

Model of the Relationship of Cooperation Between Local Government to Increase Seaweed Exports

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Abstract: The purpose of the research was to design a model for cooperation between local governments in order to improve the competitiveness of the export of seaweed in the province of South Sulawesi. This research was conducted in the province of South Sulawesi by taking a sample in two districts with consideration of the areas as producers of seaweed and they were categorized high, medium and low. Taking a sample of two local seaweed-producing districts is expected to produce a formula of cooperation between the regions. The policy of cooperation between the governments would be able to make seaweed commodities compete with other countries. The competitiveness can be sustained because of the support of all parties, especially from several levels of local governments jointly collaborating to design policies and strategic steps to boost the competitiveness of seaweed exports.

Key words: South Sulawes, commodities, cooperation, local government, seaweed

INTRODUCTION

The acceleration and strengthening of the economic development of a region depends on the excellence and strategic potential of the region itself. However, great potential will not succeed to become a competitive edge when the government as responsible for the success of development in the region is not able to design policies effectively. The policy in question is their effort to overcome the various problems faced by seaweed farmers to increase exports to various designated countries. The policy of cooperative relations among local governments (intergovernmental cooperation) could be a solution to various problems between regions (Agranoff and Robert, 1986; Conlan and Paul, 2008) especially in empowering the community to participate in improving the efficiency and effectiveness of resource utilization in order to create development that is harmonious, aligned and balanced, appropriate positions, roles and functions with due regard to the principles of democracy, diversity of potentials of each within an integrated management (Agranoff and Robert, 1986).

In order for cooperation among the regional governments to be achieved, the policy is needed to coordinate activities between one or more local governments. Cooperation among governments at the local level will also be the arrangement of two or more of governments to achieve common goals, provide services or resolve problems together (Anderson, 2003).

Purpose of research: The purpose of the research was to design a model for cooperation between local governments in order to improve the competitiveness of the export of seaweed in the province of South Sulawesi.

Benefits of research: The policies facilitating cooperation between regional governments allow farmers to no longer fend for themselves in improving the export competitiveness of seaweed but instead get support from local authorities, either in the form of policies, strategies and infrastructure as integral parts of the government function as fair and decent service provider to the public. Farmers will not be able to do it without the support of local governments due to various inherent disadvantages of seaweed farmers. Therefore, the policy of cooperation between the governments would be able to make seaweed commodities compete with other countries.

The competitiveness can be sustained because of the support of all parties, especially from several levels of local governments jointly collaborating to design policies and strategic steps to boost the competitiveness of seaweed exports.

MATERIALS AND METHODS

In South Sulawesi, seaweed cultivation has a strategic economic potential deserving special attention. Seaweed has become one of the superior commodities

cultivated in different districts of the province. Of the 24 districts in the province of South Sulawesi, there are 17 districts that grow seaweed. From 2002-2007, seaweed production constituted 54.12% of all farming commodities in South Sulawesi with total productions of 461,593 tons (2008); 627,383 tons (2009) and 815,777 tons (2010) (BPS, 2010). Until now, South Sulawesi is the province with the highest seaweed production in Indonesia where the production of the year 2012 reached 1,774,247 tons. South Sulawesi seaweed exports have penetrated 21 countries on all continents since the first half of 2005 with a total volume of 12,900 tons worth US \$4.8 mln. (BKPM, 2013). This research was conducted in the Province of South Sulawesi by taking a sample in two districts with consideration of the areas as producers of seaweed and they were categorized high, medium and low. Taking a sample of two local seaweed-producing districts is expected to produce a formula of cooperation between the regions.

Respondents in the study were selected purposively, i.e., they are considered to have competence in relation to building a model of cooperation between governments and the seaweed cultivating business people in the province of South Sulawesi. Such determination was based on the assessment of the experts (or the researchers themselves) for a particular purpose or a particular situation. The informants in this study are: the district chiefs; officials and employees of the Ministry of Marine and Fisheries; the members of the legislature; employers of seaweed cultivation and the seaweed farmers.

RESULTS AND DISCUSSION

The concept and theory of cooperation among local governments (intergovernmental cooperation) is an expanded concept of intergovernmental relations and intergovernmental management developed in the study of decentralization (local autonomy) focused on each activity or interaction among governmental units; allocation decisions are based on what and who is involved and the consequences of those actions (Agranoff, 1986; Anderson, 2003; Conlan *et al.*, 2008; Edner and Sheldon, 1976). The integration of the concept becomes three basic references in drafting the model of cooperation between regions that have a high level of effectiveness in achieving the objectives of cooperation.

Conceptually, cooperation between the regions explains how regional administrations can be more effective and efficient in conducting collective action and become effective in eliminating managerial fragmentation

in governance so as to create equity in development. The process of achieving through cooperation has been conducted since the beginning of the management process and act together (Agranoff, 1986; Anderson, 2003). Thus, intergovernmental management is an integrated management controlled together in the face of complexity that occurs (Agranoff and Robert, 1986). In order for the seaweed export competitiveness strategy to be sustained, it will require the support of interregional cooperation policies. Cooperation between governments is intended to reduce regional disparities, reduce conflict, improve service, empower community participation and improve the efficiency and effectiveness of resource use to realize the construction of the harmonious, balanced and appropriate positions, roles and functions with regard to democratic principles, the diversity of the potential of each within an integrated management.

According to Henry (2004) the theoretical reference used in building models of cooperation between the local governments in improving the competitiveness of the export policy of seaweed in the province of South Sulawesi is a model of cooperation between governments. A partnership model between local governments in policies for enhancing export competitiveness of seaweed in the province of South Sulawesi include: a joint service agreement; intergovernmental transfer services and pattern of inter-localism.

The policy is to form cooperation relations between the regional government, allowing farmers to no longer fend for themselves in improving the export competitiveness of seaweed but getting support from local authorities in any form of policy, strategy and infrastructure as an integral part of the function of the service provider to the public of quality and justice by giving strategies and facilities as an integral part for the service provider to give to the public with quality and fairness.

Understanding Public Private Partnership (PPP) according to the United Kingdom Foreign and commonwealth office is a per-appointment contract between a political entity and a private entity which will be shared assets and the ability of each party to operate a facilities or services in a fairly long period of time, i.e., 20-30 years or more.

Based on the concepts and theories of cooperation between the local governments in improving the competitiveness of the export policy of seaweed in the South Sulawesi province, the reseachsrs describe the state of the art research (Fig. 1 and Table 1).

Based on Table 1 above, this research is the expansion of all the results of previous studies that focus

Table 1: Comparison of results of previous studies

Name	Years	Research title	Research purposes	The difference with this study
Green Keith	2005	Decentralization and good governance	To analyze aspects of decentralization in the context of good governance from the aspects of cooperation between governments under the decentralization framework	This study focuses on the formulation of policy models to increase competitiveness
Rob Gilsing	2007	Intergovernmental relations and the effectiveness of local governance: the case of dutch youth policy	To find the characteristics of urbanization and socio-economic status in revealing the relationship of cooperation between governments To explore the advantages and disadvantages both economically and politically by the respective governments through mutual cooperation in the provision of goods and services of education in order to build a strong local governance	
Tjahju Nalin Dornai	2009	Implementation of intergovernmental policy in the utilization of local resources	To analyze the implementation of inter-regional cooperation policy To identify factors which affect the implementation of inter-regional cooperation policy	
Drajat Irawan	2010	Intergovernmental Cooperation Model in the governing activities (study on the collaboration between the governments of Gresik and Sidoarjo districts in an integrated waste management under the coordination of the provincial government of East Java)	To find a model of regional cooperation in the management of government affairs in the field of waste management To analyze cooperation between regions, determining the parties involved as well as analyzing the role of institutions established To determine the model of cooperation To determine the advantages and disadvantages both economically and politically to respective parties cooperating in the provision of goods and services of education	
Masriadi	2013	Model of cooperation between local government in conducting education in Elementary and high schools in South Sulawesi Province	To explain the importance of cooperation among local governments To assess and explain the factors that influence the cooperation among local governments To interpret and assess the approach used in the cooperation among local governments To build and formulate a model of cooperation among local governments	

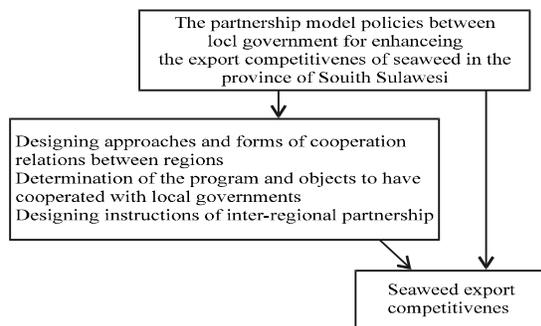


Fig. 1: State of the art of the studied field

on improving the competitiveness of seaweed farming through a cooperation policy among local governments in the Province of South Sulawesi. One of the leading commodities and one of the main economic activities in Sulawesi is fishing. In this study, the specified commodity is seaweed. Selection of sub-fishery commodities such as seaweed is one of the leading MP 3EI (Master Plan for The Acceleration and Expansion of Indonesian Economic Development) commodities because it is based on its

large contribution to the global market. Currently, Indonesia's seaweed export market is targeting America, Europe and several other Asian countries. In 2013, the government set seaweed production to 7.5 mln. tons, an increase of 30% from the previous year being only 5.2 mln. tons. Potential seaweed cultivation for export is still very large considering the available land for cultivation is 1.11 mln. ha. Competitor countries that exist today include the Philippines, Malaysia, Brazil and India. The international market value of seaweed for the year 2012 alone amounted to US\$ 7 bln. Meanwhile, the value of seaweed in Indonesia still amounts to around US \$200 mln. There are various methods to boost seaweed production in Indonesia, among others, related to the farmers and the industry themselves. Specifically for South Sulawesi in 2013 exports reached 739.5 tons of seaweed with an export value of US \$720.075.

The South Sulawesi province has great potential for seaweed development, both cultivation and processing industry. The seaweed industry is currently being intensified in six provinces in an effort to reach the target production of processed seaweed in 2013. The six

provinces include East Java, West Nusa Tenggara, East Nusa Tenggara, South Sulawesi, Central Sulawesi and North Sulawesi. For the year 2013 alone estimated seaweed production was 1,214,299 tons with the implementation of the number a workforce of 415,462 people with a production value of Rp. 1.13 bln. Specifically, three provinces in Sulawesi have the potential to be developed, for example, the province of North Sulawesi has 8,250 ha available while only 760 ha is used. Central Sulawesi province has 106,000 ha available but only utilizes 7,420 ha. The South Sulawesi province has 1,937 km located along the coast. The inability to meet such a large market share exists on one hand while on the other hand, there is a huge potential to be developed. This is due to the low quality of products that fail to fulfill the standards of the importing countries, nonintegrated marketing foci, less-supporting regulations, low interest by the public to switch over to cultivating seaweed, no clusters of seaweed cultivations, lack of knowledge on farming, unavailability of good seeds, difficult to access sources of capital, poor drying process, the market heavily dependent on traders and many more problems that accumulated into the inability of the seaweed industry on being able to grow and become competitive. Therefore, due to the various problems faced by both the farmers and the industries, it is necessary to have a model of cooperation between local governments on the policies for enhancing the export competitiveness of seaweed in the Province of South Sulawesi.

CONCLUSION

The partnership model policies between local governments for enhancing the export competitiveness of seaweed in South Sulawesi was designed in order to formulate and implement policies to improve the export competitiveness of seaweed in the province of South Sulawesi.

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