

## STRATEGIC POLICY FOR THE DEVELOPMENT OF LEADING SECTORS OF RUPAT ISLAND AS AN INDONESIA- MALAYSIA BORDER AREA

Muslim<sup>1</sup>, Mahendra Romus<sup>2</sup>, M. Rachmadi<sup>3</sup>, Rony Jaya<sup>4</sup>, Riki Hanri Malau<sup>5</sup>, Muklis<sup>6</sup>,  
Mhd. Rafi<sup>7</sup>, Larbiel hadi<sup>8</sup>

<sup>1,4,7</sup>(Public of Administration Departments, Universitas Islam Negeri Sultan Syarif Kasim Riau, Indonesia)

<sup>2,3,6</sup>(Management Departments, Universitas Islam Negeri Sultan Syarif Kasim Riau, Indonesia)

<sup>5</sup>Corporate Management Departments Universitas Islam Negeri Sultan Syarif Kasim Riau, Indonesia)

<sup>8</sup>(Business of Administration Departments, Politeknik Bengkalis)

muslim.msi@uin-suska.ac.id

### *Abstract*

*The research aims to determine the center of growth and strategic policies in developing leading sectors on Rupert Bengkalis Island, Indonesia. The research method uses a mixed-methods approach: calculations and analysis using Klassen typology, in-depth interviews, and documentation. The research results show that the agricultural and fisheries sectors are the leading sectors on Rupert Island, especially Central Rupert of the Klassen typology, with an average growth rate of 0.32 and a contribution of 49%. The government's strategic policies include improving the quality of roads connecting bridges, improving infrastructure quality, and improving the welfare of farmers and fishermen.*

**Keywords :** *Strategic Policy; Development; Leading Sector; Rupert Island*

## INTRODUCTION

The concept of regional development is one of the right solutions to facing various challenges in development (Barca, F., McCann, P., & Rodríguez-Pose, A. 2012). The reason is that regional development means all stages of action taken and utilizing existing regional potentials with the aim of obtaining better regional order and conditions for the benefit of society (Dent, C. M., & Richter, P. 2011). Kriegler, E., O'Neill, B. C., Hallegatte, S., Kram, T., Lempert, R. J., Moss, R. H., & Wilbanks, T. (2012). Regional development is carried out to achieve regional development goals that include aspects of growth, equity, and sustainability that have dimensions of location in space and are related to socio-economic aspects of the region. For the village, concepts and ideas for regional development are really needed. It can be believed that the decentralization of authority and the availability of fund allocation will make it easier to explore regional potential and create a sector basis for economic activities (Kaundinya, D. P., Balachandra, P., & Ravindranath, N. H. 2009).

Lo, F. C., & Salih, K. (Eds.). (2013). identified three concepts of regional development, namely (1) the concept of growth. (2) integration of spatial functions; and (3) regional decentralized approach. It is clear that, in this regard, the autonomy possessed by the village will provide enormous space and opportunities for regional development. Villages are expected not only to become stabilizers or dynamists at the government bureaucratic level, but on a broader spectrum, villages should integrate spatial functions, especially in creating growth centers.

Recognition of "Otomoni Desa" has unwittingly brought about many significant changes. The current condition of the village is much more growing and developed. Villages are becoming increasingly phenomenal because, apart from being blessed with the authority to regulate and manage their government, villages also have the challenge of carrying out national development missions in order to improve the welfare of rural communities (Elhadi, L., & Rahman, M., 2023). Facing these problems, it is hoped that the village will be able to do a lot and improve its capabilities through important factors such as human resources being increasingly professional, established economic resources, accessibility to basic needs, and a strong socio-cultural resilience system. Apart from that, what also needs to be considered is that in the future, it is possible that villages will be faced with new challenges where there

will be competition between regions (Ruddle, K., Hviding, E., & Johannes, R.E. 1992). The village will definitely be brought into that constellation. Therefore, in order for the village to be able to overcome and realize its success in development, it is necessary to have local competitiveness and utilize regions and areas as a driving force for its economy.

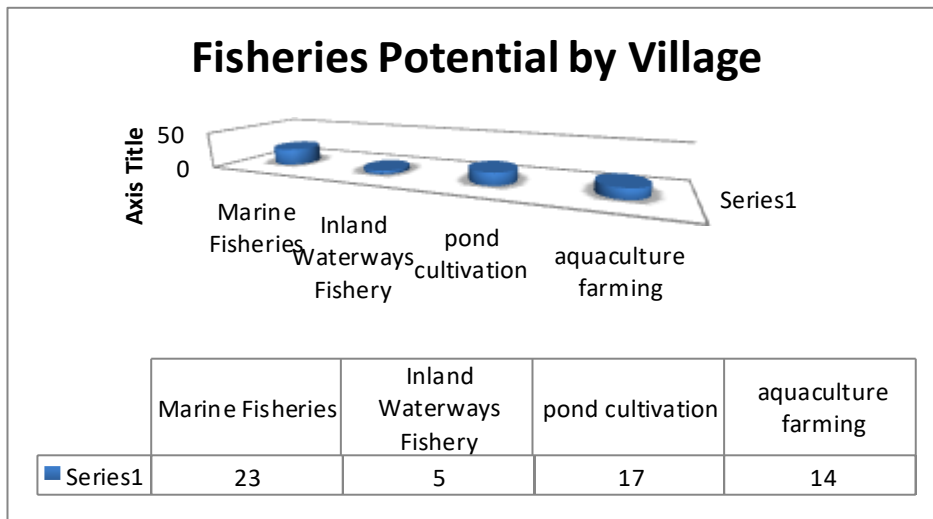
Moffitt, R. (1992). Sutikno, S., & Suliswanto, M. S. W. (2017) Whatever the impact or effect provided by the growth center, the most important thing is to improve the welfare of the community. This has become the mandate and agreement of the founding fathers, as stated in the 1945 Constitution and national development goals. Trickle-down effects, multiplier effects, and spread effects are impacts intentionally or unintentionally resulting from an activity in a development concentration area. In this context, if a village has potential dynamic sectors, it can become a center of growth (growth pole). Meanwhile, for others, namely the villages in the surrounding area (Hinterland), they will indirectly grow, develop, and integrate with each other as a result of the distribution of the villages at the center of growth. Therefore, in order for a development strategy like this to be realized, there needs to be a certain area that can be used as a growth center.

Rupat Island is the outermost island in the Indonesia-Malaysia border area. The border area is a showcase and representation of state sovereignty. If a border area does not get more attention from the government, it will certainly have a big impact, such as national disintegration and population migration, where border communities change their nationality as well as the value of the ringgit currency commodity among the community.

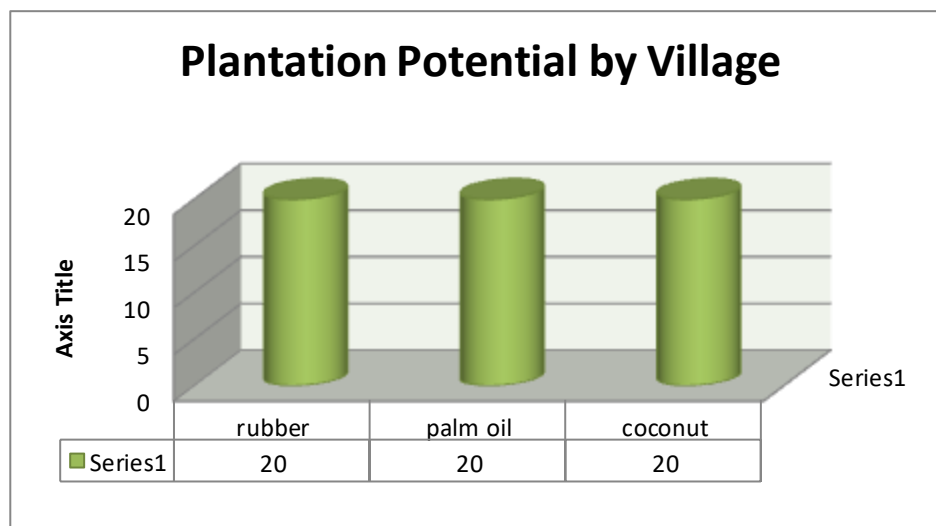
Rupat Island is an archipelago that is administratively under the government of Bengkalis Regency, Riau Province. Geographically, it is a cluster of islands in Sumatra, with territorial borders on the Strait of Malacca to the north and east, Bengkalis Island to the south, and Dumai to the west. The region has two sub-districts, namely the Rupert sub-district with 16 villages and sub-villages and the North Rupert sub-district consisting of 8 villages and sub-villages. The total area of the island is 1500 km<sup>2</sup>. To reach this area, sea transportation using speedboat and RORO services takes 2 hours from Bengkalis and approximately 30 minutes from Dumai.

Rupat Island has potential for fisheries, plantations, and food crop agriculture.

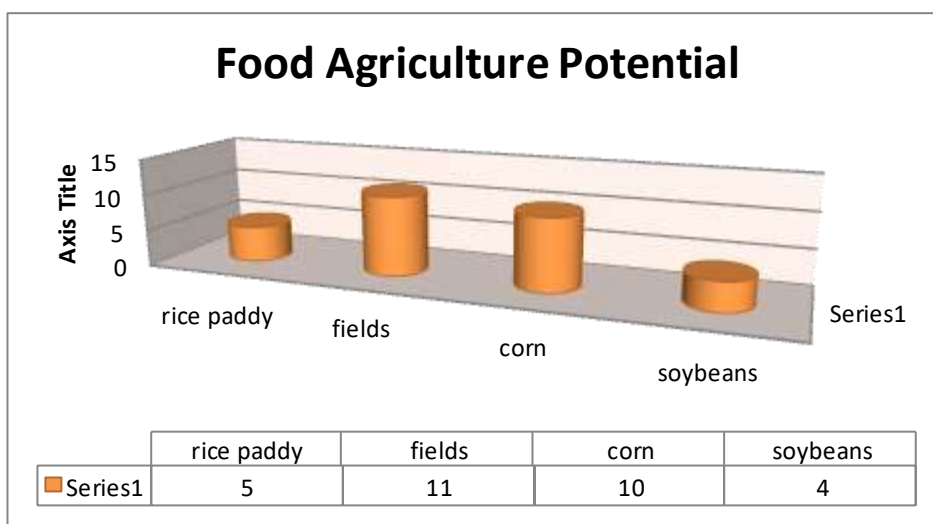
1.



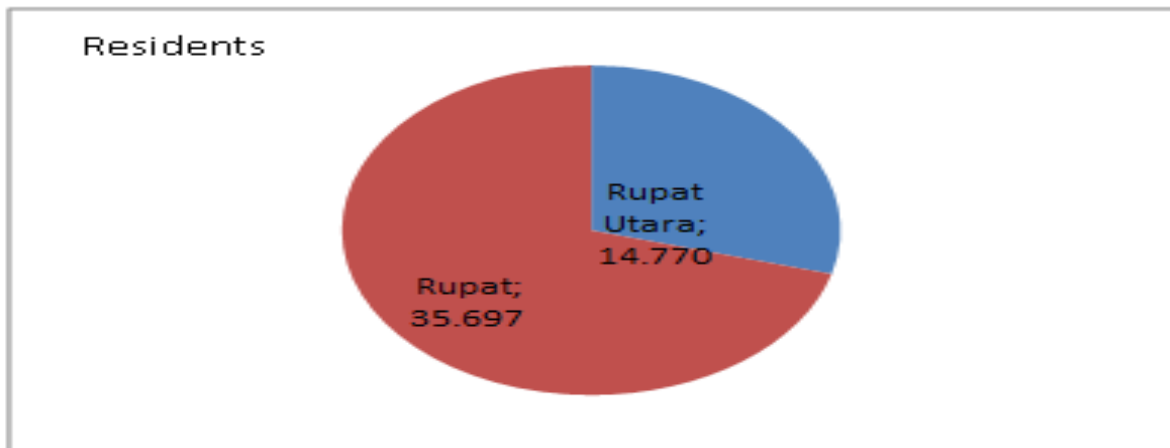
2.



3.



Based on population typology, the indigenous population comes from the Akit tribe, who have lived on the island since the 17th century. To date, the total population of Rupert Island (BPS, 2020) is 50,467 people spread throughout the island.



Looking at the overall potential of this region, starting from its strategic location and supported by economic potential, to form a growth center area. The existence of growth centers and border areas will be much more developed and have a broad impact on increasing economic mobility and community productivity.

## THEORIES

### Regional Development

The concept of regional development is one of the right solutions to facing various challenges in development (Barca, F., McCann, P., & Rodríguez-Pose, A. 2012). Regional development is carried out to achieve regional development goals that include aspects of growth, equity, and sustainability that have dimensions of location in space and are related to socio-economic aspects of the region. For the village, concepts and ideas for regional development are really needed. It can be believed that the decentralization of authority and the availability of fund allocation will make it easier to explore regional potential and create a sector basis for economic activities (Kaundinya, D. P., Balachandra, P., & Ravindranath, N. H. 2009). Lo, F. C., & Salih, K. (Eds.). (2013). identified three concepts of regional development, namely (1) the concept of growth. (2) integration of spatial functions; and (3) regional decentralized approach. It is clear that, in this regard, the autonomy possessed by the

village will provide enormous space and opportunities for regional development. Villages are expected not only to become stabilizers or dynamists at the government bureaucratic level, but on a broader spectrum, villages should integrate spatial functions, especially in creating growth centers.

Recognition of “Otomoni Desa” has unwittingly brought about many significant changes. The current condition of the village is much more growing and developed. Villages are becoming increasingly phenomenal because, apart from being blessed with the authority to regulate and manage their government, villages also have the challenge of carrying out national development missions in order to improve the welfare of rural communities (Elhadi, L., & Rahman, M., 2023). Facing these problems, it is hoped that the village will be able to do a lot and improve its capabilities through important factors such as human resources being increasingly professional, established economic resources, accessibility to basic needs, and a strong socio-cultural resilience system. Apart from that, what also needs to be considered is that in the future, it is possible that villages will be faced with new challenges where there will be competition between regions (Ruddle, K., Hviding, E., & Johannes, R.E. 1992). The village will definitely be brought into that constellation. Therefore, in order for the village to be able to overcome and realize its success in development, it is necessary to have local competitiveness and utilize regions and areas as a driving force for its economy.

## METHODS

### 1. Data Measurement Techniques

To determine the comparison of potential sectors or leading sectors in an area, the measurement uses the Klassen typology:

Contribution		Sectoral Growth	
Sectoral	$g_i > g$	$g_i \leq g$	
$s_i > s$	Advanced sectors and Growing rapidly	Advanced but depressed sector	
$s_i \leq s$	Potential or fast-growing sectors	The sector is relatively lagging behind	

Note :

- gi = sector growth in the area of analysis
- g = growth of the reference regional sector
- si = contribution of the regional sector of analysis
- s = contribution of the reference regional sector

## 2. Data Analysis Techniques

To analyze the data from this research, we used the mixed methods technique, which combines qualitative methods with quantitative methods together to obtain more comprehensive, valid, and objective data. The quantitative method is used to determine the leading sectors on Rupert Island, while the qualitative method is used to describe and analyze the strategic policy direction for the development of Rupert Island based on the leading sectors.

## RESULTS AND DISCUSSION

### 1. Klassen typology

Determining the leading sectors in Growth Center villages compared to other villages, the measurement uses the Klassen typology. Based on data from the Central Statistics Agency (BPS), several sectors are included in the leading sectors, including Agriculture, Forestry, and Fisheries; Mining and Excavation; Processing Industry; Procurement of Electricity and Gas; Water Supply, Waste, and Recycling Management; Construction; Wholesale and Retail Trade: Car and Motorcycle Repair; Transportation and Warehousing; Provision of Accommodation and Food and Drink; Information and Communication; Financial and Insurance Services; Real Estate; Corporate Services; Government Administration, Defense, and Mandatory Social Security; Education Services; and Health Services and Social Activities.

From the various sectors found in the villages in the Central Rupert Island area, they consist of:

- 1) Agriculture, Forestry, and Fisheries
- 2) Wholesale and retail trade;
- 3) Provision of accommodation and food and drink
- 4) and other services (tourism area, economic services, and activities).

From these leading sectors, the growth rate and contribution of each sector can be seen, as shown in the following table:

Table 2 Growth Rate and Contribution

Leading Sector	Growth (%)			$\bar{x}$	Contribution			$\bar{x}$
	2018	2019	2020		2018	2019	2020	
Agriculture, Forestry and Fisheries	0,43	0,31	0,23	0,32	49,4 %	48,7 %	48,9 %	49,0 %
Wholesale and Retail Trade	0,43	0,31	0,23	0,32	27,2 %	26,8 %	26,9 %	27,0 %
Provision of accommodation and food and drink	0,17	(0,14)	(0,20)	(0,06)	9,7%	7,8%	5,1%	7,5%
and other services	0,77	0,49	0,66	0,64	13,7 %	16,7 %	19,0 %	16,5 %

From the three leading sectors, the results were obtained through calculations using the Klassen typology, as shown in the table below:

Table 3 Leading Sector

Leading Sector	Bengkalis Regency		Region			Quadrant
	Growth $\bar{x}$	Distribution $\bar{x}$	Growth $\bar{x}$	Distribution $\bar{x}$	Note	
Agriculture, Forestry and Fisheries	0,09	58,7%	0,32	49,0%	Potential sector or can still develop rapidly	3
Wholesale and Retail Trade	0,01	38,2%	0,32	27,0%	Potential sector or can still develop rapidly	3
Provision of accommodation and food and drink	(0,08)	1,6%	(0,06)	7,5%	The sector is advanced and growing rapidly	1
and other services	(0,04)	1,5%	0,64	16,5%	The sector is advanced and growing rapidly	1



From the table above, we can see that the average growth in leading sectors in the Central Rupa Island area is such as Agriculture, Forestry, and Fisheries average growth of 0.32, compared to the average growth in Bengkalis Regency of 0.09. It is known that the average growth value in the Central Rupa Island area is greater than the average growth in Bengkalis Regency ( $0.32 > 0.09$ ). Meanwhile, the distribution is smaller than Bengkalis Regency ( $49.0\% < 58.7\%$ ), leading to the conclusion that the Agriculture, Forestry, and Fisheries sectors are located in quadrant 3, where these sectors are potential sectors or can still develop rapidly. Agriculture, forestry, and fishing in the Central Rupa Island area are the leading sectors. Every village has extensive agricultural land and plantations with rubber and oil palm plants. Meanwhile, in the fisheries sector, in addition to the large fish potential with high selling value, in the Central Rupa Island area, the community is currently investing in shrimp ponds. Wholesale and retail sales have an average growth of 0.32 compared to the average growth in Bengkalis Regency of 0.01. It is known that the average growth value in the Central Rupa Island area is greater than the average growth in Bengkalis Regency ( $0.32 > 0.01$ ). Meanwhile, the distribution is smaller than Bengkalis Regency ( $27.0\% < 38.2\%$ ), leading to the conclusion that the wholesale and retail sectors are located in quadrant 3, where these sectors are potential sectors or can still develop rapidly. Provision of accommodation and food and drink growth is -0.06 compared to the average growth in Bengkalis Regency of -0.08. It is known that the average growth value in the Central Rupa Island area is greater than the average growth in Bengkalis Regency ( $-0.06 > -0.08$ ). Meanwhile, the distribution is greater than Bengkalis Regency ( $7.5\% > 1.6\%$ ), leading to the conclusion that the Accommodation and Food and Drink Provision sector is located in quadrant 1, where this sector is a developed sector and is growing rapidly. Minus growth was caused by the impact of the COVID-19 pandemic, reduced visits to Rupa Island due to the PSBB, PSBM, and PPKM policies, and the non-operation of Roro from Dumai to Rupa Island, which had an impact on the accommodation and food and drink sectors in the form of hotels, homestays, and restaurants in the Central Rupa Island area. Other services growth was 0.64, compared to the average growth in Bengkalis Regency of -0.04. It is known that the average growth value in the Central Rupa Island area is greater than the average growth in Bengkalis Regency ( $0.64 > -0.04$ ). Meanwhile, the distribution is greater than Bengkalis Regency ( $16.5\% > 1.5\%$ ), leading to the conclusion that the other services sector is located in quadrant 1, where this sector is a developed sector and is growing rapidly.

## 2. Strategic Policy

The strategic policies of Bengkalis Regency can be seen in the Regional Long Term Development Plan (RPJPD) of Bengkalis Regency for 2005–2025 as well as in the Regional Medium Term Development Plan (RPJMD) of Bengkalis Regency for 2016–2021. In this plan, the vision and mission are stated. The vision of Bengkalis Regency is the realization of Bengkalis Regency as a model for a developed and prosperous country in Indonesia.

The word "advanced" means a fundamental change in the performance behavior of regional government, which is marked by an increase in the community satisfaction index, an increase in regional competitiveness, and real economic growth from conditions in the previous period in Bengkalis Regency. It is also marked by strengthening regional fiscal capacity, which can support increased development of inter-connectivity in the region, improving environmental conditions, and accelerating regional development.

To achieve this vision, Bengkalis Regency has formulated a mission as follows:

- 1) The realization of a government that is authoritative, transparent, and responsible and can carry out leadership wisely, bravely, and sincerely
- 2) Realizing the management of all regional potential and human resources to make the people prosperous
- 3) Realizing the provision of quality infrastructure for the welfare of the people.

In order to make Bengkalis Regency a developed and prosperous country, Bengkalis Regency will be divided into four special development activity centers, namely:

Main gate. Focus on making Bengkalis Island a government center, an integrated education center, and a Serumpun Malay Cultural Development Center, Admiral's Gate. Focus on making Bukit Batu District and Siak Kecil District a Religious Tourism Industry Zone, Export-Import Port, Modern Agriculture, Plantation, and Livestock Development Center that is pro-people. Jewel Gate. Focus on becoming Mandau and Pinggir Districts as Centers for Industrial, Mining, Trade, Employment, Livestock, Agriculture, and Plantation Development. Coastal Gate. Focus on making Rupert Island a leading center for regional tourism, plantations, animal husbandry, maritime affairs, and fisheries.

From this mission, it can be seen that the Rupert Island area was planned and made into a Regional Center of Excellence for Tourism, Plantations, Livestock, Maritime Affairs, and Fisheries with the motto Coastal Gate Development Activity Center. Policies that were born include:

Table 4 Policy

Strategy	Policy Direction	Goal	Target
Improving the quality of roads and bridges connecting sub-districts and villages	Carry out maintenance, including upgrading the class of roads and bridges	Increasing Regional Accessibility	Improving the Quality of Regional Infrastructure
	Striving to improve the status of district roads and bridges to become provincial and national roads and bridges.		
Provision and management of transportation infrastructure and facilities	Preparing port/terminal infrastructure in accordance with regional transportation needs	Increasing Regional Accessibility	Improving the Quality of Regional Infrastructure
	Harmonize the management of river and inter-island transportation with various parties		
	Carrying out security arrangements and orderly transportation with various parties		
Increasing Primary Sector Economic Growth	Increasing productivity and added value of local food and horticultural crops	Increasing regional economic growth	Increasing Regional Economic Performance
	Spread livestock and fisheries production of important commodities.		
	Carrying out the development of oil palm and non-oil palm plantation production		
	Implement a pattern of extensification and intensification of plantations with land area of less than 2 hectares		
Secondary Sector Economic Development	Carry out harmony and cooperation in tourism development	Increasing regional economic growth	Increasing Regional Economic Performance
	Carry out a harmonious increase in creativity and productivity of small industry players		
	Carry out the growth of micro and small businesses in the non-industrial category		
Increasing farmer welfare	Carrying out harmonious improvement in the quality of farmer groups, fishermen, cultivators and	Increasing regional economic	Increasing farmer welfare

	livestock breeders	growth	
	Improving harmony in improving the quality of plantation owners of less than 2 hectares		
	Utilize mangrove areas for the benefit of low-income coastal fishermen		

### CONCLUSION

The agriculture and fisheries sector is the leading sector on Rupat Island, especially in Central Rupat. This conclusion was obtained from the Klassen typology calculation, with an average growth rate of 0.32 and a contribution of 49%. The strategic policies set by the government, especially the regional government of Bengkalis Regency, are: Improving the quality of roads and bridges connecting sub-districts and villages, as well as providing and managing transportation infrastructure and facilities, This policy aims to increase regional accessibility with the target of improving the quality of regional infrastructure. Increasing primary sector economic growth and secondary sector economic development This policy aims to increase regional economic growth. Increasing the welfare of farmers with the policy direction of increasing harmony in improving the quality of plantation owners of less than 2 hectares, carrying out harmony in improving the quality of groups of farmers, fishermen, cultivators, and livestock breeders, as well as utilizing mangrove areas for the benefit of low-income coastal fishermen This policy aims to increase economic growth in regions by improving the welfare of farmers and fishermen.

### REFERENCES

Barca, F., McCann, P., & Rodríguez-Pose, A. (2012). The case for regional development intervention: place-based versus place-neutral approaches. *Journal of regional science*, 52(1), 134-152.

Dent, C. M., & Richter, P. (2011). Sub-regional cooperation and developmental regionalism: The case of BIMP-EAGA. *Contemporary Southeast Asia*, 29-55.

Elhadi, L., & Rahman, M. (2023). Penguatan Entitas Desa Sebagai Pusat Pertumbuhan (Growth Pole) Ekonomi Di Kawasan Pulau Rupat Kabupaten Bengkalis Riau. *Jurnal EL-RIYASAH*, 14(1), 30-43.

- Kaundinya, D. P., Balachandra, P., & Ravindranath, N. H. (2009). Grid-connected versus stand-alone energy systems for decentralized power—A review of literature. *Renewable and sustainable energy reviews*, 13(8), 2041-2050.
- Kriegler, E., O'Neill, B. C., Hallegatte, S., Kram, T., Lempert, R. J., Moss, R. H., & Wilbanks, T. (2012). The need for and use of socio-economic scenarios for climate change analysis: a new approach based on shared socio-economic pathways. *Global Environmental Change*, 22(4), 807-822.
- Lo, F. C., & Salih, K. (Eds.). (2013). *Growth pole strategy and regional development policy: Asian experience and alternative approaches*. Elsevier.
- Moffitt, R. (1992). Incentive effects of the US welfare system: A review. *Journal of economic literature*, 30(1), 1-61.
- Ruddle, K., Hviding, E., & Johannes, R. E. (1992). Marine resources management in the context of customary tenure. *Marine Resource Economics*, 7(4), 249-273.
- Sutikno, S., & Suliswanto, M. S. W. (2017). The impact of industrialization on the regional economic development and community welfare. *Signifikan-Jurnal Ilmu Ekonomi*, 6(2), 231-246.