

Advancing Economic Potential and Stakeholder Engagement of Aceh Singkil Regency

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Abstract Aceh Singkil Regency's primary objective is to grow the local economy, concentrating on superior goods or industries. Singkil Aceh Administratively, it is located far from the capital city of Nangroe Aceh Darussalam (NAD) Province, which contributes to the region's isolation and underdevelopment. The study examined the economic prospects for accelerated development in Aceh Singkil. Firstly, this study used location quotation (LQ) analysis to establish the leading sector. Secondly, the SWOT analysis used a focus group discussion (FGD). Thirdly, the analysis of stakeholder categories used Grimble and Wellard's theory. The findings showed that agriculture, forestry, and fishery continued to be the primary emphasis of local economic growth of the Aceh Singkil community, and the stakeholders belonging to the dominant category of local economic determinants include the local governments, legislatures, and banks. The dominance of the agriculture, forestry, and fishery sectors is inseparable from the geographical location of Aceh Singkil, a coastal area with a fluvial morphology that allows the three sectors to become the foundation of the community's economy. This research implies that with the existence of three stakeholder dominations, namely local government, legislature, and banking, it is necessary to increase the role of the community, such as farmer groups, planters, and fishermen, in initiating welfare improvement programs independently to support the acceleration of the local economy.

Keywords: *Regional Development; Local Economy; Stakeholder Engagement; Underdeveloped Regions*

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1. Introduction

In the context of regional development, there are several development policies that continue to evolve along with the progress of science and/or the dynamics of the problems faced (Pradana, 2018; Irawan, 2020). Broadly speaking, these policies can be classified into three groups, namely: (1) development policy from above, (2) development policy from below, and (3) Local Economic Development policy (Iqbal & Anugrah,

2009; Bambang, 2016; Irawan, 2020). Basically, these policies complement each other and improve according to the situation, conditions, and problems that occur. The development policy from above has a weakness because it can create gaps in smaller areas due to resource exploitation by a larger area (Iqbal & Anugrah, 2009; Sugiri & Purba, 2017; Muta'ali, 2019). Meanwhile, the development policies from below actually have good content but are often weak in the implementation, so this policy tends to be utopian (Hamdani, 2020; Iqbal, 2017).

The Local Economic Development policy according to the International

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Labor Organization (ILO) (Resuello, 2018; Utomo & Purnamasari, 2021) is a participatory process that encourages partnerships among business, government and communities in certain areas, which allows cooperation in the design and implementation of the development strategies in general, using the local resources and competitive advantages in a global context, with the ultimate goal of creating decent jobs and stimulating economic activity. The Local Economic Development (LED) aims to build the capacity of the local economy to improve the future of the economy and the quality of life of all its components (Bingham & Mier, 1993; Leigh & Blakely, 2016; Malizia et al., 2020).

The Local Economic Development (LED) is the process by which communities, businesses and non-governmental partners from all sectors work collectively to create better conditions for economic growth and job creation (Blakely & Leigh, 2013; Malizia et al., 2020). The success of a community today depends on its ability to adapt to a dynamic local, national and international market economy (Nasdian, 2014). The planned LED strategy is increasingly being used by communities to strengthen the local economic capacity of a region, improve the investment climate, and increase the productivity and competitiveness of local businesses, employers and workers. The community's ability to improve the quality of life which creates new economic opportunities and fight poverty depends on the community itself to be able to understand the Local Economic Development (LED) process and act strategically in the face of an ever-

changing and increasingly competitive economic market (Swinburn et al., 2004; Asher & Novosad, 2020).

The Local Economic Development (LED) process is a process of intertwined interests between the government, the private sector, producers, and the community by optimizing human resources and local natural resources (endogenous development) in order to create economic growth and employment opportunities (Blakely & Leigh, 2013; Malizia et al., 2020). The Local Economic Development (LED) process contains several missions of activities such as business and regional economic development, a vehicle for community participation to empower producers or the community, poverty alleviation, transparency, accountability, and cross-sectoral regional cooperation (Amin, 2017).

Swinburn et al., (2004) emphasizes that in its implementation the Local Economic Development (LED) needs to be realized in partnership. The partnerships are important and fundamental in order to utilize the potential of a region's resources, considering that the government itself has limitations (especially funds). So that it requires the contribution of the private sectors and the community in development. The partnerships are needed in order to hold a participatory dialogue between stakeholders on economic development. Through partnership forums, the matters related to planning activities, policy formulation, service facilitation, and decision formulation are made and discussed (McAdam et al., 2016; Donner & Fort, 2018), (Wondirad et al., 2020). In

addition, the acceleration of Local Economic Development (LED) also requires an “economic cluster” strategy to increase livelihood opportunities (Rogerson, 2018; Malizia et al., 2020). This condition can be achieved through identification of opportunities and market development, diversification, and marketing of various selected (leading) commodities. Second, it is the “forum strategy”.

Determination of leading sectors and development priorities is very important considering the importance of planning itself. When the regional development is more left to the market mechanism, it will more or less have a negative impact either on poor, rich or developed regions (Nursan & Septiadi, 2020).

For poor areas, there will be impacts that 1) the area will find it difficult to develop the industrial sector and expand job opportunities, 2) it will be difficult to change the economic structure that tends to be traditional, 3) there will be labor mobilization (particularly the young and dynamic ones) to the more developed areas so that it will further suppress the condition of the area (Suprayitno & Nurseto, 2011). As for the developed areas, there will be impacts such as: 1) making it as a goal to find work, it will become a dense area which in the end will result in greater costs for providing public facilities, 2) new problems will arise, especially environmental and social problems of pollution, security, and so on (Pratiwi et al., 2018).

An economic market failure results in unemployment and problems in the economy (Widiansyah, 2017; Jahja, 2021). For that reason, government

intervention is required through public policy by making plans in finding solutions (Wahab, 2021). Furthermore, in regional planning there are several aspects that need to take into account: 1) regional economic planning is prepared in accordance with the regional authorities as an integral part of the national economic planning system (Susanto, 2016), 2) compiled on the basis of time considerations whether the planning is long-term, medium-term, or short-term (Muhammad, 2017), 3) the proposed plan must have links with budgeting, implementation, evaluation, and control (Kato et al., 2021).

In addition, in relation to the leading sector, the community can be more effective and efficient if there is a division of labor (Wijaya & Rifa'i, 2016); (Izzudin et al., 2022). This concept divides the entire production process into specialized units. The specialization economy (Mahroji & Indrawati, 2019) allows the formation of such a wide inter-individual and inter-country trade network, which is a hallmark of an advanced economy. Likewise at the regional level, the existence of inter-regional economic specialization (specialization) jointly encourages the exchange process according to their respective needs. This will allow the economy of each region to move together towards the growth process (Kuncoro, 2018).

Previous research that investigated the development of the economic sector only focused on using the shift share and Location Quotient (LQ) methods for example research by Riantika & Utama (2017) in Gianyar Regency, Mustofa et al. (2018) in Pekalongan City, Tumangkeng (2018)

in Tomohon City, Arida et al., (2019) in East Aceh Regency, Nursan & Septiadi (2020) in West Sumbawa Regency. This means that economic development policies are based on the top down principle. This study combines a top-down approach with location quotation (LQ) analysis to identify the initial sector that is the basis of the regional economy, then deepens it with a bottom-up approach by conducting FGDs with relevant stakeholders to obtain accurate information on local economic development.

Based on the previous explanation, this study focus on identified the economic potential of the region based on the location quotation, local government policies and stakeholders playing a role in growing the local economy.

2. Method

The method of the study was descriptive quantitative. The analysis in determining the leading economic potential used (1) location quotation (LQ) analysis, (2) SWOT analysis, (3) stakeholder analysis.

The LQ analysis is useful for identifying the economic base (base sector) of a region (Muta'ali, 2015). The LQ analysis shows how big the level of specialization of the basic or leading sector in a region is. The data used were job opportunities (labor) and GRDP. In this study, the data used is GRDP (Rahman, 2016). The LQ analysis measures the concentration of an economic activity in a region by comparing its role in the regional economy with that of similar economic activities in a wider scope (regional or

national). Mathematically the LQ formula is as follows:

$$LQ = \frac{X_{ij}/X_j}{Y_i/Y}$$

Remarks:

- X_{ij} = Added value of sector i in area j (Regency/City)
- X_j = Total value added of sector i in area j
- Y_i = Value added sector i in area p (Province/National)
- Y = Total sector value added in p (Province/National)
- X_{ij}/X_j = Percentage of regional employment in sector i
- Y_i/Y = Percentage of national employment in sector i

Once calculated, the results of the LQ can be interpreted. The measurement criteria in accord with Bendavid Val (in Arif & Utomo, 2016) produces three possibilities that occur, namely:

- If $LQ > 1$, the sector is categorized as a basic sector, meaning that the level of specialization of the regency/city is higher than the provincial level,
- If $LQ = 1$ then the level of specialization of the regency/city is the same as at the provincial level, and
- If $LQ < 1$ then the sector is categorized as a non-basic sector.

Furthermore, the SWOT analysis was used in this study using a qualitative approach by collecting data with Focus Group Discussions (FGD) inviting the local governments related to the economic development and local entrepreneurs.

A qualitative approach to the SWOT matrix developed by (Kearns, 1992) which displays eight boxes, namely the top two boxes are external

factors (Opportunities and Challenges), while the two boxes on the left are internal factors (Strengths and Weaknesses). The other four boxes are boxes of strategic issues that arise as a result of the meeting point between internal and external factors (Alam, 2018).

The SWOT analysis is a strategic planning method used to evaluate strengths, *weakness*, *opportunities*, and *threats*. In this activity, the SWOT analysis involves determining the potential and problems of Community Economic Empowerment and identifying internal and external factors that support and which do not support the Community Economic Empowerment activities in Aceh Singkil Regency.

Table 1. Kearns' Matrix SWOT

EXTERNAL INTERNAL	OPPORTUNITY	TREATHS
STRENGTH	<i>Comparative Advantage</i>	<i>Mobilization</i>
WEAKNESS	<i>Divestment/Investment</i>	<i>Damage Control</i>

Source: Kearns (1992)

Cell A: Comparative Advantages

This cell is a meeting of two elements of strength and opportunity so as to provide the possibility for an organization to be able to develop faster.

Cell B: Mobilization

This cell represents the interaction between threat and force. Here, efforts must be made to mobilize resources which are the strength of the organization to soften the external threat, even then turn the threat into an opportunity.

Cell C: Divestment/ Investment

This cell is an interaction between organizational weaknesses and external opportunities. The situations like this provide a choice in the vague situation. The available opportunities are very convincing but cannot be exploited because the existing power is not sufficient to work on them. The decision choices taken are (releasing existing opportunities to be used by other organizations) or forcing to work on those opportunities (investment).

Cell D: Damage Control

This cell is the weakest condition of all cells because it is a meeting between organizational weaknesses and external threats, and therefore wrong decisions will bring great disaster to the organization. The strategy that must be taken is Damage Control (controlling losses) so that it does not become more severe than that of expected.

The last analysis is the stakeholder analysis. The analysis used was the PIL stakeholder analysis (P=Power, I=Interest and L=legitimate) which is seen from the specific criteria of stakeholders. According to Grimble & Wellard (1997) and Chevalier (2001), the category of the stakeholders is divided into eight (8) as follows:

- a. PIL category (dominant); Power is very strong, interest is affected, legitimacy is high
- b. PI category (powerful); power is very strong, interest is affected, claims are not recognized or legitimacy is weak.
- c. PL category (influential); power is very strong, claims are recognized or legitimacy is strong, interest is not affected.

- d. IL category (vulnerable); interest is affected, the claim is recognized or has good legitimacy, but without power.
- e. P Category (dormant); power is very strong, interest is not affected, and claims are not recognized.
- f. L Category (concerned); claims are recognized, but unaffected and unsubstantiated.
- g. I Category (marginal); affected, but the claim is not recognized and strong.
- h. Miscellaneous ratings; the stakeholders who do not have all three.

3. Result and Discussion

Regional Leading Sector

Table 2. Leading Sector by Business Field in Aceh Singkil Regency

Category	Business Fields	GRDP of Aceh Singkil Regency on the Basis of Constant Prices					
		2016	2017	2018	2019	2020	2021
A	Agriculture, Forestry and Fisheries	1,67	1,24	1,19	1,15	1,07	1,01
B	Mining and Quarrying	0,06	0,05	0,05	0,05	0,05	0,05
C	Processing industry	0,19	0,15	0,15	0,15	0,14	0,17
D	Electricity and Gas Supply	0,01	0,01	0,01	0,01	0,01	0,01
E	Water Supply, Waste Management, Waste and Recycling	0,00	0,00	0,00	0,00	0,00	0,00
F	Construction	0,46	0,35	0,35	0,35	0,33	0,34
G	Wholesale and Retail Trade; Car and Bike Repair	0,64	0,47	0,47	0,48	0,46	0,44
H	Transportation and Warehousing	0,64	0,27	0,29	0,30	0,29	0,24
I	Provision of Accommodation and Food and Drink	0,33	0,04	0,04	0,04	0,04	0,04
J	Information and Communication	0,05	0,19	0,18	0,18	0,17	0,16
K	Financial Services and Insurance	0,26	0,10	0,10	0,09	0,09	0,08
L	Real Estate	0,14	0,15	0,14	0,14	0,13	0,13
M,N	Corporate Services	0,20	0,02	0,02	0,02	0,02	0,02
O	Government Administration, Defence and Compulsory Social Security	0,03	0,57	0,55	0,55	0,53	0,52
P	Education Services/	0,15	0,11	0,11	0,11	0,10	0,11
Q	Health Services and Social Activities	0,22	0,16	0,16	0,16	0,15	0,15
R,S,T,U	Other services	0,06	0,04	0,04	0,05	0,04	0,04

Source: Central Bureau of Statistics of Aceh Singkil Regency (processed) (2021)

Table 3. Interpretation of LQ Analysis Results in Determining Base/Non-Base Sectors

LQ Value	Base/Leading/Potential Sectors	Specialization Level	Market Service
LQ > 1	Leading base sector	Specialization sector	Export, serving domestic and outside the area
LQ < 1	Non-base and non-seeded sectors, not potential	Unspecialized sector	Non-export, not yet serving domestic and outside the area
LQ = 1	Sector balanced with the reference area	The specialization is the same as the reference region	Non-export, only able to serve the local market

Source: Analysis Results of Data LQ (2021)

Table 4. Base and Non-Base Classes according to the LQ Calculation Results

LQ Value	Base/Leading/Potential Sectors	Sectors
LQ > 1	Leading Base Sector	Agriculture, Forestry and Fisheries
LQ < 1	Non-base and non-seeded sectors, not potential	Mining and Quarrying, Processing Industry, Electricity and Gas Procurement, Water Supply, Waste Management, Waste and Recycling, Construction, Wholesale and Retail Trade, Car and Bicycle Repair, Transportation and Warehousing, Provision of Accommodation and Food and Drink, Information and Communication, Financial and Insurance Services, Real Estate, Corporate Services, Government Administration, Defence and Compulsory Social Security, Education Services, Health Services and Social Activities, Other Services
LQ = 1	Sector balanced with the reference area	-

Source: Results of LQ Calculation (2021)

Based on the results of data processing, the basic sectors in Aceh Singkil regency which are the biggest contributors in Aceh Province are the agriculture, forestry and fishery sectors. This condition had same result with Naufal & Rindayati (2019) and Siregar et al. (2021) studies, which indicates that these three sectors have the most significant economic role in the Aceh province.

Aceh Singkil Regency is one of the producers of palm oil in Aceh, therefore the trade, agriculture, forestry and fisheries sectors are the leading sectors. This sector is quite a lot in creating business and job opportunities because many Small Micro-Businesses play a role in these sectors. Study by (Harahap et al., 2019) show that palm oil industry can maximize regional economic in Sumatra. The mainstay in the agricultural sector comes from the commodities in the plantation sub-sector, palm oil from the community and private plantations provides a significant contribution to the economy in Aceh Singkil. In 2021 the production of palm oil products would be 74,950 tons.

The Food Crops Agricultural Sector is also the one that is quite influential on the economic growth in

Aceh Singkil Regency, so it has the potential to be developed. The area of the available paddy fields is 1,936 hectares. The largest area is in Danau Paris subregency covering an area of 445 hectares and the smallest is in Pulau Banyak sub-regency which is 20 hectares. In effort to support the agricultural production, especially paddy fields, irrigation facilities are needed as a source of irrigation.

The geographical area of Aceh Singkil which borders the Indian Ocean, causes Aceh Singkil to have enormous maritime potential to be developed. The production of capture fisheries products in 2021 was 11,482 tons, this result was a decrease compared to that in 2020 reaching 11,580 tons.

Aceh Singkil Regency is the westernmost regency and far from the administrative center of Aceh Province, which makes this regency the only underdeveloped Regency in Aceh Province due to limited access to other regencies. This has become a focus for the Aceh Singkil Regency government to develop Aceh Singkil into a more advanced and independent Regency and can catch up with other regencies in Aceh Province.

The regional economic activities are classified into two sectors of activity, basic and non-basic activities. The basic activities are export-oriented activities (goods and services) outside the boundaries of the relevant economic area, while non-basic activities are local-oriented activities that provide goods and services for the needs of the community within the boundaries of the economic area concerned.

Referring to table 3, the base and non-base sector classes are found in Aceh Singkil Regency. Based on the results of calculations and interpretations of the results of LQ analysis, the leading base sectors in Aceh Singkil Regency are Agriculture, Forestry and fisheries.

In this sector, the resulting LQ value is > 1 , which means that this sector is the leading sector in Aceh Singkil Regency which is a reference that basically all activities that produce products/service providers bringing in money from outside the region because of their activities. Employment and income in the basic sector are functions of exogenous demand (not dependent on internal strength/local demand).

In the Agriculture, Forestry and Fisheries Sector, the two sub-sectors that were the focus of the research were the Plantation and Fisheries sector having a major influence on the economy of the Aceh Singkil community because of these two sub-sectors, many people depend on these two sub-sectors for their livelihood.

The agricultural sector is a sector that plays an important role in the economy of the people of Aceh Singkil. One of the mainstay sub-sectors in the

agricultural sector is the plantation sub-sector. The plantation sub-sector has a major contribution to the economic development of the people of Aceh Singkil. This can be seen from the GRDP value that the leading commodity in the plantation sub-sector is oil palm. Based on the Central Bureau of Statistics data of Aceh Singkil Regency in 2021, the Agriculture sector along with the Forestry and Fisheries sector has a large value in the percentage of GRDP distribution in Aceh Singkil Regency.

Marine fishery production in Aceh Singkil Regency fluctuates, but based on the data on Gross Regional Domestic Product at Current Prices in the Agriculture, Forestry and Fisheries sectors, it increases every year. This contributes greatly to the GRDP of Aceh Singkil Regency. Study by Efendi et al., (2018) also show that fishery sector is one of the main contributors to the economic in Aceh province.

SWOT Analysis of a Featured Commodity

Based on the results of observations and FGDs, it was concluded that there were 3 leading sectors that needed to be appointed because they were considered to have great potential to develop the local economy in Aceh Singkil Regency, there are 1) fisheries, 2) tourism, and 3) plantation (Agriculture) sector. The three sectors were discussed in depth in the SWOT analysis including internal factors, namely Strengths and Weaknesses, and external factors, namely Opportunities and Threats.

Fishery Sector

Table 5. SWOT Analysis of Fishery Sector

Strength	<ul style="list-style-type: none"> • Seafood is abundant. • Land support for freshwater aquaculture.
Weakness	<ul style="list-style-type: none"> • Infrastructure is still inadequate: the construction of a fish landing port has stalled due to funding constraints. • Conventional fishing gear • There is an income gap between fishermen and collectors. • Marketing by fishermen who get a small amount of fish so that it raises the price of the catch as high as possible. • There has been no training for fishermen and home industry. • Processing of fishery products is still less varied. • There is still no cultivation of freshwater fish (land fisheries), such as: <i>sepat</i> (<i>Trichogaster trichopterus</i> L.) fish and swamp catfish.
Opportunity	There has been a recommendation to build a regional-owned enterprise (ROE) to control and market fishery products.
Threats	<ul style="list-style-type: none"> • Law enforcement is not optimal yet; illegal fishing is still happening. • Space utilization for fisheries is not optimal. • There is no determination of the metropolitan area. • There is no forum/communication among the government, the public, and the private sector to standardize prices. • Natural constraints: the sea in Kuala Baru is relatively flat, resulting in limited fishing hours. • The number of banks in Aceh Singkil Regency is still small (tasks), making it difficult to access capital from the banks. • Investors began to dare to invest after the 2004 tsunami

The SWOT analysis (table 5) showed that the abundant marine resources in Aceh Singkil Regency did not fully support to improve the economy of the people in Aceh Singkil Regency. It resulted from various obstacles classified into 3, namely bureaucratic constraints, physical constraints on facilities and infrastructure supporting the fisheries sector, and human resource constraints.

The results of the SWOT analysis showed the Aceh Singkil Regency government did not organize, support, and protect the local fishing communities. First, from a legal perspective, the government did not

enforce the law yet to prevent illegal fishing in the waters of Aceh Singkil. According to Adwani (2018), there needs to be an effort to tackle illegal fishing in the waters of the Aceh Province.

Second, in the development planning, the government did not carry out optimal spatial planning to support the development of the fishery sector and by looking at the huge potential of the fisheries sector in Aceh Singkil Regency, the government did not yet establish a metropolitan area in the regency. The government did not develop the freshwater fisheries having potential to be developed in Aceh Singkil

Regency. Apart from the price, the attention of the local government did not take concrete action in controlling the fish price in the regency in which there was no forum or communication effort between various related parties to standardize the prices. This resulted in various problems in the form of a gap between the income of collectors and fishermen; the fishermen/ collectors are free to set the fish price. Study by Mawardati & Jullimursyida (2020) also show that a lot of problem in fishery sector is the gap price between fishermen and fishery collector or distributor in Aceh.

The condition of infrastructure and facilities needed to develop the fishery sector was also still lacking. The construction of a fish landing port, which is very much needed to support the development of the fishery sector, has stalled due to the funding constraints. In addition, the fishermen's fishing gear was still conventional so the quantity of their catch was not optimal. The fishermen could not access capital to develop their businesses due to the limited number of banks in the regency.

Study by (Duggan & Kochen, 2016) also show that many landing sites around Indonesia lack the infrastructure to support rapid fishery development.

The quality of human resources in Aceh Singkil Regency has also not been improved. Until now there has been no training in processing fishery products so that the processing of fishery products was still less varied, still limited to preserving. This is one of the reasons why the fishermen tended to sell the raw fish to the collectors and the collectors marketed the fish outside the area, resulting in the level of fishermen's welfare was not increased. On the other hand, the results of the observations and FGDs showed that the land in the Regency had the potential to develop freshwater fish farming. However, until now there has been no coaching/training given to the community to develop freshwater fish farming. Study by Mulyasari et al. (2021) show that a lot of fishery have low education so the live in poverty condition.

Tourism Sector

Table 6. SWOT Analysis of Tourim Sector

Strength	<ul style="list-style-type: none">• Has a variety of tourism potential in the form of mountains, lakes, rivers, Rawa Singkil, religion, mangrove forests, marine, underwater nature in the Banyak Islands.• Abundant springs and fertile land• Wavy hill topography; there are various kinds of objects, attractions and tourist attractions.• Pollution free air.• Strategic location: on the Aceh Singkil route and its surroundings.• There are many historical relics.• Various community activities and local culture still exist in the people of Aceh Singkil Regency.• There is a traditional arts group organization.• Owning a service business and tourism facilities.• Availability of Tourism Information Center.• The existence of a tourism driving group.• The quantity of human resources is sufficient.
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Weakness	<ul style="list-style-type: none"> • The arrangement of tourist objects is not optimal. • Products/tourist attractions are still lacking. • Lack of regular tourist events. • There is a shift in socio-cultural values. • Management of tourist objects is not yet professional. • Garbage has not been managed properly. • Suboptimal management of tourism supporting services and facilities: limited access and tourism facilities, limited modes of transportation. • Lack of tourism promotion. • Suboptimal service and operation of the Tourism Information Center. • Low community participation. • Lack of the quality of human resources in the tourism sector. • Lack of coordination among government agencies.
Opportunity	<ul style="list-style-type: none"> • Availability of tourism potential. • It is on a track close to South Aceh and Medan. • Having advantages in the tourism sector compared to the surrounding area (Strength). • There is a plan for the construction of tourism facilities. • There is a tendency for tourists to “back to nature” (authenticity and locality). • There are tourists visiting from other areas of Indonesia every year • The existence of national events that accommodate traditional arts groups to participate. • Opportunity to develop business services and supporting tourism facilities (recommendation). • The amount of investor interest in the tourism sector (concrete examples).
Threats	<ul style="list-style-type: none"> • Better management of tourist objects and attractions in other areas. • The entry of cultural influences from outside and the interaction between local communities and tourists (what is the impact on tourism?). • There is intense competition among the regions in attracting the number of tourists. • Promotion and marketing of tourism in other areas should be more taken care and intensive.

The results of SWOT analysis (table 6) in the tourism sector showed that Aceh Singkil Regency had a lot of tourism potential, both natural tourism such as mountains, lakes, rivers, swamps, mangrove forests, marine and underwater world as well as religious tourism because there were many historical relics. Various community activities and local culture still existed in the people of Aceh Singkil Regency. Currently, the leading tourism in this regency is Rawa Singkil and marine tourism in the Banyak Islands. Study by (Satria & Ali, 2018) explain that banyak Island became an excellent potentials

tourism include the rich biodiversity, maritime tourism, religious life.

Nevertheless, the various tourism potentials in this regency have not been developed or managed properly. Various weaknesses in tourism management existing today are that the arrangement of tourist objects is not optimal, the management of tourism objects is not yet professional, the waste has not been managed properly and the infrastructure and facilities for supporting tourism are still lacking, for example, the access, tourism facilities, and modes of transportation are still limited. According to (Dodds & Butler, 2019), it is critical for the tourist site to be

a complete facility, and (Dinu, 2018) emphasized the importance of transportation for tourism access.

In addition, the development of tourism potential in this regency is also still difficult to do because of lack of tourist products /attractions and regular tourist events. Moreover, tourism promotion is also still lacking. On the other hand, the community participation was still low, the quality of human resources engaged in tourism and the integration between government agencies were still lacking.

Despite the existing obstacles, there were various important advantages possessed by this regency that could be utilized to support tourism development, such as the strategic location, being on the Aceh Singkil route and its surroundings, the occurrence of traditional arts group organizations, having business services and tourism facilities, the availability of a tourism information center and the existence of a tourism driving group.

Various opportunities that can be used to develop tourism in this regency are the location of this regency is on a trajectory close to South Aceh and Medan. Various natural tourism potentials are also very potential to be developed due to the tendency of the tourists for “*back to nature*” (authenticity and locality). The government also provides support for the development of the tourism sector with a plan to develop tourist facilities. At the national level, many national events were held accommodating traditional arts groups to participate and promote tourism in this regency. On the other hand, there occurs intense competition among the regions in attracting the number of tourists caused by better management of tourist objects and attractions in other areas, and promotion and marketing of tourism in other areas which are more taken care and intensive. These should be used as a trigger for this regency to immediately clean up and catch up in the tourism development.

Plantation Sector

Table 7. SWOT Analysis of Plantation Sector

Strangth	Abundant land and palm oil plantations.
Weakness	<ul style="list-style-type: none"> • Human Resource quality (mentality) is still low. • Owners of narrow farms measuring 1-10 hectares did not yet receive maximum yields. • The condition of facilities and infrastructure, especially the road access to market plantation products, is still poor. • There is no training to increase knowledge on how to manage one’s own plantation.
Opportunity	<ul style="list-style-type: none"> • There is a recommendation for the establishment of <i>BUMkampung</i> which already has a budget to control and market the results of smallholder plantations. • The idea of diversifying plantations other than oil palm, for example: coconut, clove, areca nut and nipa palm. • The idea of intercropping between patchouli and oil palm to save land and produce a lot of products. • There are new innovations regarding other uses of oil palm, namely utilizing palm oil liquid waste as biogas power plant, animal feed, briquettes.
Threaths	<ul style="list-style-type: none"> • Review of government policies to limit land clearing for oil palm to protect land. • There has been no real contribution from the private plantations for local economic development.

Oil palm plantations dominate land use in this Regency. The results of SWOT analysis showed that the oil palm plantations were possessed and managed by the community, not those owned and managed by the private sector. The plantation sector is one sector considered important for local economic development in Aceh Singkil Regency. A study by Haykal & Yunus (2021) explains that palm oil can improve the population welfare in Aceh, Indonesia.

The carrying capacity of the land has the potential to develop the plantation sector in this regency which is not only limited to oil palm plantations, but also coconut, clove, areca nut and nipa palm. As with the fisheries sector, the potential for plantations is so large that it has not yet been developed optimally. The ownership and processing of plantation land is still dominated by the private sector and the government has not yet collaborated with the private sector to participate in developing Aceh Singkil Regency. This has resulted in the existence of private plantations in this regency not being able to provide a significant contribution to the development and improvement of the welfare of the people in this regency.

Until now only the oil palm plantations are really seriously managed. Yet, oil palm plantations owned and managed by the community did not provide an optimal contribution to the welfare of the community. This resulted from the fact that the community could only sell crude palm oil to the private sectors. The government did not set a standard price for palm oil and the community also did not have an institution protecting the selling price of

their palm oil. So far, it has been the private sectors that regulate and manage the purchase price of palm oil. In addition to selling crude palm oil, the community actually had the opportunity to process palm oil liquid waste as biogas power plant, animal feed, and briquettes to improve their welfare. But keep in mind, that oil palm plantations have a time limit of 30 productive years. Therefore, the government needs to review the government policies to limit oil palm land clearing to protect land and ensure community welfare. This can be done by working on other potential plantations in this regency such as coconut, nipa palm, cloves and areca nut by the government, the community and the private sectors.

The lack of infrastructure, facilities for the development of the plantation sector such as road access and the absence of facilities for processing the plantation products and waste outside the private sector are the main obstacles in developing the local economy in this regency. Study by (Krishna & Kubitzka, 2021) also show that development of rural infrastructure can be instigated solely by the expanding plantation sector.

Besides, the lack of quality of human resources has not been addressed through the training needed by the community to develop the plantation sector. The existence of institution in the form of cooperative, *BUMkampung* is very necessary to control prices, process, develop and market people's plantation products. Likewise, the role of banks is needed to provide access to capital to develop the plantation sector.

Stakeholder Analysis

Stakeholders are parties, individuals or organizations actively involved in an activity or having an interest that is affected, either positively or negatively, on the implementation of an activity.

Stakeholder analysis is needed as an initial step/pre-condition before implementing the local economic development programs. This is to find out the parties directly involved and those affected by the implementation of local economic development policies as well as an illustration for the recommendations for the organizational structure of Forum for Economic Development and Employment Promotion (FEDEP).

Inventory of all stakeholders.

The results of observations and FGD showed that the identification of stakeholders both directly and indirectly

related to the development of local economists in Aceh Singkil Regency (Table 8).

The potential support for each stakeholder was analyzed for those to be developed and classified for strategy development. In large stakeholder communities, it is necessary to prioritize stakeholders to ensure efficient activities to communicate and manage their expectations. Stakeholder mapping (Table 8) shows that there are some direct effects regarding upgrading the local economy, such as local government, investors, banks, economic community, corporates, and small-medium enterprises (SMEs). On the other hand, higher education and NGO's had an indirect effect on the local economy. Study from Sina et al. (2019), collaboration between the local economic community, higher education, and non-governmental organizations is critical in order to create a sustainable welfare program.

Table 8. Stakeholder Mapping

Stakeholder	Effect		Interest/role	Impact
	Directly	Indirectly		
Government (Province – subregency)	V		Implementing government duties and functions	***
Bappeda			Performance accountability	
Disperindagkop				
Legislative Members (Dekranasda)	V		Legislation	***
			Budgeting	
			Supervision	
Investor	V		Investment	***
			Ease of facilities	
			Anticipation of policy	
Banking	V		Capital provider	***
BumKam	V			***
Economic community:	V	V	As an economist	***
Fishermen				
Palm oil farmers				
Tourists				
Craftsman				
Public figure			Conveyor of public aspirations	*
Corporate	V		A place to develop the economy	***
SMEs	V		As an economist	***
Higher Education		V	Research and development	*
NGO			Fighting for people's aspirations	**
		V	Social control of problems	
			Trainer	

Information: *: less influential **: influential ***: very influential

Table 9 shows that there are five categories of stakeholders estimated in the local economic development in Aceh Singkil Regency, namely the PIL (dominant), PI (powerful), P (dormant), I (marginal) categories and others. Included in the dominant category are 1) local government, 2) members of the legislature and 3) banking. Study by Abrahams (2018) in South Africa shows that local government is key to the

success of LED. Furthermore, a study by Cull et al. (2018) shows that the bank had an important part in surviving LED. Beside PIL category, investors, BumKam, corporate and SMEs categorize as PI (power and interest) to became part of successful LED in Aceh Singkil. Study by (Ayandibu & Houghton, 2017) showed that SMEs are given full concentration and also provide economic welfare.

Table 9. Stakeholders Analysis

Stakeholders	Strength		Interest		Legitimacy		Category
	Large	Small	Large	Small	Large	Small	
Government (Prov – Kelurahan)	V		V		V		PIL
Bapeda							
Disperindagkop							
Legislative Member (Dekranasda)	V		V		V		PIL
Investor	V		V			V	PI
Banking	V		V		V		PIL
BumKam	V		V			V	PI
Economic community:		V	V			V	I
Fishermen							
Palm oil farmers							
Tourists							
Craftsmen							
Public figure	V			V		V	P
Cooperative	V		V			V	PI
SMEs	V		V			V	PI
Higher Education	V			V		V	P
NGO		V		V		V	Others

Source: FGD

The function of stakeholder analysis in the local economic development is as input in the formation of economic development, which must consider the influence and interests of all existing stakeholders to better ensure the success and sustainability of Forum for Economic Development and Employment Promotion as the main subject and object of the region.

4. Conclusion

The local economic development is very important to be able to optimize

an area under development in the early stages of development. This is inseparable from the geographical position of Aceh Singkil which is far from the center of the provincial government and closer to the boundaries of the province of North Sumatra so that this area becomes an isolated area. This condition allows for the optimization of the sector which is the basis for the strength of the region and based on the LQ and SWOT analysis, there obtained three main sectors namely Agriculture, Forestry and Fisheries.

The dominance of influence in the local economic development has not yet reached the community but is still dominated by local governments, legislatures and banks. This result implies that theoretically there is no community economic independence so that the government, universities and NGOs have to try to assist the people of Aceh Singkil to be economically independent and not dependent on the three dominant stakeholders.

This study has not provided an in-depth analysis of how the people of Aceh Singkil can be empowered or independent, so that in the future, research is more directed at developing economic and social innovation so that a people's economy can occur.

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