SPATIAL DIMENSIONS IN DEVELOPMENT STRATEGY OF INDONESIA

Syafwandi¹, Ken Martina Kasikoen², Tuty Rosyaty³, Saprudin⁴, Henky Hendrawan⁵, Dan Syafiadi Rizki Abdila⁶

¹,³,⁴,⁵ Menarasiswa College of Administrative Sciences, Bogor, Indonesia
² Mercubuana University, Indonesia
⁶ School of Materials Engineering, University Malaysia Perlis, Malaysia

Email: ¹syafwandi@menarasiswa.ac.id; ²ken.martina@esaunggul.ac.id;
³tuty.rosyati@menarasiswa.ac.id; ⁴saprudin24bgr@menarasiswa.ac.id;
⁵hendrawan16@gmail.com; ⁶rizkisyafiadi@gmail.com

Abstract: The article proposes a development strategy consisting of a public investment program designed to promote a progressive downward shift in the agricultural-domestic sector supply curve. The argument favoring the approach lies in creating a domestic mass market for industrial products through the relationship between intermediate and final demand. Another factor is the impact of its distribution, which causes an increase in the supply of wage goods and the income of poorer members of society. The proposed strategy is a growth and employment program. It is because agriculture is considered more labor-intensive than manufacturing, food security and income distribution programs, and industrialization programs.

Keywords: Growth pole, growth center, decentralization, dualistic dependency

I. Introduction

There have been attempts to look for new rules in development planning in the last few years. The old rules of thought are no longer convincing. The old idea holds that happiness and a sense of well-being in humans come naturally, which stems from the persistence in pursuing economic growth caused by industrial development's fast pace. Furthermore, it believes that rapid industrial growth can be accommodated most efficiently in several city centers. Then, the benefits will spread to all corners of the national territory from there. A planning center regulating and harmonizing activities can plan economic growth, industrial and urban development. Coordinated planning is a technical task that can be accomplished using complex econometric models combined with state-of-the-art administrative systems (Friedmann and Douglass, 1975).

Friedman and Douglass's criticism is based on their observations in developing countries that use growth poles, with centers, in their development strategies. The strategy focuses on creating economic activity centers in several cities, which are expected to trickle down the surrounding areas.

The issue that will be raised in this paper is to what extent does the growth pole strategy impact regional development?
II. Literature Review

History of the Pole of Growth Concept
According to Miyoshi (1997), the Pole of Growth history concept consists of several stages. The first stage is the birth of the growth pole concept. The second stage is applying the growth pole concept geographically, and the third stage is the concept of growth pole as the cause of regional imbalance. Lastly, the fourth stage is towards improving the idea of the growth pole.

Perroux built the concept of growth pole in 1955. The idea originated from agglomeration factors and previous location theories (Glasson-Sitohang, 1977), based on macroeconomic theory. Therefore the primary basis was the concentration of economic growth in a specific space (previously described by Perroux in the abstract area).

The previously emerged spatial structure model, the central place theory, had drawn criticism, and the concept of the growth pole was the answer to criticism of the central place theory. In practice, the growth pole concept tended to develop further than its theoretical basis. The concept of growth pole developed rapidly and was used as a basis for policymaking (called a growth pole strategy) in developing and developed countries in the 1960s, which was implemented and discussed seriously in the 1970s (Miyoshi 1997).

In the second stage, the growth pole concept emphasized applying the growth pole concept in regional planning, discussed in various articles. Economists who have examined a lot about growth poles and linked them to regional planning include Boudeville, Hirschman, and others. According to Boudeville (Miyoshi 1997), the definition of growth pole is a set of expanding industries located in an urban area, which leads to further development of economic activity through the influence of its zoning. Friedmann (1966) proposes the application of the regional development model in America to all developing countries. It means that many developing countries also follow the concept of growth pole in the world. Gore (1984) concludes that regional economists in the 1960s related to the growth pole concept believe that growth occurred gradually. They think that the growth pole strategy can achieve various regional policy objectives and that the relationship between regions can be empirically proven.

In the third stage, several regional economists explained that the growth pole concept was the cause of regional imbalance. Stohr and Todtling (1977) compile a case study and conclude that a growth pole strategy could not bring development to its hinterland. The strategy may be successful in reducing interregional disparities, but the spread effect on the surrounding areas is fragile, even causing intra-regional inequality. The opinion of Stohr and Todtling is supported by Polenske (1988), who explains two ideas of growth pole theory, which state that the domination of specific companies is a positive factor in the development process. It is needed to help a large number of residents. Therefore, dependency theorists argue that domination brings about the takeover of surplus products in an area that is not used by the local population for capitalists.

After many criticisms were leveled against the concept of growth pole in the fourth stage, several regional economists made various improvements and support for this concept. Richardson and Richardson (1974) state that the disappointment with growth center policies in many countries is not evidence that the polarization principle is wrong. It is because there are excessive optimism and a short time in applying this concept. Higgins (1988) states that the growth pole strategy is not the Perroux theory's fault, but the error of a version that reverses the theory's application through these scientists' scientific disciplines.
The Development Concept of the Growth Pole

Perroux argues that the basic fact of spatial development and industrial development is that growth does not occur anywhere, nor does it coincide. The increase occurs at points or poles of development, with varying intensity. Then, the development spreads along various channels with varying effects on the whole economy (Glasson - Sitohang, 1977).

Perroux also indicates that development must be caused or caused by a specific concentration (agglomeration) for economic activity in an abstract space (Miyoshi, 1997).

Boudeville defines the growth pole as the group of expanding industries located in an urban area and encouraging further development of economic activity throughout its area of influence (Glasson - Sitohang, 1977). He also developed the growth pole concept as an operational planning model, which explains the creations of growth in areas that give rise to polarized regions.

According to Glasson (Glasson - Sitohang, 1977), basic economic concepts and geographic development related to growth pole theory are as follows:

a) The concept of leading industries and propulsion companies states that large companies, which are parts of leading industries, dominate other economic units at the center of the growth poles.

b) The concept of polarization states that leading industries' rapid growth drives polarization and other economic units into the growth poles.

c) The concept of the spread effect or trickling down effect states that the dynamic propulsion industry from the growth poles will spread out and enter the surrounding space at the appropriate time.

Application of the Concept of a Growth Pole in Indonesia

Indonesia also adopts the growth pole concept as its regional development strategy. The impact is the formation of mega-urban in various areas that are difficult to curb, such as Jabodetabek, the Gerbang Kertasusila, and others. The next problem occurs regional imbalances, especially in terms of welfare between the main cities and the surrounding areas. Therefore, there is a tendency for people to move closer to the potential sites or sources of livelihood.

III. Research Method

The author uses secondary data from various related institutions and literature studies that previous researchers have conducted. Then, the authors perform data processing and analysis to get the sitesis from the secondary data research results. The author uses a qualitative descriptive method in this study.

IV. Discussions

Since the end of the second world war, social and economic development has become an essential issue in almost all nations. It has long been recognized that today's developed countries' development results from the accelerated continuation of life patterns and work from before the war. Development is gradually eliminating several socio-cultural factors, followed by complicated efforts to adapt to new situations, technologies, and organizational work methods for developing countries, including Indonesia. Selo Soemardjan identifies several imbalances in
the development process in Indonesia, namely: (1) ideological inequality, (2) organizational inequality, (3) structural inequality, and (4) geographical inequality in the development efforts. Selo Soemardjan's study of interesting development reminds us of the need to revisit the development process running for about three decades. Several considerations that require us to review the development strategy so far have been put forward by Friedmann and Douglass (1975). According to these two experts, the development strategy adopted by developing countries in Asia (including Indonesia) has been trapped in a state of dualistic dependency. From a vertical perspective, the dualistic dependency structure is contradictory in that the corporate sector dominates the traditional household sector. The urban elite rules the proletariat. The urban sub-proletariat growing in number includes even a large number of rural peasants and landless farmworkers.

The dualistic dependency arrangement is reflected in a small number of core areas that control economic development in the surrounding areas from the spatial aspect. But dualistic dependency is also a certain way that attracts and spurs the national economy into the world capitalist system. The vertical elements of corporate production, urban elites, and capital-intensive technology are primarily concentrated in the core areas, which play two roles. On the one hand, the area is the meeting point around the world capitalist system. On the other hand, the core area controls and exploits the surrounding area.

Seeing the phenomenon, it becomes interesting to look at Indonesia's development process over the past three decades. How the process occurs and whether Friedmann and Douglass's thesis applies to the development planning process itself compels us to examine it from various aspects. It can be seen that the development planning process in Indonesia is inseparable from domestic political turmoil from a historical part.


The first phase in Indonesia's development period (1955-1960) was marked by a strong desire to rehabilitate the national economic system. The political shocks experienced before have hardly given the republican leaders a chance to think about development planning. The agriculture, energy, industry, transportation, and education sectors received significant attention, respectively receiving a budget allocation of 12%, 24%, 29%, 25%, and 10% of Rp.12,225 billion total budget. Industrial development was centered in Java, Sumatra, and Kalimantan. Meanwhile, the agricultural sector was being promoted, among other things, to meet domestic consumption needs and increase export capabilities. The agricultural irrigation sector's development allocations were centered on Java and Sumatra, Jatiluhur and Karangkates in Java, Way Seputh in Lampung, and the Asahan project in North Sumatra Seen from the spatial aspect.

The eight-year development plan showed the second phase of Indonesia's development process (1961-1968), which essentially the continuation of the development process five years earlier. The concentration of the industrial allocations was still in Java and Sumatra. However, the orientation of industrial development in Java was directed at making the most of the workforce possible. Outside Java, industrial development was attempted to process the natural resources available in the area. Interestingly, this period was the attention to regional development with the formation of the Regional Development Coordination Agency in 1963. Political shocks in this
period greatly affected the course of development plans so that many industrial centers that had been planned could not be realized. In the end, the Agency alone could not function.

The explanation above shows that there has been attention to regional development during the two periods of Indonesia's development planning. Growth centers were created gradually and in rotation, starting from Java, followed by Sumatra, Kalimantan, and Sulawesi. Again, political instability is a very constraining factor. The rebellion of the 30 September Movement / Indonesian Communist Party was the culmination of a political crisis and was the starting point for a new development strategy era. It began with the Five Year Development Plan I, which focused on agriculture, and Five Year Development Plan II, balancing the industrial sector. In Five Year Development Plan III, we see sufficient attention to equalizing development results through the development trilogy.

The Five Year Development Plan I, 1969-1974, was marked by a strong desire to improve the national economic situation. It was indicated by the decline in inflation from 600% to 8%. Development planning pays excellent attention to improving infrastructure, increasing food and clothing production, public housing, increasing job opportunities, and the New Order mental-spiritual reformation program to support this endeavor. The great attention given to the agricultural sector can be seen from the allocation of builders to this sector which reached 30.12%. Meanwhile, industry and mining only got 12.29%, and rural development programs 4.72%. The telecommunication and tourism sector showed a higher budget figure of 21.72%.

The industrial sectors being developed can support agricultural development, including the fertilizer industry, the pesticide industry, the farm equipment industry, and other production means. The effect of the industry is carried out in a location close to raw materials and service facilities. The implementation is developing several agricultural industries in North Sumatra, South Sumatra, West Java, East Java, and Sulawesi. Regional development breakthroughs through the Presidential Instruction project, including Presidential Instruction for Provinces, Districts, and innovation funds for each village.

The Five Year Development Plan II, 1974-1979 showed the attention to regional development, which was seen by regionalization as the organizational foundation for sectoral development orientation. In this framework, a Regional Development Planning Agency (BAPPEDA) has also been established in each province to support the concept of integrated regional development.

The regionalization, which was initiated in 1974, divides 26 provinces into four main development areas, as listed in table 1.

From table 1 it can be described the regionalization of development in Indonesia as follows:
1. Region A, with terrain as its center, includes development area I (Aceh and North Sumatra) and development area II (West Sumatra and Riau).
2. Region B with Greater Jakarta as its center. It includes development area III (Jambi, South Sumatra, and Bengkulu Provinces), development area IV (Lampung Province, Greater Jakarta, West Java, Central Java, and Yogyakarta), and development area VI, which only covers provinces of West Kalimantan.
3. Region C with Surabaya as the center covers development area V (East Java and Bali) and development area VII (Central Kalimantan, South Kalimantan, and East Kalimantan).
4. Region D with Makassar as its center includes development area VIII (East Nusa Tenggara, South Sulawesi and Southeast Sulawesi), development area IX (Central Sulawesi and North Sulawesi), and development area X (Maluku and Irian Jaya).
TABLE 1. Regionalization of Development Areas in Indonesia.

<table>
<thead>
<tr>
<th>No.</th>
<th>Region</th>
<th>Regional Development Center</th>
<th>Development Area</th>
<th>Development Area</th>
</tr>
</thead>
</table>
| 1   | Region A | • Medan | • Aceh  
• Sumatera Utara | I  
• Sumatera Barat  
• Riau |
|     |         | • • |  | II  
| 2   | Region B | • Jakarta  
• Jambi | • Sumatera Selatan  
• Bengkulu | III  
• Lampung  
• Jakarta  
• Jawa Barat  
• Jawa Tengah |
|     |         |  |  | IV  
• Kalimantan Barat |
| 3   | Region C | • Surabaya | • Jawa Timur  
• Bali | V  
• Kalimantan Tengah  
• Kalimantan Timur  
• Kalimantan Selatan |
|     |         |  |  | VII  
| 4   | Region D | • Ujung Pandang | • NTB  
• NTT  
• Sulawesi Selatan  
• Sulawesi Tenggara | VII  
• Sulawesi Tenggara  
• Sulawesi Selatan  
• Maluku  
• Irian Jaya |
|     |         |  |  | IX  
|     |         |  |  | X  |

Source: Processed from Five Year development Plan II 1974.

The regionalization is based on the criteria of (1) the existence of proximity (continuity), (2) the potential of natural resources and conditions of development problems that are relatively the same, and (3) the existence of linkages in socio-economic activities so that there is an equal need for infrastructure facilities. The regionalization has encouraged cooperation between the Regional Development Planning Agency in carrying out integrated planning under the National Development Planning Agency's guidance. The difficulty faced lies in the unpreparedness to coordinate regional planning administratively and autonomously. There is a tendency to centralize planning to become stronger, and regional planning autonomy decreases simultaneously.

The Five Year Development Plan III, 1979-1984, showed several visible socio-economic implications, including uneven development between regions. It can be seen from (1) the level of gross demographic production per capita and variations in the coefficient of national income, (2) the economic structure of each province seen from a national scale, and (3) the index of urban areas in each development area (Soegijoko, 1975).

Attention to regional disparities seems to attract the attention of planners and policymakers. Hadjisaroso (1980) argues the need for fairness in national and regional development structures to balance regional growth rates. According to Hadjasaroso, distribution services with high density also increase convenience for people to get their goods. It will invite high technology transportation which provides opportunities for the development area node (SWP). It advantageously will have a vast influence on the surrounding area. There are a relationship and interdependence between the size of the SWP and the high level of convenience.
There are efforts to enable the functioning of the Regional Planning and Development Bodies in each province at the same level of duties and responsibilities. The growth center's function is likely to have been gradually eliminated by focusing on sectoral development planning following the region's basic needs.

The implementation of the Five Year Development Plan VI was highly dependent on the political and economic situation. It is interesting to see that the industrial sector received attention after the agricultural sector. Then, it appears that there is a strong focus on the human resource aspect through increasing budgets in the education sector. All of this was pursued as an effective way to take Indonesia off.

The National Development Program (Propenas), which has been implemented since the Habibie era, is still very dependent on its political economy. However, what is interesting about this program is that the human resources' level of professionalism has emerged to organize the country. The industrial sector continues to receive prominent attention in addition to the agricultural industry. Indonesia is expected to reduce the unemployment rate and its dependence on foreign loans to further encourage regional economic development with the National Development Program.

V. Closing

Conclusions

After examining the development process in this country from time to time, the authors can formulate the following conclusions:

1. Attention to the spatial dimension has colored the development planning climate since 1955, with growth centers being Java, Sumatra, and Kalimantan. It appears that the development orientation at that time is towards the Growth Pole Concept through the development of lighthouse projects in the mining and agricultural industries.

2. The development orientation at the beginning of the New Order government until Five Year Development III tended to be Functional Spatial Integration. The presence of regional development and regional development breakthroughs through the Presidential Instruction shows it. However, the use of the concept has created more regional disparities. The symptoms can be seen from the failure to trickle down the surrounding area's effect at each growth center. The current trend of eliminating regionalization in Indonesia's development planning strategy should be seen as a temporary answer to the previous planning concept's failure.

Suggestions

1. Re-assessment of the development planning strategy is recognized as a necessity. However, shifting the strategic direction towards an agriculture-metropolitan approach will experience structural obstacles. Cities have become centers of growth, while interdependent urban hierarchies have been formed and have created increasingly regional disparities as a whole. The political effort to solve this problem is none other than the courage to develop oneself to create planning autonomy for each province to grow and develop according to its natural wealth.

2. The development strategy proposed in the paper consists of a public investment program that is engineered to progressively shift the supply curve of the domestic agricultural sector downward. The arguments to support this strategy lie in the effects of the massive expansion of the domestic market for finished goods and the impact on income distribution by
increasing the supply of goods for mass needs and the poor's income in society. The proposed strategy consists of various growth programs. The first is labor absorption programs, by enhancing the agricultural sector's role, which is more labor-intensive than capital-intensive industries. The second program fulfills basic human needs, food safety programs, income distribution programs, and industrialization programs.

References