

Economic Development Strategy of Coastal Community in Kotabaru Regency

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Abstract: Economic empowerment of coastal communities in Kotabaru Regency is expected to improve the welfare of coastal communities. The coastal area of Kotabaru Regency is a potential region of mining both coal mining and iron ore, so that this potential is also one important aspect in promoting the economic in coastal area in Kotabaru. The purpose of this study is to analyze the strategies for economic development of coastal communities in the mining areas of Kotabaru Regency. The method of study is a survey method using a questionnaire. A questionnaire is used to assess the potential of natural resources, financial, social, human resources and access. The sampling technique is purposive random sampling with number of respondents is 810 people. The analysis method is the SWOT analysis. The results showed that the economy of coastal communities is in Quadrant I (growth oriented strategy). This strategy is expected to maintain its existing strengths and to increase the opportunities for the condition of coastal communities. The strengths of coastal community in mining area are water resource assets, affordability in health, affordability in housing facilities, community activities, education and government services. The weakness of coastal community in mining area is the agricultural activity, ownership of financial assets and education. The opportunities of coastal community in mining area are the vast land, the intensity of health services, market facilities, health and communication. The threats of coastal community in mining area are the ownership of the goods, people skills and relationship between government and society.

Key words: Strategy, economic development, coastal mining, health, opportunities

INTRODUCTION

The coastal area is a region with the potential to be developed as industrial areas. The business regency is necessary to reorder and cultivated in an integrated manner to overcome a various conflict of interest. Utilization of coastal areas is not only the pursuit of economic benefits but also considers the carrying capacity of the coastal environment. Utilization be planned in order to improve the welfare of coastal communities. The attention of the government towards the economic development of coastal communities by utilizing coastal resources is expected to overcome the existing poverty coastal region (Lynn, 2014).

The economic empowerments of coastal communities are also realizing the community business that strong and independent (Bachri, 2008; Bachri and Arisanty, 2014; Bachri *et al.*, 2014, 2016). Basis of economic development of coastal communities is in line with the conditions of geo-economic and geo-strategic owned by Indonesia with 70% of its territory is the islands or coastal areas. Thus,

the development approach in the present and in the future is economic development based on local community. The coastal community empowerment model developed nationally is the Coastal Community Economic Empowerment Program (PEMP). This institute has the objective of strengthening the socio-economic institutions by utilizing the marine and coastal resources resulting in increased prosperity (Sipahelut, 2010).

The coastal area of Kotabaru Regency is an area of both coal mining and iron ore. It is also a potential area for plantation. This potential is an important aspect in promoting the economic independence of the Kotabaru for example labor absorption by the community empowerment program/CSR.

Various previous studies on coastal areas showed that the well-being of coastal communities in the mining areas in Kotabaru included in stage 1 of family welfare and family welfare. The problems that they face are the ownership of the land is low, low income, low education, low skill and low savings. Through SWOT analysis to determine the strengths, weaknesses, opportunities and

threats can be determined strategy to be carried out to improve the welfare of coastal communities in the mining areas in the Regency of Kotabaru.

Literature review: SWOT is a planning strategy that is used to identify any strengths, weaknesses, opportunities and threats in development activities. Strengths and Weaknesses are internal factors while opportunities and threats are external factors. This analysis is improving strength and opportunities to support the development, to avoid any threat to development and to reduce the weaknesses occurred in development. This analysis is planning to achieve the development objectives (Mutaali, 2015; Osita *et al.*, 2014; Dyson, 2004).

Strength is the beneficial aspect that is owned by an organization. Strength determining the program or the organization can continue or not. The strength is the most important in the success of an activity. Weaknesses are internal factors that should be prevented in order to achieve both the objectives of program and the organization. The weakness is the factor that is not in accordance with the standards desired. Opportunities are external factors that support in achieving of program goals or organization. Opportunities arise when organizations want to earn higher profits. Threats are external factors that can cause a program or organization becomes vulnerable. Threats determine the stability of a program or organization (Osita *et al.*, 2014).

The assumption in this model is paired condition between S-W and O-T. The assumption is that every force there must be a weakness and every opportunity must be a challenge. The next stage is to give a score to each factor. The most decisive factor is given the greatest score. The next step is the weighting based on the urgency of these factors. Scores and weights are then multiplied to get a score total. The next step is the calculation of the S-W and O-T where S-W is value of x and O-T is the value of the y-axis. The results of the study determine the position of the object to be selected strategy. SWOT quadrant consist of quadrant 1 (progressive strategy), quadrant 2 (strategy of diversification), quadrant 3 (turnaround strategy) and quadrant IV (Strategy of survive) (Mutaali, 2015).

MATERIALS AND METHODS

The study population are coastal communities in South Kalimantan Kotabaru Regency which there consists of 7 village and 3 sub-regencys with a population of 8571 people. The sampling technique is purposive random sampling with the number of samples are 534

respondents around the mining and 276 respondents around plantation area. The data were obtained using a questionnaire. In addition to generating economic decision model of coastal community empowerment approach uses key informants that of an existing company in the area of research. The analysis technique used SWOT analysis includes strengths and weakness, then the external environment synergistically will determine the opportunities and threats. The next step analysis is analysis of EFAS and IFAS based on the result of SWOT analysis. The equation of SWOT analysis is $S-W = x$; $O-T = y$ that the equation is used to determine the position of x, y axis in SWOT quadrant (Mutaali, 2015). The position of SWOT quadrant is used to evaluate the strategy of coastal economic development.

RESULTS AND DISCUSSION

Determining factors of external and internal of coastal communities in the mining areas Kotabaru Regency has three stages. The first stage is to identify the external factors (opportunities and threats) and internal factors (strengths and weaknesses). At the stage of identification of external factors and internal are done by making assessment parameters. Making this assessment consists in 42 parameters for public mining areas and 42 parameters for community plantations. Each criteria are rated on a 1-4 range so as to obtain parameters of the strengths, weaknesses, opportunities and threats. Community of mining areas have the power factor consists of 12 parameters, weakness consists of 11 parameter, opportunities consist of 14 (fourteen) parameter and the threat consists of 5 parameters. Community in plantation areas have power factor consists 14 parameter, weakness consists of 8 parameters, chances consists of 12 parameter and the threat consists of 7 parameters.

The second stage is to determine the development strategy of the coastal communities in the mining areas Kotabaru Regency. The development strategy of coastal communities in the mining areas Kotabaru Regency can be seen with the SWOT analysis, i.e., strength, weakness, opportunity and threat. The strategy is made of a combination of factors is Strength-Opportunities (S-O), the power Threat (S-T), the Weaknesses-Threats (W-T).

The third stage is the matrix of strategic factors external and internal strategies. Factors external and internal strategies are done by creating a matrix of external factors listed in EFAS (External Strategic Factors Analysis

Table 1: Identification of external factors (opportunity and threat) and internal factors (strength and weakness) in mining area

Commentary	Average score	Rating result
Land ownership	2.11	Opportunity
Status of land ownership	2.87	Opportunity
Ownership rice/fields	1.30	Weakness
ownership of plantation	2.20	Opportunity
Livestock ownership	1.28	Weakness
Owners of fishing	1.03	Threat
Water resources	3.02	Strength
Cash	1.41	Weakness
Gold	2.16	Opportunity
Debts and receivables	1.52	Weakness
Following of social gathering	1.50	Weakness
Having motorcycles	2.20	Opportunity
Having car	1.10	Threat
Having computer	1.15	Threat
Educational level	1.79	Weakness
Formal diploma	2.37	Opportunity
Non formal diploma	1.30	Weakness
Certificate of expertise	1.18	Threat
Involvement of family members in the works	1.40	Weakness
Intensity (frequency) of health care	2.52	Opportunity
Affordability of health care costs	3.88	Strength
Immunization	2.44	Opportunity
Acceptor of family planning	2.90	Opportunity
Home ownership status	3.92	Strength
Type of building residence	1.00	Threat
Building walls	1.48	Weakness
Building floor	2.91	Opportunity
Latrine ownership	3.74	Strength
Latrine location	3.46	Strength
Type of lighting	3.91	Strength
Participation of the mutual	3.91	Strength
Cooperation community organization	1.27	Weakness
Residents attitudes toward immigrants	3.56	Strength
Relationships with government	1.57	Weakness
Participation in maintaining regional security	3.44	Strength
Participation in community relations	2.18	Opportunity
Services market	2.84	Opportunity
Health services	3.07	Strength
Educational service	3.23	Strength
Bank services	2.07	Opportunity
Communication services	2.65	Opportunity
Services to government	3.76	Strength

Table 2: Identification of external factors (opportunity and threat) and internal factors (strength and weakness) in plantation area

Commentary	Average score	Rating result
Land ownership	2.22	Opportunity
Status of land ownership	2.95	Opportunity
Ownership rice/fields	1.76	Weakness
Ownership of plantation	1.79	Weakness
Farm ownership	1.25	Weakness
Owners of fishing	1.03	Threat
Water resources	3.37	Strength
Cash	1.38	Weakness
Gold	2.10	Opportunity
Debts and receivables	1.84	Weakness
Following of social gathering	1.21	Threat
Having motorcycles	1.79	Weakness
Having car	1.16	Threat
Having computer	1.22	Threat
Educational level	1.38	Weakness
Formal diploma	2.42	Opportunity
Non formal diploma	1.17	Threat
Certificate of expertise	1.29	Weakness
Involvement of family members in the works	1.69	Weakness
Intensity (frequency) of health care	2.05	Opportunity
Affordability of health care costs	3.49	Strength
Immunization	2.05	Opportunity
Acceptor of family planning	2.75	Strength
Home ownership status	3.65	Strength
Type of building residence	1.00	Threat
Building walls	2.06	Opportunity
Building floor	2.54	Opportunity
Latrine ownership	3.82	Strength
Latrine location	3.19	Strength
Type of lighting	3.97	Strength
Participation of the mutual cooperation	3.92	Strength
Community organization	1.32	Weakness
Residents attitudes toward immigrants	3.42	Strength
Relationships and government	1.01	Threat
Participation in maintaining regional security	2.43	Opportunity
Participation in community relations	2.96	Strength
Market service	2.31	Opportunity
Health services	2.29	Opportunity
Educational service	3.17	Strength
Bank services	2.75	Strength
Communication services	2.63	Opportunity
<u>Services to government</u>	<u>2.92</u>	<u>Strength</u>

Data analysis (2016)

Summary) table and matrix of internal factors listed in IFAS (Internal Strategic Factors Analysis Summary) table. External factors matrix and internal factors matrix are to make the weight, determine the value rating and find the value of the weight multiplied by rating. The amount of weight can be searched through a comparison between the number of samples. The rating was made by the researchers themselves in accordance with the literature and in accordance with the data obtained (Table 1 and 2).

Calculation matrix strategic factors: Calculation of matrix factors, namely is the identification of strategic factors external to the table EFAS (External Strategic Factors Analysis Summary) in terms of opportunities and threats, identify strategic factors internal to the table IFAS (Internal Strategic Factors Analysis Summary) in terms of

strength and weakness. The step of determining the rating, rating is given to each of the internal and external strategic factors to demonstrate how effective the processor responds to the strategic factors. The resulting scores can be obtained from multiplying the weight by the rating has been obtained. Matrix external strategic factors are arranged with tables EFAS to determine the value of scoring external strategic factors obtained based on the value of the weight multiplied by the rating of coastal communities. IFAS is determined from internal strategic factor. EFAS and IFAS in the mining area. EFAS and IFAS in plantation area are presented.

EFAS and IFAS in mining area

Opportunity:

- Land ownership
- Status of land ownership

- Ownership of plantation
- Gold
- Having motorcycle
- Formal diploma
- Intensity (frequency) of health care
- Immunization
- Acceptor of family planning
- Building wall
- Participation in community relations
- Market service
- Bank service
- Communication service

Strength:

- Water resources
- Affordability of health care costs
- Home ownership Status
- Latrine ownership
- Latrine location
- Type of lighting
- Participation of the mutual cooperation
- Residents attitudes toward immigrants
- participation in maintaining regional security
- Health service
- Educational service
- Service to government

Threat:

- Owners of fishing
- Having car
- Having computer
- Certificate of expertise
- Type of residence building

Weakness:

- Ownership of rice/field
- Farm ownership
- Cash
- Debts and receivables
- Following of social gathering
- Education level
- Non formal diploma
- The involvement of family members in the work
- Building wall
- Community organization
- Relation with government

EFAS and IFAS in plantation area

Opportunity:

- Land ownership
- Status of land ownership
- Following arisan

- Formal diploma
- Intensity (frequency) of health care
- Immunization
- Building wall
- Building floor
- Participation in maintaining regional security
- Market service
- Health service
- Communication service

Strength:

- Water resources
- Gold
- Affordability of health cost
- Acceptor family planning
- Home ownership status
- Latrine ownership
- Latrine location
- Type of lighting
- Participation of the mutual cooperation
- Attitudes towards migrants
- Participation in community relations
- Educational service
- Bank service
- Service to government

Threat:

- Ownership of fishing
- Cash
- Having car
- Having computer
- Non formal diploma
- Type of building residence
- Relation with government

Weakness:

- Ownership of rice/fields
- Ownership of plantation
- Farm ownership
- Debts and receivables
- Having motorcycle
- Educational level
- Certificate of expertise
- Community organization

Determination of alternative strategies: SWOT matrix is based on internal factors (strengths and weaknesses) and external factors (opportunities and threats). Based matrix SWOT analysis of existing position it can be arranged four main strategies, namely Strengths-Opportunities (S-O), Weaknesses-Opportunities (W-O), Strengths-Threats (S-T) and Weaknesses-Threats (W-T).

SWOT matrix in mining area

Factor

Strength (S):

- Water resources
- Affordability cost of health care
- Status of home ownership
- Latrine ownership
- Latrine location
- Type of lighting
- Participation of the mutual cooperation
- Attitudes toward immigrants citizens
- Participation in maintaining regional security
- Health service
- Layanan terhadap pemerintah

Weakness (W):

- Ownership of rice/fields
- Farm ownership
- Cash
- Debt receivable
- Following of social gathering
- Education level
- Non formal diploma
- The involvement of family members in the work
- Building wall
- Community organization
- Relation with government

Opportunity (O):

- Land ownership
- Land ownership status
- Plantation ownership
- gold
- Having motorcycle
- Formal diploma
- The intensity (frequency) health care
- Immunization
- Acceptor of family planning
- Building floor
- Participation in the relationship between citizens
- Market service
- Bank service
- Communication service

Strategy SO:

- Improved service to the community
- improved health facilities and settlements
- Increased social activities

Strategy WO:

- Increased CSR program in education
- Enhancement of CSR in the socio-economic field

Threat (T):

- Ownership of fisheries
- Having car
- Having computer
- Certificate of expertise
- Type of building residence

Strategy ST:

- Improved service to the community
- Improved job skills to community
- Increasing the welfare of society through its CSR program in economics

Strategy WT:

- Improving education and job skills through the program CSR

SWOT matrix in the plantation

Factor

Strength (S):

- Water resources
- Gold
- Affordability of health cost
- Acceptor of family planning
- Status of home ownership
- Latrine ownership
- Latrine location
- Type of lighting
- Participation in mutual cooperation
- Attitudes towards migrants
- Participation in the relationship between citizens
- Educational service
- Bank service
- Service to government

Weakness (W):

- Rice/field ownership
- Plantation ownership
- Farm ownership
- Debt receivable
- Having motorcycle
- Educational level
- Certificate of expertise
- Community organization

Opportunity (O):

- Land ownership
- Status of land ownership
- Following arisan
- Formal diploma
- Intensity (frequency) of health care
- Immunization

- Building wall
- Building floor
- Participation in maintaining regional security
- Market service
- Health service
- Communication service

Strategy SO:

- Improved service to the community
- Improved health facilities and settlements
- Increased social activities

Strategy WO:

- Increased CSR program in education
- Enhancement of CSR in the socio-economic

Threat (T):

- Ownership of fishing
- Cash
- Having car
- Having computer
- Non Formal diploma
- Type of building residence
- Relation with government

Strategy ST:

- Improved service to the community
- Improved job skills to community
- Increasing the welfare of society through its CSR program in economics

Strategy WT:

- Improving education and job skills through the program CSR

SWOT analysis diagram: SWOT analysis diagram compare the chance of external factors (opportunities and threats) with a factor of internal (strength and weakness). Calculations obtains a total score of each SWOT analysis. The results is obtained from internal and external analysis in Table EFAS and IFAS. The result of research is the calculation of internal analysis and external analysis. In the assessment SWOT analysis has been obtained the coordinates of coastal communities in the mining and plantation area of Kotabaru. Figure 1 is SWOT analysis diagram (2.24; 2) in mining area. Figure 2 is SWOT analysis diagram (2.24; 1.54) for the plantation area.

Coastal community position in the mining and plantation of Kotabaru Regency are in the first quadrant of the diagram SWOT analysis which means in the growth position. The result shows a favorable position, because

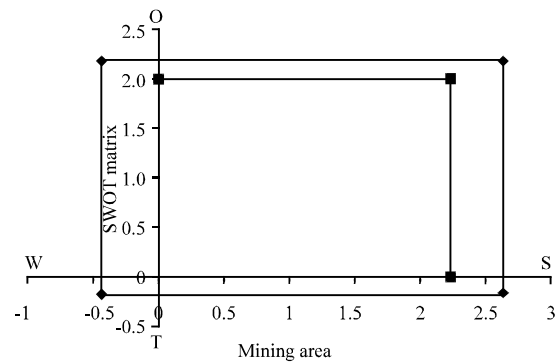


Fig. 1: SWOT matrix in mining area

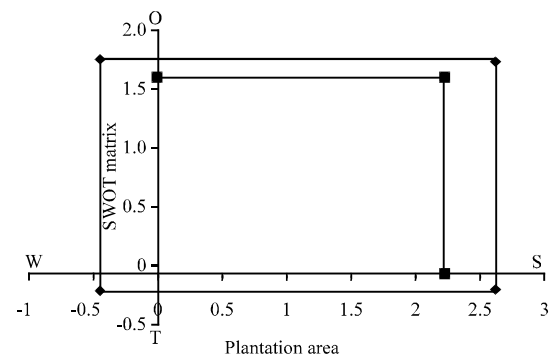


Fig. 2: SWOT matrix in plantation area

it has the opportunity and the enormous power that can take advantage of existing opportunities. The strategy used in the Mining Region Coastal Communities Kotabaru Regency in Quadrant I is the strategy of growth oriented strategy in this strategy is expected to maintain its existing strengths and increase the chances for the condition of Coastal Communities in the Regency Mining Region Kotabaru.

Improving the economy of the community is not only the responsibility of the community but also the responsibility of governments and corporations through their CSR. Some programs implemented are the strengthening of institutions in society, for example through a cooperative. Other programs are undertaken by the company is through CSR. CSR is a program of empowerment of the poor so that they escape poverty (Saputro, 2010; Biju, 2016; Yoo *et al.*, 2016, 2012). CSR programs can be done by companies such as scholarship programs, partnership programs and environmental development program. The scholarship program consist of providing scholarships to community, a partnership program with the aid of venture capital while environmental development program through disaster relief activities, facilities and infrastructure development and conservation of nature (Sari *et al.*, 2015).

CONCLUSION

The strength of the community is an asset of water resources, affordability in health, affordability in housing facilities, community activities, education and government services. Weakness owned by the public is low agricultural activity, ownership of financial assets is low, low education. Opportunity is the vast land, the intensity of health services, market facilities, health and good communication. The threat is that ownership of the low goods, people skills and relationship between government and society. The position is located in quadrant I which means is maintaining its existing strengths and improve opportunities to develop the economy of coastal communities in Kotabaru. Increasing the community's economy requires the intervention of the government and the company such as in CSR program. CSR program in education and environmental development program could improve the economic development in Kotabaru.

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