, the analysis tools of this research were location quotient, shift share and klassen typology.

4. Results

The regional autonomy implementation in Indonesia makes each regions works hardly to improve their local income. The economics will be develop with the local potencies utilization from each region. Basically, local potencies is a an instrument that needed to achieve the local economy improvement. However, to utilize the local potencies it is neccesarry to identified first. Which sectors belongs to superior, potential or retarded.

To identify the leading sectors at Cilacap Regency, there are two approaches used in the research; they are comparative advantage and competitive advantage. The analysis of the study are location quotient, shift share and klassen typology. Location quotient analysis is used to identify the sectors which have the comparative advantages. Then, shift share analysis is used to identify the competitive advantages. And to identify the leading sector, it uses a klassen typology analysis. The sector can be the leading sector if it has both of comparative and competitive advantages. It means that the sector is superior if that sector could produce the more output (could be exported) and would be competed with the same sectors from other regions.

Cilacap Regency has 24 subdistricts. The different geographical condition and resources causes the dissimilar potencies for each district. In the economics and regional development planning of this research, the leading sectors identification and planning will be done by identifying at each subdistrict in Cilacap Regency.

5. Discussion

5.1 The Sectors Which Have the Comparative Advantages

A sector has the comparative advantage if its output are exceed which the output can fulfill the society demand of the region and can be exported to the outside regions. The indicators of comparative advantage are showed by the LQ (Location Quotient) coefficient which is more than 1.

From the calculation result of Location Quotient at each subdistrict in Cilacap Regency above, it can be seen that the sectors which have the comparative advantage at each subdistrict are different. Commonly, the sectors which have the comparative advantage at mostly subdistricts are agriculture sector, mining and Excavating sector, construction sector and 41Page

finance, tenancy and company services sector.

There are six subdistricts which have the comparative advantage on agriculture sector; they are Dayeuhluhur, Wanareja, Cipari, Bantasari, Kawunganten, and Kampunglaut subdistricts. In these six subdistricts, agriculture products exceed because of its large area for agriculture cultivating. Moreover, there are subdistricts located in the seaside which make the extra fisheries product. It makes the high total output of agriculture sector.

Several districts which have the comparative advantages on mining and Excavating sector are Karang Pucung, Kadungreja, Patimuan, Gandrungmangu, Kesugihan and South Cilacap subdistricts. The productivity of mining and Excavating in those six subdistricts is high comparing to other subdistricts. The geographical position which is closed to the seaside makes the mining products; such as sand, etc is worth.

There are five subdistricts which have construction sector as the comparative advantage at Cilacap Regency; they are Maos, Sampang, Binangun, Central Cilacap, and North Cilacap district. Many farming areas are changed to be households and shopping centre in those five subdistricts. Thus; it is common if the construction sector is highly developed at those regions. The last sector which has the output at Cilacap Regency is a finance, tenancy and company services sector. The subdistricts which have the comparative advantage on this sector are Kedungreja, Patimuan, Gandrungmangu, Kawunganten, and Sampang subdistricts. In those five subdistricts; the output from finance, tenancy and company services sector has the high value comparing to other subdistricts.

5.2 The Sector Which Have the Competitive Advantage

Each sector should have the competitive advantage; it is the second requirement to identify the leading sector. A sector will have a competitive advantage if it can compete with the same sector in other regions. In this research, the indicator of competitive advantage can be seen from Cij component which have the positive value based on the shift share analysis. Relating to the analysis result, it shows that almost all sectors have the competitive advantages in many subdistricts. Manufacturing sector is the first rank sector which has the competitive advantage in 18 subdistricts except in Majenang, Kedungreja, Kesugihan, Binangun, Nusawungu and South Cilacap subdistricts. The output from manufacturing sectors is good, so it can compete with the same sector in other regions.

The second sector which has the competitive advantage in each subdistrict is electricity, gas and clean water sector. There are 16 subdistricts which have the competitive advantage of electricity, gas and clean water sector, i.e. Wanareja, Cimanggu, Karang Pucung, Sidareja, Bantarsari, Kawunganten, Kampung Laut, Jeruklegi, Adipala, Maos, Sampang, Kroya,

Binangun, Nusawungu, Central Cilacap and North Cilacap subdistricts. The output of this sector is very high in those sixteen subdistricts so that this sector has the competitive advantage. The third sector which has the big competitive advantage is construction sector. There are 15 subdistricts which have the competitive advantage. The development of housing program makes the construction sector develop rapidly at those fifteen subdistricts.

5.3 The Leading Sector

A sector can be said superior if it has the comparative and competitive advantage. Moreover; a sector can be said potential if the sector has either comparative advantage or competitive advantage. Then; a sector is a retarded sector if it does not have both comparative and competitive advantages. The table 1 below shows the Klassen Typology analysis at each subdistrict in Cilacap regency:

Table 1. The Result Analysis of Klassen Typology in Economics Sectors at Each Subdistrict in Cilacap Regency

	Sectors		
Subdistricts	Leading	Potential	Retarde
Cipari	Setting	 Tining and Excavating. Manufacturing Construction Trade Hotel and Restaurant Transportation and Communication Finance, Tenancy & Company Services. Services Agriculture 	Electricity, Gas and Clean Water
Sidareja		 Mining and Excavating. Manufacturing Electricity.Gas and Clean Water Construction Finance, Tenancy & Company Services. Trade, Hotel and Restaurant Transportation & Communication 	Agriculture Services - Services
Kedungreja		 Agriculture Mining and Excavating Finance, Tenancy and company service 	 Manufacturing Instruction Electricity, Gas and Clean Water Trade Hotel and Restaurant Transportation and Communication Services

Patimuan		 Agriculture Manufacturing Trade Hotel and Restaurant Mining and penggln Finance, Tenancy & Company Services 	 Electricity, Gas and Clean Water Construction Transportation and Communicatio n
Gandrungmangu		 Trade, Hotel and Restaurant Transportation and Communication Mining and Excavating Finance, Tenancy & Company Services Services 	 Manufacturing Electricity, Gas and Clean Water
Bantarsari		 dustri and Pengolahan Electricity, Gas and Clean Water Construction Trade Hotel and Restaurant Transportation and Communication Finance, Tenancy & Company Services Agriculture 	 Mining and Excavating Services
Subdistricts	Leading	Sectors Potential	Retarde
Kawunganten	Agriculture Finance, Tenancy & Company Services	 Mining and Excavating Manufacturing Electricity, Gas and Clean Water Construction Trade, Hotel and Restaurant Transportation and Communication 	Services
	Agriculture	Tanufacturing Electricity.Gas and Clean Water	Mining and Excavating.
Kampung Laut		 Construction Trade Hotel and Restaurant Transportation and Communication Finance, Tenancy & Company Services Services 	

Kesugihan	Mining and Excavating	Agriculture Trade, Hotel & Restaurant	 anufacturing Electricity, Gas and Clean Water Construction Transportation and Communication Finance, Tenancy & Company Services Services
Adipala		 Mining and Excavating Manufacturing Electricity, Gas and Clean Water. Trade Hotel and Restaurant Finance, Tenancy&Services perush Services – Services Tansportation and Communication 	Agriculture Construction
Maos		 Agriculture Mining and Excavating Manufacturing. Electricity, Gas and Clean Water Trade Hotel and Restaurant Transportation and Communication Finance, Tenancy & Company Services Construction 	Services - Services
Subdistricts		Sectors	
Sampang	• Construction • Finance, Tenancy & Company Services	Potential • Manufacturing • Electricity.Gas and Clean Water • Trade, Hotel and Restaurant • Services • Transportation & Communication	• Agriculture • Mining and Excavating
			I .
Kroya	Trade, Hotel & Restaurant	 Agriculture Jining and Excavating Electricity, Gas and Clean Water Manufacturing Construction Transportation and Communication Jinance, Tenancy & Company Services 	Services

Nusawungu	Mining and Excavating	 Agriculture Tining andm Excavating Electricity, Gas and Clean Water Construction Tinance, Tenancy and company service Construction Trade Hotel and Restaurant 	 Tanufacturing Trade, Hotel and Restaurant Transportation and Communication Services Finance, Tenancy & Company Services
Cilacap Selatan		 Transportation and Communication Services Manufacturing Electricity, Gas&Clean Water 	Agriculture
Cilacap Tengah	 ganufacturing Electricity, Gas and Clean Water Construction Services – Gryces 	 Trade Hotel and Restaurant Finance, Tenancy & Company Services Transportation & Communication 	Agriculture Mining and Excavating.
Cilacap Utara	 Electricity, Gas and Clean Water Manufacturing Construction Services 	Finance, Tenancy & Company Services	 Agriculture Mining and Excavating Trade, Hotel & Restaurant Transportation and Communication

Source: Primary Data

According to the analysis of Klassen Typology above, it shows that not all subdistricts at Cilacap Regency have the leading sectors. There are only several subdistricts which have the leading sector, such as; Wanareja Subdistrict has one leading sector. Secondly, Kawunganten subdistrict has two leading sectors, i.e. agriculture sector, and finance, tenancy and company services sector. Thirdly, Kampung Laut subdistrict has the agriculture sector. Fourthly, Kesugihan subdistrict also has the leading sector in mining and excavating sector. Fifthly, Sampang subdistrict has two leading sectors, i.e.construction sector; finance, tenancy and company services sector. Sixth is Kroya subdistrict which has trade, hotel and restaurant sector as the leading sector. Seventh is South Cilacap subdistrict which has mining and excavating sector as the leading sector due to the location at the seaside area. The advantage of location makes this subdistrict has the large mining materials, such as; sand commodity.

Central Cilacap subdistrict has many leading sectors, such as; manufacturing; electricity, gas and clean water; construction and services. The last subdistrict which has many leading sectors is North Cilacap, i.e. electricity, gas, clean water; manufacturing; construction and services.

The leading sector is strength for each subdistrict as an instrument to develop the

economy. Moreover; the potential sector's output can be developed its quantity or quality to be the leading sector. Therefore, retarded sectors can be developed to make it the leading sectors.

6. Conclusion

There are only a few subdistrics at Cilacap Regency which have the leading sectors. First, Wanareja Subdistrict has its agriculture sector. Then, Kawunganten Subdistrict has agriculture sector and finance, tenancy and companies services sector. Third, Kampung Laut subdistrict has agriculture sector. Fourth, Kasugihan subdistrict has mining and excavating sector. Fifth, Sampang Subdistrict has construction sector and finance, tenancy and company services sector. Sixth, Kroya Subdistrict has trade, hotels and restaurants sector. Seventh, South Cilacap Subdistrict has mining and excavating sector. Central Cilacap Subdistrict has manufacturing industry sector; electricity, gas and clean water sector; construction sector and services sector. The last subdistrict which has many leading sectors is North Cilacap subdistrict. It has electricity, gas and clean water sector; manufacturing industry sector; construction sector and services. The limitation in this research is related to the coverage analysis. So, it is necessary to enlarge the research location coverage.

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